



September 7, 2018

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

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

**INITIAL COMMENTS OF NEXTERA ENERGY TRANSMISSION NEW YORK**

**Introduction and Overview**

In January 2018, Governor Andrew M. Cuomo announced a target to install 1,500 megawatts (“MW”) of energy storage in the State of New York by 2025 and directed the state’s energy agencies and authorities to generate a pipeline of storage projects through a number of mechanisms such as utility procurements, changes in utility rate design and wholesale energy markets, incorporating storage into criteria for large-scale renewable procurements, and reducing regulatory barriers. On June 21, 2018, the New York State Energy Research and Development Authority’s (“NYSERDA”) Staff filed with the New York State Department of Public Services (“NYSDPS”) its recommendations (“Roadmap”) on June 21, 2018. This Roadmap, developed by NYSEDA and NYSDPS Staff in conjunction with numerous stakeholders, provides a recommended approach and actions necessary to achieve the Governor’s 1,500 MW target.

NextEra Energy Transmission New York (“NEETNY”) has participated in the New York State Public Service Commission (“NYSPSC”) process and offers these comments, which NEETNY believes will help advance storage deployment in the State of New York. NEETNY appreciates the opportunity to provide these comments and looks forward to helping New York achieve its energy storage goals.

**Comment - 4.7.1 Bulk System Focus**

The Roadmap addressed barriers to the use of widespread energy storage to address bulk electric system needs. The Roadmap stated that:

[t]he NYISO and PSC should modify transmission planning processes to incorporate consideration of energy storage in addressing transmission needs and public policy objectives. New York’s transmission planning process and the manner of cost recovery and compensation limits the consideration of energy storage as a solution to transmission needs. The NYISO generally looks at energy storage as a type of generator with the grid as its fuel. If storage were proposed as a solution to a transmission need, the current NYISO tariff likely classifies energy

storage as non-wires alternatives, which fall outside of the ISO, and FERC jurisdiction does not allow for cost recovery of non-transmission assets. However, FERC has clearly stated that energy storage qualifies as transmission and should be compensated as such when it fulfills a transmission need. Energy storage could provide especially valuable flexibility as New York transitions to higher penetrations of renewables, serving as an alternative transmission solution that may defer large transmission investments until more renewable generation resources are located and developed. This could also provide optionality in transmission planning given the uncertainty of changes to load including energy efficiency, EV penetration, and other forms of beneficial electrification. The Commission could also consider ensuring that energy storage is included in the Public Policy Transmission Needs Assessment process and make storage projects eligible for cost allocation and recovery.

NEETNY agrees that storage should be considered as a potential regulated transmission solution to any identified public policy transmission needs. As NYISO and the NYPSC begin the 2018 PPTN process, it is important at the outset for both to clarify the role that storage will play in that process. As a threshold matter, NEETNY requests that the NYISO and NYPSC clarify that energy storage will be treated as a regulated transmission solution for cost recovery purposes. Additionally, it is important for stakeholders to know how storage will be evaluated as a transmission asset compared to other non-storage transmission solutions. We believe NYISO should be transparent and explain in advance how it will evaluate storage solutions<sup>1</sup>. In addition to the PPTN process, NYISO should also consider storage as a regulated transmission solution for their Reliability Needs Assessment (“RNA”) and their Congestion Assessment Resource Integration Studies (“CARIS”). Consistent with the Roadmap, the NYPSC and NYISO should consider energy storage in the next PPTN process as a regulated transmission solution for cost recovery purposes.

NEETNY would once again like to thank NYSERDA, the NYSPSC, NYISO, and other interested stakeholders for commencing this important discussion on energy storage. We look forward to continuing our participation in this process to help New York achieve its energy policy goals.

Sincerely,

*Stephen Gibelli*

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NextEra Energy Transmission

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<sup>1</sup> For example, among the things NYISO should consider in evaluating storage is how quickly storage can be deployed and how storage requires minimal right-of-way compared to a traditional transmission solution.