STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held in the City of Albany on March 20, 2025

COMMISSIONERS PRESENT:

Rory M. Christian, Chair
James S. Alesi
David J. Valesky
John B. Maggiore
Uchenna S. Bright
Denise M. Sheehan, recusing
Radina R. Valova

CASE 18-E-0130 - In the Matter of Energy Storage Deployment Program.

ORDER APPROVING BULK IMPLEMENTATION PLAN WITH MODIFICATIONS

(Issued and Effective March 21, 2025)

BY THE COMMISSION:

INTRODUCTION

On June 20, 2024, the Public Service Commission (Commission) issued the Order Establishing Updated Energy Storage Goal and Deployment Policy (2024 Energy Storage Order or Order), in this proceeding. The Order directed the New York State Energy Research and Development Authority (NYSERDA) to submit a draft Implementation Plan to "detail the implementation strategies and program goals" of the bulk energy storage program.[1] On October 18, 2024, NYSERDA filed a draft Bulk Energy Storage Implementation Plan Proposal (Implementation Plan). As required in the 2024 Energy Storage Order, the draft Implementation Plan addresses proposed budget details,

[1] 2024 Energy Storage Order, p. 81.

performance metrics, incentive structure, project submission requirements, quality assurance, measurement and verification, other technical requirements, and disadvantaged community access considerations.

By this Order, the Commission approves the draft Implementation Plan, with modifications, and directs NYSERDA to file an updated Bulk Energy Storage Program Implementation Plan, consistent with the directives in the body of this Order.

BACKGROUND

On December 13, 2018, the Commission issued the Order Establishing Energy Storage Goals and Policy (2018 Energy Storage Order), in this proceeding. The 2018 Energy Storage Order outlined a variety of initiatives intended to spur energy storage development and deployment in New York to meet the statewide energy storage goal of 3 gigawatts (GW) by 2030, described in Public Service Law (PSL) §74.

Subsequently, on December 28, 2022, NYSERDA and Department of Public Service (DPS) staff filed New York's 6 GW Energy Storage Roadmap Policy Options for Continued Growth in Energy Storage (Roadmap), in this proceeding. The Roadmap proposed new energy storage procurement programs and funding to help New York achieve 6 GWs of statewide energy storage deployment by 2030. The programs proposed in the Roadmap expanded upon the programs initially developed for the previous 3 GW goal. The 2024 Energy Storage Order approved the energy storage programs described in the Roadmap in order to achieve a total of 4,700 megawatts (MWs) of incremental installed capacity of energy storage spanning the bulk, retail, and residential sectors e.

As relevant here, the 2024 Energy Storage Order established a statewide goal of deploying 3,000 MW of new bulk

energy storage by 2030 and required that NYSERDA submit a draft Implementation Plan that outlines the methods and budget that could be used to achieve the bulk energy storage deployment target.[2]

THE DRAFT IMPLEMENTATION PLAN

Bulk Energy Storage Program

NYSERDA describes the proposed program incentive design, program funding, program administration, evaluation and reporting, and a Form Agreement in the draft Implementation Plan.

The draft Implementation Plan gives detail into the proposed Index Storage Credit (ISC) mechanism, which is a market-based mechanism that would be employed to attract 3,000 MW of bulk energy storage development in New York State. The ISC balances the need for developers to have a degree of revenue certainty while protecting ratepayers, if project revenues are higher than anticipated. NYSERDA describes how developers would bid in a "strike price" that reflects the project's estimated revenue requirement for it to be viable;[3] the ISC payment will be the difference between the strike price and the "reference price."[4] If the strike price is higher than the reference price, the developer would receive the difference; if the strike price

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[2] In February 2025, the Commission addressed the implementation plan for deploying 1,500 megawatts (MW) of retail energy storage and 200 MW of residential energy storage by 2030. Case 18-E-0130, Order Approving Implementation Plan with Modifications (issued February 14, 2025).

[3] A "strike price" is the reflection of the developer's assumption of revenue for the energy storage project. 2024 Energy Storage Order, p. 24.

[4] A "reference price" is an estimation of the expected energy and capacity market revenue a project would receive from the wholesale markets.

is lower than the reference price, the developer would make a payment to NYSERDA. NYSERDA proposes that each solicitation would procure projects in two categories:(1) projects with a runtime duration of four or more hours (4+ hour); and (2) projects with a runtime duration of eight or more hours (8+ hour) to account for the needs of the electric system and comply with the requirements of the 2024 Energy Storage Order. Non-price factors would be used in the bid evaluation process, with flexibility for NYSERDA to vary the criteria and weighting as necessary for each solicitation.

The draft Implementation Plan describes the ISC calculation, including the components of the Reference Energy Arbitrage Price (REAP), Reference Capacity Price, and Round-Trip Efficiency (RTE) assumption. NYSERDA proposes to include separate RTE assumptions based on technology and/or duration. NYSERDA describes that the daily REAP will consist of the difference between the averages of the top and bottom four hours in the Day-Ahead Energy Market for a four-hour resource, with six- and eight-hour resources using the top and bottom six and eight hours, respectively. For resources with a runtime greater than eight-hours in duration, NYSERDA proposes using the top and bottom eight hours, as using more than eight hours for the REAP calculation becomes unworkable. For the first solicitation, NYSERDA would assume an 85 percent RTE for lithium-ion storage, 65 percent for non-lithium-ion storage, and 45 percent for multi-day technologies.

Other ISC components include a one-time inflation adjustment which NYSERDA proposes to make optional or mandatory, in consultation with DPS Staff. NYSERDA also describes a proposed limit on the ISC payment a developer must pay to NYSERDA as the negative value of the Strike Price. This proposal is designed to protect against a situation where energy

market price volatility or capacity market prices are extremely high and the project is operational but not able to participate in the market for reasons beyond its control, resulting in a very high ISC payment obligation to NYSERDA, thereby increasing risk and making it more difficult to find financing opportunities for projects.

Eligible projects would be required to utilize electrical, chemical, mechanical, or thermo-electric technologies, be able to store electric energy, have a minimum capacity of 5 MW AC power, be electrically interconnected to the transmission, sub-transmission, or distribution system, and may not be receiving, have received, or plan to receive other incentives through NYSERDA's Market Acceleration Bridge Program, Tier 1 REC or OREC programs, or the Utility Bulk Dispatch Rights Program. NYSERDA proposes that a bulk energy storage project co-located with a renewable energy project be eligible to participate in the ISC program, and if a bulk energy storage project does have a Tier 1 REC or OREC award, it may still be eligible to participate in the ISC program if once an ISC contract is awarded the REC contract is appropriately adjusted.

For bid evaluation, NYSERDA states in the draft Implementation Plan that it will use both price and non-price factors, utilizing a 60/40 weighting, respectively. Assumptions of the net ISC cost calculation, which includes the energy and capacity price forecasts, would be shared by NYSERDA with prospective bidders in each procurement. For non-price factors, NYSERDA would examine project maturity and viability, electricity system value, and societal and economic benefits. The 2024 Energy Storage Order's geographic minimum targets and considerations for disadvantaged communities will also impact NYSERDA's weighting of non-price factors.

NYSERDA describes that some of the project maturity requirements in the Order are not applicable to bulk energy storage systems and proposes that specific maturity requirements would be specified within each annual procurement. These requirements may include having an active interconnection request with the New York Independent System Operator (NYISO), having a Facilities Study or equivalent in progress with the NYISO, and/or having evidence of the ability to submit permit applications for review by the appropriate entity within 180-days from the issuance of the Request for Proposals.

The draft Implementation Plan describes the program funding and mechanisms for collection from load serving entities (LSE). Consistent with the 2024 Energy Storage Order, program incentive dollars would be collected by jurisdictional LSEs in proportion to their share of statewide electrical load. NYSERDA discusses how, with consultation with DPS Staff, it would determine the dollar per megawatt-hour (MWh) charge owed by each LSE for the next compliance year of the bulk energy storage program. The draft Implementation Plan also discusses cost and load components of payment obligations by LSEs, as well as how NYSERDA proposes to reconcile financial obligations for the compliance year after the compliance year ends on December 31.

