



COMMUNITY ENVIRONMENTAL CENTER

A Not-for-Profit Professional Organization

Reference Case 05-M-0090 - In the Matter of the System Benefits Charge III Response by Community Environmental Center to the Staff Proposal for the Extension of the System Benefits Charge (SBC) and the SBC-Funded Public Benefit Programs dated August 30, 2005

I. INTRODUCTION

I am Richard Cherry, President of the Community Environmental Center (CEC). As a not for profit our work is dedicated to energy conservation and renewable energy as well as related environmental issues. Our focus is on enhancing life through environmental improvements for people in the metropolitan area, particularly for lower income residents.

CEC manages the largest Weatherization Contract under DHCR. We are also involved in several SBC programs under contracts with NYSERDA. For the **Assisted Multifamily Program (AMP)**, we oversee all the technical services, including energy audits and construction oversight. We are also one of the selected technical assistance providers under **ResTech**. For one to four family buildings we are a **Home Performance** contractor and provide services in Brooklyn, Queens and Westchester.

In addition, we are actively providing Green Building technical assistance to community organizations under the **New Construction Program**, and we run an Environmental Learning Center with NYSERDA support at **Stuyvesant Cove** on the East River in Manhattan.

The Staff proposal is to be commended for recognizing the crucial importance of the current SBC funding and acknowledging the excellent work that NYSERDA is doing in administering the portfolio of programs that benefit from these funds. We have nothing but praise for NYSERDA's administration of SBC funds. Personally, I have over thirty years experience of work under various federal, state and city programs. I have never experienced better run programs with as efficient an administration. The programs have intelligent, thoughtful guidelines and oversight and a minimum amount of bureaucracy. What is particularly noteworthy is NYSERDA's staff openness to and solicitation of suggestions from outside expertise. In particular CEC is pleased to note the evaluation of the substantial achievements of NYSERDA's Energy \$martSM program and its Technical Assistance component.

CEC is in agreement with the majority of the Staff recommendations. However, we would like to urge inclusion of the following points:

- Although educating the public is alluded to in the proposed Staff plan, we believe education should be included explicitly as one of the SBC III program goals. A portion of the SBC III should be exclusively allocated to public education targeting NYC and other large metropolitan area residents where the need is the greatest.
- We believe that more emphasis should be placed on residential programs. Specifically, we advocate that more of these funds be allocated directly to New York City in light of the fact that NYC contributes 49% of SBC monies and residential is the neediest sector in the city.

Also, because low-income tenants in government-assisted housing are the hardest hit by rising prices SBC should establish a three year emergency funding program to allow this population to adjust to handling higher energy costs.

- The SBC should increase emphasis on reductions in energy use and associated atmospheric emissions, rather than continuing to emphasize demand reduction over these equally valuable areas. Demand reduction is a worthy goal, but reductions in fuel use and emissions are equally valuable, and this should be recognized in SBC programs and metrics.
- It is vital that SBC funding not only be continued but be significantly increased to expand existing programs and alleviate the current energy crisis. Supply can no longer keep up with the skyrocketing demand for oil and gas. Our reserves are dwindling, and the impact of the recent hurricane disasters on our energy infrastructure has been dramatic and will be long-lasting. Fuel costs are at record highs and will remain so unless there is a reduction in demand.

In addition, it is imperative that SBC address the effects of climate change by aggressively funding energy efficiency measures and development of alternative and renewable energy sources.

II. PUBLIC EDUCATION SHOULD BE A GOAL OF SBC III

New York State is well positioned to become the center for green business and the increased research and development into renewable energy technologies lays a solid groundwork for that to happen. However, technology alone will not solve our current energy consumption crisis. In order to reduce our dependence on foreign fossil fuels and encourage the use of renewable sources much more public education is needed. Experience in the Assisted Multifamily Program and similar efforts has revealed that people are hesitant about new technology and need education and encouragement to adapt it, even when the technologies will save them substantial money.

Consumers must be informed about the smarter, innovative technologies and green products in development and the environmental damage that is caused by our present energy usage. Since installed energy measures are only effective if used and maintained properly we must provide adequate instruction and motivation to recipients of these installations. Also, facts about ways that individuals can conserve energy should be much more widely disseminated. We can effect an attitudinal change only by providing accurate and readily available information to our citizens.

