STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held in the City of New York on December 14, 2005

COMMISSIONERS PRESENT:

William M. Flynn, Chairman
Thomas J. Dunleavy
Leonard A. Weiss
Neal N. Galvin
Patricia L. Acampora

CASE 05-M-0090 – In the Matter of the System Benefits Charge III.

ORDER CONTINUING THE SYSTEM BENEFITS CHARGE (SBC)
AND THE SBC-FUNDED PUBLIC BENEFIT PROGRAMS

(Issued and Effective December 21, 2005)

BY THE COMMISSION:

INTRODUCTION

The System Benefits Charge (SBC) program was initiated in 1998 and has successfully provided programs to encourage energy efficiency, promote a cleaner environment, and reduce the financial burden of energy costs on low-income New Yorkers. The SBC program preserves the public benefits of programs previously provided to our society by regulated monopoly utilities, but does so on a comprehensive statewide basis in a manner that maximizes efficiencies of scale and coordination, and allows for streamlined implementation of changes in program emphasis to match shifts in societal needs. The SBC program was extended for a five-year period in 2001. The current annual SBC funds collection authorization of $150 million ends on June 30, 2006. By this Order, the Commission provides for the continuance of the SBC and the SBC-funded public-benefit programs at an annual funding level of $175 million for a five-year period, to end on June 30, 2011.

BACKGROUND

The SBC currently generates $150 million per year in revenues. The six investor-owned electric utilities in New York State collect the revenues from customers, retain a portion of the revenues to fund certain utility-administered, unexpired public-benefit programs that predated the SBC program, and transfer the remainder to the New York State Energy Research and Development Authority (NYSERDA) to fund the statewide NYSERDA-administered public benefit programs.

NYSERDA was designated by the Commission as third-party administrator of the statewide programs (subject to oversight by Staff of the Department of Public Service).[1] As SBC Program Administrator, NYSERDA consults with interested parties, prepares an "Operating Plan" to fund individual programs within the funding categories established by the Commission, receives and disburses SBC funds, conducts program evaluations, and prepares program reports. NYSERDA is assisted in the evaluation process by the Independent System Benefits Charge Advisory Group ("Advisory Group") and a number of evaluation contractors.

NYSERDA reports that, from the inception of the SBC program through September 2005, the accomplishments of the statewide SBC programs include the following:

- Annual electricity use in the State has been reduced by approximately 1,700 GWh. Peak demand reduction of 1,000 MW has been achieved through installed efficiency measures and demand response programs.

[1] Case 94-E-0952, et al., Competitive Opportunities Regarding Electric Service, Opinion 98-3 (issued January 30, 1998).

- Annual bill savings by electricity, oil, and natural gas consumers are estimated at $230 million.

- The investment of approximately $813 million in SBC funds is expected to result in additional public and private sector investments of approximately $1.4 billion, primarily in cost-effective energy efficiency improvements.

- The program has delivered environmental benefits. It is estimated that annual nitrogen oxide (NO_x) emissions have been reduced by 1,500 tons, sulfur dioxide (SO_2) emissions by 2,700 tons, and carbon dioxide (CO_2) emissions by over one million tons.

- The program is expected to create and sustain an average of 4,800 jobs annually over the eight-year SBC program period (1998 through 2006).

REVIEW PROCESS

In anticipation of the expiration of the current five-year SBC authorization period, the Commission initiated this proceeding. On January 28, 2005, a public notice was issued seeking comments on fourteen questions regarding the future of the SBC program, including questions relating to continuation of the program after June 30, 2006, and to its goals, time frame, and funding level. Over 160 responses were received. The majority of the comments expressed an overall favorable view of the SBC program and recommended its continuation.

On April 1, 2005, a public notice was issued seeking comment on a state budget amendment that would require state budget appropriations for the SBC program. Forty-five responses were received. A list of the commentators (with name abbreviations when used in this Order) is set forth in Appendix E.

On August 30, 2005, after reviewing the comments and examining the performance of SBC programs, the Staff of the New York State Department of Public Service ("Staff") submitted its Staff Proposal for the Extension of the System Benefits Charge

(SBC) and the SBC-Funded Public Benefits Programs ("Staff Proposal"). Interested parties were asked to comment on the Staff Proposal by October 17, 2005. In the notice seeking comments, parties were informed that the question relating to expansion of the scope of the SBC program to include programs for natural gas customers will be considered in a separate proceeding.[2] Notification of the filing of the Staff Proposal was published in the State Register on August 31, 2005. The minimum period required pursuant to the State Administrative Procedure Act to allow for the submission of comments expired on October 17, 2005. Approximately 140 sets of comments were received. A list of the commentators (with name abbreviations when used in this Order) is set forth in Appendix F.

On September 21, 2005, the Commission issued a notice pursuant to the State Environmental Quality Review Act that the Commission had determined that the renewal and extension of the SBC program will not have a significant adverse effect on the environment.

STATE BUDGET APPROPRIATIONS

Regarding the state budget amendment that would require the governor to provide appropriations for the SBC program in the state executive budget, 44 of the 45 responses received opposed such an amendment. The parties opposing the amendment include customer-participants in SBC programs, energy efficiency providers, renewable resource developers, utilities, environmental groups, industry trade groups, universities and the City of New York. The overwhelming majority of the comments express a view that requiring legislative authorization for SBC program funding as part of the state budget process would greatly diminish the effectiveness of the SBC program by

[2] Case 05-G-1061.

eliminating certainty regarding the long-term nature of the funding, which is essential for participant providers and customers. New York City raises its specific concern that "subjecting the SBC funds to annual legislative review and modification will undermine efforts to achieve distributed resources that are needed to ensure reliability and achieve environmental goals in New York City." New York City is satisfied that the demonstrated success of the SBC programs to date reflects "NYSERDA's unique ability to work with market participants to design programs that yield desired results" and "the ability of NYSERDA to offer a satisfactory degree of certainty for initiatives that may require more than one year of funding." O&R questions whether the intent of the legislation is in line with the contractual provisions of the contracts between O&R and NYSERDA that provide for remittance of the SBC funds. USCHPA and NAESCO, two national trade organizations with experience in other states, praise the current NYSERDA-administered programs as predictable, multi-year programs, and warn that the proposed amendment may substantially undermine New York's establishment of energy efficiency and renewable energy as the foundation of State energy policy and make it difficult for their members to finance projects or make other investments in New York.

Discussion

We established the SBC as an element of electric rates to ensure that certain public-benefit programs formerly provided by regulated monopoly utilities would continue in a partially deregulated environment, and to better coordinate and administer such programs on a comprehensive and statewide basis. The SBC program is well managed by NYSERDA, under Commission oversight, in a manner that is flexible enough to be responsive to changing needs. When necessary, recourse to that flexibility has been taken to quickly reallocate funds. For example, we recently transferred funds to increase outreach and education activities so that consumers could be made aware of energy efficiency actions they can take in preparation for this heating season with its unusually high fuel costs. In the past, we made transfers to fund peak load reduction programs deemed necessary to prevent power outages. Loss of that flexibility would greatly diminish the effectiveness of the SBC program.

We note that the state budget amendment described above was vetoed by the Governor on April 12, 2005, and therefore did not become enacted into law. That result is consistent with the recommendations made in the comments received from the parties, with only one exception. The ability to manage the SBC program through administrative entities serves the public interest and enables the State to achieve important social objectives relating to energy efficiency, research and development, and serving the needs of low-income customers. As currently administered, the SBC program is particularly effective because it provides certainty regarding the long-term nature of the funding, which is essential for participant providers and customers, and because the Commission reserves flexibility to make adjustments as needed. As with all decisions it makes, the Commission can reevaluate its position, if facts change.