Participation in the ISC program by the New York Power Authority (NYPA) and Long Island Power Authority (LIPA) would be voluntary. If they do decide to participate, the draft Implementation Plan discusses how NYSERDA will credit any bulk energy storage projects towards the 3 GW bulk storage goal. NYSERDA proposes to work with LIPA and NYPA to determine an ISC-equivalent credit based on the payments to developers and wholesale market revenues, which would be applied against NYPA or LIPA's monthly payment obligation. For NYPA specifically, NYSERDA states that storage projects that NYPA develops under

the Renewable Energy Access and Community Help (REACH) program that benefit groups other than NYPA customers would be able to participate in ISC solicitations and receive awards.[5] If project revenues only accrue to NYPA customers, NYSERDA proposes that those projects would be eligible to participate in ISC solicitations and receive awards only if NYPA voluntarily participates and accepts ISC obligations as a Load Serving Entity.

The draft Implementation Plan describes that approximately $4.5 million in funding for the bulk energy storage program would be used for program administration, including programmatic analysis and forecasting, subject matter expertise, policy engagement, data management and reporting, legal counsel, marketing, and information technology. Implementation support costs are estimated at $1.6 million and include quality assurance activities, measurement and verification activities, and technical support for work related to wholesale and distribution market analysis.

NYSERDA proposes to have its Quality and Market Standards team conduct pre- and post-commissioning field and photo inspections of contracted projects to ensure that the installed equipment conforms to the standards of the program and that code standards are met. A report would be provided to NYSERDA, and any nonconformities would be addressed by the appropriate Parties.

In the draft Implementation Plan, NYSERDA describes its proposed measurement and verification process as one where NYSERDA works with the project owner to directly access the relevant operational data to ensure that the project is operational and available for use. NYSERDA expects to use the

[5] NYPA, Renewable Energy Access and Community Help, https://www.nypa.gov/reach.

same real-time telemetry and outage data that the project already submits to the NYISO. NYSERDA further proposes a 90-day monitoring and verification procedure by a quality assurance contractor using the NYISO-provided 15-minute interval charge and discharge data. This would be done prior to the quality assurance inspection.

The Implementation Plan discusses NYSERDA's proposal regarding fire safety measures, as required by the 2024 Energy Storage Order. NYSERDA states its intention to adopt the Fire Safety Working Group's Peer Review Requirement, which would require lithium-ion projects of 600 kilowatt-hours (kWh) or greater, sited outside of New York City, to undergo a pre-construction review of the project's product and design documents, including site plans, electrical drawings, and large-scale fire test reports. A qualified independent third-party peer reviewer who is contracted by NYSERDA would complete this review to ensure that the project is in compliance with the Fire Code of New York State. A requirement to maintain an emergency response plan that is on-site and located outside the fence line of the project, accessible to first responders, for bulk projects sited outside of New York City is also proposed in the Implementation Plan. Lithium-ion battery projects sited outside New York City would be required to offer annual, site-specific training for the local fire department so that fire department personnel can become familiar with the various hazards of lithium-ion battery systems and the protocols that are enumerated in the emergency response plan.

NYSERDA proposes to track program performance across a variety of metrics to help in evaluation, reporting, and program improvement. These metrics may include project locations, project locations, projects contracted, projects operational, societal and economic impacts, and/or electricity system value.

Other evaluation criteria may include project attrition by duration category, customer bill impacts, and interconnection, permitting, and other deployment barriers. NYSERDA plans to share information learned from these evaluation and reporting efforts with DPS Staff, so that it can be included in the annual State of Storage Report.

NOTICE OF PROPOSED RULE MAKING

Pursuant to the State Administrative Procedure Act (SAPA) §202(1), a Notice of Proposed Rule Making (Notice) was published in the State Register on November 13, 2024 [SAPA No. 18-E-0130SP17]. The time for submission of comments pursuant to the Notice expired on January 13, 2025. Moreover, in the Secretary's Notice Soliciting Comments, issued on October 31, 2024, stakeholders were invited to submit written comments by January 13, 2025. In response to the Notice and the Secretary's Notice, comments were received from Alliance for Clean Energy New York (ACE NY), AES, Anbaric, BlueWave, City of Jamestown – Board of Public Utilities, City of New York, Cyprus Creek Renewables, EIP Storage, Elevate, Energy Dome, ESS Tech, Inc., Form Energy, Inc., Hydrostor, Key Capture Energy, LIPA, Multiple Intervenors, National Grid Ventures, New York Battery and Energy Storage Technology Consortium (NY-BEST), New York Municipal Power Association, NYPA, PEAK Coalition, Prologis, Rise Light and Power, and Sumitomo SHI FW. A complete summary of these comments is included in the Appendix, and responses to specific comments are addressed in the relevant sections of the discussion below.

LEGAL AUTHORITY

The Commission has broad jurisdiction, power, and duties over the "[m]anufacture, conveying, transportation, sale,

or distribution of ... electricity ....” Furthermore, PSL §5(2) instructs the Commission “[t]o encourage all persons and corporations subject to its jurisdiction to formulate and carry out long-range programs ... with economy, efficiency, and care for the public safety, the preservation of environmental values and the conservation of natural resources.” Public Service Law §66 empowers the Commission to “[p]rescribe from time to time the efficiency of the electric supply system.” The Commission may exercise this broad authority to direct regulatory standards to execute the provisions contained in the PSL.

Pursuant to PSL §74, the Commission is required, by December 31, 2018, to establish, in consultation with NYSERDA and LIPA, a statewide energy storage goal for 2030, and a deployment policy to support that goal. The Commission’s approval of the Bulk Energy Storage Implementation Plan in this Order is within its regulatory authority indicated above, and helps fulfill the requirement that the Commission establish a statewide energy storage goal and deployment policy.

DISCUSSION

As further discussed below, the Commission approves, with modifications, NYSERDA’s Bulk Energy Storage Implementation Plan. The Implementation Plan is consistent with the Commission directives in the 2024 Energy Storage Order. The Commission further directs NYSERDA to file a revised Implementation Plan within 30-days of the effective date of this Order that reflects the modifications discussed herein.

Maturity Requirements

Commenters including NY-BEST, ACE NY, BlueWave, Form Energy, and Key Capture Energy, support NYSERDA’s proposed maturity requirements in the Implementation Plan. They state that it is important for NYSERDA to have flexibility to set

maturity requirements in each solicitation, as the appropriate maturity milestones may change over time and from one solicitation to the next.

The Commission recognizes that the maturity requirements set forth in the 2024 Energy Storage Order may not align with the development processes that bulk energy storage projects would go through. NYSERDA's proposed potential maturity requirements in the Implementation Plan are a more accurate representation of the relevant maturity metrics that a bulk energy storage resource would be expected to fulfill. The Commission also recognizes that the specific maturity requirements may change from one solicitation to the next based on a variety of factors, including projects in the interconnection queue, progress of NYISO studies, and project attrition.

The Commission believes that certain minimum maturity requirements are important to increase the chances that viable projects receive ISC awards and in turn minimize project attrition. Therefore, the Commission will require NYSERDA to receive confirmation in writing that projects less than eight hours in duration have an active interconnection request with the NYISO or through a relevant utility process, as well as have evidence via a permitting plan that the project has a reasonable pathway towards securing all permits within the proposed schedule. For resources with eight or more hours of duration, the Commission will require NYSERDA to receive confirmation in writing of an interconnection plan that the project has a reasonable pathway to securing an interconnection agreement within the proposed schedule and evidence via a permitting plan that the project has a reasonable pathway to securing all permits within the proposed schedule. Beyond these minimum requirements, the Commission accepts NYSERDA's proposal to

create and modify additional maturity requirements within each procurement in consultation with DPS Staff, and will reflect such in the RFP documents for each solicitation. The Commission directs NYSERDA to include these modifications in the revised Implementation Plan filing discussed later in this Order.

