

April 26, 2021

VIA ELECTRONIC FILING

Hon. Michelle L. Phillips
Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, NY 12223-1350

Re: Case 21-E-0122 - Verified Petition of East River ESS, LLC for an Expedited Order Granting a Certificate of Public Convenience and Necessity Pursuant to Section 68 of the Public Service Law and Establishing a Lightened Regulatory Regime.

Dear Secretary Phillips:

The City of New York (“City”) respectfully submits these comments on the energy storage facility proposed by East River ESS, LLC (“East River ESS”).¹ East River ESS is an indirect wholly owned subsidiary of Hanwha Energy USA Holdings Corporation, which does business as 174 Power Global (“174 PG”). 174PG has an executed energy contract with Con Edison to construct a 100 MW stand-alone, battery-based energy storage project (“Project”)² on the site of the New York Power Authority’s former Charles Poletti Power Plant in Astoria, Queens. The Project is currently being permitted; construction is expected to begin next year with operations slated to commence by January 1, 2023.

The Project represents a re-purposing of a brownfield site for a new green energy asset that will create resiliency and facilitate new sources of energy generation for the New York City grid. It is intended to support New York City and the State by providing peak capacity, energy and ancillary services, and enhanced grid reliability. Further, the Project has the potential to contribute to air quality improvement and greenhouse gas emissions reduction by offsetting more carbon intensive on-peak generation with power stored during the off-peak period. Therefore, the City is generally supportive of the Project to the extent that it will help the City meet several of its public policy goals.

¹ Case 21-E-0122, Verified Petition of East River ESS, LLC for an Expedited Order Granting a Certificate of Public Convenience and Necessity Pursuant to Section 68 of the Public Service Law and Establishing a Lightened Regulatory Regime, (filed February 19, 2021) (“Petition”).

² Petition at 1.

The City has made ambitious commitments to advancing energy storage development in an effort to achieve its objectives of creating a resilient and affordable low-carbon energy supply, improving air quality, and achieving carbon neutrality by 2050, as set forth in *One New York: The Plan for a Strong and Just City* (“OneNYC”).³ OneNYC also establishes the City’s energy storage deployment target of 500 MW citywide by 2025. The NYC Department of Buildings, the NYC Fire Department, and the NYC Department of City Planning, in collaboration with the Mayor’s Office of Sustainability, have made strides in streamlining permitting pathways and updating zoning ordinances to facilitate the safe deployment of energy storage at scale.

The City’s initiatives complement the State’s public policy to generate 100% of electricity from zero-carbon resources by 2040, and to reduce greenhouse gas emissions 85% below 1990 levels by 2050.⁴ To achieve these goals, the State Climate Leadership and Community Protection Act (“CLCPA”) establishes technology-specific targets, including 3,000 MW of energy storage by 2030.⁵

Energy storage is a valuable component of New York City’s supply portfolio for the following reasons:

1. **Ensuring Reliability:** Today, New York City’s generation fleet contains facilities that are almost 70 years old, with the median age of the fleet at about 50 years old. The existing units are inefficient and heavily polluting, and the City has concerns regarding their reliability given their advanced age.
2. **Replacing Fossil Fuel Peaker Units:** The Department of Environmental Conservation’s Peaker Plant Rule limits NOx emissions from certain generation facilities, impacting more than 1,500 MW of capacity. As noted in the Accelerex Energy Storage Study included in the New York State Energy Storage Roadmap and confirmed in the Staff Peaker Plant Report, storage technologies can play a critical role in peaker plant replacement.⁶

³ *OneNYC 2050: A Livable Climate* (issued April 2019) at 14, available at: <https://onenyc.cityofnewyork.us/wp-content/uploads/2019/11/OneNYC-2050-A-Livable-Climate-11.7.pdf>

⁴ See Climate Leadership and Community Protection Act (“CLCPA”) § 4, [Laws of New York \(state.ny.us\)](https://www.state.ny.us/leg/consolidated_pdf/laws/2019/law_2019_0004.pdf)

⁵ *Id.*

⁶ Case 18-E-0130, In the Matter of Energy Storage Deployment Program, New York State Energy Storage Roadmap and Department of Public Service / New York State Energy Research and Development Authority Staff Recommendations (filed June 21, 2018), Appendix K; see also Case 18-E-0130, *supra*, The Potential for Energy Storage to Repower or Replace Peaking Units in New York State (July 1, 2019) (“Staff Peaker Plant Report”).

3. **Enhancing Resiliency:** The City continues to question the resilience of the existing in-City generation fleet under extreme weather conditions, such as storm surges, flooding, and prolonged heat waves. New technology projects, such as battery storage, can be sited and constructed with due consideration to the projected effects of climate change, thus increasing their resilience and overall system resiliency. Therefore, to preserve the reliability of the electric system and increase its resiliency, the State must continue to encourage the repowering and transformation of the aging in-City supply portfolio.

4. **Achieving Public Policy Goals:** Energy storage is a critical component to meeting the City and State's air quality and decarbonization goals. When operated in conjunction with intermittent renewable resources, large-scale storage facilities have the ability to ensure that renewable power is available when needed, therefore reducing the City's reliance on old fossil fueled generation facilities, improving air quality, and providing public health benefits to City and State residents. The City's recent technical analysis, *Pathways to Carbon Neutral NYC*, underscores the need for large amounts of energy storage to facilitate the integration of intermittent renewables at scale and provide dispatchable capacity for a decarbonized grid.⁷

174PG's East River ESS Project has the potential to provide many benefits to the City and the State. The City therefore respectfully encourages the Public Service Commission to take action to encourage greater proliferation of energy storage in New York State and grant the Project its requested Certificate of Environmental Compatibility and Public Need.

Respectfully Submitted,

CITY OF NEW YORK



Susanne DesRoches
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Mayor's Office of Climate and Sustainability
Mayor's Office of Climate Resiliency

⁷ *Pathways to Carbon-Neutral NYC: Modernize, Reimagine, Reach* at 60-64 (issued April 2021). Available at: <https://www1.nyc.gov/assets/sustainability/downloads/pdf/publications/Carbon-Neutral-NYC.pdf>