SBC III PROGRAM

SBC Renewal

Staff recommends renewal and extension of the SBC program. It reminds us that the conditions justifying establishment of the SBC program continue to exist. According to Staff, in spite of advances toward retail competition, competitive markets have not matured for providing energy management services to small and medium sized energy consumers, making energy more affordable for low-income customers, and providing funding for important energy-related research and development (R&D) projects. In addition, long lead times for review, approval, and construction of new large generation units remain and the need for programs that target peak demand and/or distribution constraints continues. Electricity consumption in New York continues to grow and satisfying this demand will require periodic significant additions of new generation capacity and/or energy efficiency resources. Oil and gas prices are volatile and rising, resulting in electricity commodity price increases for New York consumers, negatively impacting low-income consumers, in particular, who spend a higher percentage of their income on energy costs.

Most of the responses support renewal of the SBC program, many seeking increased funding and a longer-term commitment to the program. Many descriptions of the benefits of the program, too numerous to set forth here, were provided. Out of the approximately 140 responses received, the only opponents to renewal of the SBC program appear to be Multiple Intervenors[3] and the Business Council.[4] Multiple Intervenors would like to see the program eliminated, or at least phased-out over a five year period. The gist of its arguments in opposition is that the SBC increases the price of electricity for all consumers, which it claims disproportionately impacts large commercial and industrial customers upstate. The Business Council has a long-standing opposition to the SBC program. NYSEG, RG&E, and Con Edison make related arguments about disproportionate impacts and, while not opposing renewal of the SBC program, seek a

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[3] Multiple Intervenors is an unincorporated association of approximately 55 large commercial and industrial electric customers.

[4] Membership in The Business Council of New York State, Inc. is made up of large multi-national corporations, banks, other large companies and consulting firms, and a majority of New York's investor-owned gas and electric utilities.

requirement that funds only be spent in the service territory where collected.

Discussion

The SBC program has been successful at providing necessary public benefit programs in a manner that is efficient, cost-effective, and flexible enough to respond rapidly on a comprehensive basis to changing societal needs. Electricity usage continues to grow, coupled with alarming rises in fuel costs, such that the societal challenges facing New Yorkers in the energy arena are even greater than they were when the SBC program was first initiated. To the degree that market forces or complementary programs contribute towards meeting these challenges, the SBC program has been adapted, and will continue to be adapted, to accommodate the most pressing current needs.

While we recognize the need for overall balance, the multiple variate needs addressed by the SBC program are not limited to any particular geographic section of the State, and in any event, when it comes to public benefit programs, each individual customer is not guaranteed an exact and direct one-for-one return on any monies paid. The basic commonality of how our society functions allows us to pool our resources in the SBC program. By doing so, we have successfully reduced electric usage and demand, saved more money than we have spent, leveraged additional investment, reduced air pollution and climate-altering emissions, and created jobs. All of our society benefits because of these things, which the comments largely reflect. SBC spending on individual programs is determined by NYSERDA with the assistance of Staff and independent experts in a process where the best programs are chosen from competing proposals. Requiring a "one-for-one" arrangement would inherently jeopardize the effectiveness of the SBC program by directing funding towards lesser programs simply for the sake of mathematical parity. The SBC program is renewed as proposed.

The SBC is applied to customers on a volumetric basis in proportion to their respective energy usage; there is no unfairly disproportionate impact on high-use customers. The charge is appropriately applied in direct proportion to the amount of energy used.

Length of SBC Renewal Term

Staff recommends a five-year period to provide NYSERDA with time for planning and program development, and to offer contractors and customers a reasonable level of predictability, essential for effective program operations. Staff recommends five years to maintain flexibility considering the difficulty in accurately predicting energy needs and the status of the electricity markets over the long term, and because a shorter extension period would reduce program predictability and add unnecessary administrative burdens.

With the exception of the Multiple Intervenors phase-out proposal, the responses addressing this topic either support the proposed five-year term, or suggest seven, eight, or ten years or more. Generally, those supporting a longer term seek expression of a greater commitment to continuing the SBC program from the Commission from an overall perspective, or desire more certainty for the continuance of particular individual SBC programs from a participant perspective.

Discussion

We are comfortable that the current five-year cycle provides sufficient certainty for participants, which should contribute to the success of the programs, without impairing our ability to adjust our program emphasis, from time to time, as needed. In addition, regarding certainty, we note that we have deliberately timed our review and decision on renewal sufficiently in advance of the pending expiration date of the program to ensure that if renewed, there would be no unintended interruptions in SBC program participation, and if not renewed, there would be ample time to phase out the programs in an orderly manner.

Program Goals

Staff recommends revisions to the goals for SBC III to more accurately reflect its view of today's energy realities, Commission policies and the evolving nature of SBC programs. Staff proposes the following goals:

- Improve New York's energy system reliability and security by reducing energy demand, supporting innovative transmission and distribution technologies, and enabling fuel diversity, including renewable resources.

- Reduce the energy cost burden of New Yorkers by offering energy users, particularly the State's lowest income households, services that temper the effect of energy price volatility and provide access to cost-effective energy efficiency options.

- Mitigate the environmental and health impacts of energy use by increasing energy efficiency, encouraging the development of a renewable energy resources infrastructure, and optimizing the energy performance of buildings and products.

- Create economic opportunity and promote economic well-being by supporting emerging energy technologies, fostering competition, improving productivity, growing New York energy businesses, and helping to meet future energy needs through efficiency and innovation.

Clean Energy Advocates[5] requests revision of the goals to emphasize energy savings. Parties that oppose expansion of the program to include transmission and distribution research funding also oppose adding support of "innovative transmission and distribution technologies" to the goals. In addition, CPB

[5] A coalition of environmental and public interest groups, a "green" energy broker, and industry trade groups.

recommends that all revised goals explicitly state that all SBC programs must be cost-effective.

Assemblyman Tonko characterizes the Staff proposal as maintaining the status quo on program design and program funding allocations, which causes him to question whether the decision-making process for SBC programs is adequate and appropriate given recent events affecting energy prices and availability. NYC criticizes what it describes as the amorphous quality of the goals and suggests that precise targets to permit accurate measurement of the progress achieved would improve the process.

Discussion

We believe that the SBC program has benefited from the flexibility we have exercised to adjust program emphasis from time to time, as priorities change. However, individual programs could benefit from a more goal-oriented approach, which we shall address below. While the SBC programs should be cost-effective where that concept applies, consideration shall be given to other factors when necessary (e.g., health and safety benefits of energy efficiency programs offered to low-income customers). This is our long-standing policy.

In response to the comments, the goals are slightly revised, to read as follows:

- Improve New York's energy system reliability and security by reducing energy demand and increasing energy efficiency, supporting innovative transmission and distribution technologies that have broad application, and enabling fuel diversity, including renewable resources.

- Reduce the energy cost burden of New Yorkers by offering energy users, particularly the State's lowest income households, services that moderate the effect of energy price increases and volatility and provide access to cost-effective energy efficiency options.

- Mitigate the environmental and health impacts of energy use by increasing energy efficiency, encouraging the development of support services for renewable energy resources, and optimizing the energy performance of buildings and products.

- Create economic opportunity and promote economic well-being by supporting emerging energy technologies, fostering competition, improving productivity, growing New York energy businesses, and helping to meet future energy needs through efficiency and innovation.

Program Consolidation

Staff recommended that NYSERDA should conduct a review of the entire program portfolio to identify opportunities for consolidation and simplification. Staff believes there are opportunities for increased coordination of program marketing, a simplified application process, and a simplified program monitoring and evaluation-tracking database.

