



New York State Energy Research and Development Authority

System Benefits Charge Achievements

Report 2008-S-92



Thomas P. DiNapoli

TABLE OF CONTENTS

	Page
Authority Letter	5
Executive Summary	7
Introduction.....	11
Background	11
Audit Scope and Methodology	12
Authority.....	13
Reporting Requirements	13
Contributors to the Report	13
Audit Findings and Recommendations.....	15
SBC Program Goals and Achievements.....	15
Specific Program Achievements.....	17
Verification of Reported Achievements.....	19
Recommendations.....	20
Spending of SBC Funds.....	20
Agency Comments	23

State of New York Office of the State Comptroller

Division of State Government Accountability

August 5, 2009

Francis J. Murray, Jr.
President and Chief Executive Officer
New York State Energy Research & Development Authority
17 Columbia Circle
Albany, NY 12203-6399

Dear Mr. Murray:

The Office of the State Comptroller is committed to helping State agencies, public authorities and local government agencies manage government resources efficiently and effectively and, by so doing, providing accountability for tax dollars spent to support government operations. The Comptroller oversees the fiscal affairs of State agencies, public authorities and local government agencies, as well as their compliance with relevant statutes and their observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving operations. Audits can also identify strategies for reducing costs and strengthening controls that are intended to safeguard assets.

Following is a report of our audit of the New York State Energy Research and Development Authority's System Benefits Charge achievements. This audit was performed pursuant to the State Comptroller's authority under Article X, Section 5 of the State Constitution and Section 2803 of the Public Authorities Law.

This audit's results and recommendations are resources for you to use in effectively managing your operations and in meeting the expectations of taxpayers. If you have any questions about this report, please feel free to contact us.

Respectfully submitted,

*Office of the State Comptroller
Division of State Government Accountability*



State of New York Office of the State Comptroller

EXECUTIVE SUMMARY

Audit Objective

The objective of our audit was to determine the extent to which the New York State Energy Research and Development Authority (Authority) has achieved results in the core areas of Energy Efficiency, Low-Income Assistance, and Research and Development through its use of System Benefits Charge (SBC) funding.

Audit Results - Summary

The SBC was established in 1996 to provide funds for various public benefit programs that serve the needs of the State's energy consumers, including residential and commercial consumers. Over the nearly ten-year period from July 1, 1998 through March 31, 2008, the Authority spent \$968 million on SBC-funded programs and related administrative and program evaluation costs. Expenditures were distributed across four program areas: Energy Efficiency (\$533 million); Low-Income Assistance (\$148 million); Research and Development (\$151 million); and General Awareness (\$20 million). The remaining \$116 million (12 percent) funded program administration and evaluation, environmental disclosure, and State cost recovery fees.

We found that, during the first two SBC cycles (i.e., from July 1, 1998 through June 30, 2006), the Authority placed significant emphasis on gathering and reporting data related to SBC program outcomes and achievements. At the same time, the Authority placed less emphasis on establishing specific program goals and objectives. As a result, while information on program achievements was easily available to the public and policymakers, the lack of comparative goals or expectations against which to measure performance made it more difficult to evaluate progress. For the current SBC cycle (SBC III - July 1, 2006 through June 30, 2011), we found the Authority has improved its efforts in this area and now reports achievement goals that better enable users to assess progress.

Overall, we found that the achievements and performance measures reported during the SBC III cycle are well documented and verifiable, and based on data which has already been subject to verification by independent program evaluators hired by the Authority. Our tests did identify certain errors in a few achievements reported in the Authority's March 31, 2008 Evaluation and Status Report, but these errors were not significant and did not materially impact the overall performance reported for individual initiatives or the program as a whole. We also found that the spending and achievement goals established by the Authority in the three core areas of Energy Efficiency, Low-

Income Assistance, and Research and Development are consistent with expectations established by the Public Service Commission (Commission), the primary oversight entity for the SBC program.