Weighting of Price and Non-Price Factor for Bid Evaluation

NYSERDA proposes a 60/40 weighting of price and non-price factors, respectively, during the bid evaluation process to account for attributes of bulk energy storage projects that are important to the electric system but may not be captured on a purely cost-based analysis. Price evaluation will reflect the projected levelized net ISC cost based on zonal energy and capacity price forecasts, in dollar per MWh. Proposed non-price evaluation factors include: (1) project maturity and viability - 20 percent; (2) electricity system value – 10 percent; and (3) societal and economic benefits - 10 percent. Project maturity and viability may include the ability to meet requirements for permitting, interconnection, and supply chain strategy. Electricity system value comprises system reliability, peaker displacement potential, and renewables integration and curtailment reduction potential. Societal and economic benefits include disadvantaged community benefits through emission reductions, job creation and economic impacts, and NYS supply chain utilization.

ACE NY, AES, Elevate, Energy Dome, NY-BEST, and Rise Light and Power all support the proposed 60/40 weighting of price and non-price factors as a reasonable approach for bid evaluation. Multiple Intervenors opposes the proposed 60/40 weighting and recommends that price be weighted materially more than non-price factors so that the most economic bulk energy storage projects are selected. PEAK Coalition recommends a 50/50 weighting to maximize the viability of proposed projects,

and points to recently cancelled offshore wind contracts as an example of where a project's accepted initial low bid cost is later found not able to fulfill the project's revenue requirement.

The Commission adopts the 60/40 weighting of price and non-price factors during the bid evaluation as described in NYSERDA's proposed Implementation Plan. This split in weighting gives a larger emphasis on project cost while still giving NYSERDA the ability to use non-price factors as a significant component during the bid evaluation. For the non-price factor elements, NYSERDA may alter the weightings of the subcategories from one solicitation to the next in consultation with DPS Staff. Such weightings of the subcategories shall be included in the RFP documents for each solicitation.

Uniform Round Trip Efficiency

NYSERDA's proposal to utilize uniform RTEs as part of the Reference Energy Arbitrage Price (REAP) calculation based on technology type received strong support.[6] Stakeholders agreed that using a uniform RTE in the REAP calculation would result in a more accurate estimation of expected energy revenue. In its draft Implementation Plan, NYSERDA proposed uniform RTEs for three categories: (1) 85 percent for lithium-ion technologies (2) 65 percent for non-lithium-ion technologies; and (3) 45 percent for multi-day technologies. Energy Dome requests that the Commission allow NYSERDA to utilize project-specific RTEs if the project receives a validated RTE rating from a third-party.

While the 2024 Energy Storage Order declined to utilize RTE as part of the REAP calculation, the Commission is

[6] The REAP calculates the arbitrage opportunity using the difference between the prices in the top and bottom four hours in the day-ahead market for a four-hour duration resource and in the same manner for longer duration resources. 2024 Energy Storage Order, p. 28.

persuaded by NYSERDA and commenters that the inclusion of uniform RTEs in the REAP calculation based on technology type is more reflective of how bulk energy storage systems operate. Uniform RTEs balance the need for accuracy in calculating the REAP while not being overly complex to administer. For that reason, Energy Dome's project-specific approach is not adopted as it would be overly complex. NYSERDA may alter the uniform RTEs from one solicitation to another, in consultation with DPS Staff. The Commission directs NYSERDA to include these modifications in the Implementation Plan .

Fire Safety

NYSERDA's proposed fire safety rules for bulk energy storage systems, including a peer review requirement, emergency response plan maintained on-site, and annual site-specific first responder training for the fire department where the energy storage facility is located, were well supported by stakeholders who note the importance of fire safety in building New York's energy storage network. New York City recommends that, in addition to the requirement for fire safety training for first responders, NYSERDA develop a communications strategy to assuage public concerns on safety of energy storage systems. As further described by New York City, this communications strategy could be used to educate the public on the reliability, resilience, health, and environmental benefits that result from decarbonization of the energy sector, which is aided by the use of energy storage.

The Commission has and continues to recognize the importance of fire safety for energy storage projects and accepts NYSERDA's proposed fire safety requirements. NYSERDA has already implemented many of New York City's recommendations, including providing energy storage training for local governments on fire safety measures and educating on New York

State's policies, goals, and programs related to energy storage.[7] NYSERDA should continue this outreach work so that local governments and municipalities gain comfort with energy storage systems operating within their jurisdiction. Consistent with the Commission's rationale approving NYSERDA's Residential and Retail Implementation Plan, the Commission will require NYSERDA to update its fire safety rules if and when the New York State Fire Prevention and Building Council makes relevant updates regarding energy storage systems to the New York State Uniform Fire and Building Code. NYSERDA is directed to file a revised Implementation Plan and Program Manual at such time, with a letter explaining the changes.

Definition of Operational

The 2024 Energy Storage Order adopted the ISC mechanism described in the Roadmap to help drive investment in bulk energy storage resources. The ISC represents 1 MWh of energy storage capacity that is operational and available on a given day. Units are considered either available or unavailable for the entire day. NY-BEST seeks clarity on how a resource who is partially available both in terms of time and capacity will be treated. For example, a unit that is available for only 12-hours due to maintenance or a unit that is only able to provide a portion of its rated capacity on a particular day. NY-BEST recommends aligning with the NYISO reporting process and operational definitions to determine the availability of a resource. Prologis requests that NYSERDA clarify how operational availability and performance will be measured, including the calculation methodology for ISCs. Multiple

[7] More information about the resources provided by NYSERDA can be found on its website, Clean Energy Siting Resources: https://www.nyserda.ny.gov/All-Programs/Clean-Energy-Siting-Resources.

Intervenors states that the ISC should encourage developers to actually use their energy storage facilities instead of only making them available.

The rationale for treating a resource as either available or unavailable on any given day for ISC calculation purposes, as discussed in the Roadmap and adopted in the 2024 Energy Storage Order, is that this method simplifies the determination of when a resource should be credited with an ISC. However, the Commission does see value in accounting for partial availability in terms of time and capacity when calculating the number of ISCs a bulk energy system is eligible to receive over the course of a month, as it is more representative of the actual value. Therefore, the Commission directs NYSERDA to further describe how partial availability will be addressed in terms of time and capacity under the operational requirement. This shall include how monthly availability percentages will be determined relying upon Generating Availability and Data Systems (GADS), that the NYISO relies upon. In addition, NYSERDA shall describe how the availability percentage is applied to the maximum potential monthly ISCs to calculate how many ISCs are created over the month. These changes shall be included in the revised Implementation Plan. For transparency purposes these details shall also be included in the RFP documents for each procurement.

Duration Targets in Solicitations

NYSERDA proposes to procure two separate resource duration categories in each solicitation. The first category would be for resources with a duration of 4+ hours and a second category for resources with a duration of 8+ hours. NYSERDA proposes to disallow resources with a duration of two hours (2-hour resources) from participating in ISC solicitations. NYSERDA explains that 2-hour resources may experience large

drops in capacity revenue over time which would result in large ISC payment obligations from NYSERDA to the developer. NY-BEST supports NYSERDA's proposed exclusion of 2-hour resources from ISC solicitations. For each bulk procurement, the Commission directed NYSERDA to include a target of 20 percent for energy storage resources with a duration of 8+ hours; this amounts to 200 MWs of 8+ hour storage in each 1,000 MW procurement. NYSERDA proposes to have flexibility within each solicitation to consider viable 8+ hour projects larger than 200 MWs and adjust the overall procurement size so that other high value 4+ hour projects can be considered. If a solicitation does not attract at least 20 percent of viable 8+ hour resources, NYSERDA proposes to allocate the remaining volume to viable 4+ hour projects and adjust future solicitations to meet the 20 percent 8+ hour target. ACE NY, AES, EIPS Storage, and NY-BEST all support the NYSERDA's proposal to utilize two separate procurement categories based on duration in each solicitation.

The Commission agrees that having two separate procurement categories based on duration is beneficial in that the bid selection process more accurately compares projects of like attributes. However, the Commission disagrees with NYSERDA's proposal in the Implementation Plan to disallow the participation of 2-hour energy storage resources in ISC solicitations and to receive contracts. There are instances where 2-hour energy storage resources may provide resiliency to New York's electric grid by supplying many of the same services that longer duration resources can provide including the provision of energy, capacity, and ancillary services.

