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The SBC Program has been highly successful for residents and businesses in New York. The goals of using energy more efficiently, improving system-wide reliability, and peak load reduction through end-user efficiency actions have been achieved. The SBC has had the intended effect of improving energy efficiency and access to energy options for underserved customers. It has reduced the environmental impacts of energy use, and facilitated competition to benefit end-users.

According to NYSERDA, the SBC Program has facilitated approximately 860 megawatts of potential demand reduction, and reduced energy use by 1,400 GWh (the equivalent of meeting the energy needs of 200,000 homes annually). This was accomplished with the participation of 526 of New York's architectural and engineering firms, 174 energy services companies, and 1,000 end use commercial and industrial customers who participated in the SBC Program.

The environmental benefits the SBC program has achieved for New Yorkers include: the reduction of nitrogen oxide emissions by about 1,300 tons per year, sulfur dioxide emissions reduced by 2,265 tons per year, and carbon dioxide emissions reduced by over one million tons per year. This is the equivalent of removing 203,000 cars from the road annually.

In addition, the annual energy savings resulting from the SBC Program is now estimated to be nearly \$200 million, and the number of new jobs created in New York is estimated to be 4200.

For all of these reasons, we strongly support the extension of the SBC program after 2006.

In addition, we would like to see the development of infrastructure and incentives to support "medium" wind projects. The current net-metering laws are capped at 10 kW of wind power production capacity. As part of the NYS RPS, we hope that programs can be developed that would facilitate the installation of wind turbine projects in the range of 100-1000 kW. Perhaps we could follow the European model and offer net metering rates on a graduated scale (e.g. 100% of retail up to 100 kW, declining to 80% of retail at 1000 kW).

We also would like specific infrastructure and incentives that would

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encourage the establishment of energy cooperatives to distribute this energy. We believe there may be many opportunities in upstate New York for groups of neighbors to form partnerships and erect their own shared wind projects, if they had access to the same installation incentives and retail electricity rates provided to solar and biofuels generators. In the past, NYSERDA has supported partnerships between farmers and municipalities for net metering of electricity generated from anaerobic digesters. Perhaps a similar infrastructure and incentive program could be developed to allow small cooperatives to install and utilize medium-wind projects.

The existing wind resources in NYS could provide 20% of our electricity. This wind potential will be better utilized if, along with utility-scale wind farms with turbine sizes greater than 1 MW, smaller wind farms using medium-sized wind turbines (100-1000 kW) are encouraged. The SBC could facilitate changes in net-metering and electrical distribution laws in NYS, and provide installation incentives.

We believe that distributed networks of electricity generation from a variety of renewable energy sources are critical to our energy security. Furthermore, the resilience of our local economies will be improved if New Yorkers have buffered their electrical supply and cost structure by giving more citizens the opportunity to produce their own power. The ever increasing advantages of using renewable energy and distributed generation will benefit all New Yorkers, and can be encouraged and developed through new SBC programs.

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