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February 24, 2005

Jaelyn A. Brillling
Secretary
New York State Public Service Commission
3 Empire State Plaza
Albany NY 12223-1350

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Dear Ms. Brillling:

I am the president of Heat Wise, a manufacturing company based in Middle Island, New York. Heat Wise produces high efficiency oil, gas and multi-fuel power burners for residential and commercial heating and industrial processes. I am writing this letter to comment on the New York State Systems Charge and the New York State Energy Research and Development Authority (NYSERDA).

The Systems Benefit Charge -Energy Smart - Program (SBC) has an exceptional performance record in achieving reduced energy consumption, reduced peak electric loads and consumer savings far in excess of the program cost. These energy savings have been documented through a continuing review mechanism with a high level of integrity and intensity. Heat Wise would like to strongly endorse continuation of **this** program on a long-term basis.

Heat Wise also strongly supports the possible extension of the SBC model to natural gas and distillate heating fuel utilization areas. New York State consumers spend about fifteen billion dollars annually for electric power. Stationary usage of utility gas and distillate heating fuel usage represents nearly ten billion dollars in New York when combined. End use technologies for these fuels, especially in specifically in smaller heating and process applications, are not receiving adequate **R&D** support at the Federal level. For example, New York State **leads** the nation in distillate oil use for residential heating applications with about two and a half million households. **Another** area which is of strong interest to Heat Wise and which we **feel** is directly relevant to New York is the role of biofuels in the Renewable Portfolio Standard. We would **like** to see program growth in this area. Bio-based fuel technology like biodiesel and bio-heating fuel represents a new domestic source of energy that can contribute to the economic health of New York State while reducing its dependence on imported foreign crude oil.

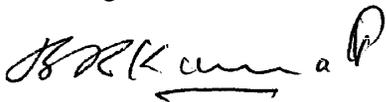
NYSERDA has proven a high degree of competence in the planning, administration and execution of a balanced relevant **R&D** programs related to efficiency improvements for New York State consumers. NYSEERDA has demonstrated **an effective, open, and fair** approach for soliciting and evaluating proposed projects, for managing **those** projects and disseminating project results. **NYSERDA has proven to be a** clearly objective agency with a balanced perspective that incorporates the energy efficiency and environmental **concerns** of the entire State of New York related to energy issues. NYSEERDA is eminently qualified to carry forward the management of this important program.

At Heat Wise, we have been involved with many R&D projects, both as a **team member** and as a leader in New York State involved in the commercial development of advanced projects for energy efficiency. The NYSEERDA R&D program provides a critically needed link between fundamental applied research results and the commercialization of new products that leads to job growth and direct **consumer** benefits in New York State. There has been a lacking in Federal R&D programs in that they focus on national **issues** by

necessity and often do not provide direct benefits to the Northeast and New York State which has its own unique energy mix. The NYSERDA program has served to promote stronger direct cooperation between research institutions, universities and industry all across the state in the many projects sponsored by NYSERDA under this program.

Heat Wise stands ready to provide any help we can to New York State and NYSERDA in the critically important SBC program. Please feel free to contact me if you have any further questions.

Best regards,

A handwritten signature in black ink, appearing to read 'Bola R. Kamath', with a stylized flourish at the end.

Bola R. Kamath
President
Heat Wise, Inc.