

March 3, 2005

Ms. Jacklyn A. Brillling
New York State Public Service Commission
3 Empire State Plaza
Albany, New York 12223-1350

Subject: CASE 05-M-0090 – In the Matter of the System Benefits Charge III

Ms. Brillling,

The New York State SBC program has an outstanding record of success in achieving reduced energy consumption, reduced peak electric loads, and consumer savings far beyond the program cost. These savings have been documented through an ongoing review program with an impressive degree of rigor. Brookhaven National Laboratory would like to strongly endorse continuation of this program, on a long-term basis.

NYSERDA has shown strong capabilities in the planning of balanced, relevant efficiency and R&D programs. NYSERDA has demonstrated a very open, fair, and effective set of procedures for inviting and evaluating project proposals, for executing projects, and for communicating results. NYSERDA, a clearly objective agency with a State-wide perspective, is best qualified to carry forward the management of this program.

At BNL we have been involved with many R&D projects, either as leaders or supporters of New York State companies involved with the commercial development of advanced concepts. This R&D program provides a critically needed link between basic research results and commercialization that leads to job growth and direct consumer benefits. Federal R&D programs in this area focus on national issues by necessity and often do not provide direct benefits within the Northeast and New York State context. This program has served to promote strong direct cooperation between basic research institutions, universities, and industry all across the State.

We would like to express our support for the extension of the SBC model to natural gas and distillate heating fuel utilization areas. In 2001, New York State consumers spent \$16 billion for electric power. Gas and distillate heating fuels were not far behind at \$10 billion combined (non-transportation).¹ End use technologies for these fuels, specifically in smaller heating and process applications are not receiving adequate R&D attention. We would like to point out that New York State leads the nation in distillate oil use for heating applications.

Other areas which are of strong interest to BNL and which we feel are directly relevant to New York include: hydrogen storage; fuel cell development; ambient air particulates source control, modeling, and assessment; zero energy building concepts in the Northeast; the role of biofuels in the Renewable Portfolio Standard; and application of imaging sciences to industrial technologies.. We would like to see program growth in these areas.

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Brookhaven National Laboratory stands ready to provide any help we can to New York and NYSERDA in this critically important program.

1. Patterns and Trends – New York State Energy Profiles: 1997-2001, NYSERDA report, December 2001

Sincerely,

A handwritten signature in black ink that reads "Denise M. Storace for William C. Horak". The signature is written in a cursive style.

William C. Horak, Chairman
Energy Sciences & Technology Department

WCH/dms05L01