Therefore, the Commission directs NYSERDA to include two separate duration categories in each solicitation. One shall be for energy storage resources up to 8-hours in duration, and the other shall be for resources with duration of 8+ hours.

The Commission does recognize that awarding a large number of contracts for 2-hour resources could result in NYSERDA making large ISC payments if capacity values decline further than is forecast. Therefore, the Commission directs NYSERDA to ensure that the ISC cost evaluation accurately assesses for this potential in capacity price decline and will cap the amount of 2-hour resources that can be awarded ISC contracts to 10 percent of the total amount of the 3 GW of planned bulk energy storage procurements. NYSERDA is directed to reflect these parameters in the revised and redlined Implementation Plan filing discussed later in this order.

The Commission accepts NYSERDA's proposal in the Implementation Plan to have the flexibility to consider viable 8+ hour duration projects greater than 200 MW and adjust the overall procurement size to consider other high value projects with a lower duration. We also accept NYSERDA's proposal that, if a solicitation does not attract 20 percent of viable 8+ hour projects, it may allocate the remaining volume to shorter-duration resources and adjust further solicitations accordingly in consultation with DPS staff to achieve the 20 percent 8+ hour target. For clarity, the Commission specifies that these lower duration resources need not be 4+ hours in duration as was proposed in the Implementation Plan, consistent with the Commission's rationale in allowing for 2-hour resources to participate in ISC solicitations. NYSERDA is directed to revise its Implementation Plan reflecting that NYSERDA has the flexibility to select resources up to 8-hours in duration in the alternative and reflect this in the revised and redlined Implementation Plan filing discussed later in this Order.

ISC Daily Generation

The ISC definition specifies that one ISC will be generated for each MWh of energy storage discharge capacity that

is operational and available for dispatch on a given day. The amount of ISCs that are generated daily impact the calculation of the Reference Price and Strike Price bid comparisons. The Roadmap contemplated ISC generation for resources up to 8-hours, and as such resources that are in the 8+ hour category that vary by duration may not be compared fairly. Form Energy requests that the amount of ISCs generated for each month be equal to every MWh of energy storage capacity for all days the resource is operational, regardless of system nameplate duration or its daily state of charge.

Recognizing that the ISC structure was designed with resources up to 8 hours in duration as the focus, the Commission will limit the daily ISC generation to the MWh capacity of an 8-hour resource at present. This allows for consistency when NYSERDA is comparing ISC bids from resources with 8+ hours in duration. That said, the Commission will be considering limited modifications to the ISC mechanism for multi-day storage resources as described below.

Reference Energy Arbitrage Price (REAP) Calculation Methodology

NYSERDA proposes to use two separate categories when calculating the REAP. The first is to use the top and bottom (TB) priced four or six hours in any given day for an energy storage resource, depending on its duration, while the second is to use the top and bottom eight hours for resources that are 8-hours or more in duration. These categories are reflective of the proposed 4+ and 8+ hour procurements.

NY-BEST supports the TB methodology for the REAP regarding the 4+ hour procurement and generally supports it for the 8+ hour procurement but urges the Commission to afford NYSERDA flexibility to continue refining the TB methodology for 8+ hour resources based on comments received during the draft RFP process. NY-BEST notes that accounting for all charging

hours rather than just the bottom 8 hours results in a more accurate methodology and points to economic dispatch equations that are currently used by PG&E in California as one potential solution in addressing this issue, especially for resources with a low RTE. NY-BEST states that a more accurate REAP results in less risk for developers, which gets reflected in a lower strike price and ultimately benefits ratepayers. Form Energy recommends that the REAP calculation be clarified to more accurately estimate the revenue for 12+ and 24+ hour duration storage. Form Energy supports taking additional time with NYSERDA and other stakeholders to come up with methods to modify the REAP calculation for Long Duration Energy Storage (LDES). Form Energy further proposes that the monthly REAP for LDES resources with 12–24-hour durations have their energy arbitrage revenues evaluated over each week and that 24+ hour LDES have their estimated energy arbitrage revenue evaluated over yet to be determined top and bottom hours in a month.

While parties have suggested modifications to NYSERDA's proposal for the calculation of the REAP, the Commission finds that the two separate categories proposed align with the current design of the ISC. We note that NY-BEST's suggestion to align the REAP with all charging hours would result in an unduly complicated approach that is not aligned with the overall index approach of the incentive structure.

In response to Form Energy's comments, the REAP methodology discussed in the Roadmap and approved in the 2024 Energy Storage Order did not contemplate participation by 12+ hour runtime duration resources. The REAP formula of using top and bottom priced hours of the day is not compatible with these types of resources. The Roadmap does note the importance of long duration and multi-day storage in helping achieve the decarbonization of New York's electricity sector and, as such,

it is important that these resources have an avenue to participate in the ISC solicitations. Therefore, the Commission directs NYSERDA to propose an alternative methodology for estimating expected market revenue for 12+ hour resources, by September 1, 2025. This timeframe would ideally allow NYSERDA to have a methodology for 12+ hour duration resources in advance of the second solicitation. This filing will be subject to a public comment period under SAPA and subsequent consideration by the Commission.

Limitation of Liability

There are times when the REAP could exceed the strike price of a project in any given month. In those instances, the project would be required to make a payment to NYSERDA as opposed to receiving a payment from NYSERDA. NYSERDA proposes in its Implementation Plan to limit the ISC payment a developer must pay to NYSERDA to the negative value of the Strike Price. For example, if a 100 MW / 400 MWh battery project had a strike price of $50, its maximum payment to NYSERDA in any given month would be limited to $600,000 ($50 x 400 x 30 days). NYSERDA explains that there are low-probability scenarios where energy market price volatility and/or capacity market prices reach extremely high levels and a project is operational but is not able to participate in the market for reasons beyond its control, for example because of the timing of market dispatch. This could lead to a situation where a project could be subject to a very large ISC payment to NYSERDA, which impacts financing costs and consequently a project's Strike Price bid. NYSERDA's proposal to limit the ISC payment from a developer to NYSERDA is an attempt to address this low probability, high impact scenario. NY-BEST and ACE NY support NYSERDA's proposed limitation of liability.

The Commission accepts NYSERDA's proposed limitation of liability for developers as a reasonable backstop. Capping a developer's monthly payment obligation to NYSERDA to the negative value of the Strike Price should aid in securing financing and lead to lower Strike price bids, which is to the advantage of ratepayers.

NYPA and LIPA Participation

In the 2024 Energy Storage Order, the Commission recognized that NYPA and LIPA are involved in many activities that move New York closer to meeting its Climate Leadership and Community Protection Act (CLCPA) targets, including the development of energy storage, and recommended that both NYPA and LIPA voluntarily participate and accept ISC allocations proportional to its share of Statewide load for the bulk program. That said, recognizing that NYPA and LIPA have the demonstrated ability to develop/procure bulk storage projects, NYSERDA was ordered to take such independent storage procurements into account in its assessment of the amounts of bulk storage needed through its solicitations and to propose how such projects shall be credited towards NYPA and LIPA load share compliance obligation.

NYSERDA explains in its Implementation Plan that if LIPA decides to have its ratepayers voluntarily participate in paying for the statewide ISC costs, it will work with LIPA to determine an ISC-equivalent credit to credit independently procured projects based on LIPA's contractual payments to developers and wholesale revenues which would be applied against LIPA's Bulk Energy Storage (BES) monthly payment obligation. NYSERDA states that it will work in consultation with LIPA and DPS staff to determine, where appropriate, a limit on the credit provided to LIPA for each project, depending on the cost of similar ISC projects. The specific details for LIPA's

participation would be enumerated in a BES contract between NYSERDA and LIPA.

LIPA recommends that credit for their BES dispatch rights contracts be determined based on the difference between LIPA's actual costs and its actual revenues for storage products sold in the NYISO markets. LIPA states that this approach is substantially similar to the ISC construct. LIPA further states that this proposed crediting approach is specifically tailored towards the three projects selected in LIPA's 2021 BES RFP and that any future LIPA contracts or ownership of bulk energy storage projects should be credited in a manner yet to be determined after consultation with DPS staff and NYSERDA. LIPA disagrees with NYSERDA's proposal to limit credit for projects based on comparisons with other bulk energy storage projects because LIPA's projects are the first utility-scale lithium-ion energy storage units on Long Island and there are no comparable benchmarks, there was a highly competitive RFP, and the Office of State Comptroller, State Attorney General, and LIPA Board of Trustees oversaw and approved LIPA's contracts and procurements.