Several parties expressed support for Staff's proposal on program consolidation. They suggested that the application process could be streamlined and simplified, which would lead to greater participation and satisfaction of participants, that obsolete programs should be identified and eliminated, and that a standardized and more detailed data collection and tracking system could be implemented.

Discussion

Almost eight years of experience indicates that program consolidation and simplification are desirable and possible. Staff will work with NYSERDA to consolidate programs serving the same or similar participants, ensure coordinated marketing, eliminate obsolete programs, simplify and streamline the application process for participants, and improve the program monitoring and evaluation-tracking database. The Operating Plan should include a program by program report on management of these tasks. In addition, the Operating Plan should include quantitative goals where possible, and qualitative goals as appropriate for each individual program for measuring success and the achievement of objectives. The data collection and tracking system should track the quantitative and qualitative success of each individual program against its initial goals.

Demand Response and Energy Efficiency Programs

In addition to demand response programs operated by the NYISO, Staff recommends increased emphasis on encouraging additional methods designed to reduce peak load demand, such as, retail time sensitive electricity pricing for all classes of customers, load shedding, and distributed generation. According to Staff, these initiatives will increase the diversity of demand response resources available to meet the needs of growing peak demand and are consistent with recent Commission policies supporting dynamic electricity pricing and distributed generation.

Multiple Intervenors states that SBC programs are not needed outside of New York City and Long Island because demand is not growing and the annual energy requirements outside of New York City and Long Island have decreased. Assemblyman Tonko suggested that perhaps demand response programs should be funded through other revenue sources, and SBC funds should be directed to programs designed to result in long-term energy savings.

USEPA agrees that New York's continuing focus on demand response programs is important, particularly those relating to clean distributed generation, such as combined heat and power projects. CPB urges that, while peak load pricing has generally been implemented for large customers, substantial opportunities remain to reduce peak load for small commercial and residential customers. CPB recommends a renewed emphasis on and publicizing of voluntary time-of-use pricing, particularly for residential customers. Similarly, NYC urges involvement of residential customers in energy savings plans, such as real time pricing programs, to affect demand and pricing, particularly if coupled with residential load control mechanisms, as did the

Cooperative Coalition to Prevent Blackouts.[6] Con Edison and Consumer Power Advocates[7] requested further steps to increase the use of steam air conditioning to reduce electric load necessary to achieve demand reduction goals. HR&A[8] requested that the Commission pursue submetering as a vehicle to encourage energy conservation.

Discussion

We agree that demand response programs should be targeted primarily to areas where demand is either growing or reaching capacity limits. We expect the Operating Plan to take that factor into account. However, Multiple Intervenor's claims about demand trends and that SBC programs are no longer needed upstate are not accurate. According to historic data published by the New York Independent System Operator (NYISO), every region of the State, except the Upper Hudson Valley (New York Control Area Zone F), reached a new record-high winter demand peak for the last decade during the 2004-2005 winter season, as did the New York Control Area as a whole. While data for the 2005 summer season has not yet been published by the NYISO in the same manner, we note that summer peak demand reached new highs both upstate and downstate, and for the State as a whole. For example, National Grid's upstate service territory set a new record high for electricity demand in August 2005, surpassing its next highest record year peak reached in 2001. In addition, energy usage per residential customer continues to grow in all areas of the State. Energy usage per commercial and industrial customer does not demonstrate a clear trend, with mixed

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[6] A coalition of housing cooperatives and related entities.

[7] A member organization of Con Edison customers.

[8] HR&A is a consulting firm and implementing contractor for the Assisted Multifamily Program.

increases and decreases occurring in different areas of the State, including some areas upstate.

SBC demand side management programs are not limited to demand reduction programs. Energy efficiency programs are also a major part of the overall SBC program. In areas where demand is not growing, it would be appropriate to put more emphasis on the implementation of long-term energy savings. Steam air conditioning and submetering programs could be considered for inclusion in the Operating Plan, to the extent such programs are not duplicative of other utility and governmental programs.

As to demand reduction programs, the comments of CPB and others are particularly instructive. The Operating Plan should emphasize more programs for commercial and residential customers, which, due to the large number of such customers, could have a significant impact on demand reduction. Implementing demand reduction programs for high-usage customers first was a rational approach that produced significant results. Now that those programs have been successful, it makes sense to pursue the next best opportunity. Time-of-use programs are particularly attractive because they allow every customer the opportunity and ability to directly participate. SBC time-of-use programs should be coordinated with other Commission efforts on Real Time Pricing (RTP), and in the context that such residential programs must be voluntary pursuant to requirements of Section 66(27)(a) of the Public Service Law.

Approximately half of the additional SBC funds that we are authorizing to reflect inflation will be categorized into the combined Peak Load, Energy Efficiency and Outreach and Education category. These funds should be targeted in the Operating Plan into primarily energy efficiency programs, as described above.

Renewable Resources

Staff recommends the elimination of SBC incentives for increased generation from renewable resources due to the complementary emergence of the RPS program, and recommends continued SBC funding for services supporting the development of renewable resources infrastructure that are not provided by the RPS program. These services include promotion, training of renewable energy professionals, market development, technology development, and manufacturing incentives to leverage RPS funding for increased economic development in New York.

Several parties requested reduction of SBC funding to account for the contribution of the RPS program toward renewable resources. NYSEG and RG&E do not oppose continued SBC funding for services related to renewable resources infrastructure, so long as such funds are not used to support the market entry of energy services companies (ESCOs), marketers, or other suppliers of competitive services.

Discussion

Developing an infrastructure of support services to encourage renewable resources is an appropriate SBC function. This support is not supplanted by the RPS program and is not provided by the competitive electricity market. Now that "green" power choices are available to customers, we agree with the recommendations of NYSEG and RG&E that Staff should work with NYSERDA to ensure that any further market development or other SBC programs shift focus away from direct incentives to suppliers or brokers of such competitive services, and rather should emphasize education and outreach programs.

Transmission and Distribution (T&D)
Research and Development (R&D)

For the sake of promoting energy efficiency and enhancing electric system reliability, Staff recommends the use of a limited amount of SBC funds to support programs to promote new technologies in the area of reducing power delivery loss. CPB opposes the use of SBC funds for transmission and distribution research because it is a core utility responsibility. The Commission could ensure that adequate utility expenditures are allocated for transmission and distribution research, and shifting the responsibility for such expenditures to the SBC program would give a "free pass" to the utilities and, in its view, would be detrimental to the proper development of T&D technologies. Con Edison opposes the use of SBC funds for that purpose, describing transmission and distribution research as a utility function in which Con Edison has already made substantial investments. Con Edison does not wish its customers to now subsidize the T&D research of other utilities. PULP opposes the proposal, stating that there is no need to advance T&D research at the expense of residential or low income programs, given the utilities' continuing R&D programs and the potential for funding from non-SBC sources. National Grid supports the proposal. NYSEG and RG&E also support the proposal, but propose that such programs should be utility-administered and not administered by NYSERDA. SAIC[9] supports the proposal in order to protect reliability because it cautions that peak loads are growing faster than T&D capacity. IBEW[10] supports the proposal so that transmission and distribution upgrades will be able to utilize the latest technologies and thereby further promote the safety, reliability and efficiency of the electricity grid.

[9] SAIC is a research and engineering company.

[10] IBEW represents unionized utility workers that build and maintain electric utility infrastructure.

