



# P.E.A.C.E., Inc.

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Joseph E. O'Hara, Executive Director

*Energy & Housing Services*

March 2, 2005

*Jaelyn A. Brillling,  
Secretary, New York State PSC  
3 Empire State Plaza,  
Albany, New York 12223-1350*

*Dear Secretary Brillling:*

Attached are my comments in reference to Case 05-M-0090 In the Matter of the System Benefits Charge III. These comments are based on PEACE Inc.'s role as the Community Based Organization (CBO) Regional Implementer for the Central New York Region and our experience with the Assisted Home Performance with Energy Star (AHPES), Weatherization Network Initiative (WNI), Assisted Multi-Family Program (AMP) and the most recent EmPower Program.

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

*The CBO Initiative has been a large success in exposing the Weatherization Assistance Program (WAP) network to the various NYSERDA SBC programs. WAP sub grantees are bringing considerable expertise in residential and low-income energy conservation along with substantial resources to the new SBC funded programs. In turn, the SBC programs are bringing additional revenues to the WAP network that will enable them to deliver services to a broader segment of the low-income population. In addition, for minimally funded WAP sub grantees the added revenues are enabling them to maintain staff levels and operate their respective programs for the complete year.*

*Coordination with the WAP has been established in many cases and the programs are complementing each other. In addition, cooperation between NYSERDA administrators and the Department of Housing and Community Renewal's (DHCR) WAP administration has improved greatly.*

*Through both AHPES, WIN and recently EmPower we have served approximately 200 low-income clients during the past year who would not have been served with out the SBC programs. These families all received cost effective energy efficiency measures in conjunction with appropriate health and safety measures. This meets the goal of*

*"Helping People in The Community Realize Their Potential For Becoming Self-Sufficient"*

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improving energy system reliability and security by reducing demand. By lowering energy **consumption** it met the **goal** of mitigating environmental and health **impacts** of energy use.

Our **department** has expanded by seven staff members who are exclusively assigned to NYSERDA SBC programs and based on recent demand we have projections to increase **staff** considerably in the **coming year**. These new positions are highly technical Home Performance Technicians and **administrative** staff with above average salaries. This would meet the **SBC program goal** of creating economic **opportunity** by creating new jobs.

NYSERDA SBC **funded** training in "whole house" diagnostics through local BOCES programs and **certifications** through the Building Performance Institute (BPI) has **effectively** educated hundreds of private contractors in the art of "weatherization". These individuals will continue to employ energy conservation strategies in their respective **fields** for the remainder of their **working** careers. This is an outcome that will **pay dividends** for years to come. The SBC programs have **unconditionally** impacted market development in **energy efficiency** promotion.

Through the BPI **certification** process supported by NYSERDA SBC **funds**, countless WAP **staff members** have received recognition for the **highly skilled** work they perform. In most cases this has led to increased salaries and better employee retention.

PEACE Znc.'s SBC programs have added material, **equipment** and vehicle purchases (2 new cargo vans) to the local and state economy. It is a **safe** assumption that all sub grantees and subcontractors **working** in the SBC programs have generated the same boost to **local** economies.

Housing stock **addressed** through NYSERDA SBC programs "whole **house**" diagnostics procedures have the **benefit** of trained personnel with the **skills** to detect mold and moisture problems which have the potential to **affect** both the client's health and also the sustainability of the home it self,

Health and safety testing on all Assisted and Home Performance audits **regularly** pinpoint combustion appliance concerns **including** venting, carbon monoxide and cracked heat exchanger issues. These benefits are not unmeasurable.

**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 level?**

Yes. The SBC programs have made **wonderful** progress in delivering cost **effective energy efficiency** measures to low income customers. The programs should be extended for another five **years** and the **funding** levels should be increased by 100%. **Based on** statewide Weatherization Assistance **Program** wait lists as long as three years or more,

the **unmet** needs of low- income citizens to reduce their energy burden is well beyond the current **funding** levels of both SBC and the WAP. The SBC programs are **desperately** needed to find public benefit programs that would not otherwise be addressed in the emerging retail competitive market.

3. **Have conditions changes since the establishment of the SBC that would necessitate a change in the overall goals and objectives of the SBC? If so, what changes are recommended?**

Since the 911 attack, and the existing volatile oil **market**, it is more evident then ever that the country as a whole needs to focus on **reducing** our dependence on foreign energy supplies. Based on the **soaring prices** of energy the SBC programs are even more relevant then when they were **initially** conceived **Conservation** is aproven method of **reducing** this **dependence**.

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

Additional focus should be directed at the low- income citizens of the State. A separate low-income component **should** be developed to ensure this sector **equitably** served by the **SBC programs**. It is a well-known fact that low-income **families** live in the poorest housing stock, which generate the highest energy bills. From a moral perspective a substantial percentage of the SBC finds should be directed at the low- income population for energy consumption reduction. As a strictly practical matter, this particular housing stock has the potential for the greatest residential savings to investment ratios. Households with extremely high-energy consumption have the **potential** for the greatest savings. Investing in low-income energy **reduction** measures provides **significant** reductions on demand, provides low-incomes families with support in becoming self-**sufficient** and has a large **impact** on health, **safety** and comfort of these families.