The Commission agrees with the Implementation Plan proposal for NYSERDA to work with LIPA to determine an ISC-equivalent credit for independently procured bulk energy storage in LIPA's service territory. It is premature for the Commission to prescribe a specific ISC-equivalent credit, but we recognize the importance of this agreement as it will help aid the development of bulk energy storage systems on Long Island which is one of the areas of New York State the 2024 Energy Storage Order identified as likely to benefit disadvantaged communities. If NYSERDA and LIPA are unable to come to an agreement, NYSERDA shall consult with DPS Staff.

The Implementation Plan states that if NYPA decides to voluntarily participate and accept ISC cost obligations, NYSERDA

would work with NYPA to credit its independently procured projects using the same crediting process as with LIPA. The Implementation Plan also describes that bulk energy storage projects that NYPA pursues under its expanded authority, such as the Renewable Energy Access and Community Help Program, whose revenue directly benefit groups other than NYPA customers, would be eligible to participate in ISC solicitations and receive ISC awards. The Implementation Plan further specifies that, to the extent that project revenues directly benefit NYPA customers, NYSERDA would allow these projects to participate in ISC solicitations and receive ISC awards only if NYPA is fully participating and accepting ISC cost allocation obligations as a Load Serving Entity.

NYPA requests that the Commission reject NYSERDA's inclusion in the Implementation Plan of additional eligibility requirements on certain NYPA projects. NYPA states that there was nothing in the 2024 Energy Storage Order that directed NYSERDA to include these additional conditions on NYPA's participation in the ISC program and that there is no other developer that would be required to meet this eligibility criteria. NYPA further states that these additional eligibility requirements that are unique to NYPA will act as a barrier to bulk energy storage development and impede New York's ability to meet the targets enumerated in the CLCPA.

The Commission accepts NYSERDA's participation and crediting proposal for NYPA, as described in the Implementation Plan. Since NYPA's role can be both that of an LSE and that of a project developer, the additional conditions that NYSERDA proposed are aligned with the Commission's energy storage incentive availability and associated cost recovery requirements reflected in the 2024 Energy Storage Order. Projects that NYPA develops, such as under REACH, where the revenues directly

benefit groups other than NYPA customers, will be able to participate in ISC solicitations and receive contracts since benefits are accruing to customers that are contributing to the costs of the ISCs. The Commission finds NYSERDA's proposal to allow NYPA's participation in ISC solicitations for projects it develops as an LSE only if NYPA voluntarily allows its customers to contribute toward the ISC cost obligations, to be reasonable. This allows NYPA developed projects that are installed to serve its customers the ability to participate in ISC solicitations, while not having all other ratepayers contribute financially to projects in which they would receive no direct benefit. NYSERDA and DPS staff shall work with NYPA to identify the required information necessary to determine eligibility for the ISC, such as a project's REACH support and other project-specific benefits to non-NYPA customers. NYSERDA shall modify the implementation plan to reflect this requirement.

Modification of Implementation Plan

The proposed Implementation Plan filed by NYSERDA and approved today by the Commission, with modifications, is intended to describe and provide the necessary details that result in a successful bulk energy storage program to procure 3 GW of new bulk energy storage resources. NYSERDA shall file a revised and redlined Implementation Plan reflecting all the modifications discussed above, within 30 days of the effective date of this Order.

Similar to the order approving NYSERDA's Residential and Retail Energy Storage Program Implementation Plan, the Commission understands that the parameters in this Implementation Plan adopted today may need to be altered in the future to address changed market conditions, interconnection queue data, and technology advancements among other factors. This Order gives NYSERDA the ability to modify certain program

parameters from one solicitation to the next to address this need to have flexibility. If NYSERDA exercises this flexibility, it shall first consult with DPS staff to discuss the proposed change. After consultation and a determination that the change would impact the Implementation Plan, NYSERDA shall file a clean and redlined version of the Implementation Plan along with a letter explaining the changes and confirming that it met with DPS Staff. If NYSERDA proposes to modify the Implementation Plan beyond the flexibility afforded to it in this Order, then NYSERDA must submit a petition to the Commission seeking approval for the changes.

Program Manual

NYSERDA shall file a Bulk Energy Storage Program Manual at least two weeks prior to program launch. This Program Manual shall set forth the specific program requirements needed to participate in the ISC solicitation process and be awarded a contract. NYSERDA may modify the Program Manual as necessary, in consultation with DPS Staff, to reflect needed changes in programmatic elements. If NYSERDA does modify its Bulk Energy Storage Program Manual, it shall file a clean and redlined version with the Commission along with a letter explaining the changes.

CONCLUSION

This Order approves NYSERDA's Bulk Energy Storage Implementation Plan, with modifications, which will help facilitate the development of 3,000 MWs of new bulk energy storage resources in New York. As described in the body of this Order, NYSERDA has flexibility to determine certain parameters from one solicitation to the next to account for the most up to date interconnection queue data, previous solicitation results, and market conditions.

The Commission orders:

1. The New York State Energy Research and Development Authority shall file an updated Implementation Plan within 30 days of the effective date of this Order, consistent with the directives in the body of this Order.

2. The New York State Energy Research and Development Authority shall consult with Department of Public Service staff prior to making any modifications to the Implementation Plan.

3. The New York State Energy Research and Development Authority shall file a Program Manual at least two weeks prior to the launch of the bulk energy storage program, consistent with the directives in the body of this Order, and consult with Department of Public Service staff prior to making any modifications to the Program Manual.

4. The New York State Energy Research and Development Authority shall file a proposal describing a methodology for estimating the expected market revenue for 12+ hour energy storage resources by September 1, 2025, consistent with the directives in the body of this Order.

5. The New York State Energy Research and Development Authority and Department of Public Service staff shall work with the New York Power Authority to identify the required information necessary to determine New York Power Authority's eligibility for the Index Storage Credit, as discussed in the body of this Order.

6. In the Secretary's sole discretion, the deadlines set forth in this Order may be extended. Any request for an extension must be in writing, must include a justification for the extension, and must be filed at least three days prior to the affected deadline.

7. This proceeding is continued.

By the Commission,

(SIGNED) MICHELLE L. PHILLIPS
Secretary

SUMMARY OF STAKEHOLDER COMMENTS

Alliance for Clean Energy New York

ACE NY generally supports the underlying components of NYSERDA's Bulk Energy Implementation Plan (IP) and more specifically supports: Use of the Index Storage Credit (ISC) Mechanism to pursue procurements to meet the 3 GW bulk storage target allocation; Exclusion of two-hour resources from the program due to high risk of capacity revenue volatility; Use of two separate procurements, one for resources of four or more hours and one for eight or more hours, to support the 20% carveout target for Long-Duration Energy Storage (LDES) resources; and Providing NYSERDA with the flexibility of managing the program and more specifically to adjust each solicitation procurement size as needed to appropriately balance the four plus and eight hour plus projects, and ability to procure above 1,000 MWs as needed.

Regarding revenue to be recognized, ACE NY recommends inclusion of the three Roundtrip Efficiency (RTE) categories NYSERDA proposes: 85% for Li-Ion, 65% for non-Li-Ion, and 45% for multi-day technologies which will result in more accurately estimating actual revenue potential, consistent with the intent of ISC mechanism. ACE NY states that it is critical to make the Reference Energy Arbitrage Price (REAP) methodology as accurate an estimation of revenue as possible because increased uncertainty will lead to higher strike prices and ratepayer costs. ACE NY states that the Round-Trip Efficiency (RTE) should not be excluded from the REAP calculation because doing so will result in overestimating revenue from bulk storage projects. Relatedly, ACE NY favors NYSERDA's proposal to limit on ISC payments from project owners to NYSERDA when there is extreme price volatility or when high-capacity prices provide market revenue greater than the strike price.