Discussion

Transmission and distribution research that is not utility specific relates to broad energy efficiency or reliability benefits of a statewide nature that cannot be expected to be undertaken by individual utility programs and is consistent with the provision of the other public benefit programs under the SBC program. New technologies should be promoted that would provide improvements to power reliability, quality and security, and reduce the cost of energy and energy delivery. Given the concerns expressed, we will initially limit the spending on any such programs to $2 million per program year and require that each such program be justified as a broad-based effort not likely to be undertaken by individual utility programs. NYSERDA should conduct a stakeholder planning process to identify the potential broad-based programs that will bring the most benefit to New York State. Our support for the inclusion of these programs is also contingent on the proviso that they do not result in a reduction in utility support of research and development programs.

Low-Income Programs

Staff's proposal for funding for the low-income programs category reflects continuing coordination between Staff and NYSERDA to refine, update, and improve programs to respond to changing priorities and needs, at the current funding level. Many parties requested additional funds for low-income programs, almost universally citing the recent escalation in fuel costs and the disproportionate impact such increased costs have on low-income customers. Assemblyman Tonko notes that any support or expansion of bill payment programs should come from the legislature, but also notes a recent newspaper article from Binghamton that reported that there exists a two to three year wait list for participation in the federal Weatherization

Assistance Program,[11] which he describes as unacceptable. Attorney General Spitzer points out that the best alternative for low-income customers is to meet demand through increased energy efficiency. No comments reflect any overt opposition to the low-income programs.

Discussion

We recently approved a transfer of $500,000 of SBC monies[12] to step up outreach and education activities so that consumers are made aware of energy efficiency actions they can take in preparation for this heating season (and are considering another $500,000 transfer for similar activities in advance of next summer's peak usage season). As the Assemblyman points out, this flexibility and reallocation is entirely appropriate and the SBC low-income programs are not direct bill payment assistance programs. Those programs are funded separately and we shall have Staff contact the U.S. Department of Energy to explore opportunities to more fully fund the Federal programs. The SBC programs are intended to result in long-term energy savings. Approximately half of the additional SBC funds that we are authorizing to reflect inflation will be categorized into the Low-Income category, plus we will add an additional increase of approximately $7 million for low-income programs. On an annual basis, this will increase support of low-income programs by over $11 million. These funds should accommodate increased demands and allow for the expansion of NYSERDA-administered low-

[11] The Weatherization Assistance Program is funded by the U.S. Department of Energy. Many of the SBC programs are coordinated through the community based organizations funded by the U.S. Department of Energy.

[12] Case 94-E-0952, Competitive Opportunities Regarding Electric Service, Order Providing Funds to Advise Consumers on Taking Measures to Conserve Energy to Avoid Higher Than Usual Energy Costs (issued September 21, 2005).

income programs throughout the six utility service territories. In addition, we are separately investigating other avenues and revenue streams to further enhance program services targeted at the low-income sector.

Administration, Evaluation and Monitoring

Now that most of the SBC programs have been subject to comprehensive evaluation, the next step that Staff proposes is to work with the Advisory Group to improve the evaluation strategy and NYSERDA reporting format. While Staff is not advocating a reduction in the overall evaluation and monitoring effort, Staff's objective is a more streamlined evaluation process that will not only be more efficient for NYSERDA to administer, but will facilitate Staff's ability to provide SBC oversight. Staff proposes identifying evaluation priorities to balance limited evaluation resources with NYSERDA's data requirements and Staff's monitoring objectives. Staff proposes that the details of the revised evaluation and reporting plan should be developed along with the SBC III Operating Plan.

NYC states that NYSERDA should build upon its current evaluation process to periodically review the status of each program based on specific and quantifiable goals, as well as effects on the market, and submit the results to the SBC Advisory Group. PULP supports current evaluation efforts with some modifications to focus efforts more clearly, and urges measurement of not only short-term objectives (such as whether programs actually provide the intended energy savings) but also long-term objectives (such as whether SBC-funded measures help households to maintain service).

Discussion

NYSERDA should provide, for public and Staff review, a report of program progress, and financial and other related data, on a quarterly and annual basis. We will require a steady flow of timely information, by program and major program category, to effectively oversee the expenditure of SBC funds, including financial results, program progress, program energy savings and cost/benefit, and monitoring of program goals. The scope of individual program goals and targets should be expanded to reflect the comments discussed above, to the extent feasible. On a periodic basis, Staff will receive separately, for its review, evaluation reports that support the data provided in the annual and quarterly reports. The details of the revised evaluation and reporting plan shall be developed as part of the Operating Plan.

Other Proposals

Other proposals raised in the responses and not described herein were deemed to be either beyond the scope of this proceeding or details to be considered or resolved in the Operating Plan. The responses regarding the allocation of funds between residential and business/institutional programs discuss details to be considered in the Operating Plan, as the categories we have established are intended to provide NYSERDA flexibility to adjust budgets between such programs.

SBC REVENUE REQUIREMENTS

Overall Revenue Requirements

Staff recommends maintaining SBC funding at the current level of $150 million annually. Staff notes the interrelationship of new, complementary, non-SBC demand programs and the Renewable Portfolio Standard (RPS), and a general desire not to raise the SBC assessments on New York consumers.

Many parties desire an increase in the SBC funding level. Individual proposals include that the level be higher than $150 million, or set at $175, $195 (30% higher), $200, $225 (50% higher), $246 (2% of operating revenues), $250, and $300 (doubled) million. Others argue that the amount should be higher than the current level, and set or adjusted, based on specific target levels to meet energy efficiency and other goals.

Proponents of an increase argue that it is needed to keep pace with the effect of inflation on the costs of the programs, as an offset to the current high and rapidly escalating energy prices (particularly for low-income programs), to provide more public benefits, to provide more net environmental and cost benefits, to better align New York's expenditures with the level of spending on similar programs in other states in the Northeast and with California, to match the growth in kilowatt-hour sales, to have a greater near-term impact on market transformation programs, to restore funding on a per-capita basis nearer to expenditure levels in the 1990s, to reduce energy costs to make New York competitive with other regions, and to allow SBC programs to expand in relation to the increased demand for such programs. Opponents of the SBC program argue that, at a minimum, SBC funding should be decreased to reflect the RPS program and market-driven initiatives.

Discussion

Expenditure levels in other states do not provide much useful guidance. New York is and has always been among the leaders when it comes to innovation in the provision of public benefit programs, and the SBC program is no exception. Comparing New York's expenditures on a per capita basis to other states with significantly different populations, programs and needs is not particularly illuminating. We would expect smaller states to perhaps spend more on a per capita basis, and could point to many, many more states that spend significantly less than New York, even on a per capita basis. California's responses to its unique energy challenges are not very instructive in New York.

New York's expenditure level on the SBC program is less than the peak year of spending on the utility energy efficiency programs that occurred prior to the start of the transformation to competitive markets, but many factors contributed to decreased levels thereafter including revised estimates of long-run avoided costs, significant then-surplus generation capacity, and a realignment of priorities undertaken consciously as part of the transition and opening up of markets for competitive energy and capacity suppliers, distributed generation, net-metering, and renewable resources.

The scale of SBC programs provides the necessary public benefits in a manner that is manageable and affordable. An adjustment for inflation to maintain current levels is appropriate, as is an additional incremental increase for low-income programs. The RPS program, the market-based demand programs, and other initiatives also contribute substantially to our goals for the SBC programs. If energy prices remain high, market responses to the new demand will increase above the level any ratepayer-funded program could be expected to achieve. While as a whole the SBC programs in the aggregate pay back benefits that exceed their costs, individual customers do not necessarily receive a one-for-one payback, so the level of the SBC rates, particularly at a time of escalating fuel costs, remains an important factor in our balancing of the competing interests that go into our decision. The emphasis of specific SBC programs has been modified appropriately to reflect the RPS program and market-driven initiatives, allowing us to adjust the levels of funding among additional competing priorities.

