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March 3, 2005

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

Re: Case 05-M-0090 – In the Matter of the Systems Benefits Charge III

Dear Secretary Brillling:

The Community Power Network of New York State is pleased to submit these comments to your request concerning Case 05-M-0090. CPN is based in the southern Adirondacks. Our mission is to strengthen the ability of New York families and communities to address their energy needs and community sustainability.

We strongly encourage the PSC to continue the Systems Benefits Charge. SBC has been an important resource for helping New Yorkers to use energy more effectively and for educating them on the role that energy plays in their day to day lives. It has also been a critical resource for leveraging resources and programs that help communities to be more sustainable. Our comments will attempt to address questions 1-7.

1. Goals and objectives. CPN believes that substantial progress has been made towards many of the goals and objectives established for SBC II. As with most young public policy initiatives, SBC II experienced challenges in its **ramping** up period. We have observed with many of the SBC initiatives, a maturation and evolution. We believe that SBC III will provide the opportunity for many of these initiatives to fully realize their potential.
2. Duration for SBC III. CPN recommends a five year continuation for SBC III. Regular evaluation is critical for any successful public policy initiative. We believe that a five-year window is long enough to allow for great results to happen and for adequate evaluation of those results to occur.
3. Changing Conditions. The challenging economic conditions of the last few years and increased energy costs have helped to create a climate **where energy** efficiency and renewable energy can be more **successful** than ever. At the same time, resource programs such as the federal Weatherization Assistance Program, the Low-Income Home Energy Assistance Program and the Small Cities and HUD programs are facing the threat of substantial funding cuts. This will make the resources available through the SBC for Low-Income Programs more critical than ever.
4. Prioritization of Programs. CPN believes that additional resources should be added to the Low-Income component of SBC. Low-Income households often find themselves living in housing conditions that are substandard because those are the

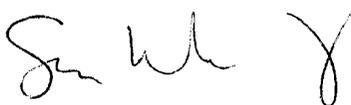
only places that they can afford. Those units are generally very energy **inefficient** which creates a further financial burden on households which cannot handle that burden. The prior **SBCs** have worked to improve energy **efficiency** and affordability. We believe that those initiatives should be expanded.

5. The Renewable Portfolio Standard is a critical piece of New York's role as a leader in using energy wisely. CPN supports the RPS as well as encouraging leveraging of both the RPS and SBC to expand and strengthen New York's use of renewable energy. We would be especially interested in seeing the SBC and RPS explore the use of renewable energy for low and moderate income public housing, and a stronger link between the development of Energy Star homes and renewables. We also strongly encourage the Commission and NYSERDA to explore the role that renewable energy can play in helping rural communities meet their emergency preparedness goals and objectives.
6. Fund collection and allocation. CPN would like to see at least part of the SBC resources allocated for rural communities which face power disruptions and may be at a greater risk due to limited availability of generators and emergency shelters. As noted earlier, we also support a greater allocation for low-income programs.
7. Expansion of programs. CPN is currently involved in two SBC-funded programs. As implementation team leader for the HEAP Heating Oil Buying Project, we have come to appreciate the extraordinary partnership that has evolved between NYSERDA and OTDA on behalf of low-income households. The program is extending the buying power for low-income households in the LIHEAP Program. We were able to work with five counties during the 2004-2005 heating season and are seeing an increase of 9% or more in each of the five counties. New York's LIHEAP Program spends about \$60 million per year. We expect that the program could extend its buying power by \$5-9 million if an oil buying strategy were implemented for LIHEAP statewide.

CPN would also recommend continuation of the Low-Income Forum on Energy (LIFE). LIFE is the longest running statewide dialogue on the energy needs of low-income consumers in the country. Since its inception in 1999, it has built understanding concerning the energy needs of low-income New Yorkers for state and local government, community based service providers, utility companies and others. The dialogue begun through LIFE encouraged those organizations to approach the energy needs of their low-income customers in a more creative and effective manner and will be more important than ever as low-income New Yorkers face the double threat of high-cost housing and high energy costs.

Thank you for this opportunity to comment on SBC III. We look forward to continuing this dialogue with you and the other parties.

Sincerely,



Sue Montgomery Corey,
President