SBC III presents an opportunity for developing unique and innovative energy efficiency and awareness education programs that achieve specific measurable outcomes and drive change into long established patterns of energy consumption. New York City, in particular, will require new and innovative methods to move its residents to a new level of energy awareness and efficiency and we encourage the Commission to support those efforts as a policy goal.

For the past four (4) years, the Community Environmental Center and its affiliate Solar One have received funding from NYSERDA to support the development of a stand alone solar powered building known as Solar One to promote energy conservation in New York City. NYSERDA saw the need and agreed to fund our program using SBC II funds. With NYSERDA's assistance, we have developed a comprehensive education program targeting NYC residents using our solar powered facility as a model to demonstrate the efficient use of renewable technologies and recycled materials. In a little over two years, thousands of New York City residents have participated in one or more of Solar One's programs. Each person who has visited Solar One's facility experiences the use of renewable technologies and leaves with a realization and awareness of what they can do in their own lives to change the ways in which they use energy. There is no better way to make an abstract idea more real than to enable a visitor to see with their own eyes the power generated from the photovoltaic panels on the roof of Solar One.

The Solar One facility was constructed as a prototype for a larger, 8000 square foot building that will house the NYS's first Environmental Museum and Learning Center. Currently known as Solar 2, the Museum will be located in NYC and will be a net-zero building, meaning it will generate more energy than it consumes. It will be the only net-zero building of its size and kind in NYS.

Providing for the development of public high performance buildings in NYC where people can learn about and experience first hand what it means to generate

electricity to sell to the local electric grid, reinforces the importance of a distributed energy model and should be a goal of SBC III. Supporting net-zero green building technologies advances several of the Staff's goals, but in particular, improves New York's energy system reliability and security, mitigates the environmental health impacts of energy use and promotes economic opportunity by supporting the development of emerging technologies.

We believe the Public Service Commission should include public education and the construction of sustainable public buildings as a specific program goal.

We are also urging that a \$5 million a year special allocation for public education and sustainable public buildings be set aside for the life of SBC III. Increasing funding for initiatives to help people learn about energy is a critical step in the direction toward creating public demand and market transformation.

III. STRONGER FOCUS MUST BE PLACED ON THE RESIDENTIAL SECTOR.

The residential sector, especially in the large metropolitan areas, has been underserved and must be assigned a much higher priority in SBC III. Tenants and small home owners cannot compensate for higher energy costs by raising prices and must shoulder the entire burden. Low income residents are being particularly hard hit since much of their housing is in the least energy efficient buildings. Apartment buildings throughout the State, and particularly in New York City, represent an ever-increasing energy demand. Our work under AMP and ResTech has demonstrated what significant savings can be achieved. This past year we have had more calls for information and services from apartment building owners than in all the previous years combined. While DHCR's Weatherization Program has had, and continues to have, a market impact on the very low income occupied building, no programs other than those of the SBC are reaching the rest of this vast sector.

We support the recommendation that all residential programs, including new construction, be put together under REAP, and the concomitant funds be consolidated into one budget. This will allow greater coordination between programs and will enhance the reach of all residential efforts. Since heating costs are the most difficult for low and moderate income people we especially stress that measures saving any and all fuels should receive incentives.

Especially in the wake of fuel price increases resulting from hurricane Katrina, alleviating the hardships and health risks this crisis creates for low and moderate income families is an immediate necessity. Many will not be able to afford heat this winter without help. Small home owners as well as government assisted housing agencies will need time to adjust to severely elevated fuel costs. We should consider a special emergency effort over the next three years, such as higher incentives under Assisted Home Performance, to assist these New Yorkers to adjust to the harsh realities of the energy emergency.

Last year, under the New Construction Program, CEC began serving this community organization sector that had not heretofore been addressed. These groups are seeking to go Green with housing, community and health centers, and schools. The demand for our services and SBC funding has been more than we can handle. There is a quickly growing desire in the not for profit sector to do the right thing and build it Green, but the traditional funding sources that finance these projects are very tight. Without SBC funding these important public service buildings would continue to be built to the inefficient and unhealthy standards of yesterday. With continued SBC funding these organizations will continue to serve the public and their new buildings will be shining public examples of the right way to build.