The public benefits of the SBC program have been proven and certainly remain important to New York State. An increase of the SBC program funding level from the current annual $150 million level to approximately $168.1 million, an increase to adjust for inflation (using a Consumer Price Index methodology) between January 1, 2001, and July 1, 2006, plus an additional increase for low-income programs of approximately $7 million, bringing the total level to $175,000,000, in our judgment, reflects the proper balance between competing interests.

Utility-Run Programs

Staff recommends that the SBC program continue to fund the remaining demand-side bidding contracts and other unexpired demand-side management obligations of the utilities, and to phase out such funding as the obligations expire. Staff suggests elimination of all other utility programs, including two $90,000 programs administered by National Grid and NYSEG for referring eligible customers to the new NYSERDA EmPower New York℠ program and a $200,000 research and development program administered by RG&E. Staff proposes that the utilities should be directed to transfer to NYSERDA any approved SBC funds not expended on these programs, on an annual basis, by March 31st of the following year. In addition, Staff urges that any unexpended funds related to utility administered programs from 2001 through June 30, 2006, should be remitted to NYSERDA by September 30, 2006.

National Grid argues that it is incurring ongoing costs including labor costs associated with Customer Service Center staff, recurring information technology costs, and other labor and non-labor costs associated with regular vendor and customer interactions that likely exceed the current SBC allocation of $90,000 to administer its EmPower New York℠ customer referral system. It objects to the proposed elimination of the funding and notes that its rate plan authorizes it to file for Commission approval to change the scope of the program, if funding through the SBC program decreases or expires during the rate plan.

NYSEG similarly objects to the proposed elimination of its allocation of $90,000 to administer its EmPower New York[SM] customer referral system. NYSEG states that the funds support NYSEG personnel directly contacting customers by phone or mail to explain the energy efficiency measures offered by NYSERDA, and to conduct the screening of customers to ensure eligibility and authorization to release customer information. NYSEG warns that, if the Commission redirects the funds to NYSERDA, customers will no longer have access to NYSEG's outreach and screening process and NYSERDA would no longer receive the qualified leads (names of interested customers pre-determined to be eligible) that it does today.

RG&E objects to the proposed elimination of its allocation of $200,000 to administer a research and development program. If permitted to retain the funds, RG&E states that it would support future programs to promote safety, reliability and efficiency of the electricity grid and that utility retention of the funds is appropriate for such programs, given the need to test them on utility systems with utility participation.

O&R proposes that it be allowed to retain SBC funds to implement and administer on a "pilot" basis energy efficiency programs in its service territory whose objective is to supplement programs administered by NYSERDA.

Discussion

We do not wish either NYSEG or National Grid to discontinue their EmPower New York[SM] customer referral systems. We shall continue to allow them to retain SBC funds for that purpose at the current rate through the end of 2006, subject to the proviso that any of such monies not expended specifically for such purposes shall be turned over to NYSERDA for SBC programs. NYSEG has a pending rate case before us. We expect NYSEG to incorporate these costs into its general rates in that proceeding. National Grid has the ability under its rate plan to petition to recover these costs in base rates, provided they can justify them and prove they are incremental. We expect National Grid to do so before the end of 2006.

RG&E's current $200,000 annual allocation for a self-administered research and development program appears to be an anachronism left over from a rate plan that has long since expired. RG&E's non-specific offer to spend the money if allocated does not persuade us that the monies would be better spent by the utility than as part of the statewide program, as Staff proposed. Therefore, RG&E's $200,000 annual allocation will be eliminated.

O&R's proposal is inconsistent with its 1997 restructuring plan approved in Case 96-E-0900.[13] Therein, O&R agreed to, and urged us to approve, a provision that "the Commission may appoint a third-party administrator to administer the SBC funded programs" and "[a]ll SBC funds will be allocated by the statewide administrator."[14] In any event, the statewide SBC program administered by NYSERDA results in operational and administrative efficiencies compared to separate SBC-funded programs delivered by specific utilities, and has proven to serve more customers with the available SBC funding on a more proactive basis than was served in the past by separate utility programs. Our decision not to adopt O&R's proposal is without prejudice to O&R providing its own supplemental and targeted utility-specific program as Con Edison is doing under its rate plan.

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[13] Case 96-E-0900, Orange and Rockland Utilities, Inc.'s Plans for Electric Rate/Restructuring, Order Adopting Terms of Settlement (issued November 26, 1997).

[14] Case 96-E-0900, Electric Rate and Restructuring Plan dated November 6, 1997, at p. 16.

SBC REVENUE ALLOCATION & COLLECTION

Allocation Formula

Staff proposes updating the allocation formula. The formula adopted by the Commission in 2001 uses year 1999 actual utility electric operating revenues to determine the allocation by utility for a five-year period. The update would incorporate the use of year 2004 actual utility electric operating revenues for the allocation going-forward. The update would cause a slight shift in collections among the utilities, proportional to the relative change in their actual electric operating revenues between 1999 and 2004.

Con Edison opposes the update to the allocation formula because it will increase the share of Con Edison's customers by 3.46%. Con Edison notes that the Commission's original rationale for proportionate allocations based on utility costs paid by customers, rather than on kilowatt hours of energy consumed, was based on the Commission's belief that the benefits of the SBC programs would largely be based on load reduction and capacity-building efforts, which are generally proportional to utility costs. Con Edison argues the rationale is no longer appropriate because Con Edison customers will be paying for their own non-SBC-related demand reduction program pursuant to Con Edison's rate plan. Con Edison also points to a shortfall between the SBC contributions by Con Edison customers and the SBC funds committed to Con Edison's service territory as a further reason not to increase Con Edison's allocation. Consumer Power Advocates, a member organization comprised of high-use customers in Con Edison's service territory, supports Con Edison's position.

National Grid, NYSEG and RG&E stated support for the update, which would result in decreases in the respective shares of their customers' SBC costs.

Discussion

The update proposed by Staff is in the nature of a recalibration rather than a change in methodology or policy and, thus, is consistent with past practice. It is reasonable to recalibrate the allocation formula to reflect the relative change in actual electric operating revenues between 1999 and 2004. The allocations for the next five-year period shall be as set forth in Appendix A of this Order based on 2004 actual electric operating revenues.

The fact that Con Edison will be providing its own targeted non-SBC-related demand reduction programs pursuant to Con Edison's rate plan does not persuade us that there is anything wrong with the allocation formula. The supplemental benefits that will accrue from the Con Edison programs will similarly be targeted primarily to Con Edison customers, and assuming the programs are designed to be cost-effective, their costs and benefits will not contribute to any perceived shortfall. We are cognizant of the often-expressed concern that there not be a mismatch between SBC revenue collections and SBC benefits by service territory, but given the nature of the public benefit programs and the differing needs by geographic region at any particular time, our goal is not to seek mathematic precision or parity at any particular time, but rather to maintain a level of geographical balance over the long term. We expect that there will be an ebb and flow in the balance of funds over time, but that in the long-term, reasonable overall balance will be achieved.

Transfer Payments to NYSERDA

Staff proposed to continue the practice that the utilities establish with NYSERDA a schedule of payments, no less frequent than quarterly. NYSEG and RG&E propose that the payments be made quarterly, that the utilities should only be obligated to transfer actual amounts collected from customers, should have no make-whole obligation, should be permitted to retain certain SBC payments collected from customers, and should not be required to remit any unexpended sums to NYSERDA.

