

October 13, 2005

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

Dear Ms. Brillling,

I understand that the Public Service Commission is completing a review of the programs funded by Systems Benefit Charges in New York State through SBC II and are considering entering into a new cycle known as SBC III. The Building Performance Institute, Inc. (BPI) has been integral to NYSERDA's Home Performance with Energy Star (HPwES) program since its inception and has seen first-hand how effective the program is in getting families throughout the State to attain the health, safety and comfort benefits by investing in home performance upgrades. We wholeheartedly endorse a decision to extend the Systems Benefit Charges program into a new cycle and would like to see a similar program designed for residential gas customers.

The HPwES is a market transformation program. As such, it requires a longer period of time to bring the contracting marketplace and consumers to recognize the benefits of investing in "whole building" performance upgrades that will pay huge dividends to the State over time. As such, now may be the time to consider extending the period of the SBC III to a seven year period, so that the benefits that recent evaluations have demonstrated from NYSERDA's HPwES program can be fully made available to the market. This raises the question of whether the \$150 million level is adequate. We think not, given the difficulty of reaching the general public and getting them to change their behavior. We believe that a higher number, in the range of \$200 million, would have a greater near-term impact on transforming the market for residential housing upgrades and would provide a more rapid return on the State's investment.

BPI plays an important function in the NYSERDA HPwES program. It provides professional certification to a range of skilled technicians who are involved in the home performance work. It also provides contractor accreditation of firms who participate in the program. This accreditation includes a quality assurance component that ensures for homeowners that the work meets their expectations for professionalism in the completed product. No other state in the nation has such a well-defined, fully integrated program in place to achieve the energy savings and health, safety, and comfort improvements that NYSERDA is achieving through the HPwES program.

As major contributors to the SBC fund, residential consumers should receive an equitable share of the distribution, bearing in mind the importance of addressing the needs of low income consumers in the state. BPI recognizes the important role that NYSERDA has played in designing and implementing the HPwES program. The NYSERDA program is truly the national model that other state are seeking to emulate. At the recent NYSERDA program advisory meeting, for example, a representative from the State of Illinois flew in to hear the program participant discussions directly in order to determine whether a similar program could be designed in Illinois.

In closing, NYSERDA should continue to serve as Administrator of the SBC funds. The evaluation of the program shows that they have exceeded expectations with respect to energy savings per dollar invested by the program and NYSERDA has the respect of both consumers and the professional contracting community throughout the State. BPI looks forward to a continued close working relationship with NYSERDA in making the program available to a wider share of the New York market.

Sincerely,

Laverne Dagleish  
Vice Chairman