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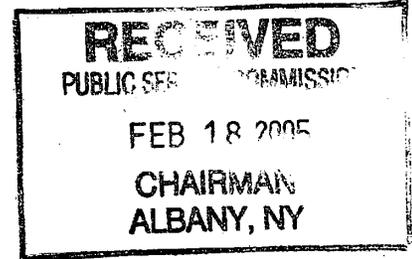
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February 16, 2005

William Flynn, Esquire
Chairman, New York State Public Service Commission
Empire State Plaza
Agency Building 3
Albany, NY 12223-1350



Dear Chairman Flynn:

We write to encourage you to re-authorize the Systems Benefit Charge (SBC) due to expire on June 30, 2006, that has been used to fund energy research projects in New York State over the past six years. We also encourage you to reappoint NYSERDA as the manager of the SBC Fund.

Many worthwhile projects have been funded by the Systems Benefit Charge, which will provide long term benefits to New York businesses and municipalities by reducing energy costs and dependence on foreign oil. We have seen significant reductions in energy use at municipal water and wastewater facilities (up to 25%) as a result of NYSERDA sponsorship of sub-metering studies. These studies allow municipalities to determine where energy is being used, and allows them to focus on improvements to these facilities to reduce energy requirements. Since local governments are under such tremendous financial pressure these days due to Medicaid and other mandated programs, reducing energy usage allows funds to be freed up for other beneficial uses.

Many worthwhile projects have also been funded through the SBC for industries and businesses throughout New York State. In particular, funding of studies for implementation of combined heat and power projects will help to decentralize energy production and result in much more efficient energy production where heat can be recovered. The Systems Benefit Charge allows a "jump start" for feasibility studies to determine applicability of combined heat and power projects.

We thank you in advance for your consideration of our recommendations. Please contact me if you have any questions.

Very truly yours,

STEARNS & WHEELER, LLC

A handwritten signature in black ink that reads "Wayne E. McFarland".

Wayne, E. McFarland, P.E., DEE
Vice President

cc: K. Zadeh, Ph.D., EcoTech Solutions



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