Discussion

Each utility is responsible for fashioning its SBC collection rate on an annual basis to correspond to its collection allocation and year-by-year projections of the following year’s electric sales, with any over or under-collections reconciled on an annual basis. Given that responsibility, any mismatch in actual collections and payments to be made to NYSERDA is due to the utility's own projections. Staff's proposal and procedures are appropriate and have worked adequately in the past. We shall not adopt any of the adjustments proposed by NYSEG and RG&E.

Reconciliations

Staff is proposing that each utility submit by September 1, 2006, a full comprehensive reconciliation for the five-year period ended June 30, 2006, of over/under collection of revenues from customers and of self-administered programs. On a going forward basis, Staff proposes that each utility perform an annual reconciliation of over/under collections to be submitted to the Commission by June 1st for the previous calendar year's activity.

Discussion

It is important that the SBC funds and programs are accounted for properly. Staff's proposals in this regard are reasonable and will be implemented.

Application of the SBC to Particular Customers

The Staff proposal does not recommend any change in exemption of specific customers from payment of the SBC. Several parties advocating on behalf of customers that do not pay the SBC ask that their exemptions be continued. Multiple Intervenors and the Business Council request exemption of all flex rate contract customers, for economic development purposes. CPB proposes that all customers pay the SBC, opposes further exemptions, and encourages the Commission to mandate collection of the SBC from municipal utilities over which the Commission has rate jurisdiction.

Discussion

It was not our intention to reopen the settled issue of which customers must pay the SBC, and none of the arguments made are new or otherwise convince us that we should change our current policies in this regard. They do however prompt us to increase our monitoring of the utility compliance with our past orders, and we shall direct each utility to provide us a status report on exemptions by March 1st of next year.

CONCLUSION

Based on the foregoing discussion, the Staff Proposal, for renewal and extension of the SBC and the SBC-funded public benefit programs for the next five-year period, is approved as modified herein.

The Commission orders:

1. The System Benefits Charge (SBC) is continued for an additional five years from July 1, 2006 to June 30, 2011. Beginning on July 1, 2006, the annual level of overall SBC revenue collections is increased from $150 million, as previously established, to $175,000,000, as approved herein.

2. The utilities shall continue SBC revenue collections through June 30, 2011.

3. The annual amount to be collected by each specific utility is set forth in Appendix A of this Order and based on 2004 actual electric operating revenues. Each utility shall establish its specific SBC collection rate on an annual basis to correspond to its collection allocation and year-by-year projections of the following year’s electric sales, with

any over- or under-collections reconciled on an annual basis. Each utility shall maintain adequate records to justify its SBC rates and reconciliations. One-half the annual amount shall be collected during the first half of 2011.

4. The utilities shall file tariff amendments and/or statements on not less than 150 day's notice to become effective July 1, 2006, incorporating the revisions described herein. The requirements of Section 66(12)(b) of the Public Service Law as to newspaper publication of the changes proposed by these filings is waived.

5. SBC funding for unexpired utility-administered programs is approved as set forth in Appendix B of this Order.

6. The utilities may retain SBC funds for approved utility-administered programs as set forth in Appendix B of this Order. Any such SBC funds retained by the utilities shall be used only for the SBC programs approved by this Order. Any unexpended funds shall be transferred to the New York State Energy Research and Development Authority (NYSERDA) for use in statewide SBC programs. Beginning in year 2007, on an annual basis on or before June 1st of every year, each utility with utility-administered programs shall submit a report to the Commission detailing these programs and the amount of SBC funds expended on each of them during the previous year. Beginning in year 2007, on an annual basis on or before July 1st of every year, the utilities shall transfer to NYSERDA any approved SBC funds not expended on those programs in the previous year. In addition, the utilities shall transfer to NYSERDA any unexpended SBC funds related to utility-administered programs during the period January 1, 2001 through June 30, 2006, on or before September 30, 2006.

7. Each utility shall submit to the Commission on or before September 1, 2006, a full comprehensive reconciliation

for the period January 1, 2001 through June 30, 2006, of over- and under-collection of revenues from customers and of expenditure of SBC funds on utility-administered programs. Beginning in year 2007, and on an annual basis thereafter, each utility shall perform an annual reconciliation of their over- and under-collections and submit it to the Commission by June 1st (for the previous calendar year's activity).

8. The utilities shall establish with NYSERDA a schedule of payments, no less frequent than quarterly, to transfer SBC funds to NYSERDA for approved NYSERDA-administered programs as set forth in Appendix D of this Order.

9. SBC funding for programs administered by NYSERDA is approved by program category as set forth in Appendix C of this Order. NYSERDA, as SBC Program Administrator, in consultation with interested parties, and subject to Staff's direct oversight, shall decide which specific programs will be funded within the established categories. Any reallocation of funds among the categories requires Commission approval.

10. NYSERDA will submit a five-year Operating Plan by February 15, 2006, that conforms to the Commission’s decisions in this Order, to be implemented as soon as Staff determines that it properly reflects this Order.

11. Status reports shall be completed by NYSERDA and submitted to the Commission for public and Staff review on an annual basis for all programs and on a quarterly basis (or monthly, if circumstances warrant) for peak load reduction programs. Summary status reports shall be completed by NYSERDA and submitted to the Commission for public and Staff review on a quarterly basis for all programs. The details of the requirements for the status reports and summary status reports shall be

developed by NYSERDA in cooperation with Staff and submitted as part of the Operating Plan.

12. Program evaluations and reports shall be completed by NYSERDA and submitted to the Commission for public and Staff review on a periodic basis. The details of the requirements for the program evaluations and reports shall be developed by NYSERDA in cooperation with Staff and submitted as part of the Operating Plan.

13. The utilities collecting the SBC revenues shall by March 1, 2006, provide a customer-by-customer schedule (masking customer identity with a unique customer code) to the Records Access Officer of the Department of Public Service, detailing all customers who are not paying the SBC, the level of the most-recent annual electricity usage by the customer, the SBC rate that would otherwise be applicable to the customer, the particular reason why the customer is exempt, and the expected duration or end-date of the exemption. The information shall be provided in format and content to Staff's satisfaction. Any disputes as to format and content shall be presented to the Commission for resolution. The schedule shall be provided on a paper copy and in an electronic spreadsheet format. Because this information is customer-specific and masking the identity of the customer may not be sufficient to protect customer expectations of privacy, and given that some or all of the information appears to be confidential commercial information within the meaning of Section 87(2)(b) of the Public Officers law, public disclosure would be highly detrimental to the over-all public interest. Therefore, the information shall be submitted to the Records Access Officer, who shall provide it to Staff under protection of this Order, as follows: the customer-specific information received by Staff pursuant to this Clause shall be kept confidential from all other parties and from public disclosure; it shall be maintained in a locked file when

not in use; it shall not be copied or reproduced except as needed to create work-papers analyzing the information; it shall not be set forth in testimony, exhibits or other record documents in this proceeding unless a need to do so is demonstrated to, and authority for such is separately sought from, an Administrative Law Judge, and granted subject to whatever conditions are deemed proper; any work-papers developed by Staff containing the customer-specific information received subject to this Clause shall be treated in the same confidential manner; and such information provided shall be returned to the utility party from whom it was obtained, or be destroyed along with any work-papers, when it is determined by Staff that it no longer needs possession of the information.

