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March 3, 2005

The New York Public Service Commission  
3 Empire State Plaza  
Albany, NY 1223-1350

Re: Comments on Case 05-M-0090

To Whom It May Concern:

I am a science advisor to the NYSERDA Environmental Monitoring, Evaluation and Protection Program (EMEP). With this letter, I am sending you comments on certain questions the Public Service Commission has asked about continuing the Systems Benefit Charge (SBC) program, and its support for NYSERDA activities.

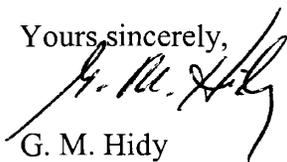
I am not familiar with the entire portfolio of research conducted by NYSERDA, but I have been closely associated the EMEP activities for the past two years. Further, my experience includes a long standing association with environmental research and development at a national and international level involving the electric utilities. For a number of years, for example, I was the Vice President of the Environment Division of EPRI, the Electric Utilities Cooperative Research Institute from 1987-1994.

My experience with EMEP and its staff has been a very positive one. I believe that the program has served the public and the electricity industry of New York very well in designing and executing an applied research program that has focused at high priority environmental issues of air quality and ecological stress associated with atmospheric deposition. Given its budget level, the program is well managed, and has contributed substantially to our knowledge about air pollution phenomena and effects in the Northeast. In addition, through its program of communications, it has striven to report its results to a range of stakeholders, and educate the public about the environmental issues associated with the production and use of electricity.

I think that the NYPSC can be very satisfied with the performance of EMEP, and can count on its continued effectiveness as a state entity, should it be funded for another term.

If you have any questions about my comments, please give me a call at 505-771-4083.

Yours, sincerely,



G. M. Hidy  
Principal

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March 2, 2005

**COMMENTS ON SBC/NYSERDA PROGRAM**  
For Case 05-M-0090

The following comments address questions the New York Public Service Commission for public comment on Case 05-M-0090.

Q1. Goals and Objectives for SBC served by NYSERDA.

--The goals and objectives for the environmental component of the SBC-NYSERDA program have been addressed well, by the NYSERDA Environmental Monitoring, Evaluation and Protection Program (EMEP). The EMEP has established a vital and aggressive program of environmental research of importance to the rate-payer in New York State, driven by a number of national initiative especially in air quality, and statewide concerns that relate to human health effects and ecological concerns for the Adirondacks.

The EMEP has engaged a number of world class scientists to investigate aspects of ozone pollution, exposure to airborne particles, pollutant emissions and emission control, as well as aquatic and forest ecology effects. Through a highly competent staff and a cadre of advisors, EMEP has invested its resources exceptionally well to obtain research results that are important to the understanding of the consequences of pollutant emissions from energy generation and use in New York. The staff has been active in cooperative research activities both in state and federal government, as well as stakeholders in the private sector. Through these interactions, the EMEP work has been leveraged substantially for the New York public to provide greatly improved knowledge and insight about environmental issues.

In turn, the EMEP has developed a sophisticated, state of the art program to communicate its results in a timely way for public education, and for the use New York policy makers and regulatory entities in the state.

In my opinion, the rate payer and the state stakeholders have been efficiently and effectively served by EMEP; the state is one of the few that has an advanced level of knowledge on which to base its energy related environmental policies.

Q2. Continuance of the SBC Program

--Given the contributions made by NYSERDA's EMEP activity to the environmental science, education and edification of the public in New York, I would definitely recommend continuing this project as a means of providing an effective applied

environmental research program giving insight to very complex issues facing the state, which complements the regulatory agencies and the academic research..

Attention might be expanded in EMEP to include more in-depth effort on climate related concerns, and air toxics. In the former case, the concerns over integrating air quality policies with climate issues could be an important area for EMEP to take initiatives in.

### Q3. Changes in Overall Goals of the SBC

--Environmental issues continue to be of major concern to the public, in terms of energy generation and use. Response to issues of climate alteration has increasingly been diverted to state or regional authorities, and the health effects of specific components of air borne particulate matter remains an important question. These two areas, along with airborne toxics (hazardous air pollutants) are areas into which the SBC could broaden programs.

### Q4. Prioritization of Goals and Objectives

--Priority should be given to studies that will enable the state to insure its electrical energy supply taking into account environmental impact of advanced technologies. To insure that the state remains aware of "potentially undesirable options", the advanced nuclear plant option for New York should be explored on paper, and feasibility studies advanced coal based energy, including integrated coal gasification, combined cycle options, combined with coal liquefaction for possible transportation fuel production.

### Q7. Specific Programs to be Eliminated or Created

--See above broadening and enhancement of the EMEP coverage.

### Q8. Responsiveness to Customers

--The EMEP program has done a surprisingly good job at public communication of policy relevant environmental research. The program could enhance the communication effort as part of a more elaborate program for the state in the future. The program has been very responsive to the public in my opinion in its initial form by investing its funds carefully for research on important complex environmental questions, and communicating the context and results to the public in a reasonably timely way.

### Q9. Marketing SBC Programs

--To date, EMEP has been marketed well to the public in its initial form. The methods used should continue to be supported, with the communication links already in place.

Q11. NYSERDA Evaluation Process

--The EMEP program has a significant advisor cadre in place, who have assisted the staff in developing a first rate research and communication program, and who have served as critical technical reviewers for the research reports as they are drafted. As a result of this interaction, the research is believed to be highly credible by national and international standards, and is of great value to policy makers and the public in-state.

Q13. Retail and Wholesale Electricity Markets and Transmission/Distribution.

--New York State has a serious transmission and distribution (T/D) problem for electricity supply in the New York metropolitan area. It is appropriate for SBC to extend its programs into new options for that will provide environmentally and aesthetically, cost effective options for T/D for the state in the future. As demand growth takes place, this problem will become increasingly severe, so that new approaches or concepts are urgent to resolve the problem to the publics' satisfaction and acceptance.