

October 17, 2005

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

Re: EPA Comments: CASE 05-M-0090 - In the Matter of the System Benefits Charge III.

Dear Ms. Brillling:

On behalf of the United States Environmental Protection Agency (EPA), I respectfully submit the following comments in support of the System Benefit Charge (SBC) program in New York State in response to the request for comment from the NY Public Service Commission (NY PSC) on its staff proposal to extend the SBC program from July 1, 2006 through June 30, 2011.

Our comments are as follow:

- EPA agrees with the Staff recommendation to continue funding the SBC Program for an additional five years. EPA in working with a variety of States has found that time frames such as five years provide the time necessary to design, operate, and evaluate effective programs.
- EPA agrees with NY PSC Staff that an increased focus on whole building approaches to energy efficiency is a means to increase the energy and peak demand savings of programs. EPA has found that whole building approaches can deliver twice the energy savings for a given investment level as component based approaches and believes that NY can build upon and effectively expand its efforts in this area.
- EPA agrees that New York's continuing focus on demand response programs is important, particularly those that achieve overall and peak energy savings through the use of clean distributed generation (DG), such as combined heat and power (CHP).

In conclusion, EPA shares New York's view that there are tremendous energy, economic, and environmental gains to be had from aggressive and well-designed energy efficiency and clean energy efforts at the state level. We recognize New York's continuing efforts to maximize the effectiveness of your energy efficiency, renewable energy, and DG/CHP programs, and we believe that these efforts can deliver even more energy savings and environmental benefits in the coming years to New York citizens. You may contact me regarding our comments at (202)343-9190.

Sincerely,

Kathleen Hogan, Director  
Climate Protection Partnership Division

CC: William Flynn, Chairman, NYPSC  
Peter Smith, President, NYSERDA  
Brian Henderson, NYSERDA