

October 15, 2007

Rudy Stegemoeller  
Eleanor Stein  
Administrative Law Judges  
New York State Department of Public Service  
3 Empire State Plaza  
Albany, NY 12223-1350

**RE: CASE 07-M-0548 – ENERGY EFFICIENCY PORTFOLIO STANDARD  
COMMENTS ON FAST TRACK OR EXPANSION OF EXISTING PROGRAMS ONLY**

Dear Judges Stegemoeller and Stein:

The Real Estate Board of New York, representing nearly 12,000 owners, brokers and managers of high rise commercial and residential property welcomes the opportunity to comment on the Fast Track Initiatives and the Expansion of Existing Energy Efficiency Programs. We support the goals of the EPPS, and the Governor's "15 by 2015" initiative. For the past several summers, owners and managers of over 300 million square feet of commercial office space have participated in a summer energy conservation program whereby these buildings move to voluntarily reduce electric use when called on to do so by Con Ed or the ISO to prevent service outages in Manhattan.

However, we have serious concerns about the implementation of the Fast Track Initiatives. The Introduction to the report notes that, "Implementation of the proposed programs will also necessitate some adjustments to the current SBC portfolio in both scope and scale." We are concerned about the plan for ratepayers to pay the costs of the Fast Track Initiatives, whether through increases to the SBC, or through increased utility charges. This could mean a substantial increase in the SBC or rates themselves, as the items listed in the FTI are numerous and will be very expensive.

Trying to implement dozens of initiatives quickly has enormous potential for waste, overlap, and administrative inefficiency at ratepayer expense. The initiatives are so broad, aimed at a wide variety of customers and building types, and probably can't be implemented quickly with any degree of efficiency.

We note that Staff is open to exploring alternate means of funding over the longer term for energy efficiency measures. New York City already has the highest energy rates in the country. It is essential that we not lessen our competitiveness as a place to do business by adding to these already high costs. ratepayer impact must be minimized in the implementation of the Fast Track Initiatives as well as in any longer term planning.

We have a few comments on specific sections of the report as follows:

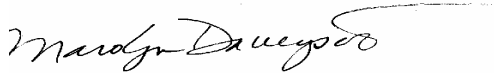
Sec. #8 - New York City Apartment Building Energy Efficiency Program Design.

The report correctly notes that there are few programs or incentives available for multi-family residential. There is even less available for high rise multi-family buildings.

Splitting programs into common area/building system incentives on the one hand, and individual unit programs make sense as most NYC multi-family units are individually metered (and NYC certainly has the largest concentration of high rise apartment buildings in the state). Streamlined administration and user-friendly programs are the key to making any multi-family programs work. While sophisticated commercial property managers can find their way through NYSERDA's regulatory maze, smaller residential owners, to say nothing of coop or condo boards, are far less able to access their programs. A good model for incentive programs is the NYC Dept. Environmental Protection Agency's former low flow fixture rebate program.

Many NYC apartment buildings would like to install distributed generation using micro-turbines. Until recently, this has not been permitted in the city and, even now, the regulatory obstacles have many buildings unwilling to move forward. The NYC Dept. of Buildings has recently issued rules for the installation of microturbines which should ease the concerns that buildings can't get approval for them. However, the rules require that the installations be on the roof or a setback which substantially reduces the number of buildings which can practically do the installation. In other parts of the country, the generators are installed in basements as well.

Sincerely,

A handwritten signature in black ink, appearing to read "Marolyn Davenport", with a long horizontal flourish extending to the right.

Marolyn Davenport

cc: Management Division Board of Directors  
Steven Spinola