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October 17, 2005

Jaclyn A. Brillling  
Secretary  
Public Service Commission  
3 Empire State Plaza  
Albany, NY 12223-1350

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

**Response to:  
Staff Proposal for the Extension of the System Benefits Charge (SBC) and the SBC-Funded Public Benefit Programs**

Dear Ms. Brillling:

Thank you for the opportunity to comment and respond to the Public Service Commission's (PSC) staff proposal regarding the future allocation of Systems Benefit Charges (SBC) in New York State. Steven Winter Associates (SWA) is a 33-year-old architectural research and consulting firm, with specialized expertise in technologies and procedures that improve the energy efficiency, safety, performance, and cost effectiveness of buildings. As an active participant in both commercial and residential SBC-funded public benefit programs, SWA is familiar with the programs administered by the New York State Energy Research and Development Authority (NYSERDA).

As the administrator of the SBC funds for New York State, NYSERDA's challenge has been to develop programs that effectively serve the needs of a widely varied customer base over a large geographic region. A long-term commitment to economic and technological resource development targeted at reducing New York's energy burden is necessary to allow for these programs to be effective. Many of NYSERDA's programs are innovative in nature, requiring multi-year time horizons to reach maturity and to develop emerging markets supporting energy efficiency. In addition, many of the projects supported by these programs require similar timelines to reach completion, particularly those related to new technologies, renewable energy sources, and new construction. For these reasons, SWA supports the PSC's staff proposal to extend the SBC funding for an additional five-year period. A shorter timeline would be insufficient to allow for adequate development of the stated program goals.

Implementing the SBC funded programs through a central administrative source has proven to be an effective approach, allowing for programs to cover a wide range of target market sectors while limiting the redundant expenditures and administrative overhead that might otherwise be incurred. Over the first two SBC funding periods, NYSERDA has had an opportunity to test various program formats and, as noted in the PSC staff recommendation, has shown a willingness to review and revise the state's program portfolio to streamline spending and consolidate programs with overlapping markets and



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goals. SWA supports the continuation of funding to NYSERDA as the administrator of these programs and looks forward to their continued evolution during SBC III.

The revised program goals recommended by the PSC staff are timely and will support the development of an even more comprehensive energy resource management strategy for the state. The additional focus on reducing energy costs, mitigating environmental and health impacts, and economic development through emerging technologies and innovation are all fundamental to SWA's business philosophy and we encourage the state to continue to broaden its support for these types of initiatives.

In addition to the stated program goals, SWA also encourages the state to consider an increased focus on ensuring the persistence of energy savings. Experience has shown that energy conservation measures, in both retrofit and new construction, often do not achieve their full capacity for energy savings due to improper installation, operation, and maintenance. Activities like quality assurance, commissioning, building operator training, and monitoring and verification are vital to ensuring projected savings from installed measures endure over time. As the SBC programs further mature, we encourage the state to place additional emphasis on these post-installation activities.

Overall, we find the PSC's proposal to be a sound recommendation for the future of New York's approach to energy resource management and we support the continuation of funding to NYSERDA through SBC III.

Sincerely,

Steven Winter

Steven Winter  
*Principle*