In its Evaluation and Status Report for the quarter ended March 31, 2008, the Authority reported substantial progress in each of three core areas. The most critical SBC program achievements are generally reported in terms of energy savings using several common measures:

- Kilowatt Hour (KWh) - one thousand watts of electricity, or enough to power ten 100-watt light bulbs, delivered for one hour. Data published by the Authority indicates that New York State households each used an average of 6,882 KWh of electricity in 2005;
- Gigawatt Hour (GWh) - one million kilowatt hours of electricity and the term used to represent the total electricity produced and used over a period of time. One GWh would be enough energy to power 145 homes for a year, based on 2005 data;
- Megawatt (MW) - one thousand kilowatts of energy and the term used to represent the total electrical capacity necessary to meet demand at any one instant of time. One MW is enough capacity to power almost 500 homes at any given time; and
- Million British Thermal Units (MMBtu) - a standard measure of heat energy and the term used by the Authority to identify fuel savings. Ten gallons of home heating oil will produce about 1.4 MMBtu of heat energy.

In the core area of Energy Efficiency, the Authority reported a total of 3,121 GWh in gross energy savings over the almost ten years since the start of the SBC; enough to power more than 445,000 homes for a year. Energy Efficiency programs also resulted in the need for 1,119 fewer MW of peak demand, the amount of power needed at any moment to meet maximum load requirements, and over 5.5 million MMBtu in gross fuel savings. In addition, since July 1, 2006, the Authority reported other output-oriented achievements, including: assisting with 1,055 customer projects in the Enhanced Commercial and Industrial Performance program; engaging 102 partners in the New York Energy Smart Business Partners program; and closing 200 commercial and industrial loans through the Loan Fund and Financing program.

Through the Low-Income Assistance core area, the Authority reported 65 GWh of annual energy savings, 11 MW of demand savings, and over 631,000 million MMBtu of fuel savings over the ten-year period. Since July 1, 2006, the Authority also reported that certain programs served 10,888 households and reached over 32,000 individuals through various seminars and workshops. Through Research and Development, the Authority reported 216 GWh in energy savings and 133 MW in demand reductions. In addition, the Authority produced 32 peer-reviewed journal articles; released 3 solicitations, and had 19 proposals reviewed in the Electric Transportation program;

and had 12 companies expand renewable business networks in the Clean Energy Infrastructure program during SBC III.

As of March 31, 2008, about 35 percent of the five-year SBC III cycle had elapsed and the Authority had expended about 22 percent of the authorized SBC funding. Focusing solely on this current program cycle, performance reports indicate the Authority had achieved 732 GWh of electricity savings (about 44 percent of the 1,656 GWh goal established in the SBC III operating plan); 173 MW of peak electrical demand savings (37 percent of the 470 MW goal); and 1.1 million MMBtu of fuel savings (about 13 percent of the 8.5 million MMBtu goal.)

Our report contains two recommendations directed toward improving the Authority's reporting of SBC achievements and administration of the program.

This report, dated August 5, 2009, is available on our website at: <http://www.osc.state.ny.us>.
Add or update your mailing list address by contacting us at: (518) 474-3271 or
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Introduction

Background

In the late 1990s, the Public Service Commission (Commission) established the System Benefits Charge (SBC) as a means to fund certain public policy initiatives in the newly emerging marketplace of largely deregulated investor-owned utilities. The SBC, a surcharge added to customer bills, funds programs in three core areas: Energy Efficiency; Low-Income Assistance; and Research and Development. A portion of SBC funding also goes to support general public awareness initiatives, as well as the administration and independent evaluation of the program.

In 1998, the Commission named the New York State Energy Research and Development Authority (Authority) as the third-party, independent SBC administrator, and specified initial SBC funding levels along with the framework for the three core energy areas. Three-year funding was set at \$234.3 million, of which \$172 million was allocated to the Authority to operate statewide public benefit programs, while the remaining \$62.3 million was allocated to programs operated by the six participating investor-owned electric utilities: Central Hudson Gas and Electric; Consolidated Edison; New York State Electric and Gas; Niagara Mohawk (now National Grid); Orange and Rockland; and Rochester Gas and Electric. The three-year cycle (SBC I) ran from July 1, 1998 through June 30, 2001.

In January 2001, the Commission authorized SBC II with funding of about \$750 million for the five-year period from July 1, 2001 through June 30, 2006. SBC II had an additional focus on programs designed to reduce the peak loads placed on the State's power systems, thereby reducing the need for greater electrical generating capacity. Authority funding for SBC I and II totaled \$974 million, of which \$705 million was spent by June 30, 2006, leaving an unexpended balance at that time of approximately \$269 million.

