



February 28, 2005

Ms. Jaclyn Brillling
Secretary
New York State Public Service Commission
3 Empire State Plaza, 20th Floor
Albany, NY 12223-1350

Re: Comments pursuant to CASE 05-M-0090 – In the Matter of the System Benefits Charge III

Dear Secretary Brillling:

Thank you for the opportunity to comment on the New York State System Benefits Charge Program. Collectively, the California Energy Commission, Energy Center of Wisconsin, Montana State University – Billings, US, University of Illinois at Chicago – Energy Resources Center and others have been working with New York State Energy Research and Development Authority (NYSERDA) staff and their contractors in one of the Energy Smart Research and Development Areas that focuses on combined heat and power applications at end-user facilities.

The expansion of combined heat and power (CHP) applications is a key component to the Public Service Commission's first SBC goal to "Improve system-wide reliability and peak reduction through end-user efficiency actions." The CHP Program clearly supports all six of the objectives defined in the Energy Smart Program. CHP systems offer the prospect of 70% system efficiency compared to 40% efficiencies available at central generating facilities. The objective of such investments is cost savings, energy savings, reliability improvements, and emissions reductions. Furthermore, on-site generation eases the burden on the grid and avoids distribution losses.

The existing CHP Program has been very effective in assisting a broad range of New York end-users in evaluating and adopting this emerging technology. One of the major barriers to the adoption of smaller scale applications (5 kW up to 7 MW) is the lack of reliable data on the performance of current and emerging CHP systems in various applications. This barrier is an universal issue across the nation. The CHP Program under NYSERDA's management has taken a major step in addressing this barrier by leveraging interest and funding from other states in a collaborative effort funded with the US Department of Energy to establish national performance protocols (ASERTTI

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(Association of State Energy Research and Technology Transfer Institutions) National Program for the Development and **Performance** Testing of Distributed Power Technologies with Emphasis on Combined Heat and Power Applications). The "apples to apples" comparison data **from** across the country is being made available to New York and other end-users through a national searchable database that will be announced in April 2005.

We urge the Public Service Commission to continue the SBC CHP Program efforts including Program Opportunity Notices, performance monitoring, and ongoing support of the searchable database so increasing numbers of end-users can accurately **determine** the savings and applicability of **CHP** at their sites. This will be a key element in developing a robust, commercial **CHP** presence in the New York economy based on both natural gas and other fuels, including biofuels in some settings. We urge the Public Service Commission to consider this as both an electric and natural gas SBC issue that should be coordinated in the focus and timing of the programs.

On behalf of the steering **committee** for the National Program for the Development and Performance Testing of Distributed Power Technologies with Emphasis on Combined Heat and Power Applications we note that **NYSERDA** staff are leaders in guiding the national collaborative protocol and database effort, and their contributions are greatly appreciated.

Sincerely,

A handwritten signature in black ink that reads "Steve Brick". The signature is written in a cursive, flowing style with a period at the end.

Steve Brick
Associate Director, Energy Center of Wisconsin
Project Contract Manager