



109 South Albany Street, Ithaca, NY 14850-5402  
Ph: 607-277-1118 Fax: 607-277-2119

March 3, 2005

Jaclyn Brillling  
Secretary, NYS Public Service Commission  
3 Empire State Plaza  
Albany, NY 12223-1350

Reference: Case 05-M-0090- In the Matter of the System Benefits Charge III.

Dear Ms. Brillling:

I am the president of a small consulting engineering company, in Ithaca, NY. We have been providing a variety of engineering services to low-income multifamily buildings, and in the area of research, during the current round of the Systems Benefits Charge. I am writing in support of a renewal of the Systems Benefit Charge.

Our experience in providing services to this sector covers the periods both before and after the implementation of the Systems Benefit Charge. Our experience with the positive effect which the Systems Benefit Charge has had in achieving energy conservation for tenants in low-income multifamily buildings is dramatic.

Prior to the Systems Benefit Charge, and associated programs such as the NYSERDA Assisted Multifamily Program, we routinely provided energy audits to public housing authorities, and other entities which were required by HUD to undertake energy audits every five years. The results of our audits were inevitably reports which were put on shelves, and few if any recommendations were implemented. The energy audit requirement was regarded by property managers as an obstacle, a HUD requirement which had to be minimally met. We provided many such audits, and had the opportunity to subsequently visit these sites, to see the absence of implemented energy conservation measures. I could provide many examples of these.

During the current round of Systems Benefit Charge, the exact opposite has happened. We provide energy audits, and our recommendations to conserve energy are routinely accepted and acted on. The level of collaboration is unprecedented between NYSERDA, property managers, HUD, public housing authorities, state agencies such as DHCR, and financing entities.

In the research sector, NYSERDA's programs have also been strong. NYSERDA is widely recognized as a leader nationally, with its New York State research programs. NYSERDA's leadership in research and development has been recently recognized by a nomination for the prestigious national R&D100 award, with results to be announced in July 2005.

In this context, we offer the following comments in response to questions presented in the

Notice Soliciting Comments:

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

We perceive strong achievement of goals and objectives.

*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. A multi-year term is best for stability of programs, so that customers get to know programs and know how to participate in them, without the feeling that "programs are always changing". The five-year term that we have heard proposed would seem optimal. In no case should program terms be less than 4 years.

*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?*

Fuel costs have risen dramatically in the past **2-3** years, especially natural gas and fuel oil.

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

According to cost effectiveness of programs, with priority also given to the low-income sector. Research programs should target applied research.

*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)?*

No specific comment. We broadly support renewable energy initiatives.

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

No specific comment.

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

We recommend expansion of applied energy research programs. By applied energy research, we mean research targeting specific building types, and specific applications.

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

No specific comment.

9. *How can SBC funded program be marketed more effectively?*

Marketing needs to happen simultaneously at the state and local levels, in order to effectively reach customers.

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

No specific comment. We broadly approve of NYSEERDA's administration of the current SBC.

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

We perceive the NYSEERDA program evaluation process as being strong. We are routinely contacted by independent third party evaluators.

The process might be improved by faster feedback to NYSEERDA.

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?*

We support applied research and development initiatives, as mentioned above.

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

Yes.

No specific comments to questions below.

*If so:*

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 affect 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?*

