



New York Battery and Energy Storage Technology Consortium, Inc.

VIA ELECTRONIC FILING

September 29, 2017

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

Re: CASE 17-E-0458; Matter 17-01619

Tariff Filing by Consolidated Edison Company of New York, Inc. to Modify Its Electric Tariff Schedule, P.S.C. No. 10, Regarding Electric Energy Storage Systems.

Dear Secretary Burgess:

The New York Battery and Energy Storage Technology Consortium ("NY-BEST") submits these comments in the above referenced case and pursuant to the public comment period established under the New York State Administrative Procedures Act in relation to the filing from Consolidated Edison Company of New York, Inc. to its Schedule for Electricity Service, P.S.C. No. 10 – Electricity (the "Tariff"), regarding electric energy storage systems.

NY-BEST appreciates the opportunity to provide these comments and we look forward to working with the Public Service Commission (PSC) and Consolidated Edison to create new mechanisms to enable the deployment of energy storage systems.

If you have any questions or require additional information regarding these comments, please contact me at (518) 694-8474.

Respectfully,

A handwritten signature in black ink, appearing to read "William P. Acker".

Dr. William P. Acker
Executive Director



New York Battery and Energy Storage Technology Consortium, Inc.

NY-BEST COMMENTS

CASE 17-E-0458 ; Matter 17-01619

Tariff Filing by Consolidated Edison Company of New York, Inc. to Modify Its Electric Tariff Schedule, P.S.C. No. 10, Regarding Electric Energy Storage Systems.

Background

The New York Battery and Energy Storage Technology Consortium (“NY-BEST”) is a not-for-profit industry trade association that serves as a voice of the energy storage industry for more than 150 member organizations on matters related to advanced batteries and energy storage technologies. Our membership covers the full span of activities related to research, development, production and deployment of energy storage devices, and currently includes technology developers ranging in size from small start-up companies to global leaders, leading research institutions and universities, national labs and numerous companies involved in the electricity and transportation sectors.

Our mission is to catalyze and grow the energy storage industry and establish New York State as a global leader in energy storage. We do this by:

- (1) Acting as an authoritative resource on energy storage, proactively communicating energy storage related news and information, and facilitating connections amongst stakeholders;
- (2) Advancing and accelerating the commercialization process for energy storage technologies, from research and development, to products and widespread deployment;
- (3) Educating policymakers and stakeholders about energy storage and advocating on behalf of the energy storage industry; and
- (4) Promoting New York’s world-class intellectual and manufacturing capabilities and providing access to markets to grow the energy storage industry in New York.

NY-BEST has been actively engaged in the State’s Reforming the Energy Vision (REV) initiative and its related proceedings since its inception and supports NYS Public Service Commission’s (“PSC” or “Commission”) efforts to transform New York’s electric industry with the objective of creating market-based, sustainable products and services that drive



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an increasingly efficient, clean, reliable, and customer-oriented industry. We also support the goals of the State’s Energy Plan and the Clean Energy Standard to generate 50 percent of the state’s electricity from renewable sources by 2030 and reduce greenhouse gas emissions by 40 percent by 2030 and 80 percent by 2050.

Energy storage is a key enabling technology for the State to achieve its energy and environmental policy goals. Accordingly, NY-BEST is working to ensure that methodologies and mechanisms that both monetize the value, and facilitate the deployment of, energy storage are adopted through the Commission’s various REV proceedings and through related utility actions.

Proposed Tariff Amendments

Consolidated Edison Company of New York, Inc. (“Con Edison”) has filed with the PSC amendments to its Schedule for Electricity Service, P.S.C. No. 10 – Electricity (the “Tariff”), applicable to its customers in the City of New York and the County of Westchester. The revised Tariff Leaves are filed to become effective on December 1, 2017.

The Company proposes changes to the Tariff to enable electric energy storage systems to import from and export to the Company’s distribution system. The changes specify the conditions under which such systems may export to the primary and secondary distribution systems under SC 11, permit such systems to self-supply or export for Non-Wires Alternative projects under special circumstances, expand availability of the “Customer With Designated Technologies” exemption from standby service rates from battery storage systems to electric energy storage systems, and modify the Standby Reliability Credit criteria to exclude “front of the meter” storage systems.

