

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

March 4, 2005

Dear Secretary Brillling,

RE: CASE 05-M-0090-3-

Citizens Campaign for the Environment (CCE) is an 80,000 member, not-for-profit, non-partisan advocacy organization working to protect public health and the natural environment throughout New York State and Connecticut. CCE operates from five regional offices across New York State and interacts with New York and Connecticut residents to advance sound environmental policies throughout the year.

Understanding that power generation from polluting, non-renewable resources has serious impacts on human health, wildlife, plants and the natural environment, CCE works on energy policy and renewable energy as a primary program area. Armed with a mission to build widespread citizen understanding and advocacy for policies and actions designed to manage and protect interdependent land and water resources, wildlife and public health, CCE recognizes that the long list of detrimental consequences from our reliance on fossil fuel combustion and nuclear fission includes: acid rain, urban smog, high rates of lung diseases and heart failure, oil spills, contaminated drinking water, rising sea levels, mining impacts, global warming, ecosystem damage, nuclear waste disposal, national and global depletion of finite energy sources, and conflicts over the world's dwindling non-renewable resources.

CCE believes that the work done by New York State Energy Research Development Authority (NYSERDA) funded through the Systems Benefit Charge (SBC) to advance energy efficient practices and technologies and renewable energy research, development, and use has launched New York State into the forefront of efficient, clean, and green energy policy. CCE appreciates the opportunity to provide comments on the questions posed by NYSERDA staff.

1. To what extent have the goals and objectives established by the Commission been achieved?

The goals of the SBC program, administered by NYSERDA are to fund public policy initiatives not addressed by competitive electric markets in the following ways:

1. Improve system-wide reliability and increase peak electricity reductions through end-user efficiency actions
2. Improve reliability and increase peak electricity reductions through end-user efficiency actions
3. Reduce the environmental impacts of energy production and use
4. Facilitate competition in the electricity markets to benefit end-users

CCE will limit our comments to the third goal of reducing the environmental impacts of energy production and use. CCE believes that the SBC has made important steps in reducing environmental impacts from conventional energy production and use by:

- working with the public and industry to raise awareness of renewable energy programs in New York,
- educating the municipalities, private industries and the public on ways to reduce energy use, and
- providing ongoing support for purchasing and installing energy efficient technologies.

CCE recognizes that substantial work left to achieve this goal. Specifically, CCE believes that the SBC has only begun to penetrate public understanding on the availability and affordability of renewable energy. In fact, NYSERDA research has demonstrated that more New Yorkers want to use renewable energy to power their homes than know that this option exists. CCE believes continued and additional renewable energy public education and outreach efforts are needed. **CCE supports using SBC funding to supplement, support, and coordinate public education efforts already undertaken by the New York State Public Service Commission (PSC), utility and energy generating industry, and other non-governmental organizations.**

CCE recognizes that education on adapting energy efficiency practices and energy efficient technologies needs to continue in order to permeate the public consciousness deeper and that change is often more acceptable if incentives are offered, as demonstrated by the highly effective rebate program for energy inefficient window air conditioners. CCE supports improving the effectiveness, efficiency and coordination of the state's low-income energy assistance programs, including the New York Energy Smart program, the Weatherization Assistance Program (WAP), the Low-Income Home Energy Assistance Program (LIHEAP) and other state programs that offer incentives, assistance or information services to improve the efficiency of energy use and reduce the energy burden of low-income households.

2. Should the SBC program continue beyond its current expiration date of June 30, 2006? If so, for what duration should the SBC be extended and at what funding level?

Yes. CCE supports continued expansion of the state's Systems Benefit Charge program. CCE believes the SBC goals and objectives should be achieved and recognizes that additional time and resources are necessary to achieve SBC goals. CCE supports extending the SBC for five years, until June 30, 2011, and increasing the funding to \$300 million per year, or \$1.5 billion over a five-year period. CCE believes a five-year extension provides adequate opportunity for program evaluation. CCE believes the SBC extension and additional funding increase is necessary to achieve stated goals and objectives and to provide assistance to ongoing state and municipal efforts to decrease energy consumption and increase renewable energy use, through programs like the Renewable Portfolio Standard (RPS) that requires at least 25% of power sold to consumers to be generated from renewable sources by 2013.

3. Have conditions changed since the establishment of the SBC that would necessitate a change in the overall goals and objectives of the SBC? If so, what changes are recommended?

