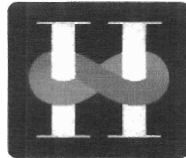


SUSTAINABLE HUDSON VALLEY

07-8-0437
OET
OGC
Comments



RECEIVED
PUBLIC SERVICE
COMMISSION
EXHIBIT
ALBANY

2007 AUG 27 PM 3:03

August 21, 2007

Jaclyn A. Brillling, Secretary
Public Service Commission
Bldg 3, Empire State Plaza
Albany, NY 12223-1350
Dear Ms. Brillling,

Sustainable Hudson Valley continues to support the increase of Central Hudson's net metering ceiling to 3.0 MW, effective immediately, and encourages the PSC to take all possible steps to plan and prepare for additional increases in the next 6 – 12 months to accommodate an expected growth in the markets for solar, wind, and other renewables. While it is essential to allow for a business environment in which a utility like CH can prosper, we do not believe that this translates into an obligation to reimburse the utility for expected revenues that are not earned due to changes in the market or the regulatory climate. This, in fact, would send exactly the opposite signal from the one that is needed to reward the production or procurement of more clean, renewable energy; it would compensate the business for lack of an effective model for competing in a green economy. Central Hudson, with its capable management team, has posted respectable earnings in the last quarter, and we further note that the variation in energy production due to net metering is a miniscule portion of the power moving through the grid.

Instead, we believe that CH's concerns are best addressed by the PSC through a thorough re-examination of New York energy policy to implement revenue decoupling, smart time-of-use metering, and other measures that support public policy goals with clear and fair price signals. We pledge our public support for initiatives of this kind. Measures in use elsewhere, including feed-in tariffs, should be evaluated as a means of sharply increasing New York's supply of clean, renewable and secure energy. Duke Energy's recent petition to change North Carolina's utility rates to reward conservation, and Pacific Gas and Electric's "Save-a-Watt" program, should be considered as models. CH should be encouraged to consider joining the Chicago Climate Exchange and to seek out opportunities for profitable trading of carbon credits. The PSC should investigate creative partnerships with the Governor's Renewable Energy Task Force, consumer and energy industry groups, energy modeling resources, regional planning organizations and other stakeholders to actively assist Central Hudson in modernizing its business model, gaining both customer loyalty and public admiration. We believe that Central Hudson, as a moderate-sized, investor-owned regional utility with strong community ties, has a seriously unrecognized potential to outpace larger and less flexible competitors in the emerging climate where conservation, renewables, distributed generation and positive community relations will be sources of increasing competitive advantage.

Sincerely,

Melissa Everett
Executive Director