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Jaclyn A. Brillling  
Secretary  
NYS Department of Public Service  
3 Empire State Plaza, 14th Floor  
Albany NY 12223

March 1, 2005

Re: New York State Systems Benefits Charge Program

Dear State of New York Public Service Commission:

This letter is with regard to CASE 05-M-0090 - In the Matter of the System Benefits Charge III. There was a Notice Soliciting Comments issued January 18, 2005. This letter is a response to the series of questions that were asked regarding the programs that were funded through the SBC.

My name is Dr. Thomas E. Hoff and I am a Principal with Clean Power Research. Clean Power Research provides objective economic analysis (through both software and consulting services) about investments in clean energy technologies to consumers, companies, utilities, organizations, and governments.

Clean Power Research has received funding from NYSERDA to support public policy initiatives that would not have adequately been addressed by competitive markets. While it is always easy to say that you believe that someone has spent their money well when you have been the recipient, I believe that NYSERDA has done an excellent job of accomplishing the stated mission that was set out for the SBC funding.

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

NYSERDA's investments using SBC funds have resulted in three major categories of benefits: (1) higher quality clean energy system installations; (2) more informed consumers; and (3) information transfer to and from other agencies promoting clean energy technologies.

### **Higher Quality Systems**

The first category of benefits that NYSERDA has obtained is based on promotion of best installation practices. It has accomplished this through actions such as training and NABCEP certification for installers. In addition, it has developed better analytical tools and made them freely accessible to installers. For example, it has funded the use of the Clean Power Estimator and advanced the analytical capabilities, including accounting for the effect of PV system orientation and obstructions that cause shading. Properly used, these tools help installers to install PV systems in orientations and locations that maximize the value to the purchasing consumer.

### **More Informed Consumers**

A second category of benefits that NYSERDA has obtained is based on providing potential customers with valuable information. The focus has been on helping potential customers to make informed purchase decisions prior to investing in a clean energy system. This effort has included items such as brochures, case studies, an extensive website (<http://www.powernaturally.org/>), and the availability of powerful analytical tools (such as the Clean Power Estimator and PowerClerk).

One result of having more informed consumers is the promotion of healthy competition within the market. The more consumers know about what they are buying and who they are buying from, the better their purchase decisions. Informed consumers tend to demand better products at more competitive prices. As a result, the cost-savings that New York consumers have experienced as a result of NYSERDA's efforts may outweigh the expenditures NYSERDA has made in providing the consumer education.

### **Information Transfer**

A third category of benefits resulting from NYSERDA's expenditures is the information transfer that has occurred both into and out of the state of New York. On the one hand, other locations throughout the U.S. have benefited from the work sponsored by NYSERDA. In the process of promoting installer training, developing the analytical features in tools such as the Clean Power Estimator and PowerClerk, and developing good consumer education information materials for New York, it has helped to transfer these improved tools and methodologies to other agencies throughout the U.S. On the other hand, as other agencies have benefited from NYSERDA's efforts, they have increased their efforts and NYSERDA and New York customers have in turn been beneficiaries of work performed by other non-New York based agencies.

## ***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?***

NYSERDA has done a good job in spending the SBC funds in ways that are beneficial to New York. The efforts that NYSERDA has begun with regard to installer training, consumer education, and program administration are very valuable to the success of a strong market for clean energy.

It is very appropriate to extend and even expand the work that NYSERDA has sponsored through the SBC program.

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

It is important to continue to focus on programs that promote consumer education and understanding and to provide for high quality installations (installer training, certification, inspections, etc.).

Sincerely

A handwritten signature in black ink, appearing to read "Thomas E. Hoff". The signature is written in a cursive style with a large, sweeping initial "T".

Dr. Thomas E. Hoff  
Clean Power Research