GTI commends the NYSERDA staff for its budget prioritization. Such efforts are not easy and a simple reduction on all fronts is not appropriate.

GTI supports the CCS effort. Our understanding is that it encompasses geologic investigations and CO2 fracturing for enhanced gas recovery. This technology can be funded at the $8-9 million level and achieve major results. This technology is not being adequately investigated elsewhere, and it can mean (1) CO2 sequestration at NY sites (a source of NY income and jobs), (2) enhanced recovery of indigenous supplies of natural gas from shales (jobs and revenue for NY and a local supply of the most environmentally benign fossil fuel), and removal of conventional hydro-fracing as a barrier to shale gas recovery due to perceived environmental concerns.

GTI does not support using RGGI funds for massive CCS demonstrations tied into power plants. Others are funding those activities.

GTI continues to be concerned with a lack of natural gas energy efficiency R&D funding in NY and across the country. There is only $4 million per year raised from U.S. gas companies for end-use R&D, woefully inadequate. (Of that $4 million NY gas companies are contributing less than $1 million coming from only 3 companies, National Fuel, National Grid, and NYSE&G from Millennium funds.) DOE's Building Technology program does not fund natural gas R&D, heading instead toward the all-electric "zero carbon" home of the future. (Industrial R&D is somewhat supported by DOE's Industrial Technology Program.) The NY EEPS funds are not used for R&D, but for already commercial technology deployment. NYSERDA Statutory funds cover very little natural gas R&D, a few projects a year. SBC funds are for electrically related technologies. This gap in natural gas R&D funding in NY needs to be supported by RGGI funds, particularly in the residential/commercial area, but also industrial R&D.

Smart grid activities are well funded across the country and in NY and do not require RGGI funds.

GTI supports oil-to-gas conversions of boilers, furnaces, and water heaters.

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