



# NORSTAR

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DEVELOPMENT USA, L.P.

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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 an owner and manager of affordable housing, I was gratified 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 our multifamily properties, which has helped 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,



James W. Pitts  
Executive Director

Cc:Honorable Byron W, Brown  
Honorable Francine Del Monte  
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