In terms of scoring project viability, ACE NY supports NYSERDA's proposal to split evaluation weighting 60:40 (instead of 70:30) between price/non-price factors respectively with project maturity and viability being the largest non-price factor category. It also supports NYSERDA's proposed adjustment to the Project Maturity requirements, including flexibility to adjust for each solicitation, and adds that if the Request for Proposals (RFP) are not coordinated with the NYISO clusters, such a maturity requirement could prevent many otherwise-eligible projects from submitting proposals.

ACE NY states its support for NYSERDA's proposed contract term of 15 years for lithium-ion battery bulk storage and 25

years for non-lithium bulk storage. It requests that NYSERDA provide clear guidance regarding the definitions of lithium—ion and non-lithium technologies in the solicitation including other nascent technologies such as solid state, lithium sulfur and sodium-ion.

Regarding duration and related efficiency, ACE NY requests that NYSERDA be flexible regarding the technology types that can participate in the eight-hour plus category. Factoring in battery energy storage system (BESS) degradation and resulting duration within the bids and subsequent contracts is important according to ACE NY as is a further explanation from NYSERDA regarding how RTE is factored into the monthly REAP.

ACE NY states its support for optional inflation adjustment clauses within contracts. It refers back to the Large-Scale Renewable's (LSR) experience of mandatory inflation adjustments and how that could negatively affect project finances. ACE NY states that developers are best suited to manage inflation risks during bid development and therefore mandatory inflation adjustments are not necessary.

Pertaining to solicitation timing and process, ACE strongly recommends that the Order approving the draft IP be completed for February session and that the first solicitation be undertaken by April, 2025. Additionally, ACE NY encourages NYSERDA to coordinate with the NYISO regarding the Bulk Storage RFP and the corresponding issuance of the financial security postings necessary with the NYISO's Transitional Cluster Study. This would provide ample time to ensure that developers have sufficient information when they make their Commercial Readiness Deposits (CRDs) to the NYISO which are subject to withdrawal penalties. Lastly, ACE NY states that the RFP will need to be released earlier than June 30 in order for award notifications to reach developers ahead of the afore mentioned CRDs. It stresses that the timing of the 2026 and 2027 procurements and project maturity requirements take into consideration the NYISO interconnection process including the NYISO Cluster Study's Final Decision Period expected in quarter three of 2026.

AES

AES acknowledges cancellation of the Clean Path Tier 4 transmission line which was expected to deliver significant renewable resources into New York City. It also recognizes contract delays from offshore wind projects as well. It recognizes that NYSERDA plans to adhere to the procurement

timeline contained in the Roadmap Order, consider valuation of the assets, use the most current information on forward prices, and model the impacts of the Clean Path cancellation.

AES stresses the importance of NYSERDA issuing the Bulk Storage solicitation by June, 2025 to enable developers to have the necessary information regarding their award status before the Decision Two period which is September 4 – September 17, 2025. The Decision Two period pertains to the NYISO Transition Cluster Study which is part of the new process replacing the previous Class Year Studies.

AES supports providing NYSERDA with the flexibility in procuring both eight-hour and four-hour duration resources and adjust future solicitations as well based on results. It states that allowing developers to bid either a four hour or eight-hour duration project with one bid fee would increase the number of potential projects and increase competitiveness.

Regarding the monthly REAP settlement calculation, AES states that there is an error in the IP formula. Specifically, it states that instead of the number of days in the month (used in both the numerator and denominator), the number of days the battery is operational should be used and requests that NYSERDA adjust the formula within the draft RFP that is sent out.

Lastly, AES supports NYSERDA's proposed non-price factors for scoring project. Currently the weight is 70% for price and 30% for non-price factors. NYSERDA propose that the factors should be 60% for price and 40% for non-price. Doing so, according to AES (and NYSERDA) would provide more weight for the non-price criteria including project maturity and viability, and therefore result in more viable projects being chosen instead of more costly projects which may be more likely not to get built.

Anbaric

Regarding contract terms of duration and adjustments, while Anbaric supports NYSERDA's maximum 15-year contract duration for lithium-ion batteries and 25 years for non-lithium batteries, it recommends that NYSERDA be provided flexibility in contract length or permitting transition from a 15-year contract length to a longer period if warranted based on viability. Regarding price adjustments, AES states that while a single inflation adjustment helps mitigate near-term risk, cost volatility can persist beyond the notice-to-proceed and therefore the option to propose more than one inflation adjustment factor is favored.

Further inflation protection or at least the option to propose it may reduce the risk premium developers build into

bids. Anbaric also supports an index approach to certain cost components of storage projects as previously undertaken by NYSERDA in place of one-time adjustments and Anbaric proposes the same approach here. It opines that doing so would provide protection for developers and ratepayers from commodity and labor cost viability. Anbaric continues by stating that if NYSERDA opts to proceed with a one-time adjustment, it should be structured as a true-up mechanism for actual interconnection upgrade costs. The true up would compare actual verified project costs with the up-front estimated costs and if a material difference results, a true up adjustment would be applied.

Anbaric described its two-phase solicitation process in which developers submit projects with their main features including site control status, technology choice and offered price. NYSERDA would cull projects based on these factors and then in Phase Two developers would refine their bids based on more concrete supply-chain information, interconnection updates, or updated technology costs. This two-phase approach would help NYSERDA capture more accurate cost data closer to contract signing, encourage developers to provide more precise cost data, and continue a fairness approach whereby developers can build in newly emerging market data rather than forcing all developers to potentially inflate assumptions. Anbaric opines that this approach could provide a more even path for final contract award and lower risk premiums.

Anbaric also proposes that NYSERDA publish a detailed formula for capacity accreditation to indicate clearly how four hour and eight-hour storage projects would be recognized in the RCP calculations. It further requests that NYSERDA explain how the capacity accreditation factors would be adjusted if changes occurred beyond the control of developers, especially for long-duration or emerging technologies.

Regarding maturity of storage projects, Anbaric requests that NYSERDA factor in actual progress toward interconnection such as advanced locality consultation and ongoing Facility Studies instead of requiring complete permitting or rigid interconnection milestones. Additionally, it is concerned about projects that may miss the deadline for participation in the NYISO Transitional Cluster Study whose window closed in October of 2024. Even though projects may have missed the window, they may still be viable and ready to build and use of different maturity criteria could assist these viable projects in moving forward instead of being denied.

Anbaric also seeks clearer direction regarding the IP requirement, consistent with the CLCPA that 35% of bulk/off-site retail be located in Zones G-K, including 30% minimum in Zone J. Specifically, Anbaric states that NYSERDA should clarify whether the 35%, including the 30% within Zone J are strict minimums or can be adjusted based on project economics and land availability. Also related to geography is the allocation of projects within Zones G-K and whether they will be evaluated based on energy alone or capacity metrics. This differentiation is important in helping developers build projects that align with NYSERDA's priorities while optimizing resource classification and benefits. Also pertaining to project geography is Anbaric's recommendation to build projects within other states who have adjacent control areas to the New York Control Area, with the understanding that the project would interconnect directly into the New York grid.

Anbaric also emphasizes the importance of ensuring standardized safety requirements and supporting the IP adoption of the Fire Safety Working Group (FSWG) recommendations of peer review, emergency response plans and first responder training. With this, Anbaric recommends that NYSERDA provide a clear and concise statewide checklist for compliance that local authorities can rely on and lessen their need to create their own separate safety requirements without FSWG expertise.

Coordination with the Public Policy Transmission Needs (PPTN)process is essential according to Anbaric and doing so could result in project cost savings and optimal system reliability. It states the importance of NYSERDA undertaking formal or informal coordination with future Public Policy Transmission Networks (PPTN) solicitations to enable LSR projects to be created in proximity and/or in synch with storage projects. This could alleviate constraints and result in reduced delivery energy costs.

Lastly, Anbaric refers to the IP mechanism for formula adjustments if wholesale market rules are changed dramatically such as the FERC Order 2222, capacity accreditation changes and new ancillary services offerings. It recommends that NYSERDA establish a stakeholder working group or annual review to respond quickly to address any emerging revenue streams or market reforms.

