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October 14, 2005

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

*Re: Case # 05-M-0090 – In the Matter of the SBC III*

HANAC Inc., Comments for SBC III

First and foremost thank you for the opportunity given in providing comments on the staff proposal regarding SBC III. Our agency acknowledges the important public service that the Public Service Commission provided to New Yorkers by adopting and continuing the SBC program through SBC I and II and strongly support the continuation of public benefit program funding through an SBC III.

HANAC Inc. is a non-profit citywide organization that provides a wide range of services to local community residents. Though the majority of our programs are based in Queens, we serve communities in the Bronx, Brooklyn and Manhattan.

For over 20 years, we have provided energy efficiency services to low-income households in both small homes and multifamily buildings in Queens neighborhoods through the Federal Weatherization Assistance Program.

Since 1999, we have been able to participate in several NYSERDA-funded programs made possible by the Public Service Commission's System Benefits Charge. Under the coordinated project model developed first under NYSERDA's Direct Install program, we have been successful in providing a more comprehensive scope of services and to do so in more low-income housing units in our community. This coordination of federal dollars with State funds has resulted in leveraging more resources to address the growing needs of low-income households in a time of rapidly increasing household energy prices.

We have the following specific recommendations for your consideration in reviewing the staff proposal regarding SBC III.

- **Increase Funding Share for Low Income Programs**

An increased share of SBC funds should be allocated for low-income programs, including those targeting low-income residents in multifamily buildings where heat is included in the rent but tenants pay directly for their electric utility bills (direct metered customers).

- **Expand Definition of Energy Burden to Include "Rent plus Utility" Burden**

In developing low-income programs, we recommend that a broader definition of "energy burden" be used to recognize that when heat is included in the rent (as it is in most rental properties in NYC), the rising cost of oil and natural gas puts an upward pressure on rent that results in a much higher "household rent plus utilities" burden.

- **Provide Water Funding for Residential Sector, Including Multifamily Buildings.**

Address the undercounting of the need and opportunity in multifamily buildings where the common area account is identified as either a small or large commercial service classification but the electric service provides public hallway and other common area lighting and electricity.

- **Continued Coordinated Programming with the Weatherization Program**

In low-income programs, continue to utilize and build the capacity of the existing statewide network of local community based organizations and community action agencies **funded** by the Federal Department of Energy's Weatherization Assistance Program and the Low Income Home Energy Assistance Program, taking full advantage of leveraging and program coordination opportunities. Specific NYSERDA SBC programs such as the Direct Install program, the CBO Initiative and the Empower program have each adopted this approach; and should be expanded under SBC III.

Thanking you in advance for your consideration on our recommendations.

Vera Parpis



HANAC Inc., Weatherization Coordinator