In December 2005, the Commission authorized the SBC program for an additional five-year period (SBC III) through June 30, 2011, with funding of \$875 million for the new five-year cycle. The Commission also ordered the Authority to submit annual and quarterly status reports for all programs, to facilitate the Commission's review of the Authority's administration of the SBC program. In 2006, and subsequently in 2008, the Authority submitted its SBC III Operating Plan, which contained program goals, objectives and budgets for SBC III. At the conclusion of our audit fieldwork in September 2008, the Authority was awaiting approval of the revised Operating Plan submitted in 2008.

Since July 2006, the Commission has issued several Orders that have had the effect of altering both the amount and the allocation of SBC III funding. These include the rollover of the \$269 million in unexpended SBC II funds; reallocation of certain Research and Development funds to Energy Efficiency programs; additional funding for a photovoltaic incentive program; and a directive to finance up to \$3 million in start-up costs for a Regional Greenhouse Gas Initiative. In June 2008, the Commission authorized additional SBC III funding of approximately \$85 million annually to be administered by the Authority in furtherance of Energy Efficiency Portfolio Standard goals, beginning in October 2008. The Commission also directed the Authority to update its SBC III goals and objectives to reflect these changes.

**Audit
Scope and
Methodology**

We audited the Authority's reported achievements in the core areas of Energy Efficiency, Low-Income Assistance, and Research and Development through its use of SBC funding for the period July 1, 2002 through March 31, 2008.

To accomplish our objective, we reviewed relevant laws and regulations, Authority SBC Operating Plans and Evaluation and Status Reports, as well as relevant Commission Orders that affected SBC funding and provided directives to the Authority. We interviewed Authority officials and staff. We reviewed documentation that supported reported SBC achievements, as well as other documentation maintained by the Authority.

We conducted our performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

In addition to being the State Auditor, the Comptroller performs certain other constitutionally and statutorily mandated duties as the chief fiscal officer of New York State. These include operating the State's accounting system; preparing the State's financial statements; and approving State contracts, refunds, and other payments. In addition, the Comptroller appoints members to certain boards, commissions and public authorities, some of whom have minority voting rights. These duties may be considered management functions for purposes of evaluating organizational independence under generally accepted government auditing standards. In our opinion, these functions do not affect our ability to conduct independent audits of program performance.

Authority	The audit was performed pursuant to the State Comptroller’s authority as set forth in Article X, Section 5 of the State Constitution, and Section 2803 of the Public Authorities Law.
Reporting Requirements	We provided a copy of this report, in draft, to Authority officials for their review and comment. We considered their comments in preparing this report and a copy of the Authority’s comments are contained in this report. Officials agreed with our findings and recommendations.
	Within 90 days of the final release of this report, as required by Section 170 of the Executive Law, the President and CEO of the New York State Energy Research and Development Authority shall report to the Governor, the State Comptroller, and the leaders of the Legislature and fiscal committees, advising what steps were taken to implement the recommendations contained herein, and where recommendations were not implemented, the reasons therefor.
Contributors to the Report	Major contributors to this report include Frank Houston, John Buyce, Greg Petschke, Sharon Salembier, Michele Krill, Raymond Barnes, Jill Thomas, and Clarissa Pickett.

Audit Findings and Recommendations

SBC Program Goals and Achievements

By March 31, 2008, the Authority had spent almost \$968 million on SBC-funded programs and related administrative costs since the first funding cycle began in July 1998. Of that amount, \$533 million (55 percent) was directed toward Energy Efficiency programs, \$148 million (15 percent) toward Low-Income Assistance programs, \$151 million (16 percent) to Research and Development activities, and \$20 million (2 percent) to General Awareness activities. The remaining \$116 million (12 percent) funded program administration and evaluation, environmental disclosure, and State cost recovery fees. A portion of the administrative funds are used to fund contracts with evaluation consultants, who gather and validate data on program activities, results and impacts. Authority staff compile and aggregate this data to produce quarterly and annual Evaluation and Status Reports, which are public documents that report on SBC program progress, spending and achievements, along with accompanying goals.

We found the Authority has improved its reporting of SBC program goals and achievements over time to better enable user assessments of program progress. When the SBC was first established in 1998, its objectives were largely set forth in terms of two broad public policy goals: to promote competitive markets for energy efficiency services; and to either provide direct benefits to electricity ratepayers or be of clear economic or environmental benefit to the people of New York. These objectives were further translated into program goals that expressed what individual initiatives were designed to accomplish, such as reducing energy usage, demand and the energy burden on low-income users; and supporting research and development in energy efficiency, renewable energy technologies, and environmental monitoring and protection. However, these program goals rarely included specific expectations for impact against which the Authority could measure actual performance and outcomes, nor were they used as benchmarks in later reports to allow users to measure the relative effectiveness of SBC achievements.

