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October 4, 2005

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 Systems Benefit Charge III, Staff Proposal

Dear Ms. Brillling:

As a manager of affordable housing, I was pleased to learn that the PSC Staff has recommended an extension of the Systems Benefit Charge. **NYSERDA's** Assisted Multifamily Program (AMP) has provided technical and financial assistance to multifamily properties I manage, helping to maintain their **affordability**, reduce energy costs for residents, and improve health, comfort and safety.

With respect to the specific recommendations in the Staff Proposal for the Extension of the Systems Benefit Charge (SBC), I would like to make the following suggestions:

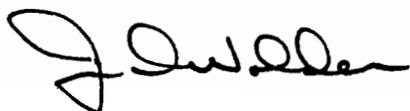
- Costs of operating housing, from materials and equipment to wages and insurance, have increased significantly since authorization of SBC II. I believe that an increase in SBC **III** that keeps pace with other rising costs is warranted.
- The PSC should take **all** steps necessary to facilitate implementation of sub-metering in multifamily properties that are currently master metered. In particular, in regulated housing non-payment of utilities should be considered equivalent to non-payment of rent so that consumers, rather than third parties, bear the costs of natural resource consumption. I believe **sub-metering** presents an important opportunity for both owners and tenants to save.
- The recent rise in energy prices places an enormous burden both on my facilities and on my tenants – most of my tenants have no capacity to pay additional rent to cover higher operating costs, rent adjustments **from** government will not be approved in sufficient time to offset those costs, and tenants **will** struggle to pay those energy costs that are billed directly to them. I urge that the PSC take additional steps to support low-income tenants through energy efficiency improvements and direct payment support.

Finally, I would like to **reaffirm** the importance of keeping the SBC funding free of the legislative appropriations process. NYSERDA has proven a judicious, impartial, effective administrator of SBC funds. A multi-year planning process is required to plan, modify and deploy programs tailored to transform energy markets over time. At a minimum, any legislative action must ensure **sufficient** predictability over multiple years for NYSERDA to carry out effective operations.

I commend the PSC on the conduct of an open, participatory process and on its continuing efforts to promote energy efficiency and ensure the viability of affordable housing.

Sincerely,

NEWARK HOUSING AUTHORITY



Jim De Volder
Executive Director

Cc: Senator Michael Nozzolio
Assemblyman Bob Oaks
James W. Wright, Chairperson, NY State Senate Energy and Telecommunications Committee
Paul D. Tonko, Chairperson, NY State Assembly Energy Committee
John J. Bonacic, Chairperson, NY State Senate Housing, Construction and Community Development Committee
Vito J. Lopez, Chairperson, NY State Assembly Housing Committee