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**New York State Energy Research and Development Authority (NYSERDA)**  
**FY 2013-2014 Joint Budget Hearing Testimony**  
**February 4, 2013**

Good morning, Chairman DeFrancisco, Chairman Farrell, Chairman Maziarz, Chairwoman Paulin and members of the Committees. Thank you for the opportunity to testify before you today. I am Frank Murray and I serve as President and CEO of the New York State Energy Research and Development Authority (NYSERDA).

NYSERDA is a public benefit corporation that plays an important role in helping the State address its energy, economic and environmental challenges by offering programs and services designed to lead the State toward energy independence, economic security and environmental health. As part of its central mission, the Authority administers energy efficiency, technology development, and market development programs. The programs are funded principally through the System Benefits Charge, and the Renewable Portfolio Standard, which are assessments on gas and electric bills.

To support our work, the Executive's budget proposal for NYSEERDA includes \$16.2 million for energy, research and development programs (R&D), including funding for our competitive R&D grant program. This is the same amount included in last year's budget.

NYSERDA's R&D Program focuses on developing high value-added energy and environmental products, helps solve energy and environmental challenges, and provides objective technical analysis. In 2011, sales of products developed with support from NYSEERDA's R&D Program were over \$211 million. For every dollar invested by NYSEERDA in energy product development, New York State realized approximately \$6 in statewide economic and environmental benefits, including the creation of over 1,400 new jobs.

The Authority's responsibilities also include the management of the former nuclear fuel reprocessing plant at West Valley in Cattaraugus County and the management of the Saratoga Technology and Energy Park (STEP) in Saratoga

County. The Governor's budget recommends \$12 million for ongoing nuclear waste cleanup work at the West Valley Demonstration site. Our costs at West Valley are largely dictated by a Federal match requirement, and this amount reflects the amount necessary to match the federal appropriation during the 2013-2014 federal fiscal year.

Now, let me share with you some of our key successes this past year. Under Governor Cuomo's leadership, 2012 was an outstanding year for New York and NYSERDA. We received several awards including a 2012 ENERGY STAR Sustained Excellence Award from the U.S. Environmental Protection Agency (EPA), in recognition of continued leadership in protecting the environment through energy efficiency. New York was also one of five states lauded by the Clean Energy States Alliance for exemplary leadership and innovation in clean energy.

Looking back, our successes are illustrated in our program growth: over the last four years, NYSERDA provided energy efficiency and renewable energy training to 22,746 individuals, preparing New York for a leadership position in the clean tech economy.

Through NYSERDA's Home Performance with Energy Star Program, a whole home approach to energy efficiency, nearly 19,000 Home Performance projects were completed since the Green Jobs Green New York Program was created in 2009, saving participating homeowners an average of \$700 annually. Since the Program was implemented, 27,967 energy audits have been conducted across the state.

The Governor's NY-Sun program brings together and expands existing programs administered by NYSERDA, NYPA and LIPA to ensure a coordinated, well-funded solar energy expansion plan. As part of NY-Sun, NYSERDA administers a customer-sited solar program, under which two thousand three hundred and seventy eight (2,378) open enrollment applications for new photovoltaic systems (PV) were received in 2012.

As a result of NYSERDA's efforts in 2012, over 31 MW of new customer-sited PV capacity was brought online. With a pipeline of an additional 79 MW

actively under development and construction, NY-Sun is off to a good start and has stimulated the marketplace.

This year, we will expand our photovoltaic (PV) programs for systems up to 50kW in size, and expand our bid program for larger systems. These programs will be complemented by new laws allowing Power Purchasing Agreements and providing expanded tax credits for solar energy systems. NYSERDA will continue to streamline processes and drive down costs with the goal of quadrupling the amount of solar energy that was installed in 2011. The NY-Sun program will continue to stimulate the marketplace and reduce balance of system costs for both residential and commercial systems.

In addition to the expansion of NY-Sun in 2013, NYSERDA will play a key role in several new initiatives including Build Smart NY and Charge NY. We will continue our successful residential and commercial energy efficiency and renewable programs, our R&D efforts, and expand the Green Jobs Green NY and On-Bill Recovery Financing Programs under the Governor's Green Bank initiative. Together, these initiatives will help make New York the leader in the clean-tech economy.

As part of the Build Smart NY initiative, NYSERDA will provide customized technical guidance and financial incentives to state government entities to make our state building stock energy efficient, saving taxpayers millions of dollars while creating green jobs. NYSERDA's incentives will complement financing offered by the New York Power Authority. Together, this will effect a permanent transformation in the way new buildings are designed and constructed and in how existing building are retrofitted through innovative, cost-effective energy efficiency measures.

The Governor's Charge NY initiative will invest in an expanded electric car network to reduce reliance on fossil fuels in the transportation sector by installing a statewide network of charging stations, to harness the tremendous potential for energy efficiency. The Charge NY tax credit will provide an incentive for consumers who purchase equipment required to convey power, from an available power source, to a vehicle's onboard charger. In 2012, NYSERDA supported the installation of 325 Electric Vehicle

Charging Stations across the State and Charge NY will encourage further investment in energy efficient transportation technologies.

As part of the Green Bank initiative, discussed in the budget, NYSERDA will build upon the Green Jobs Green NY and On Bill Recovery Financing Programs to leverage capital from the private sector to support additional loans. The Green Bank will create financing mechanisms for clean energy projects that lower financing costs associated with green investments. In the first year of the Green Bank, we are preparing to issue bonds to support these programs in order to lower finance costs that will make clean energy projects themselves more affordable. We will also work aggressively to promote the expansion of NYSERDA's On-Bill Recovery Financing Program so that not-for-profits and small businesses, like residential customers, can benefit from low-interest financing for energy efficiency improvements and repay those costs on their monthly utility bill.

Since NYSERDA's inception, our professional staff has provided expertise in research and development, and an ability to successfully reduce energy consumption across all sectors, through our nationally acclaimed programs. These programs have provided cost savings to consumers, helped to make businesses more sustainable, while at the same time reducing the impact on the environment.

I appreciate your continued support in helping NYSERDA fulfill its mission and look forward to continuing that relationship. This concludes my opening statement. I would be happy to take any questions you may have.