NY-BEST Comments

NY-BEST appreciates Con Edison’s efforts to enable the deployment of energy storage systems on the Company’s distribution network and as part of its Non Wires Alternatives projects. We understand that the tariff amendments being proposed are intended to specifically advance of the deployment of specific storage projects in the near term and, although we believe the proposed tariff amendments are not optimal for enabling widescale energy storage deployments and we have deep concerns about specific provisions contained in these amendments, we support the amendments with the



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understanding that they are necessary as an interim step to facilitate energy storage projects in Con Edison's territory.

Going forward, NY-BEST is prepared to work with the Commission and Con Edison to develop new and more sophisticated mechanisms to fully value and monetize the benefits of energy storage. NY-BEST has been participating in the Commission's Value of Distributed Energy Resources ("VDER") proceeding in an effort to create new VDER tariffs for storage. To date, stand alone energy storage projects have not been addressed by the Commission and are not eligible under Phase 1 VDER. Also, pursuant to the Commission's September 14, 2017 Order, storage paired with an eligible DER resource, such as solar, is currently the subject of further examination by the Commission Interconnect Working groups¹. NY-BEST remains committed to ensuring that appropriate tariffs are established as part of the VDER proceeding to appropriately compensate storage for its numerous system benefits. To be clear, NY-BEST's comments in support of these proposed tariff amendments should in no way be construed as representative of our position on behalf of energy storage in the VDER proceeding or in any other existing or future PSC proceedings related to compensation mechanisms for storage.

Specifically, NY-BEST has deep concerns about Section 8.3 of the proposed tariff amendments, which specifies that in-front-of-the-meter storage installed on the distribution system would be required to pay retail rates for electricity used to charge the storage system. NY-BEST understands the need to treat parts of energy storage's load differently than that of a traditional generator since it does not produce energy. However, requiring energy storage resources installed on the distribution grid to pay retail rates for energy used to charge the system while only paying the wholesale rate for energy it discharges is inconsistent with how other supply resources are treated and could seriously impact project economics for in-front-of-the-meter energy storage projects. Other jurisdictions have recognized the unique way in which an energy storage resource can interact with the grid and created rate structures to fairly allocating costs between wholesale and retail rate structures. For example in California, the wholesale rate is charged for all energy consumed for the purpose of storing energy. This includes "charging energy, resistive losses, pumps (flow batteries and pumped hydro), power conversion system, and transformer, battery management system, thermal regulation, and vacuum (for

¹ See Commission Order on Phase one VDER Implementation Proposals, September 14, 2017, p.40



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flywheels).” All other auxiliary load unrelated to storing the energy is charged retail rates. This includes “information technology and communications, lighting, ventilation, and safety” systems.² NY-BEST suggests the Commission and Con Edison adopt a similar approach for in-front-of-the-meter storage installed on the distribution system and we urge that efforts commence immediately to establish new tariff amendments, as a second phase of this proceeding, to address these concerns by March of 2018, in order for the tariff to be clear prior to the summer of 2018.

Ultimately, NY-BEST seeks to establish tariffs for energy storage that will encourage the location, design, and operation of storage in a manner that maximizes benefits and value to the customer, storage suppliers, the electric system, and society while also ensuring the development of clean generation. To achieve this objective, NY-BEST urges the creation of tariffs or other mechanisms for energy storage that will 1) give confidence, stability, and visibility to future revenue streams for the host of services and benefits provided by storage, including energy, capacity and grid services, and 2) create value for temporal and locational services and environmental benefits provided by storage.

CONCLUSION

NY-BEST appreciates Con Edison’s efforts to deploy energy storage systems and, by doing so, demonstrating the multitude of benefits that storage can provide to the electric grid. We support the proposed tariff amendments as an interim means to achieve the objective of deploying storage projects on Con Edison’s distribution system in the near term. However, as stated above, we have deep concerns with certain provisions of the tariff amendments and urge action in the short term, as a second phase of this proceeding, to address these concerns with resolution no later than March, 2018 in order for the tariff to be clear prior to the summer of 2018. As we move forward, NY-BEST seeks to work, on an expedited basis, with the Commission and Con Edison to develop appropriate compensation mechanisms and tariffs, which place a value on all of the services that storage can provide, both in front of the meter and behind the meter, to ensure that New York’s grid is able to realize the benefits provided by storage.

²<http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M185/K070/185070054.PDF>