Comments on
CASE 05-M-0090 – "In the Matter of the Systems Benefits Charge III"

submitted to
State of New York Public Service Commission

by
Syracuse University

March 3, 2005

Syracuse University appreciates the solicitation by the New York Public Service Commission inviting comments in the matter of the Systems Benefits Charge III (CASE 05-M-0090). Syracuse University offers the comments below in response to selected questions posed in the Notice Soliciting Comments issued by the PSC on January 28, 2005. (Original questions appear in *italics* type.)

1. *To what extent have the goals and objectives established by the Commission been achieved?*
   The New York Energy Research and Development Authority (NYSERDA) has very effectively administered SBC funds, achieving significant accomplishments in "public policy initiatives that are not … adequately addressed by competitive markets." For example, NYSERDA programs that have supported development, demonstration, and application of new electricity-production technologies—such as wind and solar power—and advancement of integrated design processes for high-performance buildings have earned recognition for New York nationally as one of the leading states for innovations in energy and environmental technologies.

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?*
   The tangible returns on investments of SBC funds in a variety of program areas have created opportunities of strategic importance to the State, including gains for individual consumers and economic development through commercialization of results of research and development projects. Termination of the SBC program in June 30, 2006 or reduction in its annual funding level would jeopardize the momentum that has been established. The SBC program should be continued beyond its current expiration date. One of the primary strategic objectives for funding during the extension period should be the development, demonstration, and application of technologies to achieve the goals of the Renewable Portfolio Standard (RPS) established by the PSC on September 24, 2004 (Case No. 03-E-0188). In the context of this objective, it would be appropriate to extend the SBC through the duration of the period targeted by the RPS, *i.e.* through December 31, 2013. To support the achievement of the goals of the RPS and other strategic priorities of the PSC, the annual funding level of the SBC should be continued at least at current levels, and increased if possible.

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 basic goals and objectives established for the SBC program in 1996 (including "(to) provide a funding source … for public policy initiatives that are not expected to be adequately addressed by competitive markets," and "to provide program flexibility") are still valid.

4. *If assuming continuation of the SBC, how should programs be prioritized to meet those goals and objectives?*
   The public policy initiative relevant to the SBC that is of greatest priority to the State at this time is the development, demonstration, and application of new electricity-generation technologies to achieve the goals of the RPS. An appropriate balance of programs should be maintained, with priority given to those that focus on achievement of the goals of the RPS.

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)?*
   NYSERDA should follow its established processes to develop program opportunities for competitively awarded projects, including research, development, and demonstration of new technologies that will be required to achieve the RPS.