



**New York City Environmental Justice Alliance**

166A 22nd Street, Brooklyn, NY 11232 | [www.NYC-EJA.org](http://www.NYC-EJA.org)

On the ground – and at the table

September 10, 2018

The Honorable Kathleen H. Burgess  
Secretary  
New York State Public Service Commission  
Empire State Plaza, Agency Bldg. 3  
Albany, NY 12223-1350

{VIA ELECTRONIC MAIL}

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

Dear Secretary Burgess,

Please find attached comments submitted by the New York City Environmental Justice Alliance regarding the Matter of Energy Storage Deployment Program. We submit these comments in support of New York's most climate vulnerable and environmentally overburdened communities who stand to benefit the most from truly inclusive and innovative energy storage opportunities.

As a member of Governor Andrew Cuomo's Environmental Justice & Just Transition Working Group, we look forward to the consideration of our comments and ongoing collaboration to implement comprehensive clean energy solutions that equitably serve all New Yorkers.

Respectfully submitted,

/s/ Kartik Amarnath  
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New York City Environmental Justice Alliance  
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**September 10, 2018**

**New York City Environmental Justice Alliance Comments on the NY Energy Storage Roadmap**

A robust and inclusive market for energy storage provides a unique opportunity to facilitate widespread environmental, health, and economic benefits while ensuring the State meets its climate and clean energy targets. It is vital that the benefits of this growing market are equitably distributed, particularly by accounting for decades of the energy sector’s economic and environmental burdens disproportionately concentrated in low-income communities and communities of color.

The New York City Environmental Justice Alliance (NYC-EJA) is a citywide alliance of grassroots organizations serving the City’s most environmentally overburdened communities. For more than a quarter-century, we have served industrial and low-to-moderate (LMI) communities and communities of color that host most of the downstate polluting and aging “peaker” generating units in utility Zone J. NYC-EJA and several of our member organizations also serve as appointees to Governor Andrew Cuomo’s Environmental Justice & Just Transition Working Group (Governor’s Working Group). The Governor’s Working Group provides regular consultation on State policies, programs, and plans, ensuring they are equitable and prioritize the needs of the most vulnerable New Yorkers. Based on our history and expertise serving environmentally and economically overburdened communities at the frontlines of the climate crisis, we believe State clean energy initiatives must ensure environmental justice communities can equitably shape and capture the economic, energy, environmental, and health benefits of storage.

The communities we serve demonstrate both the need for clean energy resources to displace polluting facilities, along with the industrial potential to provide the necessary supply chain provisions for the development and sustenance of robust energy storage and clean energy markets in New York State. As members of the Governor’s Working Group, we look forward to collaborating with the New York State Energy Research and Development Authority (NYSERDA), New York State Department of Public Service (DPS), the Public Service Commission (PSC), and stakeholders across sectors to ensure the economic and environmental potential of this growing sector is meaningfully accessed and shaped by the communities who stand to benefit the most from energy storage.

Based on our review of the New York State Energy Storage Roadmap, we request NYSERDA and DPS Staff (Staff), under the direction of the PSC, collaborate with the Governor’s Working Group and other relevant stakeholders on the implementation of the following recommendations:

***4.1.3 Value of Distributed Energy Resources (VDER)***

Our organization, as participants in the VDER Phase Two LMI and Value Stack Working Groups, jointly submitted recommendations that also have applicability to energy storage. Beyond the VDER value stack, these comments address a breadth of issues relevant to valuing clean energy projects that are also applicable to a number of sections of the NY Energy Storage Roadmap. We urge Staff to comprehensively consider these comments, jointly submitted to public record by the Aligned Parties (Case 15-E-0751 / Matter 17-01278) and informal E/EJ Value Subgroup Track 3 (Case 15-E-0751 / Matter 17-01276), and their applicability to energy storage initiatives and regulations. These recommendations are aimed at addressing low-income and environmental justice concerns, and should be considered particularly due to the unique and vital role that storage could provide to comprehensively

address environmental justice and low-income needs. For example, energy storage can provide essential backup power in climate vulnerable areas, particularly during extreme weather events.

We implore full consideration of these prior comments happen in a meaningful and transparent manner so as not to reproduce the outright dismissal of environmental justice and low-income interests in State-led stakeholder proceedings. As members of the Aligned Parties and E/EJ Value Subgroup, we conducted months of collaborative – and pro bono – work to develop robust recommendations with support across sectors. These recommendations address procedural considerations, low-income and environmental justice benefits that should be monetized within the value stack, and benefits that may go beyond the value stack that should nonetheless be valued through parallel incentives and programming. These recommendations, when submitted to DPS Staff, were often met with dismissal, deferral, and regular hostility without any commitment to substantive deliberation and consideration of their viability.

The transgression of accountability to low-income and environmental justice stakeholders and the bureaucratic punting of the interests of vulnerable New Yorkers reproduce the exclusionary character of the energy sector and runs counter to the aspirations of Reforming the Energy Vision (REV). Given this unacceptable outcome, we demand Staff conduct a robust, iterative, and fully transparent review of the comments submitted by the Aligned Parties and E/EJ Value Subgroup, address their applicability to storage across relevant issue areas, and identify opportunities for their integration and implementation. To ensure transparency and accountability, this review process must be done in partnership with relevant stakeholders, particularly Governor Working Group.

#### ***4.1.4 Carbon Reduction Benefits and Shaping the E Value in the Value of Distributed Energy Resources (VDER) Value Stack***

We fully support “Comments on Measuring and Valuing Emissions Benefits of Energy Storage Systems” regarding Case 18-E-0130, submitted to the docket by the NYU Institute for Policy Integrity on behalf of a joint coalition of co-signatories, including NYC-EJA. We look forward to the full review of these comments and ongoing collaboration to carry out their implementation.

