



VIA ELECTRONIC FILING

April 24, 2026

Hon. Michelle L. Phillips, Secretary
New York State Public Service Commission
Empire State Plaza, Agency Building 3
Albany, New York 12223-1350

Re: Case 25-E-0764 Proceeding on Motion of the Commission to Address New York City Reliability Needs.

Dear Secretary Philips,

The PEAK coalition, comprised of member organizations UPROSE, THE POINT CDC, New York City Environmental Justice Alliance (NYC-EJA), New York Lawyers for the Public Interest (NYLPI), and Clean Energy Group (CEG), respectfully resubmits comments regarding the Public Service Commission's February 9, 2026, notice soliciting comments on the reliability needs for New York City and the necessity for a reliability contingency plan with all potential clean and non-emitting solutions. This resubmission is in response to comments previously submitted and returned on the same case on March 9, 2026 under message tracking number 58.

The PEAK Coalition's work aims to end the long-standing pollution burden from power plants on the city's most climate-vulnerable people. This coalition is the first comprehensive effort in the US to reduce the negative and racially disproportionate health impacts of a city's peaker plants by replacing them with renewable energy and storage solutions. We've published many reports over the past few years on ratepayer protection, community need, technical feasibility, and legal requirements for transitioning peaker power plants with battery storage and renewable energy in New York City and State. We are encouraged by recent developments of demand management technologies as non-emitting solutions, as both short and long-term fixes to the reliability gap in the New York Independent Systems Operator (NYISO) Zone J. Demand response, virtual power plants, and related solutions can and should be prioritized to help address such reliability gaps. In our view, the "safe and adequate and, in all respects, just and reasonable" obligation in the Commission's role in regulating utilities complete fit within our perspective.

The PEAK coalition is encouraged that demand response will be included in this RFI. Demand response has the potential to play a large role in alleviating the reliability concerns of New York. In 2024, the PEAK Coalition published a report titled “Demanding a Better Grid,” where we examined the potential and benefits of a widespread demand response program in New York City and New York State. An analysis done by Strategen Consulting found that demand management could provide 507 MW to 1,130 MW of flexibility potential during the summer, and 661 MW to 1,472 MW during the winter in New York City by 2030.¹ This flexibility could contribute to closing the 750 MW reliability gap in 2036 that ConEd has cited. Additionally, the analysis found that peak capacity provided through a virtual power plant can be 60% less expensive than equivalent power capacity from a natural gas peaker plant in 2030, and the value of harnessing demand side management in NYC would result in savings between \$552 and \$253 million compared to a gas peaker alternative in the years between 2024 and 2050.² This analysis shows that creating a widespread and effective demand response program could not only meet the reliability gap that ConEd has laid out, but additionally save hundreds of millions of ratepayer dollars.

An analysis done by the Brattle Group in 2025 that includes a broader range of technologies found that grid flexibility in the state could reach 3 GW in 2030, and over 8 GW by 2040.³ The analysis found that grid flexibility could save consumers \$2.4 billion annually in power systems costs by 2040. The Brattle Group broke this analysis down into individual utilities and found that by 2040, ConEd could have a grid flexibility of just under 3 GW in the winter and the summer, greatly exceeding the identified reliability needs of 750 MW in 2036.

Distributed energy resources (DER), particularly battery energy storage systems (BESS), will play a crucial role in meeting the reliability needs of Zone J, and recently imposed barriers to energy storage interconnection through changes in the Coordinated Electric Service Interconnection Review (CESIR) hinder the ability for these solutions to be implemented. In the initial RFI, issued on January 20, 2026, ConEd cites “obstacles in bringing in new generation” as one of the key reasons that Zone J will experience security needs beginning in 2032. These new changes to CESIR that lower the threshold for triggering costly upgrades before energy storage interconnection only add to these obstacles and halt the development of the non-emitting solutions that ConEd is seeking. Reports have shown that these new processes, implemented without a petition to the Public Service Commission (PSC) and only done as a retroactive notice to developers, have inflated costs for at least 1 GW of BESS development by over \$10 million in Zone J, most of which are resources that can come online and support reliability needs by 2030.

¹ The PEAK Coalition, *Demanding a Better Grid: How Demand Management Can Accelerate the Phase-Out of New York City's Peaker Power Plants* (Oct. 2024), <https://www.peakcoalition.orgreports/demanding-a-better-grid>.

² Ibid.