We found the first SBC Operating Plan laid out the Commission-approved objectives, anticipated funding, and program descriptions, and then included a discussion of potential measures of success, along with some cost/benefit expectations for some of the initial programs. However, these more specific items were not expressed as program goals. As a result, although evaluation reports prepared during and at the end of the first SBC cycle in 2001 were able to demonstrate that the program was having certain quantified impacts - including over 900 kilowatt hours of annual electrical savings, over 500 megawatts of electrical demand reduction, and almost \$120 million in

energy bill reductions - they provided little information which would allow the public to determine whether these outcomes were better or worse than expected in view of the investment. The closest these reports came in this regard was an analysis in the initial three-year program report that showed overall quantifiable benefits exceeded costs by 40 percent for 13 initiatives where data was available. However, similar analysis had yet to be done at that time for the 22 other initiatives funded by the SBC program.

As the SBC progressed into the second cycle (SBC II), funding continued to be allocated across the three major SBC program areas: Energy Efficiency (\$436 million), Low-Income (\$114 million), and Research and Development (\$200 million). The overarching public policy objectives evolved to reflect changing conditions and expanded to four goals: improving system reliability through end-user efficiency; reducing environmental impacts of energy production and use; facilitating competition to benefit end-users; and improving energy efficiency and access to energy options for underserved customers. Each goal had three to five specific measurable objectives to be pursued, such as improving energy affordability and efficiency of small business customers or increasing environmental performance and sustainability of buildings. Each of these objectives was supported by a prescribed series of activities and strategies to be employed to achieve desired results. However, consistent with the previous cycle, the operating plan for SBC II still did not establish quantifiable expectations by program against which to measure the impact of these efforts.

With the start of the third SBC cycle (SBC III) in 2006, the Authority began to establish specific, quantifiable goals for many outcome-oriented aspects of the program, and to further define expectations for the extent to which many individual programs should contribute to these goals. As a result, the SBC III Operating Plan is more performance-oriented and includes quantifiable five-year achievement goals by program within each of the three core areas, which should more readily facilitate public assessment of progress toward program goals.

For SBC I and SBC II, the Authority reported program achievements primarily in terms of energy-related units. The SBC III operating plan continues this trend, establishing energy saving goals using several primary measures:

- Kilowatt Hour (KWh) - one thousand watts of electricity, or enough to power ten 100-watt light bulbs, delivered for one hour. Data published by the Authority indicates that New York State households each used an average of 6,882 KWh of electricity in 2005;

- Gigawatt Hour (GWh) - one million kilowatt hours of electricity and the term used to represent the total electricity produced and used over a period of time. One GWh would be enough energy to power 145 homes for one year, bMegawatt (MW) - one thousand kilowatts of energy and the term used to represent the total electrical capacity necessary to meet demand at any one instant of time. One MW is enough capacity to power almost 500 homes at any given time; and
- Million British Thermal Units (MMBtu) - a standard measure of heat energy and the term used by the Authority to identify fuel savings. Ten gallons of home heating oil produces about 1.4 MMBtu of heat energy.

For SBC III, however, the Authority has also reported achievements in terms of non-energy units to more fully capture program impacts. These achievements include both outcome- and output-oriented measures, such as annual tons of avoided emissions, the number of solicitations conducted for research and development projects, and the number of completed outreach events. At March 31, 2008, the Authority reported on 127 separate SBC achievement measures in its quarterly Evaluation and Status Report. In some cases, reported achievements are captured only for the SBC III cycle. In others, cumulative results since SBC inception are reported.

**Specific
Program
Achievements**

In its Evaluation and Status Report for the quarter ended March 31, 2008, the Authority reported substantial progress in each of three SBC core areas. Each core area is divided into specific programs and the related program achievements, as follows:

- The Energy Efficiency area is composed of two sections: the Commercial and Industrial (C & I) section, which includes 7 programs and 30 achievement measures; and the Residential section containing 2 programs and 13 measures;
- The Low-Income Assistance area consists of 4 programs and 30 measures; and
- The Research and Development area includes 11 programs and 54 measures.