14. The Secretary is authorized, in her sole discretion, to extend the scheduled deadlines.

15. This proceeding is continued.

By the Commission,

(SIGNED) JACLYN A. BRILLING
Secretary

Annual Collection Shares

SBC Utility	2004 Electric Revenues	Percentage of Total	Annual Collection Amount	Collection as a % of Rev
Central Hudson	$430,586,411	3.49%	$6,110,295	1.42%
Con Edison	6,164,406,553	49.99%	$87,476,852	1.42%
NYSEG	1,529,822,159	12.41%	$21,709,150	1.42%
National Grid	3,175,168,934	25.75%	$45,057,668	1.42%
O&R	368,129,383	2.99%	$5,223,990	1.42%
RG&E	663,962,122	5.38%	$9,422,045	1.42%
TOTALS	$12,332,075,562	100.00%	$175,000,000	1.42%

Funding Levels for Utility SBC Programs, 2006-2011

Utility	July 1, 2006 Through December 31, 2006	Calendar Year 2007	Calendar Year 2008	Calendar Year 2009	Calendar Year 2010	January 1, 2011 through June 30, 2011
NYSEG (EE)	$339,110	$660,818	$672,557	$684,687	$517,465	$262,878
NYSEG (LI)	$45,000	$0	$0	$0	$0	$0
National Grid (EE)	$151,123	$255,145	$254,244	$95,703	$4,877	$0
National Grid (LI)	$45,000	$0	$0	$0	$0	$0
RG&E (EE)	$1,010,500	$2,021,000	$2,021,000	$0	$0	$0
TOTALS	$1,590,733	$2,936,963	$2,947,801	$780,390	$522,342	$262,878

Note: "EE" = Energy Efficiency, "LI" = Low-Income Energy Affordability.

NYSERDA-Administered SBC Program Budget Levels, 2006-2011

Item	July 1, 2006 Through December 31, 2006	Calendar Year 2007	Calendar Year 2008	Calendar Year 2009	Calendar Year 2010	January 1, 2011 Through June 30, 2011
SBC Collections	$87,500,000	$175,000,000	$175,000,000	$175,000,000	$175,000,000	$87,500,000
Utility-Run Programs	($1,590,733)	($2,936,963)	($2,947,801)	($780,390)	($522,342)	($262,878)
Transfer Payments to NYSERDA	$85,909,267	$172,063,037	$172,052,199	$174,219,610	$174,477,658	$87,237,122
Projected Interest Income	$3,000,000	$6,000,000	$6,000,000	$6,000,000	$6,000,000	$3,000,000
NYSERDA Budget	$88,909,267	$178,063,037	$178,052,199	$180,219,610	$180,477,658	$90,237,122

NYSERDA-Administered SBC Category Funding Levels, 2006-2011

Major Program Category	July 1, 2006 Through December 31, 2006	Calendar Year 2007	Calendar Year 2008	Calendar Year 2009	Calendar Year 2010	January 1, 2011 Through June 30, 2011
Peak Load, Energy Efficiency, and Outreach & Education	$41,830,671	$83,975,749	$84,198,402	$86,411,980	$86,818,508	$43,498,252
Research & Development	$18,200,000	$36,400,000	$36,400,000	$36,400,000	$36,400,000	$18,200,000
Low Income	$18,936,000	$38,052,000	$38,052,000	$38,052,000	$38,052,000	$19,026,000
Administration, Evaluation and Fees	$9,942,596	$19,635,288	$19,401,797	$19,355,630	$19,207,150	$9,512,870
TOTALS	$88,909,267	$178,063,037	$178,052,199	$180,219,610	$180,477,658	$90,237,122

Transfer Payments to NYSERDA 2006-2011

Utility	July 1, 2006 Through December 31, 2006	Calendar Year 2007	Calendar Year 2008	Calendar Year 2009	Calendar Year 2010	January 1, 2011 Through June 30, 2011
Central Hudson	$3,055,148	$6,110,295	$6,110,295	$6,110,295	$6,110,295	$3,055,148
Con Edison	$43,738,426	$87,476,852	$87,476,852	$87,476,852	$87,476,852	$43,738,426
NYSEG	$10,470,465	$21,048,332	$21,036,593	$21,024,463	$21,191,685	$10,591,697
National Grid	$22,332,711	$44,802,523	$44,803,424	$44,961,965	$45,052,791	$22,528,834
O&R	$2,611,995	$5,223,990	$5,223,990	$5,223,990	$5,223,990	$2,611,995
RG&E	$3,700,523	$7,401,045	$7,401,045	$9,422,045	$9,422,045	$4,711,023
TOTALS	$85,909,267	$172,063,037	$172,052,199	$174,219,610	$174,477,658	$87,237,122

List of Budget Amendment Commentators

Adirondack Lakes Survey Corporation, Joseph J. Martens, Dr. John Mills, Albert E. Caccese & John Ernst
AES Corporation, Paul W. Burdick
Airtricity, Inc., John F. Joyce, Jr.
Alliance to Save Energy, Kateri Callahan
American Energy Care, Inc., Jamie Thompson
Assemblyman Paul D. Tonko
American Wind Energy Association, Valerie Strauss
Bergey Windpower Co., Michael Bergey
Citizens Campaign for the Environment, Emmett Pepper
City of New York, Michael J. Delaney, Esq.
Clean Energy Advocates, Katherine Kennedy, Fred Zalcman & Daniel Rosenblum
Community Energy, Inc., Brent Beerley
Community Environmental Center, Richard Cherry
Conservation Services Group, Inc., Ashley Mason
Conservation Services Group, Inc., Stephen L. Cowell
Cooperative Coalition to Prevent Blackouts, J. Reyes-Montblanc
Energia Hidroeléctrica de Navarra, S.A., Timothy M. Ryan
Enercon Engineering, Larry Tangel
Energy Savers, Inc., B. Bruce McClean
FPL Energy, LLC, David B. Applebaum
Great Brook Enterprises, David M. Austin
Hamilton, Rabinovitz & Alschuler, Inc., Candace P. Damon
Honeywell International, Michael Lyons
ICF Consulting, Michael E. Mernick
Independent Power Producers of New York, Inc., Gavin J. Donohue
KeySpan Corporation, Robert B. Catell
Landsberg Engineering, P.C., Dennis R. Landsberg PhD, PE, CEM
Lighting research Center of Rensselaer Polytechnic Institute, Mark S. Rea, Ph.D., FIES, FSLL, LC
National Association of Energy Service Companies, Terry E. Singer [NAESCO]
New York Farm Bureau, Inc., John R. Tanzel
New York Interfaith Power and Light, Janet Allen
New York State Builders Association, Inc., Philip A. LaRocque
Niagara Mohawk Power Corporation, Ronald T. Gerwatowski
Noble Environmental Power, LLC, Charles Hinckley
Northeast Energy Efficiency Partnerships, Inc., James J. O'Reilly
Northern Development, LLC, Gerald F. Wahl
New York-Presbyterian Hospital, Jennifer Kearney
Orange & Rockland Utilities, Inc., Mary Krayeske [O&R]
Plug Power, Inc., Rudy Stegemoeller
PPM Energy, Inc., Donald J. Winslow

SUNY College of Environmental Science and Forestry and the SUNY Center for Sustainable and Renewable Energy, Cornelius B. Murphy, Ph.D.
TRC Energy Services, John M. Oyhenart
United States Department of Energy, Dr. Imre Gyuk
United States Combined Heat and Power Association, John W. Jimison [USCHPA]
Zilkha Renewable Energy, Patrick Doyle

