



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 developer 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 multifamily properties we have developed and 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**:

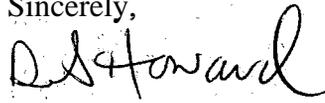
- Costs of operating housing, from materials and equipment to wages and **insurance**, have increased significantly since **authorization** of SBC II. I believe that **an** increase in SBC III that keeps pace with other rising costs **is warranted**;
- The PSC should **take** all steps necessary to facilitate 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 look forward to utilizing this great resource on future projects

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,



Deborah Howard
Executive Director

Cc: State Senator Velmanette Montgomery
State Assembly Member Roger Green
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