In total, there are 127 reported achievement measures associated with SBC-funded programs. The reported gross energy savings for each of these core areas over the nearly ten-year period from July 1, 1998 through March 31, 2008 is shown in the following table.

<u>Core Area</u>	<u>Number of Programs</u>	<u>Energy Savings (GWh)</u>	<u>Fuel Savings (MMBtu)</u>	<u>Peak Demand Savings (MW)</u>
Energy Efficiency - (C & I)	7	2,428.1	3,826,758	988.6
Energy Efficiency - (Residential)	2	693.0	1,713,006	130.1
Low-Income Assistance	4	64.6	631,359	10.6
Research and Development (1)	11	215.7	(853,933)	132.5
Less: Overlap (2)		(197.3)	(368,712)	(40.6)
Totals	24	3,204.1	4,948,478	1,221.2

Note 2: There are two programs whose results appear under both Energy Efficiency-Residential and Low-Income Assistance. The overlap removes results that were reported under both categories.

The Authority also reported various achievements outside of the traditional energy and fuel savings measures, many of which are expressed in terms of program activities and outputs. For example:

In the Energy Efficiency area, the Authority reported:

- 1,055 customer projects in the Enhanced Commercial and Industrial Performance Program;
- 102 partners in the New York Energy Smart Business Partners Program;
- 200 commercial and industrial loans made through the Loan Fund and Financing Program;
- 1,342 participants in the Energy Smart Focus Program;
- 975 customers included in the Flex Tech Technical Assistance Program; and
- 14,309 homes in the Single Family Home Performance Program.

In the Low-Income area, the Authority reported;

- 10,888 households served; and
- 32,000 individuals reached through various seminars and workshops.

In the Research and Development area, the Authority reported the following accomplishments during SBC III:

- 32 peer-reviewed journal articles published as part of the Environmental, Monitoring, Evaluation and Protection program;
- 3 project solicitations released and 19 proposals reviewed, as part of the Electric Transportation program; and
- Renewable business networks expanded for 12 companies, as part of the Clean Energy Infrastructure program.

Verification of Reported Achievements

We selected a judgmental sample of 25 achievement measures included in the March 31, 2008 Evaluation and Status Report to obtain a mix of achievements measured in both energy and non-energy units to assess whether they were reported accurately. We met with Authority officials and examined supporting documents to assess the accuracy of reported information. We did not assess the appropriateness of the complex underlying methodologies and assumptions that the Authority's external evaluation contractors and in-house analysis staff used in preparing estimates of SBC results and savings, though we did review underlying documents that supported certain of these calculations.

Based on the supporting documentation reviewed, we concluded that the Authority had accurately reported 21 of the 25 achievements we tested. Of the four measures not reported accurately, two were understated and two were overstated. None of the differences was significant to the extent of overall performance reported and none were due to any systemic problems in the Authority's reporting process. Instead, Authority officials were able to point to timing differences and a spreadsheet error as factors that caused the individual inaccuracies.

To further test the reasonableness of the reported achievements, we judgmentally selected 58 of the 127 achievements where reported results either were not associated with specific goals (25 measures) or where they significantly differed from the extent of progress that might normally be expected at the point when 35 percent of the SBC III cycle time had elapsed (33 measures). Prior to testing the later 33 measures, we obtained agreement from Authority officials that this linear proration of SBC III goals was a reasonable basis to arrive at a baseline of expected progress at March 31, 2008. Our samples included achievement measures from 17 programs spread across all three core areas.

For the 25 measures that lacked specific performance goals, we found the achievements were generally not the main focus of the associated programs.

Officials stated that, in most cases, the primary metric to measure is electrical energy savings in kilowatt hours and that these other measures represent ancillary benefits that they had not specifically planned for in terms of adopting goals. Most other reported achievements with no goals represented a result measured in a way other than energy savings, such as the number of projects funded under a particular program. As such, they provide more insight into program activities than actual outcomes. Authority officials acknowledge that assessment of SBC progress is made more difficult in the absence of accompanying goals and stated their intent to work with the Commission to establish and report goals for all expected achievements where appropriate.

