

Meter Service Providers  
Association of New York

353 West 48<sup>th</sup> Street New York, NY 10036

October 18, 2005

*Via E-Mail & Post Office Mail*  
Hon. Jaclyn A Brillling, Secretary  
New York State Public Service Commission  
3 Empire State Plaza  
Albany, NY 12223-1350

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

Dear Secretary Brillling:

The Meter Service Providers Association of New York (MSPANY), respectfully submits an original and fifteen (15) copies of its comments Pursuant to the Notice Seeking Comments issued by your Honor on August 31, 2005 regarding the System Benefits Charge III and the proposal submitted by the PSC Staff. Electronic copies of these comments are being e-mailed to the active parties in this proceeding.

Sincerely,

Mark R. Williams  
Executive Director  
Meter Service Providers Association of New York

Cc: Active Party List as of August 11, 2005 in Case 05-M-0090 via e-mail

STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION

CASE 05-M-0090 – In the Matter of the System Benefits Charge I I I

**COMMENTS OF THE METER SERVICE PROVIDERS ASSOCIATION OF NEW  
YORK**

**I. INTRODUCTION**

The Meter Service Providers Association of New York (MSPANY) is an association of New York State Public Service Commission certified and uncertified meter service providers (MSP) and meter data service providers (MDSP).

Our Association works with consumer, business, environmental, and labor, groups to promote the benefits of smart metering and real time pricing for the electric markets in order to help ratepayers of the state of New York to better control their electric usage and costs.

## **II. COMMENTS**

Overall the MSPANY believes that the SBC program has been a great success and through the administration of NYSERDA it has accomplished or has laid the foundation to accomplish nearly everything it was originally designed to do. However as pointed out in Staff's proposal there is much work to be done which is why the MSPANY favors the continuation of the SBC for both an increased period of time and with an increase in program dollars.

In regards to the duration for continued funding of the SBC the MSPANY favors a longer term than Staff's five year recommendation and instead favors a term of eight (8) years.

In there proposal Staff notes that the competitive electricity markets have grown over the past five years, and that approximately 55% of the large commercial/industrial consumers are purchasing electricity from non-utility suppliers. We believe that this growth has actually taken place over the full eight years of the combined life of both SBC I and SBC II programs.

During the same eight year time frame in the residential sector, according to Staff, the progress of consumers migrating from their utility company to a competitive energy supplier over those eight years is only about 6%. The MSPANY believes that while part of the reason for this disparity in residential conversions is due to the arbitrary 50kw demand limit that does not allow for meter ownership below this threshold, and no access to meaningful time of use rates which the larger commercial/industrial users can benefit from, it is also due in part to the lack of meaningful pilot programs nor any real research and or study on consumer response to the true cost of the electric commodity. We believe this is an area that warrants consideration of the SBC III and because of the ever evolving nature of technology and the other issues of T&D as well as surging energy costs raised in Staff's proposal, eight years is not an inordinate amount of time to address and resolve these concerns.

In their proposal Staff recommends a very comprehensive and aggressive set of goals that they would like to see the SBC III program achieve while at the same time continue to maintain existing programs and initiatives all at the current funding levels. The MSPANY believes that in order to meet these aggressive program goals, the funding level should be increased to a minimum of one hundred and seventy five million dollars or an increase in the current level of twenty five million dollars.

By increasing collection as a percent of revenue from the current 1.22% to 1.42%, an overall increase of about 16.5%, a ratepayer would see a twenty cent increase for each one hundred dollars of revenue collected by the utilities that is now currently going to the SBC program. When put into the proper context and the realization that there has been no increase over the last five years in SBC II funding and that this increase will be the only increase for the recommended eight year term for SBC III that we feel is necessary for our reasons stated above, our recommended funding of \$175 million dollars represents an increase of less than 1.2% per year over the entire thirteen year program had there been regular adjustments. When it is also taken into account that any increases in administration costs compete for and erode actual program dollars, an adjustment should be included annually to ensure that programs maintain level funding or at a minimum are not short changed in latter years.

Finally, as stated by Staff in their proposal, they generally agreed with the assessments made by the Advisory Group that concluded that NYSERDA's programs were cost effective, well-managed and consistent with the Commission's SBC's goals. The Advisory Group further stated that "the New York Energy Smart program has made substantial progress in achieving energy efficiency, providing reductions in demand, encouraging renewables, supporting energy R&D in New York, and improving affordability for many low-income customers." The MSPANY agrees with these statements as do our members and their clients which have been associated directly and benefited from the programs administered by NYSERDA. For this alone we believe that the programs are successful and therefore deserve increased funding. However when it is further acknowledged by Staff that the New York Energy Smart program portfolio achieved a benefit - cost ratio of approximately 2:1 (NYSERDA reports a benefit – cost ratio of 2.5: 1) and when calculated to include benefits beyond energy savings (environmental and economic advantages like job creation) which would make the benefit – cost ratio considerably higher, a case could be made that an increase of twenty five million dollars is too low and that maybe total program funding should be increased to two hundred million dollars. Should that case be made by other interested parties the MSPANY would certainly endorse it.

### **III. CONCLUSION**

The Meter Service Providers Association of New York urges the Commission to adopt the recommendations on the System Benefits Charge III as presented in this comment.

Respectfully submitted

Mark R. Williams  
Executive Director  
MSPANY