

March 7, 2005

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

Dear Secretary Brillling:

This letter and related information is being sent in response to CASE 05-M-0090: In the Matter of the Systems Benefits Charge III. (Notice Soliciting Comments, Issued January 28, 2005).

The New York State Energy Research and Development Authority (NYSERDA) has primarily administered the SBC program portfolio. The SBC Extension Order of January 2001 has increased the funding level to \$150 million. A new spotlight on the program has been Electric Peak load reduction for New York and guarantees a constant supply of electricity.

In 2002, NYSERDA had officially filed its operating plan, which included PSC's revised allocation, which called for an extension of almost \$750 million. This amount includes 436.3 million for energy efficiency funding, \$16.5 million special consumer education and outreach programs, \$113.7 million for low-income energy affordability programs and \$200 million for R& D projects, including programs fostering distributed electric generation and combined heat and power installations.

WebGen Systems has been awarded funds under different demand response programs. With our ability to fulfill emergency demand response curtailment requests, our customers are able to participate in these programs easily. As energy costs soar, these organizations look for ways to conserve.

Our Certified Energy Engineers evaluate potential savings opportunities based on strategies implemented across our portfolio. WebGen Systems directly optimizes energy cost, by adding closed-loop intelligence from weather feeds; tariffs and learned building behavior.

With the NYSERDA funding we are able to help our customers reduce energy consumption, save money and track energy use.

If you have any questions or comments please feel free to contact me for further information.

Sincerely Yours

Robert P. Trask
Vice President of Business Development

Appendix I

Answers to Specific Questions

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

The goals of the commission have been reasonably well met.

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?

Funding for this program should be extended for another five years. With fuel prices rising this program has become critical to keep utility costs under control.

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?

In many respects, conditions and circumstances have changed, but not to extend that the program needs to be modified. Goals and objectives have remained quantifiable and achievable.

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

Demand Response programs need to be a priority. Most of the markets that we are familiar with have a significant percentage of their resources allocated to Demand Response.

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 comment.

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

No comment.

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

Demand Response and Real-Time pricing programs should be made a higher priority.

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

The current programs are satisfactorily customized to meet the needs of most market segments.

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

One way might be to incent Energy Technology companies with “seed money” for pilot programs.

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

No comment.

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

It should incorporate more customer-oriented benefits.

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.

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

a. What kinds of programs would benefit New York's gas consumers?

Those that forecast a customer's consumption.

b. Which classes of customers would be served most effectively by a natural gas SBC program?

Medium and Large Commercial.

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?

Per MMBTU.

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?

Yes.

e. How might a natural gas SBC be administered and evaluated and how should it differ from the administration of the electric SBC?

Similar to electric.

14. Do you have any other suggestions for improving the overall SBC program that are not addressed by the above questions? No