

Response to the State of New York Public Service Commission

CASE 05-M-0090

In the Matter of the System Benefits Charge III

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Comments

By

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Re: CASE 05-M-0090 Questions Solicited

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

Response:

Goals and objectives established by the commission have been achieved through NYSERDA's diverse and comprehensive nature of market sector based programs reaching many ratepayers. Market sectors served include Industrial, Institutional, Large Commercial, Small Commercial, Large Residential, Small Residential and Low-Income. NYSERDA offers many different programs that serve these market sectors which rise to a comprehensive achievable nature addressing customer energy efficiency and power needs under the current SBC regulations. Customers realize many benefits when energy consumption is reduced. Benefits range from economic savings which are utilized to increase economic vitality and provide certain financial flexibility for ratepayers. Particularly, Low-Income households realize necessary cost reductions due to comprehensive energy efficiency improvements and helps free necessary household dollars.

On January 26, 2001, the Commission issued an Order extending the SBC Program for an additional five years, encompassing July 1, 2001 to June 30, 2006.

As a result of the order extending the SBC Programs NYSERDA expanded operations and introduced many newer programs to meet goals and objectives established by the Commission. One example, is a program named the New York's Energy \$mart Communities SM Program funded by NYSERDA and is co-funding by the United States Department of Energy. NYSERDA has partnered with many other governmental funding sources and is capable of funding joint projects bringing diversity to project financing capabilities to further realize the commission goals and objectives saving even more energy per SBC dollar spent.

New York's Energy \$mart Communities SM increased NYSERDA's reach into to individual communities throughout New York State. Energy \$mart Communities Coordinators are located in nine regions of the state providing assistance to individuals, community groups, local governments, business owners and not-for-profits with energy efficiency assistance. More importantly, New York's Energy \$mart Communities SM provides a stable and critical presence in communities developing pathways and networks for NYSERDA and the community at large stimulating increased energy efficiency activities. Energy \$mart communities Coordinators are working with Business Improvement Districts in some cases across the state to provided main street revitalization

in downtown urban areas helping with critical information about programs, facilitation and implementation of energy efficiency projects. This effort is important to satisfy redevelopment efforts within downtown areas of the state, increasing energy efficiency activities having positive impacts on communities.

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?

Response:

Yes, SBC Programs absolutely should continue beyond June 30, 2006.

Longevity of established energy efficiency networks must remain in place to serve the public interest providing critical resources through NYSERDA's expansive array of diverse programs. Longevity enhances necessary expertise in the energy efficiency industry and promotes career based expertise. It is not cost effective to renew and educate new networks of energy efficiency experts every 5 years. Therefore the SBC term should be extended to 10 years

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?

Response:

No Comment

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

Response:

No Comment

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)?

Response:

The Renewable Portfolio Standard should not be combined with traditional SBC energy efficiency activities, programs and revenue streams. Renewable energy sources, power production, related distribution issues are complex in nature and funding provided should stand alone and not mingle with current electrical funds. All renewable activities should be under one roof at NYSERDA in order to facilitate complex regulatory issues of power grid

interconnection, electrical distribution, transmission, utility complications and customer concerns.

The Renewable Portfolio Standard may require separate legal support for commerce which could alter or delay implementation of traditionally energy efficiency programs if the Renewable Portfolio Standard is combined with traditional programs which would delay current and future SBC activates leading to loss of services to consumers.

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

Response:

No Comment

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

Response:

NYSERDA's New York's Energy \$mart Communities ProgramSM should be expanded to accommodate New York States ongoing efforts in revitalization of cities, towns and villages. A vital role is played by NYSERDA's New York's Energy \$mart Communities ProgramSM which provides energy efficiency planning for communities, local governments and individual customers. This is critical to NYSERDA's network of energy efficiency service provides which may be able to head off expensive marketing costs of programs due to community based outreach.

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

Response:

No Comment

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

Response:

No Comment

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

Response:

No Comment

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

Response:

No Comment

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?

Response:

SBC funds allocated should be strictly used for transmission and/or distribution activities related to electrical transmission improvements to stabilize reoccurring costs for electric transmission lines, related equipment, repairs, maintenance and new electric conducting technologies that are reasonable and achieve realistic results.

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

- a. What kinds of programs would benefit New York's gas consumers?

Response:

Natural gas SBC programs, if implemented would benefit consumers in the purchasing of high efficiency capital equipment purchases for Heating, Ventilation and Air Conditioning technology improvements including their respective distribution systems and controls . Currently consumers are forced to purchase lower efficiency equipment due to lagging market forces for high efficiency capital equipment, Customers and some contractors lack knowable in the topic area of energy efficient heating and cooling equipment leaving customers with little or no appropriate knowledge to make informed decisions.

- b. Which classes of customers would be served most effectively by a natural gas SBC program?

Response:

Two distinct rate classes would greatly benefit from SBC gas program for assistance in the acquisitions purchase in high efficiency for Heating, Ventilation and Air Conditioning technology improvements including their respective distribution systems

- c. How should a natural gas SBC program be funded and what annual level of funding might be considered reasonable? How might a natural gas SBC affect current electric SBC funding levels?

Response:

No Comment

d. What should be the initial duration of a natural gas SBC, and should that term coincide with the extension of an electric SBC, if the electric SBC is extended?

Response:

Duration of a natural gas SBC should be 10 years

e. How might a natural gas SBC be administered and evaluated and how should it differ from the administration of the electric SBC?

Response:

A natural gas SBC should be administered through NYSERDA in combination with current programs.

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

Response:

Not at this time