BlueWave

BlueWave supports the as filed Implementation Plan and agrees with the comments of NY-BEST. BlueWave points out that

it is critical for NYSERDA to have flexibility in determining appropriate project maturity requirements for each solicitation. BlueWave also requests that lithium-ion batteries be eligible to bid for both 15- and 20-year contract terms. BlueWave supports the inclusion of the peer review milestone, emergency response plan, and first responder training requirements to ensure fire safety.

City of Jamestown, Board of Public Utilities

JBPU requests confirmation and clarification that Municipal and Co-op utilities may, similar to NYPA, voluntarily be allowed to participate in the bulk storage program by providing Index Storage Credits (ISC's) through participation in the ISC solicitations and ability to receive ISC awards. In requesting this, Jamestown believes that municipal utilities and co-ops were simply overlooked in the text of the NYSERDA IP and that the Bulk Storage Program should be clarified to enable municipal utilities or co-ops to participate. JBPU states that the IP explicitly includes the New York Power Authority (NYPA) and Long Island Power Authority (LIPA) which are both publicly owned utilities in the energy storage procurement program but that there is no reference to the other municipal and co-op utilities.

JBPU refers to the potential economic benefits of permitting participation in the Bulk Storage Program including: Reduced costs associated with transmission, distribution, and generation capacity by deferring infrastructure investments; Reduction in greenhouse gas emissions and pollution, especially in disadvantaged communities who have been disproportionately affected by fossil fuel emissions; Support for local economic development by creating jobs in the energy storage and renewable energy sectors, and Opportunities to integrate distributed energy resources (DERs) through aggregation models that maximize the value of storage, among other benefits.

In its second comment JBPU refers to the importance of thermal energy storage (TES) and requests consideration of allowing ISC's to be available for thermal energy storage coupled with a thermal energy network (TEN) and electric boilers/heat pumps. Jamestown states that while TENs do provide electrical power directly back to the grid, large scale thermal resources could dramatically alter demand on the electric grid and have the same net effect as a battery. It explains further that charging its thermal capacity during off-peak hours while

discharging that thermal storage during on-peak hours would consume renewable energy when it is abundant, and lower electrical demand during peak hours by supplying electrical heating from the thermal storage. JBPU states that thermal energy is increasingly scalable and low cost to build, has excellent capacity and duration and even though its application is limited to areas that have (or will build) thermal energy networks, it should be included as a technology under the Bulk Energy Storage Program.

JBPU explains that TES combined with electric heating supports CLCPA goals by leveraging renewable energy during off-peak hours to heat storage systems and therefore balance supply and demand, while also reducing reliance on fossil-fuel-based peaking plants by meeting heating and cooling demand with clean energy. JBP also states that TES is technology-neutral which is an important consideration in the June 20, 2024 Order Establishing Updated Energy Storage Goal and Deployment Policy

Regarding Disadvantaged Community impacts, JBPU explains that deploying thermal storage systems can directly address heating needs in these communities which aligns with the Commission's emphasis on equitable resource distribution and emissions reductions in high-pollution areas.

Lastly, JBPU posits that TES storage provides additional market opportunities for renewable energy by creating demand for clean electricity to charge storage resources and contributes to cost reductions and economies of scale as adoption expands while benefiting ratepayers over time.

City of New York

The City begins by describing its ambitious commitments in advancing energy storage development to support the objectives of creating an affordable low-carbon energy supply, improving air quality, addressing environmental injustices, and achieving carbon neutrality by 2050. Backing up this commitment it points to the efforts that the NYC Department of Buildings and the Fire Department of the City of New York (“FDNY”), in collaboration with the Mayor’s Office of Climate & Environmental Justice, have made in streamlining pathways to facilitate the safe deployment of energy storage at utility scale.

The City’s first major position is that NYSERDA should not be granted the flexibility to reduce the geographic targets for New York City. It relays how the Commission directed NYSERDA to ensure that a minimum of 35 percent of bulk storage and off-site procurements be located in the NYISO’s Zones G-K, with at least

30 percent of that allocation in Zone J, which encompasses New York City. Additionally, a minimum of 35 percent of the entire program funding for storage projects must be allocated to areas that will most benefit Disadvantaged Communities. By establishing those targets, the City states that the Commission acknowledged the importance of reducing the reliance on peaker plants in New York City, and that New York City is anticipated to be the largest source of Disadvantaged Community benefits.

The City recognizes the importance of meeting the statewide storage goal through program adjustments, and that the target for bulk projects located in New York City, as well as the target for overall projects located in Disadvantaged Communities, will be crucial to meeting both the City's and the State's clean energy and emissions reduction goals. The City states that this is further supported by the number of Disadvantaged Communities located within its boundaries. More specifically, while New York City makes up 43% of the State's total population, 51% of the State's low-income population and 59% of its Disadvantaged Community census tracts are found within its boundaries.

The City's second recommendation is that developers should be required to factor reasonable price increases into their original bids. The City points out that the Commission approved the use of a one-time inflation adjustment within bulk storage program solicitations and that it supports this mechanism as a way to address changing costs that can result from unexpected circumstances during storage project development. Over the last few years project development costs have increased significantly due to supply chain constraints and other factors. The City supports NYSERDA's proposal that any such adjustments be based on pre-determined cost indices. Doing so will limit how much of an adjustment will be allowed and align with limiting costs.

The City recommends that NYSERDA require developers to factor in reasonable price increases into their initial bids as a way to avoid unreasonable increases from future inflation adjustment. This is in line with the Commission's directive that the inflation adjustment should reflect new cost realities that were not present at the time of submission of their initial Strike Price bid, such as increased material and labor costs. To effectuate this directive, NYSERDA recommends issuing a draft RFP for stakeholder feedback following the adoption of the IP and prior to the issuance of the first RFP. The City supports this recommendation and requests that NYSERDA provide the draft RFP to stakeholders with at least 60 days' notice prior to the first solicitation. During that 60-day period, the City

recommends NYSERDA conduct a stakeholder meeting which will allow stakeholders sufficient time to review and ensure that all necessary information is included, and will allow NYSERDA sufficient time to revise the solicitation before issuing it.

The City's third major recommendation is that NYSERDA hold stakeholder meetings regarding a session on fire safety, noting the importance of maintaining safety when installing and operating storage facilities. NYSERDA specifies that all lithium-ion battery storage projects sited outside of New York City will be required to offer annual, site-specific training for the relevant local fire department. The City appreciates these efforts and that in New York City also, this will help to reduce the concern and public misconceptions about battery safety that could further delay or impede achievement of the 2030 goal. Therefore, the City respectfully requests the Commission direct NYSERDA to not only implement fire safety protocols, but also to create a community engagement strategy in partnership with the City to ensure the public is aware of the local reliability, air quality benefits, safety, and other characteristics associated with bulk storage.

Cyprus Creek Renewables

Cypress Creek's chief concern is with the timing of the awards from the Bulk Storage RFP process as it relates to Phase 1 and Phase 2 of the NYISO Cluster Study. Cypress Creek relays that the results of the Phase 1 Cluster Study will be made available in the July to August 2025 time frame. At that point developers must decide whether to proceed to Phase 2 of the Cluster Study which entails a significant deposit (Commercial Readiness Deposit – CRD) of the greater of the Phase 1 deposit of $4,000 per MW or 20% of the cost estimate determined in Phase 1. The CRD is a material financial risk for many projects as it could result in a cash or letter of credit outlay that represents a significant portion of project development expenditures, which are subject to withdrawal penalties. As Cypress Creek explains, the Phase 2 deposit may be difficult to make if NYSERDA has not yet announced the winners of the 2025 RFP. Securing the finance for Phase 2 necessitates an award announcement by August of 2025. Therefore, Cypress Creek requests that the Bulk Storage RFP be released By April or early May and with that the schedule would provide adequate time for submission and evaluation of bids so that an award can be made before the CRD is due in September of 2025.

