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

**RE: Comments Regarding NYSERDA Case 05-M-0090 –
Systems Benefit Charge (SBC)**

To Whom It May Concern:

I am writing in support of NYSERDA regarding Case 05-M-0090, the Systems Benefits Charge III. I am a Green Builder, LEED-accredited professional, and HERS supervisor. I have conducted over 300 home energy ratings in the past two years. In addition, many other builders have contacted me for advice because of my advanced building performance training provided by NYSERDA. Below are my comments in support of extending the SBC to NYSERDA for an additional five years.

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

The May 2004 *New York Energy Smart* Program Evaluation and Status Report (Status Report) found that the *New York Energy Smart Program* continues to make considerable progress in meeting its public policy goals. The Status Report concludes that the *Energy Smart Program* has **successfully** developed a market that would not otherwise exist, specifically, in the areas of energy efficiency, peak load reduction, and renewable energy.

My company has added three new employees to handle the additional workload generated by NYSERDA and the *New York Energy Smart* Program. I am also currently devising a business plan to transition my company to provide consulting services about energy efficiency and energy conservation measures and techniques. This transition to providing consulting services would not be possible without NYSERDA's successful efforts to transform the market.

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?

Yes. The PSC should extend the SBC for an additional five years.

Extending the SBC program will enable NYSERDA to continue to transform the market and better develop public understanding; and awareness of energy efficiency, peak load reduction and renewable energy resources. While substantial progress in these areas is apparent, there remains an even more substantial potential for energy savings, economic development and environmental benefits by New York State energy consumers.

Verifiable proof exists that the *New York Energy Smart* Program has reduced energy costs for consumers, identified methods to improve indoor air quality, and created employment in New York that would not otherwise exist. In addition, evidence indicates that the *New York Energy Smart* Program provided these benefits at a net cost savings (the costs of these programs including participant costs are less than the value of benefits being provided).

New York State's public benefits program has **successfully** indicated that it reduces energy use, decreases costs, mitigates **harmful** pollutants and creates jobs in New York. By investing resources in tried and proven programs such as the *New York Energy Smart* Program, New York State can best **satisfy** its environmental and economic duties to the public. In addition, the 2002 State Energy Plan encourages the public policy goals of supporting the development and use of new, cleaner technologies, more **energy-efficient** practices and improved transportation, energy production and delivery systems. These energy policies and long-range planning strategies are designed to meet New York's energy needs by fostering competition while preserving fairness and equity, encouraging mobility and system reliability and improving the State's natural environment. As the owner of a green building & environmental consulting business, and as a home energy rater, I can attest personally to the *New York Energy Smart* Program's success in achieving all of the above goals. I also believe that programs such as the *New York Energy Smart* Program provides benefits to the public that the private sector and energy marketplace will not yet assume in any transition to complete retail competition. Simply, more time is necessary and vital to ensure permanent market transformation, and bolstering these important shifts in public awareness and market understanding could not occur at any more important time than the present. Simply, should the PSC fail to provide additional **funding** for such programs, there exists a clear and substantial risk that the observed market shifts towards energy efficiency, development of new and cleaner technologies, and improved transportation, energy production and delivery systems may be lost.

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

The SBC program is based upon energy reduction and alternative energy resources including renewable green power sources.

The 2002 New York State Energy Plan predicts that demand for electricity will grow by 1.0% percent per year. This results in an almost 20% increase in demand by the year 2022. NYSERDA has stated that satisfying this demand will require the addition of as much as 500 megawatts of new generating capacity each year. However, NYSERDA also believes that implementing cost-effective energy efficient improvements could reduce this demand by up to 50 percent (approximately 250 megawatts of new generation each year). The SBC program should continue so that NYSERDA can focus on achieving these energy efficiency goals.

I also support NYSERDA's environmental public policy initiatives to encourage new renewable energy generation technologies and bolster energy efficiency efforts in the electric

generation sector. With global warming now a reality, the PSC through the SBC should allow NYSERDA to continue to develop policies regarding reduction of carbon emissions and emission caps through New York's acid rain reduction program.

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

The level of equity distribution should be allocated on a sector by sector basis with the low-income sector being a separate and distinct section by itself

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

The Energy Star Program and training should be expanded to build the infrastructure to address the United States Green Building Council's Leadership In Energy & Environmental Design (LEED) for Homes Rating System and energy-efficient mortgages. The rating system will specifically request that the new infrastructure established with NYSERDA's help to constitute the third-party verification entity.

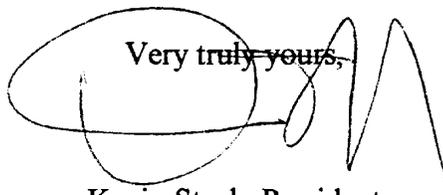
6. How can future SBC funded programs be more responsive to the needs of New York's energy consumers?

Use funds or notowa th sponsorship of programs and follow through to make sure that market transformation has occurred.

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

All programs should be marketed on an equal basis.

Thank you for providing the opportunity to comment on these most important of goals.

Very truly yours,


Kevin Stack, President
Northeast Natural Homes, Inc.