SBC funds have made it possible for CEC to act as an Energy consultant to the City's HPD and to develop new guidelines for their low income housing programs. These new energy efficient guidelines will result in significant savings for the city, lower fuel bills for tenants, reduced peak demand and less strain on our dwindling resources.

As a result of our work with HPD we have recently been approached by other government housing funding sources, such as the State's OMRDD, HHAP and OMH, for help in changing their guidelines to conform to Green standards. Many other state housing agencies are also looking to NYSEERDA and to SBC to install energy efficient measures programmatically to their construction standards for both their existing and new housing stock. We cannot hope to serve this rapidly growing market without additional monies.

We have attached to these comments several letters which demonstrate support of an expanded SBC involvement in residential housing issues. These letters come from all sectors of society – from delighted individual recipients of energy measures as well as from representatives of community organizations and architectural firms. All of this demonstrated interest in environmental issues is compelling evidence of the need for much more residential funding.

IV. THE SBC SHOULD INCREASE EMPHASIS ON REDUCTIONS IN ENERGY USE AND ASSOCIATED ATMOSPHERIC EMISSIONS

SBC funded programs result in significant and valuable decreases in peak electric load (demand), fuel consumption, and harmful atmospheric emissions from NO_x and Sox to greenhouse gasses such as CO₂. Currently, reductions in demand are favored by many SBC programs over energy use reductions, both in metrics and funding patterns, and support for measures that reduce gas or oil use is very restricted. We consider these two items separately.

Demand reduction is a valuable goal, since increasing demand must be met by infrastructure construction by electric utilities. However, the resulting issues are not overwhelming. Although load pockets present significant problems, demand increases in most parts of the state can be met by relatively inexpensive peaking turbines and modest growth in transmission and distribution facilities. On the other hand, the emission of greenhouse gasses is having a permanent and potentially

devastating effect on the earth, and any reductions in greenhouse gas emissions will be of value for years to come. Demand reduction is a worthy goal, but reductions in fuel use and emissions are equally valuable, and this should be more fully recognized in SBC programs and metrics than it is at present.

Similarly, programs should to the extent possible encourage savings in fuels other than electricity. Although there are legal and programmatic issues here, and the question of an SBC for gas is the subject of a separate PSC hearing, NYSEDA residential programs are currently allowed to provide services aimed at reductions in the use of other heating fuels, largely gas and fuel oil. This is currently justified by the policy of permitting SBC funds to increase the habitability and affordability of low and moderate income housing, but should be extended to all sectors as quickly as possible. The expansion of SBC support for fuel saving measures to other sectors will probably be done through the gas SBC hearing process, but this may take some time. Meanwhile, the current residential exemption should be maintained as it is currently practiced.

V. SBC FUNDING SHOULD BE SIGNIFICANTLY INCREASED

The current dramatic increases in energy prices make this a perfect time for increased investment in energy efficiency through the SBC. Since the original goal of SBC was to provide funding “for public policy initiatives that are not expected to be adequately addressed by competitive markets,” it makes sense to build upon the proven success of these initiatives at this time of crisis. We can assure you that we see energy efficiency measures implemented in every project in every program that are cost-effective and of concrete value to New York State, but that would not have been undertaken by the building owners in the absence of these programs. Although SBC has begun to change the market in some areas (particularly in the demand for Energy Smart™ appliances and long life, energy efficient light bulbs) competitive markets have not yet provided sufficient incentives to encourage owners to undertake energy efficiency measures. Because of the extremely low vacancy rate apartment owners and managers have little motivation to lay out additional capital dollars; and in the low and moderate market owners operate under such tight margins that they are strapped for capital money. SBC funding has made a critical difference in moving forward hundreds of projects, projects which will save or are saving millions of kilowatt hours, thousands of kilowatts, and trillions of BTUs in programs carried out or overseen by us.