³ The Brattle Group, *New York's Grid Flexibility Potential. Volume I: Summary Report* (Jan. 2025), <https://www.brattle.com/wp-content/uploads/2025/02/New-Yorks-Grid-Flexibility-Potential-Volume-I-Summary-Report.pdf>

One of the main obstacles that prevents the expansion of DER is the outdated Value of Distributed Energy Resources (VDER) framework that New York uses and ConEd leveraged to justify its barriers for BESS interconnection. The current VDER process incentivizes charging and discharging at low-demand and peak hours, respectively, but does not adequately capture the complexity of benefits that BESS can deliver in helping to stabilize grid operations at all hours of the day.⁴ This was used as an unfounded justification that BESS operators will potentially overload substations during incentivized VDER hours, even though they run contrary to the basic parameters required to run a successful BESS facility. The VDER framework should not be used as a reason to pass on costs for storage development. Moreover, the PEAK Coalition firmly believes that the Commission should pursue VDER reforms to help support a bi-directional value stack and elevate non-wires solutions across the system as a critical component to reliability solutions in Zone J.

The inadequacy of the VDER framework is a symptom of the antiquated reliability modeling process for Zone J and across the state, fractured between NYISO and investor-owned utilities (IOUs). This has repeatedly resulted in regulators relying on crumbling and polluting peaker power plants to ensure electric demand is adequately fulfilled without any consideration for long-term public health, reliability, and economic impacts. ConEd, in its solicitation of a reliability solution, misframed the Commission's order by asserting that "[t]he load reduction (or load shifting) should be permanent or available during all days of the summer capability period for the proposed hours in support of the needs." This could potentially be used to block BESS projects from bidding into the solution, even though multi-hour BESS can significantly reduce peak load and, when modeled and operated correctly, lead to permanent peak reduction and complete phase out of fossil fuel peaker plants. The Commission must pursue broad reliability modeling reform and require NYISO and IOUs to follow suit.

The Commission should further establish ways to aggregate resources that do not meet ConEd or the State's minimum resource requirements to satisfy reliability needs. Demand response and virtual power plants are already commonplace reliability solutions across many utility zones outside of New York State. Aggregation of smaller, non-utility-scale resources can and will be a critical component of the grid of the future.

Finally, the PEAK Coalition is concerned that the Commission has inadequately established timelines and prioritization for near-term non-emitting solutions. This is evident in reliability modelers' assumption of one-to-one replacement for New York Power Authority (NYPA) peaker plants by 2030, even when the state has a clear mandate to shut down these peaker plants by 2030, and there are currently no generation replacements in development

⁴ New York Solar Energy Industries Association. "RE: Case 15-E-0751; Response to Staff Questions for Comment on Calculating Locational System Relief Value (LSRV) and Demand Reduction Value (DRV) to Inform Pricing." November 22, 2024.

for these facilities. This is despite the fact that the PEAK Coalition has worked with NYPA to publish a joint study in 2022 on the technical feasibility of transitioning those peakers to energy storage, and NYPA has not publicly announced awards for the subsequent RFP to implement the joint study four years on. At the same time, states like Texas and California have built more energy storage than the minimum 6 GW that New York is pursuing just within the past few years.⁵⁶ Our state regulatory process is either inadequate or incompetent if New York continues to fall behind its peers in ensuring that critical non-emitting solutions that do not require federal support can be implemented.

To ensure a safe, adequate, just, and reasonable operation of the electric grid in the coming years and decades, we respectfully request that the PSC implement significant reforms as soon as possible in compliance with the Climate Leadership and Community Protection Act and its mandate for public service.

Thank you for your time and consideration.

Respectfully submitted,



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⁵ As of March 2026, Texas has a power storage monthly capacity of 16,993 MW. See ERCOT, *Texas' Fuel Mix*, <https://www.ercot.com/> (last visited March 12, 2026). California also has rapidly expanded its energy storage, adding 2,300 MW of capacity between September 2024 and May 2025 alone and totalling over 16,942 MW statewide as of July 31, 2025. See California Energy Commission, *California Energy Storage System Survey*, <https://www.energy.ca.gov/data-reports/energy-almanac/california-electricity-data/california-energy-storage-system-survey> (last visited March 12, 2026).

⁶ See also California State Portal, *Since Governor Newsom Took Office, California's Battery Storage Has Increased 1,944% – and Just Achieved A Major Milestone* (May 19, 2025), https://www.gov.ca.gov/2025/05/19/since-governor-newsom-took-office-californias-battery-storage-has-increased-1-944-and-just-achieved-a-major-milestone/#:~:text=California's%20battery%20storage%20capacity%20has%20increased%201%2C944%25.of%20long%20duration%20storage%20needed%20by%202045**.