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July 11, 2007

Hon. Eleanor Stein
NYS Public Service Commission
3 Empire Plaza
Albany, NY 12223

RE: CASE #07-M-0548 EPS Proceeding, Staff Questions

Dear Judge Stein:

The Community Power Network of NYS would like to offer the following responses to the questions posed by Staff in this case. While CPN works statewide on a variety of community and low-income energy projects, we are based in the southern Adirondacks (Essex County) and will offer our comments in the context of the impact that energy has on low-income and rural customers.

Goals

1. What approaches hold the greatest potential to contribute to the 15% energy reduction?

As a member of our region's new Energy Smart Park Initiative, we believe that one of the biggest opportunities in the Adirondacks could occur with energy efficiency improvements to state facilities in the Adirondack Park. New York State should set an example in our region by making its current and new facilities as energy efficient as possible. This includes the existing state office campus in Ray Brook, the prisons, state parks, Dept. of Transportation offices, and facilities operated by the Olympic Regional Development Authority. Secondary to that, we believe that other public facilities—schools, municipal buildings, emergency services buildings should also be priorities due to both the volume of energy they use and their role as tax-payer supported public facilities. In terms of underserved sectors, we think the State and its municipal and investor-owned utilities ought to take a look at targeted initiatives for two sectors: nonprofit organizations and microbusinesses (those with fewer than five employees). Both have been underserved in the existing programs.

Program Elements:

7. What role should building codes and appliance standards play? Should such standards vary by geographical area?

New York (all of New York) needs strong, effective building codes and appliance standards. Unfortunately, one of the barriers to implementing stronger building codes is the inability of many New York communities to effectively implement the codes that we already have. In addition, the building stock in many counties is old and, in many cases, substandard. Getting the existing building stock up to code will be a huge undertaking which will require substantial public and private investment. For example, in Essex

County (where CPN is located), more than half of all housing units in the county were built before 1960. Nearly 40% were built before 1939.

Appliance standards are also critical and a key part of long term affordability for low-income households, regardless of whether they rent or own. Unfortunately, for many, the initial cost of new, highly efficient appliances is beyond the reach of many low and moderate income households. We think it is important for New York to explore strategies that make access to these more efficient appliances possible. One strategy which we are currently working to develop in one New York county is the development of a fuel fund with an individual development account mechanism. While many fuel funds focus on crisis assistance, this initiative will have a longer-range focus. IDAs allow households to acquire assets by saving money and having their savings matched to accelerate the pace at which they can acquire the asset (often a home or education). We know of at least one New York example where IDAs were used to allow low-income households to acquire energy efficient appliances. We think this approach bears examination because it provides a hand up to low-income households and encourages them to think about energy efficiency as a reachable goal.

Program Design

8-13. We reviewed the Con Ed study referenced in staff's questions paper. We concur with many of that study's conclusions about program design. We support the development of energy efficiency programs which are integrated in their approach, focused on a whole-house approach, and flexible in their ability to match measures with the needs of the structure and its occupants.

One of the barriers to access that we see here in the North Country is the limited number of trained, certified building science professionals, contractors and builders. In terms of the existing building performance programs, many North Country counties have one or no certified professionals within their boundaries. Engaging those professionals in the program mix is challenging and we commend and support NYSERDA's efforts to do that. We believe, though, that extremely rural areas like ours will require some special effort and we encourage the State to consider ways to make training and certification more readily available in rural places.

It is also important to work with the building professionals to figure out how to more effectively market the programs in very rural communities. Limited participation in the existing programs may not reflect a lack of willingness on the part of the contractors and builders, but may, in fact, reflect a lack of understanding by local residents about the value that these programs can bring to their lives. It may also reflect difficulty in communicating that value by the contractors and builders.

Outreach and education are key to the success of any energy efficiency program. One of the barriers to outreach and education in a rural area like ours is the absence of consistent mass market vehicles that exist in other parts of the state. In Essex County, there is no one radio station, television station or newspaper that everyone receives. Internet access is inconsistent. Many communities here lack a public library or grocery store. There is no one geographic county center that everyone visits. Outreach and education in rural

counties like ours tends to be done on a community by community basis. Strategies that will work in this part of the world need to reflect those realities.

We would also like to suggest that energy efficiency programs supported by the utilities and the State look at ways to include non-English speakers in their outreach and education efforts. Energy efficiency is a more complex set of concepts than whether or not a customer has paid a bill or wants their service turned on or off. We suspect that building programs and materials that can adequately include non-English speaking audiences will be a more complicated undertaking.

In terms of the oil and propane markets, we found it interesting that the Staff questions addressed those markets only in the context of fuel shifting with natural gas. This implies that customers who participate in the oil and propane markets do so as an economic choice with natural gas as an alternative.

It is important to realize that this is a choice that doesn't exist in many counties- especially in the North Country. Natural gas pipelines don't exist in most parts of the North Country. In Essex County, about 65-70% of the households and businesses heat with oil or kerosene. Most of the rest (outside of Lake Placid which has a lot of electric baseboard heat due to its municipal utility), heat with propane or wood. Finding a wood dealer here is getting increasingly difficult. Customers in our area are extremely vulnerable to price spikes and service disruptions in the petroleum-based industries. That vulnerability will have an impact on their ability to be effective electric customers (which nearly 100% of us are!). Energy efficiency should be a priority across all fuels. This is essentially a regional environmental justice issue because of the significant housing quality issues that we also face.

Implementation

14-21. We recognize that this proceeding is intended to look at the appropriate role for the utilities in energy efficiency and commend the Commission on exploring it. At the same time, we believe that the State has made a considerable investment in developing a program infrastructure through NYSERDA which has, by and large, worked well. We urge you to leverage that base and to bring in other partners.

Somehow, we think it is important to include in the energy efficiency discussion the municipal utilities. Some, like Lake Placid, have viewed energy efficiency and the development of renewable energy opportunities, an important part of what they do. It seems that they may be the exception when they ought to be the rule. Jamie Rogers, the Mayor of Lake Placid, has been an important voice in the regional Energy Smart Park initiative and we encourage you to talk with him about the best way to bring energy efficiency to municipalities which have municipal utilities.

Environmental justice is an important question and we are pleased to see it included in Staff's questions. Here are a few of the ways that we believe it plays out in this proceeding:

How can we ensure that resources available through the EPS, RPS or SBC programs are equitably distributed so that all regions of the state and all customer groups have access to them?

How do we quantify the improved health and safety benefits of energy efficiency so that those savings are recognized in implementing and evaluating the programs?

How can we be sure that customers who live in regions with limited access to cleaner energy technologies and greater dependence on petroleum-based fuels have access to energy efficiency that can reduce their dependence on petroleum and improve their health and safety?

How do we be sure that all customers have access to highly efficient heating equipment and the tax credits that go with them?

In terms of low-income customers, CPN believes that it is important to recognize that the HEAP/Weatherization eligibility standard (currently 60% of the state median income) leaves out many working low-income households who want to reduce their energy use but lack the resources to achieve that goal. NYSERDA has recognized this and their low-income specific programs serve households to 80% of state median income. We encourage this proceeding to do likewise.

We also believe that more needs to be done to address the energy efficiency needs of low-income renters. They often fall through the cracks if they don't pay directly for their energy costs and their landlord does not want to participate in the programs. A strong energy efficient appliance program is one significant step that would benefit these low-income customers regardless of where they live.

We appreciate this opportunity to participate in this proceeding and are willing to assist in the development of strategies that impact low-income, rural, municipal, microbusiness and nonprofit customers.

Sincerely,

Sue Montgomery Corey, President
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