Noting that the price of a barrel of oil has more than doubled in the last year alone we recommend that the SBC III budget be increased to a minimum of \$200 million. This increase would still amount to less than was required of utilities over 15 years ago and would more closely correspond to funding levels in many states. Of course, if we note the California Public Utility Commission’s budget of more than \$2 billion for a population less than twice that of New York our investment seems modest in comparison.

The maturity of the NYSERDA programs will make whatever the investment becomes go further than ever. Most programs are leveraging significant private sector investment in energy measures. For example, in AMP, \$31 million in NYSERDA funds has leveraged \$125 million in private investment and loans, all dedicated to improved energy efficiency in buildings.

Beyond the urgent issue of fuel prices other concerns, such as the ever-increasing importance of climate change and the necessity of lowering emissions of climate-altering gasses (principally CO₂), are becoming ever more important. The PSC must address this issue through increased SBC funding of energy efficiency measures. Increased energy efficiency is the surest road to reduced emissions at the same or enhanced levels of service. (See Amory Lovins article in the current Scientific American for an up-to-date summary.) Our goal should be to halt and then to reverse the damage to our environment. Funding development of alternative and renewable fuel sources in order to decrease our heavy reliance on fossil fuels is an important step toward this goal.

We also emphatically believe that SBC should be continued for a minimum of 5, or preferably 10 more years. The programs under SBC have reached a high level of effectiveness and sophistication; it would be wrong and wasteful to cut them short at this point. NYSERDA has shown its ability to adjust and even eliminate that which is not working well or has accomplished its goals. But most programs have just begun to touch the market sector they serve, and there is so much more to do.

We, therefore, strongly urge that SBCIII funding be significantly increased over SBC II levels and that the life of the program be extended to eight to ten years. NYSERDA has created and is implementing extremely effective programs that have provided meaningful energy savings for millions of New Yorkers. We must build upon this progress.

VI. CONCLUSION

The value of the SBC, both to assist working New Yorkers with financial needs and to serve the larger environmental needs of the country and the world, has never been greater.

NEW YORK ACORN HOUSING COMPANY, INC.
88 THIRD AVENUE, 3rd FLOOR
BROOKLYN, NEW YORK 11217
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October 17, 2005

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

Dear Ms. Brillling:

I am writing in support of Community Environmental Center's comments on the Staff Proposal regarding the System Benefits Charge III.

ACORN Housing is the not-for-profit housing development organization that was created by ACORN to develop, own and manage housing for low income families. ACORN is a low and moderate income community organization that has grown dramatically to one of the nation's largest over the past 35 years. As our website states, "Its longevity, size and scope make ACORN unique but two other features truly distinguish it—an absolute commitment to organizing the poor and powerless plus a constant willingness and ability to break new ground."

One of the most important parts of ACORN Housing's work is developing creative ways to improve housing conditions for the economically disadvantaged. We are developing programs to establish lower rates and delayed payment schedules for our constituency – initiatives that have become increasingly urgent as a result of the devastation caused by the recent natural disasters. We have campaigned to win a reprieve on proposed cutbacks to federal energy assistance and moratoriums on utility shut-offs.

ACORN Housing and related for profit housing development companies own/and or manage a great deal of low income housing stock, especially in the metropolitan area. The Brooklyn chapter alone manages more than 500 units. Programs such as NYSERDA's Energy \$martSM have the potential to help our tenants save both money and energy. We have been discussing with CEC ways in which our organizations could join forces to soften the blow of the current energy crisis and bring about long term change in public attitude toward energy use.

ACORN Housing urges adoption of CEC's recommendations to substantially increase SBC III funding. We believe that a concentration should be placed on residential programs, especially in New York City, and we stress the need for expanded public education on energy conservation and the preservation of our environment.

Very truly yours,

Ismene Speliotis
Executive Director



A M I E G R O S S
A R C H I T E C T S

October 17, 2005

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

Dear Ms. Brillling:

I am writing in support of Community Environmental Center's comments on the Staff Proposal regarding the System Benefits Charge III.

As an architect whose practice focuses on low and moderate income housing I have first hand acquaintance with SBC funded programs and am appreciative of their value. These programs not only improve housing conditions, but they are beginning to affect a change in attitude. The architectural community and relevant funding sources are exhibiting growing awareness of energy efficiency and renewable energy concepts and are increasingly including these measures into their designs.

