



# Battery and Energy Storage Technology Consortium, Inc.

*VIA ELECTRONIC FILING*

September 12, 2016

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 16-M-0411 – In the Matter of Distributed System Implementation Plans**

Dear Secretary Burgess:

The New York Battery and Energy Storage Technology Consortium (NY-BEST) appreciates the opportunity to provide comments on the initial Distributed System Implementation Plans (DSIPs) submitted by the utilities as required by Commission Order in the Reforming the Energy Vision (REV) Proceeding.<sup>1</sup>

NY-BEST is a not-for-profit industry trade association that serves as the 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 organizations ranging in size from small start-up companies to global corporations, 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.

**General Comments on the Utilities Initial DSIPs**

NY-BEST appreciates the time and effort that the utilities have spent to develop their individual DSIPs and to engage stakeholders in the process. We also commend the utilities for the forward looking visions presented in each of the DSIPs. In general, they each embrace the integration of DERs, clean energy and technological and market innovations needed to achieve a clean and modern grid system. Based upon our review of the initial

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<sup>1</sup> Case 14-M-0101, Reforming the Energy Vision, Order Adopting Distributed Implementation Guidance (issued April 20, 2016)



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DSIPs submitted by the utilities, NY-BEST has identified a number of focus areas where we believe the DSIPs can be strengthened to achieve these vision statements, as well as the goals set forth by the Commission in its DSIP Order.

Importantly, the Commission in the DSIP Order states that “the DSIPs require utilities to identify immediate changes that could be made to their systems to effectuate State energy goals and objectives. The DSIPs are intended to promote utility stakeholder relations, allow third parties to provide cost-effective market solutions to identified energy needs, and expand the use of DER and energy efficiency measures. The DSIP filings are the first steps toward establishing a grid that can support increasing levels of DERs into the future and achieve the State’s REV and clean energy goals.”

To achieve these goals, NY-BEST recommends that the following improvements be made to the DSIPs:

## 1. Incorporate plans to achieve Clean Energy Standard targets

In the Commission Order on the Clean Energy Standard<sup>2</sup>, the Commission adopted the State Energy Plan goal that 50% of New York’s electricity is to be generated by renewable sources by 2030 (“50 by 30”), as part of a strategy to reduce statewide greenhouse gas emissions by 40% by 2030. Given that the Commission in its Clean Energy Standard (CES) Order places the requirement on Load Serving Entities, including utilities, to procure specific amounts of renewable energy,<sup>3</sup> NY-BEST believes that the utilities in their DSIPs should include specific plans for achieving the CES renewable targets. The DSIPs should also include detailed plans for upgrading utility distribution systems to accommodate higher penetrations of renewable energy resources.

NY-BEST, in our supplemental comments on the CES, shared analyses showing that New York will need to add at least 4 GW of multi-hour storage assets to the grid to meet the energy and emissions goals it has set for 2030. We have also recommended reasonable “no regrets” interim targets for energy storage on the state’s electric grid of **1 GW of multi-hour storage by 2022 and 2 GW by 2025**. These aggregate targets represent conservative near-term achievable goals that we believe should be adopted by the Commission and used to set energy storage procurement targets at the distribution level.

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<sup>2</sup> Case 15-E-0302, PSC Order Adopting Clean Energy Standard (issued August 1, 2016)

<sup>3</sup> Ibid.



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To ensure that the State's CES targets are achieved, NY-BEST urges the Commission to require utilities to incorporate the CES targets, as well as corresponding energy storage targets, in their DSIPs.

Importantly, the Commission's CES Order states, "in order for storage to gain its appropriate place as a resource that provides network value to the distribution system provider, the Commission has allowed utilities to invest in storage to support integration of renewables," and further states, "The Commission has specifically directed the utilities to consider the impact of storage as part of their DSIPs."

Although the initial utility DSIPs each include brief discussions of energy storage, they fall far short of providing a clear path for how the utilities will utilize energy storage to achieve the CES goals, as well as the overarching goals and objectives of REV. Energy storage offers a variety of services and solutions to utilities and the initial DSIPs do not recognize these benefits, nor do they embrace energy storage as a holistic solution. NY-BEST urges the Commission to require utilities to develop comprehensive plans that detail how they intend to use storage to assist in achieving the CES goals in 2030 and the interim targets established in the CES order.

## **2. Provide Additional Data**

NY-BEST has identified a number of areas where additional data is needed to allow third parties to identify opportunities for DERs, best serve utilities and customers and to create a DER market. These include hosting capacity, locational value data and other load profile and forecast data.