List of SBC Commentators

Action for a Better Community, Inc., Stanley L. Purdie
AIMCO, O. Cooper Winston, Jr., CPM
Air-Wave Air Conditioning Co., Inc., William Saferstein
Albany Housing Authority, Steven T. Longo
Ameresco, Stephen J. Morgan, Ph. D
Arker Companies, The, Allan Arker
Aspen Systems Corporation, Alex Stern
Assemblyman Paul D. Tonko
Association for Energy Affordability, Inc., David Hepinstall
Bedford Stuyvesant Restoration Corporation, Wendell Rice
Besko Appliance, Inc., Joanne Besko
Best Kitchen Cabinets & Appliance Center
Bicknell Building Supply, Robert T. Bicknell
Broadway Vacuum & Appliance Repair Corp., Julio D. Rodriguez
Bronx Shepherds Restoration Corporation, Barry Seebachan
Building Performance Institute Inc., Laverne Dalgleish
C&I Appliances Corp., Joe Kim
Catholic Charities, Steuben County, Sue Bozman
Cattaraugus Community Action, Inc., Tina Zerbian
City of New York, Michael J. Delaney, Esq.
Clark, Beth Ellen
Clean Energy Advocates, Fred Zalcman, Daniel Rosenblum & Katherine Kennedy
Clinton & Franklin Counties, Joint Council for Economic Opportunity Of, Belinda J. Parent
ComlinksCAA, Nancy Reich
Common Ground, Marianne Castillo
Community Energy, Inc., Brent Beerley
Community Environmental Center, Richard Cherry
Conifer, Allen Handelman
Conservation Services Group, Inc.
Consolidated Edison Company of New York, Inc., Mary Krayeske [Con Edison]
Consortium for Energy Efficiency
Consumer Power Advocates, Catherine M. Luthin
Cooperative Coalition to Prevent Blackouts & Energy Investment Systems, Inc., J. Reyes-Montblanc & Lewis M. Kwit
Cooperstown General Store, Ronald F. Jex
Cornell University Cooperative Extension, NancyQuay Milner
Corning Building Co., The, William Raymond
Cortland County Community Action Program, Inc., Massimo Sammons
CPC Resources, Inc., Thomas McGrath
Crandall, Chelsea
Crown Electric Supply Co., Inc, Matthew T. Hanlon
Curtis Lumber, Babette Linder Jones

DeChiro, Mark
DeWitt, Gary M.
Dundon Insulation, Inc., Patrick W. Dundon
Dutchess County Community Action Partnership, Barbara Hahn
E3, Inc., Roger Bason
Earl B. Feiden, Inc., Mary Feiden
EBA Wholesale Corp., Richard Bellavigna
EBANYS - Environmental Business Association of New York State, Inc., Ira S. Rubenstein
Energy Savers, Inc., B. Bruce McClean
En-Tech Associates, Inc., Thomas J. Vitale
Flores, Milagros
Frasene, Lisa
Fulmont Community Action Agency, Inc., Don Power
Gardella, Robert
Gerster Trane Energy Services, Peter J. Egloff
Graham, Mary
GreenHomes America by Hughesco, Darin M. Hughes
Grenadier Realty Corp., Jane H. Krieger
H.S.C. Management Corp., Joseph L. Bavaro
Haines Appliances, Inc., Pat Haines
Hamilton, Rabinovitz & Alschuler, Inc., Candace P. Damon [HR&A]
HANAC Inc., Vera Parpis
Harlem Community Development Corporation, Kurtis Pender
Hill Electric Supply Co., Inc., Scott Schwartz
Home Central, Katherine G. Whittemore
Horton Hardware, LLC, Steve Gaydorus
ICF Consulting, Michael E. Mernick
Independent Power Producers of New York, Inc., Gavin J. Donohue
International Brotherhood of Electrical Workers, System Council U-7 and Locals 97 & 503, Richard J. Koda [IBEW]
James Appliances & TV, Inc., Nancy Mienaltowski
KeySpan Energy Delivery New York and Long Island (The Brooklyn Union Gas Company and KeySpan Gas East Corporation), Thomas P. O'Neill
Kraus Organization, LLC, The, Michael H. Kraus
L & M TV & Appliances, Joe Lavicka
Landsberg Engineering, P.C., Dennis R. Landsberg PhD, PE, CEM
Longley Jones Management Corp., Jeffrey A. Foster
Lt. Col. Matt Urban Human Services Center of WNY, David J. Laczi, RCS
Marathon Development Group, LTD, Mark Soja
Margert Community Corporation, Joseph G. Barden
Meter Service Providers Association of New York, Mark R. Williams
Mike's TV Appliance and Power Equipment, Tom Giannino
Montero, Joseph

Morris Manor 5, LLC., Doug Thaler
Multiple Intervenors, Barbara S. Brenner, Esq.
National Association of Energy Service Companies and The Joint Supporters, Ruben S. Brown, M.A.L.D.
National Fuel Gas Distribution Corporation, Michael W. Reville, Esq.
Niagara Mohawk Power Corporation d/b/a National Grid, Carlos A. Gavilondo [National Grid]
Navigant Consulting, Inc., Peter Shaw & David Walls
New York Power Authority, Edgar K. Byham
New York State Builders Association, Inc., Frank Champitto
New York State Consumer Protection Board, Teresa A. Santiago, Douglas W. Elfner & Tariq N. Niazi [CPB]
New York State Electric & Gas Corporation & Rochester Gas and Electric Corporation, Amy A. Davis, Esq. [NYSEG, RG&E]
New York State Office of Attorney General Eliot Spitzer, Thomas Congdon
New York State Weatherization Directors' Association, James McGarvey
Newark Housing Authority, Jim De Volder
Niagara Community Action Program, Inc., Suzanne Shears
Norstar Development USA, L.P., James W. Pitts
Northeast Home Improvement and Energy Conservation LLC, Pete Liberto
Northern Manhattan Improvement Corporation, Dan Rieber
Northfield Community Local Development Corporation Of Staten Island, Inc., Joan Catalano
Northfield Home Performance, Inc., Joan Catalano
Northwest Bronx Community & Clergy Coalition, Frances M. Fuselli
On The Square Apartments, Inc., Ronald J. Piccone
Onondaga-Cortland-Madison Board of Cooperative Education Services, Paula Hayes
Opportunities for Otsego, Inc., Daniel Maskin
Orange & Rockland Utilities, Inc., John L. Carley [O&R]
Orleans Community Action Committee, Inc., Edward F. Fancher
Partridge Hill Estates Associates, Ronald J. Piccone
Pelham Bay Home Center, John E. Scanlon
People's Equal Action and Community Effort, Inc., Margaret Gans & Ray Yehle
Performance Systems Contracting, Gregory Thomas
Plug Power, Inc., Rudy Stegemoeller, Esq.
Pratt Area Community Council, Deborah Howard
Pratt Center for Community Development, Dean Zias, AICP
Presidents Village Apartments., Robert Welch
ProAction of Steuben and Yates, Inc., David F. Hill

Public Utility Law Project of New York, Inc., Gerald A. Norlander, Esq., Charles J. Brennan, Esq., Ben Wiles, Esq. [PULP]
Rauber's, Inc., Kathy Snyder
RCI/Radio Clinic Discount Appliances, Inc., Alan Rubin
Roy Matthews TV & Appliance Center, Roy Matthews
S&S TV & Applicances, Tom Brauer
S.O.L.I.D. USA, Inc., Lori A. Glover
Santos, Melissa
Science Applications International Corporation, Ronald B. Slosberg [SAIC]
Smith, Randi S.
Solar One, Christopher J. Collins
Staten Island Appliances Co., Inc., Robert A. Zampardi
Steven Winter Associates, Inc., Steven Winter
Sunpark Electronics, Corp., C. Johnny Shih
Sunset Park Redevelopment Committee, Nelson Ramos
Taylor Recycling Facility, Allan R. Page
The Business Council of New York State, Inc., Anne P. Van Buren [Business Council]
Tompkins Renewable Energy Education Alliance, Marian Brown
TRC Companies, Inc., Joan M. Oyhenart
U.S. Electronics/Appliance Plus, Michael Donofrio
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