#### ***4.3 Direct Procurement***

Several of the recommendations provided by the Aligned Parties and E/EJ Value Subgroup referenced for 4.1.3 address procurement needs applicable to energy storage, particularly related to environmental justice and low-income benefits that possibly cannot be monetized through the VDER value stack but that should be incentivized through parallel support. As previously mentioned, we recommend the full review of these comments, including the ones that transcend the VDER value stack and speak to procurements and other applicable issues.

#### ***4.4 Market Acceleration Incentive***

To “improve bankability and enable a self-sustaining market” Staff recommends bridge incentives that “should prioritize projects where established line of sight cost declines enables the project to be deployed based on cost and market opportunities alone within the next three to five years” (48-49). While Staff claims this bridge incentive program could deploy over one-third of the State’s 1,500 MW 2025 target, the program’s overreliance on prioritizing projects based on existing projections of cost and market opportunities risks leaving behind the 40% of New Yorkers who are Low-to-Moderate Income (LMI). Low-income communities and communities of color are often not perceived to be “bankable” by regulators and the financial sector due to ongoing legacies of classism and economic racism. This legacy has persisted across New York’s burgeoning clean energy sectors, where State funds and regulations have yielded minimal results for vulnerable New Yorkers. For example, NYSERDA’s low-income energy efficiency programming is reported to only reach 1% of *eligible* households per year, and New York State has only seen 18 community solar projects come online as of July 31, 2018. With this lack of traction, it is

unacceptable for any planned expansion of New York’s clean energy and storage markets to not explicitly dismantle barriers to access for underserved New Yorkers.

We recommend that a portion of the \$350 million be devoted to piloting innovative projects that can help address prevailing barriers to market participation while facilitating innovative and creative opportunities for project participation that result in wide ranging benefits for underserved market segments. For targeted recommendations on pilot projects that should be incentivized, please refer to the Aligned Parties and E/EJ Value Subgroup comments submitted as part of VDER Phase Two and previously cited in this document. As was mentioned in our responses for Sections 4.1.3 and 4.3 in this document, we recommend a full and transparent review of these comments. While submitted as part of VDER Phase Two, these recommendations identify environmental justice and low-income characteristics that possibly cannot be monetized as part of the VDER value stack, but should be valued through parallel incentives and allocation of resources for pilot projects. As previously mentioned, we recommend identifying opportunities to integrate the full breadth of these recommendations, as they are applicable to the breadth of energy storage solutions, including market acceleration through pilots.

#### ***4.5.3 Workforce development***

While we support Staff recommendations for a multi-sector industry partnership to address wide-ranging supply chain and workforce needs, “opportunities to support disadvantaged workers” must be made a priority given the lack of diversity and inclusion in clean energy sectors. To this regard, we recommend the following:

- All direct procurements of energy storage must have minimum requirements for project-related expenditures to be allocated to local and Minority and Women-Owned Business Enterprises (MWBE), with higher favorability given to project proposals that exceed these minimal requirements. Project developers must be required to submit to relevant State agencies plans on how they will circulate subcontracting opportunities to local and MWBE firms while maintaining strong labor standards. In the instance where minimum local and MWBE subcontracting requirements cannot be achieved due to existing supply chain and skills gaps, project developers may subcontract to out-of-state and non-MWBE entities so long as they provide a supporting Economic Benefits Plan (EBP) that demonstrates future market participation in the given category from local labor and MWBE firms. Staff should seek the guidance and expertise of the Governor’s Working Group to review these workforce development requirements and EBP submissions.
- As part of the current job creation target, NYSERDA and DPS should partner with labor organizations and the Governor’s Working Group to develop workforce development goals, workforce programming, and energy storage procurements targeting the following populations, particularly residing in environmental justice communities:
  - Women
  - Formerly incarcerated New Yorkers
  - Veterans
  - Native Americans
  - Low-income individuals, (as currently defined by State agencies to have a household income at or below 60% State Medium Income, or be an eligible recipient of relevant public services such as the Supplemental Nutritional Assistance Program).
  - Individuals with disabilities
  - Current and/or unemployed workers in fossil fuel based industries, such as power plant workers
  - Youth participating in work preparedness training programs that include energy-related technical training, such as technical high school programs, etc.
- Recognizing the potential for existing local and MWBE firms to contribute to and benefit from the growth of New York’s nascent energy storage market, NYSERDA and DPS should convene a

series of vendor forums and job fairs targeting these firms and recruitment of the priority populations listed above, with particular focus on environmental justice communities. These forums and fairs should be carried out in partnership with labor organizations, workforce development specialists, academic institutions, chambers of commerce, and community-based environmental justice organizations. These forums will bring together industry participants and experts to support local and MWBE firms poised to broaden their operations to participate in research, design, production, and supply opportunities in energy storage. Forums should include industry training and guidance on emerging markets, regulatory considerations, relevant incentives, bidding processes, and structure sustained opportunities for ongoing collaboration on business incubation and workforce development, thereby providing pathways and reducing barriers to energy storage participation among local and MWBE firms.

### ***Conclusion***

We thank Staff for considering our recommendations, and look forward to ongoing collaboration to deliver meaningful storage solutions that comprehensively address the breadth of energy, environmental, health, and economic needs of the most vulnerable New Yorkers. Energy storage will be instrumental to addressing decades of environmental injustice and economic exclusion rooted in the traditional energy economy. According to principles of justice and fairness, solutions must be designed to intentionally ensure low-income communities and communities of color can capture the benefits of the growing energy storage market and wider clean energy economy. We look forward to Staff's consideration of the recommendations we have provided in this document, and responding with the urgency that our climate crisis warrants and that our communities deserve.