I have witnessed this encouraging trend in my firm's work. For example, through the years I have worked closely with the New York State Homeless Housing Assistance Corporation. They have recently expressed interest in incorporating energy efficient and renewable design standards into their programs. The senior management of that organization has now scheduled a meeting with NYSERDA to discuss this possibility.

Therefore, it is critically important that SBC funding be not only continued but increased as more of those in a position to influence the housing market see the need for its use.

Sincerely,

Amie Gross AIA
President, Amie Gross Architects

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June 12th 2005
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To Whom It May Concern:

This is to alert you to your most excellent program - the C.E.C (County Environmental Services Program under Ms OLGA SOUTO).

This program must be continued - if there is any possibility it is to be shut down I don't know how I'd be able to keep my home.

I'd be homeless without the help of this program - it's compassion, skill at expediting services that I may be able to go on here.

Please keep this program going - if possible; enable it to give more to the community at large.

I had a little known but great Asset to the value of our city.
With all Sincerity,

CEC/MS

Yours Truly
PMB
MS

JUNE 10, 2005

COMMUNITY ENVIRONMENTAL CENTER
43-10 11 STREET
LONG ISLAND CITY, NY 11101
ATTENTION: OLGA L. SOUTO

DEAR MS. SOUTO -

I AM TAKING THIS OPPORTUNITY
TO EXPRESS MY SINCERE SUPPORT
FOR THE PROGRAM THE
COMMUNITY ENVIRONMENTAL
CENTER PROVIDES AND OFFERS.

I ALSO SUPPORT THE
CENTER TO CONTINUE TO
PROVIDE YOUR SERVICES AS
YOU HAVE IN THE PAST.

THANK YOU FOR YOUR
ASSISTANCE TO ME AT ALL
TIMES, WHICH IS GREATLY
APPRECIATED

SINCERELY,

Rose A. Demitrovic
ROSE A. DEMITROVIC



COMMUNITY ENVIRONMENTAL CENTER

A Not-for-Profit Professional Organization

May 27, 2005

Dear Tracy Cassie,

During this year, Community Environmental Center performed a lighting survey of your house, and as a result installed some light bulbs and maybe other measures of electrical savings.

As the Weatherization Network Initiative Coordinator, it is very important to me that our staff is respectful to those we serve and their property. I would appreciate you taking a moment to complete this survey and return it within the enclosed envelope provided.

Below please check the one that best describes the service you received from the office staff:

- A) **Answer the phone in a timely manner**
 Excellent Good _____ Fair _____ Poor _____
 Comments: _____
- B) **Courteous/friendly customer service**
 Excellent Good _____ Fair _____ Poor _____
 Comments: _____
- C) **Knowledge/ability to assist you**
 Excellent Good _____ Fair _____ Poor _____
 Comments: _____
- D) **Overall services received from the service representative**
 Excellent Good _____ Fair _____ Poor _____
 Comments: _____

Please check below the one that best describes the services you received from the on-site staff:

- A) **Courteous/friendly customer services**
 Excellent Good _____ Fair _____ Poor _____
 Comments: _____

B) Staff respected your property and cleaned up properly
Excellent Good _____ Fair _____ Poor _____

Comments: _____

C) Staff explained the work procedures to your understanding
Excellent Good _____ Fair _____ Poor _____

Comments: _____

D) Overall service provided by the on-site work staff
Excellent Good _____ Fair _____ Poor _____

Comments: _____

E) Are you satisfied with the electrical measures installed in your house?
Excellent Good _____ Fair _____ Poor _____

Comments: _____

In order for us to continue to bring these services to you, we are asking you to write us a letter supporting the program and asking continuance. I thank you in advance for all of your support.

Other Comments: Please keep this program going
it helps people in my situation
lots of people need your care and
service, it is so good to know that
people take you all care out there to
help us, I want to say thank you very much

Thank you.

if was not for your program I dont know what
I would have done, I pray god that you all
would continue with it, thank you all again
and again for being there for us.
god bless

Sincerely,

Olga L. Souto
Weatherization Network Initiative
Coordinator

Miss Mary Elva Castle
826 E 49th St
Brooklyn NY 11203

Thanks