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Ms. Jaclyn A. Brillling
Secretary
New York State Service Commission
3 Empire State Plaza
Albany, NY 12223-1350

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March 1, 2005

Re: In the Matter of the System Benefits Charge III

Ms. Brillling

I am writing in response to the Notice Soliciting Comments issue by the Commission on January 28, 2005 to state our enthusiastic support for continuation and enhancement of the System Benefit Charge (SBC).

MTI MicroFuel Cells (MTI Micro) was formed in January 2001 as a majority owned subsidiary of Mechanical Technology Inc. (MTI), an Albany-based business since its founding in 1961 with a focus on energy-related products and technologies. MTI Micro develops and manufactures advanced cord-free rechargeable power pack technology for use in portable electronic devices. MTI Micro has developed a patented, miniaturized proprietary direct methanol fuel cell (DMFC) technology called Mobion™, which generates electrical power using 100% methanol as fuel. MTI Micro's Mobion™ cord-free power packs are intended to replace current lithium ion and similar rechargeable battery systems used by Original Equipment Manufacturers (OEMs) in many hand-held electronic devices such as personal digital assistants (PDAs) and smartphones. MTI Micro's Mobion™ technology has been designed to provide consumers with convenient, on-demand power anytime, anywhere, without the need to ever plug the device into a wall power outlet. Since our founding in 2001, MTI Micro has grown our employment to over 70 scientists, engineers, technicians and business people, grown an significant intellectual property position of over 60 patents granted and in process, forged significant partnerships with world-leading companies (e.g. Gillette and their Duracell business unit, DuPont, and Flextronics) in order to reach our goal of being the world's leading provider of DMFC systems for industrial, military and commercial markets.

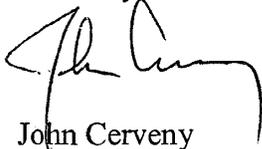
As an employer within the Capital District who has participated in and benefited from the programs initiated by the New York State Energy Research and Development Authority (NYSERDA) in their role as third-party administrator of the SBC, I can tell you that the funding provided by the SBC has enabled technology research and job growth which would not have happened—and certainly not in the same timeframe. The funding

provided through the SBC is very meaningful to growing technology companies like ours within New York State.

We have found that NYSERDA staff provides strong stewardship of all programs they are associated with; from the application and review processes, to technical reviews and guidance throughout the program, and their role as capable as match-makers for technology developers and users for the candidate technology. MTI Micro endorses and supports the continuation of the SBC, and the continued role for NYSERDA, past the current expiration date of June 30,2006.

If you should require further information please feel free to contact me at 518-533-2230.

Sincerely,

A handwritten signature in black ink, appearing to read 'John Cerveny', with a stylized flourish at the end.

John Cerveny
Director of Government Systems