5. **How might the SBC programs be adjusted given the Commission's order, issued September 24,2004, regarding a Renewable portfolio Standard?**

SBC programs should not be reduced to support R&D and Renewable Programs. **These** programs should be **funded** separately. Renewables are a good investment and research and development aimed at firthering the implementation of this strategy should be advanced. **However**, current SBC residential and low-income programs are serving a population with **needs** that will go unmet **if resources** are diverted to R&D. Energy **efficiency** programs **have already** proven their ability to **successfully** reduce **demand**. **Expanding** energy **needs** can be **effectively** met through **energy efficiency** measures and these strategies should not be reduced in any way.

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

*A level of equity to sectors based on contributions. Separate residential and low-income from commercial. Separate low-income from them all. If I understand the fund collection process correctly, **commercial/industrial** customers are allowed to opt out of the SBC contribution if they so desire. Residential and Low-income families do not have that option and if the allocation process does not take into **consideration** what percentage these sectors are contributing that needs to be **reviewed**.*

**7. What specific program(s) should be eliminated expanded or created?**

*The Weatherization Network Initiative and **EmPower** Programs should be combined and expanded in scope. Both limit **eligible** low-income citizens. The programs **should** be expanded to include all low-income **persons**. The **EmPower** Program is a **mirror** of the Niagara Mohawk **Affordability** Program. **Affordability** was designed by the utility company to **address** it's own arrearage problems.*

*Yes, it did serve the low-income population but, only those who owed money to the utility. The **only** concession to **that** eligibility requirement was a late change the program made to **dress** the **elderly** who could document a **medical prescription** issue. In my mind the program was totally self-serving on Niagara Mohawk's **behalf**. How can you eliminate low-income families who responsibly pay their utility bill by either "**going without**" or working apart time job to make **en**.meet. The PSC's rationale for **approving** the **Affordability** Program has always eluded me.*

*I was **totally** disappointed when **NYSERDA** was given **control** of that portion of the SBC funds and they promptly adopted the utility designed program. Empower **should** serve all low-income citizens, not just persons referred by the utility companies with the same self-serving purpose.*

*Assisted Home Performance is a long overdue program. Weatherization programs have for years turned **away** "working poor" clients based on incomes barely above the poverty level.*

*From our experience **AHPES** **would** **benefit** from a more accessible loan program. A large percentage of income eligible customers do not **qualify** for the low-interest loans due to poor credit scores. These individuals do not have the means to **fund** the unsubsidized portion of the work scopes and therefore cannot take **advantage** of the program.*

8. How can future SBC funded programs be more responsive to the needs of New York's energy consumers? *See question # 7.*

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

*I think the marketing has been excellent.*

10. In what ways can NYSERDA improve its administration of the SBC?

*I think eliminating the utility **programs** and **utilizing one administrator** was a positive change. It was **difficult** to work with multiple administrations and standards.*

*The process for processing approval of audit work scopes, incentive checks etc. could be greatly improved. We have experienced real **difficulty** in obtaining approval for both AHPES and recently **EmPower** work scopes. Review of the process and increased monitoring of the entities involved in this phase would go a long way in improving the **efficiency** of all the programs.*

11. Is the current **NYSERDA** program evaluation process adequate? How might it be improved?

*I am not familiar with the process but I thought the price tag was excessive.*

12. Should SBC funds be extended to programs that encompass research and development into retail and/or wholesale electric market competitiveness issues, or transmission and/or distribution of the State's energy resources?

*Not if **the funds** expended will diminish the current low-income programs.*

13. Should the scope of the SBC program be expanded to include programs for natural gas customers? If so:

*Yes. To deliver a whole house **approach** gas conservation measures need to be included in SBC programs. A gas program should be combined with the electric program. Running electric **and** gas as separate programs would be **cumbersome**.*

a. What kinds of programs would benefit New York's gas consumers? *Cost effective gas **efficiency** programs have proven to be a resource for low-income residents in achieving **control** of their utility bills.*

b. Which classes of customers would be served most effectively by a natural gas SBC program? *Low-Income homeowners who **traditionally pay** a disproportionate percentage of their annual income for utilities would benefit greatly. In **addition** this segment of the population **quite often** live in the oldest and least energy **efficient** dwellings. **The** potential for energy conservation **and***

*significant savings based on savings to investment ratios with this sector is substantial.*

- c. How should a natural gas **SBC** program be funded and what annual level of funding might be considered reasonable? How might a natural gas **SBC** affect current electric **SBC** funding levels? *A **natural** gas program should be **funded** at the **same** level as the **current** electric programs. This should be in **addition** to the current programs.*
  - d. What should be the initial duration of a natural gas **SBC**, and should that term coincide with the extension of an electric **SBC**, if the electric **SBC** is extended? *The **term** of the natural gas **SBC** should coincide with the electric **SBC**.*
  - e. How might a natural gas **SBC** be administered and evaluated and how should it differ from the administration of the electric **SBC**? *A **natural** gas **SBC** should be administered in conjunction with the electric **SBC**. **NYSERDA** should be the designated sole **administrator** to avoid duplication and confusion **between** two separate & administered programs. Evaluation should be similar and the two programs should be pooled at least in the low-income and residential sectors. A "whole-house approach" single audit encompassing both electric and gas conservation **measures** is the **only** logical format.*
14. Do you have any other suggestions for improving the overall **SBC** program that are not addressed by the above questions? *No.*

Thank you for the opportunity to comment on the SBC programs and in closing I would like to reinforce how beneficial the programs are to the low-income citizens of the State in providing a service that delivers comfort, health and **safety** and advances their **goal** of **self-sufficiency**

*Sincerely,*



Ray Yehle,

*Director, PEACE Inc. Energy & Housing Services  
Board President, New York State Weatherization Directors Association*