

September 24, 2018

VIA ELECTRONIC FILING

Hon. Kathleen H. Burgess
Secretary to the Commission
New York State Public Service Commission
Empire State Plaza
Agency Building 3
Albany, NY 12223-1350

Re: Case 18-E-0130 – In the Matter of Energy Storage Deployment Program

Dear Secretary Burgess:

The City of New York (“City”) respectfully submits this letter in lieu of filing formal reply comments in response to the *Comments of the New York Power Authority on the New York State Energy Storage Roadmap* (“Roadmap”) submitted in the above-referenced proceeding. The New York Power Authority’s (“NYPA”) comments set forth a proposal for the bridge incentive that argues that the incentive should be available to all customers – including NYPA customers.¹ NYPA also proposes to source the bridge incentive funding from the Regional Greenhouse Gas Initiative (“RGGI”) funds instead of the Clean Energy Fund (“CEF”).² For the reasons set forth below, the City supports both of these recommendations.

As proposed, the Roadmap sets forth a construct for the bridge incentive that “recommends that existing sources of funds such as funds authorized under the Clean Energy Fund [“CEF”] or other previously collected but currently uncommitted funds be identified to support this recommended funding commitment.” It is important to note that not all customers are required to pay into the CEF. Accordingly, based on equity principles, those customers that do not pay into the CEF would not have the opportunity to access CEF money in the form of the bridge incentive to drive energy storage development. The City submits that limiting the sourcing of incentive funding only to the CEF may have the unintended consequence of foreclosing storage project development opportunities that have the potential to bring value to all customers.

¹ Case 18-E-0130, In the Matter of Energy Storage Deployment Program, Comments of the New York Power Authority on the New York State Energy Storage Roadmap (filed September 10, 2018), p. 8.

² *Id.*

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The bridge incentive is intended to accelerate the market by allowing the projects with the most economic and system benefits to move forward. Disqualifying a subset of potential projects from the bridge incentive would risk overlooking projects that could provide such benefits to customers. As stated by NYPA, its customers “provide public services so projects supported through the bridge incentive would be to the public benefit.” Accordingly, opening up incentive funding to all customers to be sourced from RGGI funding, or some other pool of funding that is also accessible to NYPA customers, is equitable and consistent with the Recommendations set forth in the Roadmap.

As previously stated, the City is a strong proponent of the State’s efforts to encourage the development of ESR in New York. The City looks forward to working with the Public Service Commission and interested stakeholders to promote the successful integration of energy storage resources into the City’s and State’s electric portfolio.

Based on the foregoing, the City respectfully requests that the Public Service Commission modify the Roadmap bridge incentive structure to incorporate the recommendations set forth in these reply comments.

Respectfully submitted,

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Dated: August 24, 2018
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