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February 22, 2005

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

RE: CASE 05-M-0090 In the Matter of the System Benefits Charge III

Dear Ms. Brilling:

On behalf of the SUNY College of Environmental Science and Forestry, I am pleased to provide support for the continuation of the System Benefits Charge. My comments are provided as follows:

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

- Funding has facilitated essential research and development that has resulted in significant progress towards the goals of renewable resources and environmental protection.
- Much of this research would not have been conducted without SBC support.
- New ideas and concepts in this field have been developed to the point that they are beginning to attract support from private organizations and other levels of government.

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?*

- SBC should be continued at its current funding level for an additional five years. While progress has been made on these issues over the past five years, many of the drivers for them – energy security, environmental impacts associated with fossil fuels – have become more, not less important, and more focused research and development is necessary to address these issues.

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3. *Have conditions changed 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?*
 - The issue of biofuels has become a more pressing issue with increasing awareness of the limitations and additional costs associated with world oil supplies. The SBC goals should be expanded to include a biofuels component.
 - The research focus of these funds needs to be maintained since other funds from the RPS process are targeted more towards commercialization.
4. *If assuming continuation of the SBC, how should programs be prioritized to meet those goals and objectives?*
5. *How might the SBC programs be adjusted given the Commission's order, issued September 24, 2004, regarding a Renewable Portfolio Standard (Case No. 03-E-0188)?*
 - Less focus on commercially viable installations for renewable electricity and more focus on the research and development necessary to bring new sources of electricity to the point of commercialization.
6. *In what ways might the current SBC fund collection and allocation process be improved?*
7. *What specific program(s) should be eliminated, expanded or created?*
 - Expanded focus on the research necessary to bring technologies closer to commercialization.
8. *How can future SBC funded programs be more responsive to the needs of New York's energy consumers?*
9. *How can SBC funded programs be marketed more effectively?*
 - Highlight some of the success associated with this program using flyers in bills distributed to ratepayers or other information channels.
10. *In what ways can NYSERDA improve its administration of the SBC?*
11. *Is the current NYSERDA program evaluation process adequate? How might it be improved?*
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?*
 - Yes, on issues that are barriers to the development of renewable and distributed power sources such as net metering and hook up charges.

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

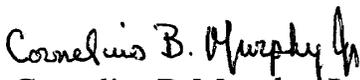
No – natural gas is already a widely used and commercially viable and successful industry. Collecting and committing SBC funds to support an already viable industry is not what these types of programs should be used for. Adding a natural gas SBC fund to a commercial industry may well have a negative effect on the overall impression of the SBC program.

- a. *What kinds of programs would benefit New York's gas consumers?*
- b. *Which classes of customers would be served most effectively by a natural gas SBC program?*
- 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 affects current electric SBC funding levels?*
- 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?*
- e. *How might a natural gas SBC be administered and evaluated and how should it differ from the administration of the electric SBC?*

14. *Do you have any other suggestions for improving the overall SBC program that are not addressed by the above questions?*

We at the SUNY College of Environmental Science and Forestry thank you for the opportunity to provide input relative to the System Benefits Charge.

Best regards,


Cornelius B. Murphy, Jr., Ph.D.
President

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