No, CCE supports working to achieve the overall SBC goals, however, we believe programs to achieve these goals need to be adjusted. For instance CCE supports SBC program support to assist implementation of a Renewable Portfolio Standard (RPS) will increase the need for funding renewable energy development.

4. If assuming continuation of the SBC, how should programs be prioritized to meet those goals and objectives?

CCE supports continuing the SBC and concentrating efforts on developing and supporting renewable energy in order to meet the goals of the RPS and other state and municipal clean and green energy efforts to help decrease dependence on fossil fuels and increase the competitive renewable energy market. CCE supports the continuation and expansion of SBC programs that educate the public on energy conservation practices, energy efficient technologies, like the Energy Star label, LEED Certification and other "green" building standards.

5. How might the SBC programs be adjusted given the Commission's order, issued September 24, 2004, regarding a Renewable Portfolio Standard (Case No. 03-E-0188)?

CCE believes that SBC program should be adjusted the following ways to assist in RPS implementation:

- a). **Increase the tax credits available to new wind energy systems.**
- b). **Continuing and expanding incentives for solar panel installation.** Several areas in the state, New York City in particular, are utilizing gas- and diesel-powered emergency generators during periods of peak summertime electricity usage. CCE believes that by focusing on meeting some of the peak summertime electricity needs in those areas with more solar energy, which also peaks in its output during summer, could reduce the need for such emergency generators, reduce harmful air emissions and improve ground level ozone levels.

c). **Expand and publicize the a low interest energy efficiency and renewable energy financing program** that provides direct assistance to individual property owners and interested businesses who find the initial capital needed difficult to front to participate in energy efficient and renewable energy investments. The benefits far outweigh the costs when it comes these programs, but for many New Yorkers with less than perfect credit, lack of available capital, or an already locked in a low interest rate, refinancing one's property for renewable energy and energy efficiency investment may not be a present-day financial reality, while qualifying for a low-to no interest renewable energy/energy efficient loan could be. The loan fund allows the SBC achieve its goals and stretch SBC dollars even further.

6. In what ways might the current SBC fund collection and allocation process be improved?

The abovementioned plan for increasing cash incentives in Metro New York for solar energy would also have the effect of shrinking the gap between contributions by ratepayers from Con Edison and funds committed to the Con Edison service area (currently Con Edison ratepayers contribute 50.51% of funds to Energy Smart yet receive 46.00%).

7. What specific program(s) should be eliminated, expanded or created?

CCE is not advocating for any particular program to be eliminated. CCE called for the expansion of the solar installation, wind tax credit, public education programs on renewable energy and energy efficiency programs, and expansion of the low-interest financing program. Please refer to the above for details.

8. How can future SBC funded programs be more responsive to the needs of New York's energy consumers?

CCE believes SBC funded programs can be more responsive to the needs of energy consumers by researching, supporting, and executing programs that decrease New York's dependence on fossil fuels. CCE believes that greater fuel diversity and increased reliance upon zero-fuel cost renewable energy infrastructure will lead to price stabilization, the potential for energy generation costs to decrease, as well as, improved quality of our air, water, and public health.

9. How can SBC funded programs be marketed more effectively?

In addition to advertising to the public via media outlets and utility bills, CCE believes the SBC programs would benefit from in-person local outreach programs to promote them. CCE also supports NYSERDA partnering with private and public entities to assist in promoting SBC programs, like the low-interest loan program.

10. In what ways can NYSERDA improve its administration of the SBC?

N/A

11. Is the current NYSERDA program evaluation process adequate? How might it be improved?

CCE is satisfied with the current evaluation process.

12. Should SBC funds be extended to programs that encompass research and development into retail and/or wholesale electric market competitiveness issues, or transmission and/or distribution of the State's energy resources?

CCE believes the current goals of the NYSERDA should continue to be the same.

13. Should the scope of the SBC program be expanded to include programs for natural gas customers?

At this time, CCE does not support an additional natural gas SBC program. CCE believes an appropriate use of SBC includes transitioning away from further dependence or reliance on fossil fuels, including natural gas. At this time, no market-ready renewable alternative to natural gas is available.

14. Do you have any other suggestions for improving the overall SBC program that are not addressed by the above questions?

Not at this time.

Thank you for your thoughtful consideration of our comments.

Sincerely,

Emmett Pepper
Program Coordinator