Authority officials provided various explanations for the 33 achievements that reflected higher or lower results than our estimates. In general, we found Authority management was actively monitoring these programs and was well versed in the opportunities and obstacles that were impacting progress. In some cases, officials were able to point to better-than-expected response rates and strong momentum from SBC II to SBC III as factors which accelerated expected achievements. In other cases, they cited lag time before program results would be realized and program newness as reasons for lower results. Where results were lower than expected, officials generally indicated that they still expect to achieve the goals by the end of the five-year SBC III cycle.

Recommendations

1. Verify the accuracy of SBC achievement data before publishing it in reports, and monitor reported achievements for agreement with verified data.
2. Establish, and communicate via publicly-available reports, the goals for all SBC-reported achievements to facilitate user assessment of progress.

Spending of SBC Funds

The Authority received about \$974 million of SBC funding during the first and second program cycles. At the close of the SBC II cycle on June 30, 2006, the Authority had expended about \$705 million, or about 72 percent of the available funding. The remaining \$269 million was rolled over into the SBC III cycle, which runs through June 30, 2011, thereby increasing the SBC III funding from about \$900 million to almost \$1.2 billion.

The unexpended funds from SBC I and SBC II were composed of almost \$123 million in Energy Efficiency allocations; \$96 million for Research and Development; \$42 million designated for Low-Income Assistance; and slightly more than \$8 million allocated for environmental disclosure, program administration, and evaluation. Authority records indicate that, at the close of the SBC II cycle, about \$206 million of this funding had already been encumbered by contractual obligations and another \$20 million had

been awarded or committed through competitive selection processes. Therefore, only about \$44 million (less than 5 percent of total program funding) was actually not committed to SBC projects at the end of the SBC II cycle.

SBC III funding increased again in May 2007, when the Commission established the Energy Efficiency Portfolio Standard (EEPS), which requires the State to achieve a 15 percent reduction in electrical consumption by 2015. In total, the Commission increased SBC III funding by about \$277 million over the remaining years of SBC III with about \$19 million expected to be available in 2008, \$78 million in 2009, \$92 million in 2010, and \$88 million in 2011.

As of March 31, 2008, 35 percent of the way through the SBC III cycle, the Authority had spent about \$263 million, or about 22 percent of the original \$1.2 billion SBC III funding. (We did not include the anticipated \$277 million in EEPS funding in our calculations, since this funding had not yet begun to flow to the Authority.) Overall, during this initial phase of the five-year cycle, the SBC III programs had achieved the following energy related savings:

- 732 GWh of electricity; about 44 percent of the total savings goal of 1,656 GWh established in the SBC III operating plan;
- 173 MW of peak electrical demand; 37 percent of the 470 MW goal established by the plan, and
- 1.1 million MMBtu of fuel savings; which represents about 13 percent of the total goal of 8.5 million MMBtu.

Authority officials expressed confidence that the balance of the SBC III funds would also be largely committed to program activities through the remaining two-thirds of the program cycle and that programs would be able to meet or exceed the established energy-saving goals.

Agency Comments



New York State Energy Research and Development Authority

Vincent A. DeLorio, Esq., *Chairman*

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May 11, 2009

Mr. Frank J. Houston
Audit Director
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Division of State Government Accountability
123 William Street – 21st Floor
New York, NY 10038

RE: Draft Audit Report 2008-S-92

Dear Mr. Houston:

This letter is in response to the above referenced draft audit report which assessed the extent to which the Authority has achieved results through its use of System Benefits Charge (SBC) funding. We are pleased with the results stated in the report that the Authority: reports achievement goals which enable the public and stakeholders to assess progress; reports achievements which are well documented and verifiable; and has achieved substantial progress in achieving its established goals during the current SBCIII funding cycle.

We are in agreement with the findings stated in the report, which found some minor inaccuracies in the Authority's reported achievements for a sample of 25 achievement results tested. The report states that these inaccuracies were not significant (two were overstated and two were understated by an average of about 6 percent), and that none were due to any systemic problems in the Authority's reporting process. The report contains two recommendations, which we concur with and will respond to upon issuance of the final audit report.

We met with audit staff recently to discuss certain spending amounts and achievement results contained in the draft report and suggested revisions or clarifications to ensure consistency with amounts reported in the Authority's program status report. Staff concurred with these recommendations and offered to address these as part of the final audit report.

Thank you for the recommendations contained in your report and for the professionalism displayed by your staff during the course of this audit.

Sincerely,

Francis J. Murray, Jr.
President and CEO

*
Comment

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* **Comment: We have revised our final audit report as a result of this meeting.**