NY-BEST understands that hosting capacity issues are slated to be addressed jointly by the utilities in their upcoming joint filing. However, the hosting capacity data provided in the initial DSIPs is insufficient. Hosting capacity data is needed to identify areas of the grid that can accommodate DERs as well as areas where additional capacity is needed to support DERs.

The hosting capacity information presented in the DSIPs is extremely limited and primarily qualitative. Further, the utilities present a multi-phased prolonged process for the dissemination of data. And, it is unclear what that data will include.



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Additional data is also needed to capture locational value of DERs. As the Commission and DPS staff continue to work with stakeholders to develop methodologies for valuing DERs on the grid using an LMP+D+E approach, data to support this methodology will be essential to better reflect the value of DERs and ensure those values are appropriately monetized.

The DSIPs are also missing comprehensive load and load growth modeling, power quality information, voltage and reliability data.

NY-BEST recommends the DSIPs be amended to provide additional data and information, specifically distribution power flow models, and maps of distribution systems along with hosting capacity information. We urge the Commission and DPS staff to identify gaps in data and require utilities to develop timelines to collect and disseminate this data. We further recommend that the utilities specifically assess the role for energy storage to enhance hosting capacity constraints.

### **3. Increase Opportunities for DERs in Non-Wires Alternatives and System Planning**

Systems planning and the data and decision-making processes that are utilized to guide utility investment decisions are critically important factors to establishing a thriving DER market. It is clear from the DSIPs that the utilities are taking the approach that DERs will be considered on a limited project-specific basis, and the DSIPs as presented do not provide sufficient information to determine if other opportunities exist. Further, the DSIPs focus primarily on the potential to use DERs in areas of load growth only, an approach that severely and unnecessarily limits the opportunities for DERs.

NY-BEST believes that additional information should be provided in the DSIPs with respect to the utilities' planned capital expenditures. This data is needed to better allow for third parties to identify opportunities for DERs to cost-effectively meet grid needs in lieu of the utilities' planned expenditures. Since the Commission has authorized a set amount of money for projects that defer capital outside of rate case filings and budgeted programs, the amount and timeline for the NWA solutions should be stated by all utilities. NY-BEST believes that there is sufficient competition among DER providers to overcome concerns raised by utilities that sharing traditional cost information costs would negatively affect the



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pricing of NWA solutions offered by DER providers. Further, NY-BEST believes that having increased transparency with respect to traditional solution costs is critically important to ensuring that NWA solutions are fully considered by utilities and that utilities do not erroneously dismiss pursuing NWA options without first seeking DER market input.

NY-BEST also recommends that the criteria being established by utilities to evaluate the suitability of Non-Wires Alternatives (NWAs) not be overly cumbersome or unduly limit the grid services that DERs can provide. NY-BEST recognizes that the NWA suitability criteria is being developed further through the JU Working Group and we encourage that work to focus on establishing reasonable project size and cost thresholds and provide for flexibility in future utility decision making. We believe that the suitability criteria for NWAs should recognize the wide range of grid solutions that DERs can provide, including capacity and reliability and importantly, in the case of storage, optionality. NY-BEST also believes that the utilities' lead time planning requirements for NWAs can be substantially reduced from those included in some DSIPs, especially as more experience is gained in this area.

## **4. DER Deployment Should Not Be Paced by AMI**

The DSIPs generally present plans that rely on widescale deployment of advanced metering as an essential prerequisite for supporting DER integration, which under the utilities' plans would not happen for several years. NY-BEST does not agree that this is the best or only approach to achieving full scale DER deployment. We believe other options exist and should be adopted, including strategic use of AMI, simultaneous deployment of AMI and DERs, requiring commercial DERs to install a separate meter, using smart DERs, smart grid strategy or other scenarios.

## **Conclusion**

NY-BEST appreciates the efforts of the utilities in preparing the initial DSIPs. We view the DSIPs as a critical first step toward establishing a grid that can support increasing levels of DERs into the future and ultimately achieving the Reforming the Energy Vision (REV) and state's clean energy goals and objectives. We similarly view energy storage as a key enabling technology to supporting those goals. NY-BEST urges the DPS staff and the Commission to ensure that the DSIPs create a solid path forward toward greater integration of Distributed Energy Resources (DERs).



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NY-BEST appreciates the opportunity to provide these comments and we are thankful for the opportunity to provide input. Should you have questions or need additional information or assistance, please feel free to contact us at 518-694-8474.

Respectfully Submitted,

Dr. William Acker

Executive Director  
NY-BEST