



**Connected Energy Corp.**  
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Jaclyn A. Brillling  
Secretary  
New York State Department of Public Service  
3 Empire State Plaza, 14th Floor  
Albany, NY 12223

March 2, 2005

Subject: The System Benefits Charge

Dear Ms. Brillling,

I am writing to you today in support of the Systems Benefit Charge (SBC). Extending the SBC program beyond its current expiration date of June 30, 2006 is crucial to maintaining New York's leadership position in the energy technology field. We are entering a period of dynamic change in the energy sector as new technologies in power generation and advanced energy information technology (IT) systems are emerging from early stage development and entering a period of integration into our nation's energy infrastructure. These are exciting times, not unlike the early days of network communications, which transformed other "network" industries in America (e.g., telecommunications). The electric power business sits on the brink of a similar transformation. Do not let these opportunities pass us by; they will be massive as our nation seeks to reinvent its energy infrastructure. The economic growth of New York State may very well be linked to our participation in the rebuilding of that infrastructure.

The work undertaken by NYSERDA has positioned the State to be a key participant in that transformation and we should not endanger that position by failing to extend or by reducing the SBC. Research and development of energy technology is the area where the State should be investing our precious resources. It is my sincere belief that an SBC Extension Order extending the program five years should be issued and the SBC program's annual funding level should be increased from approximately \$150 million to \$250 million to provide support for i) advancing electric demand reduction technology, ii) market transformation programs, iii) advancing the understanding and commercial viability of distributed power, including renewable energy technology and iv) power system reliability programs focused on increased system intelligence.

At a conference on Combined Heat and Power in Washington, DC, I had an opportunity to speak with Alison Silverstein, then Senior Energy Policy Advisor to Chairman Pat Wood of FERC. When I asked where my company, Connected

Energy Corp, should focus its efforts, she indicated that New York and California are true leaders in energy research and development and we would be best served to focus there. This reinforced my belief that the rest of the nation looks to New York for innovation and leadership in energy technology research and development.

NYSERDA is supporting early stage technology that holds the potential to blossom into solutions to not only our state's energy challenges but also the nation's. I believe there is also an opportunity to market our successes to other states and countries as well. The seeds of innovative energy technology are developed here and can be sown elsewhere to drive economic growth for New York companies and in turn, New York State.

Sincerely Yours,

A handwritten signature in black ink that reads "Christopher M. Campbell". The signature is written in a cursive style with a horizontal line above the name and a small mark at the end.

Christopher M. Campbell  
President & CEO  
Connected Energy Corp.