CCR's second recommendation pertains to the uncertainty related to interconnection and network upgrades that will represent a significant challenge for developers of bulk storage projects. The issue is that developers will not know these two final costs from the Transitional Cluster Study by the time their bids need to be submitted. This represents a serious risk and one that developers would have to account for in their bid by raising the bid strike price accordingly. If developers under-estimate in their bid, they risk being unable to finance the project. More specifically, projects in NYISO's Transitional Cluster Study do not anticipate having Phase 1 results until July or August of 2025, which only include initial cost estimates for Local System Upgrade Facilities (SUFs), Developer Attachment Facilities (DAFs), Distribution Upgrades and Connecting Transmission Owner's Attachment Facilities (CTOAFs). These costs identified in Phase 1 could likely change as projects drop out of the queue, affecting these results in the subsequent Phase. In Phase 2 of the study, NYISO will do a deliverability analysis and determine if any System Delivery Upgrades (SDUs) are needed along with any non-local SUFs. Results from Phase 2 of NYISO's Transitional Cluster Study will not be known until mid-2026.

To address this lack of clarity in these costs, CCR recommends that NYSERDA evaluate a mechanism which would result in higher quality bids and include it in the 2025 RFPs. CCR suggests one mechanism could be to adopt a Network Upgrade Adder in the RFP bids for the portion of network upgrades that are the most difficult to estimate which are the SDU and non-local SUF cost according to CCR. Managing all other interconnection and network upgrade costs would still be the responsibility of the developer. Therefore, all bidders would submit a base price assuming no SDU or non-local SUF cost, but include a Network Upgrade Adder that would scale with the project's final SDU and non-local SUF's. CCR recommends that NYSERDA be provided the flexibility to terminate awards if the final SDU and non-local SUF costs result in a Network Upgrade Adder that increases the final strike price by more than 125% of the initial strike price. This would provide ratepayers with protection while still permitting developers to pursue sites which may be high quality projects.

Lastly, CCR also recommends that NYSERDA evaluate projects based on the initial base strike price with the Network Upgrade Adder coming into effect for only the final contract strike price. The "125% mechanism" will give NYSERDA assurance that

the final contract strike price will not deviate without bound from the initial base prices that projects are evaluated on.

EIP Storage

EIPS states that it agrees with the NYSERDA IP except for the issues listed and described as follows.
It disagrees with a 15-year contract term and supports a 20-year contract for lithium-ion Battery Energy Storage Systems and up to 30 years for non-lithium or Long Duration Energy Storage (LDES.) EIPS points out that the industry standard is 20-year lifetimes for Lithium-ion projects and many LDES technologies have 30-year or longer lifetimes.
EIPS agrees with the proposed inflation adjustment for pre-determined cost indices, but would like to add regulatory adjustment if the federal Inflation Reduction Act (IRA) is repealed or modified resulting in impacts to project economics.

EIPS proposes that NYSERDA introduce a ranked waitlist for winning bids which would result in a short list of projects for each zone that would be contracted if an awarded project drops out. This would help inform developers on the potential competitiveness of non-awarded projects.
To address the issue of project maturity and the timelines of the NYISO Interconnection Process and the Bulk Energy Storage RFP, EIPS proposes that NYSERDA be able to modify the maturity criteria based on NYISO's ability to adhere to Calendar Year and Cluster Study timelines. EIPS states that at a minimum, proposals should be due at least 30 days after the Phase 1 reporting period of the 2024 Transition Cluster Study.
EIPS opines that NYSERDA should specify in its procurements that it will procure more than 1 GW per RFP round to account for attrition.

Regarding the geographic allocation of awards, EIPS proposes that project allocations on a MW-basis be equally distributed across up-state zones A-G.

EIPS maintains that Storage as a Transmission Asset (SATA) must be separately accounted for and not included in the 3 GW bulk storage target because SATA addresses different issues, and it is not appropriate for SATA's to be compensated through the ISC mechanism.

EIPS disagrees with the NYISO's statement that deploying energy storage resources in excess of renewable capacity before sufficient renewable generation is online can lead to inefficient charging scenarios and higher electric demand. EIPS points states that battery storage facilities will charge and

discharge according to market signals, not on the number of renewables online and that renewable generation and energy storage should be developed simultaneously.

Elevate

Elevate supports many of the program design elements in the Implementation Plan and offers additional perspective on ways New York can support deployment of energy storage projects. Regarding the directive for specific procurements in zones G-K, Elevate is supportive and indicates that in addition to benefitting disadvantaged communities and reducing peaker plant emissions, these projects provide fast-ramping dispatchable resources that can rapidly respond to system disruptions, peak demand, and weather events. Elevate suggests that NYSERDA and the Commission continue to actively consider an increased prioritization of downstate bulk energy storage projects, especially in Zone J.

While Elevate is supportive of the consideration of price and costs impacts to consumers, Elevate believes that the proposed 60/40 weighting of price/non-price factors in the evaluation process is appropriate due to the critical need to consider non-price attributes that respective projects can bring. Regarding specific categories, Elevate recommends that the Commission grant NYSERDA the flexibility to consider these during future bulk energy storage procurement efforts. Elevate recommends the Electric System Value category consider the location of the project and proximity to a peaker plant as an attribute worthy of prioritization for reliability purposes. Similarly, Elevate recommends additional value be placed on projects built within disadvantaged communities as well as those in close proximity to a peaker. For the Other Community Benefits subcategory, Elevate suggests that NYSERDA consider both brownfield redevelopment as well as repurposing existing infrastructure as project attributes worthy of additional value. With regards to the NYS Job Creation and Impact subcategory, Elevate recommends that NYSERDA consider job retention.

Elevate supports New York's application of an Index Storage Credit (ISC) mechanism as well as NY-BEST's suggestions related to the ISC calculation and methodology. However, Elevate notes that the ISC could make it difficult for emerging configurations to compete in the solicitations as the assumed reference price will reflect approximations of wholesale market revenue that may not be accurate for alternative deployment types, particularly hybrid storage deployments. Elevate suggests that there may be

a need to evaluate alternative approaches to support alternative deployment types such as hybrid storage performance agreements. In order to ensure the positive progress of the program, Elevate suggests that NYSERDA and the Commission consider an annual review process to review the bulk storage program implementation plan and its progress. This ongoing review process could help inform subsequent years of the program.

Energy Dome

Energy Dome recommends that NYSERDA increase the maximum allowable contract term for non-lithium-ion storage technologies from 25- to 30-years to more accurately reflect their lifespan. Energy Dome requests that NYSERDA clarify whether 8+ hour resources will be able to participate in the 4+ hour category and recommends that they not be eligible and instead participate in the 8+ hour category. Energy Dome does not support NYSERDA's proposal to allocate 8+ hour carveouts to 4+ hour resources if there are not enough viable 8+ hour projects that bid into the solicitation. Energy Dome disagrees with NYSERDA's proposal to assign uniform RTE assumptions based on technology type and instead recommends that NYSERDA allow technologies that have third-party validated, technology-specific RTEs to utilize those. Energy Dome supports the proposed 60/40 weighting of price and non-price factors for bid evaluation but recommends NYSERDA consider reconsidering the necessity of active interconnection requests and facilities studies for LDES, as none are at this stage in New York.

ESS

ESS Tech, Inc. (ESS), is a manufacturer of long-duration energy storage. ESS first notes that most of the deployments of energy storage to date have been short duration (i.e., 4-8 hour) batteries and longer-duration (8+ hour) energy storage (LDES) projects require a different approach.

ESS supports NYSERDA's request for flexibility to conduct additional bulk procurements in response to market developments, especially as long-duration energy storage systems are a developing technology. ESS suggests the use of flexible approaches such as LDES demonstration projects, LDES-specific grant opportunities, and creative State-level partnerships. With respect to demonstration projects, ESS suggests that the proposed Maximum Bid Price Evaluation formula not be applied as

they fulfill a public purpose. ESS states that this flexibility can present a significant future benefit to the state.

Regarding the contract term, ESS recommends that the Implementation Plan should make clear that non-lithium-ion projects will be procured for a minimum 25-year term.

ESS also suggests current modeling and regulatory structures, mainly loss-of-load expectation, do not adequately capture the full utility of LDES to the grid. To counter this, ESS suggests that NYSERDA consider the following value-creation segments: 1) energy shifting, capacity provision, and T&D optimization; 2) optimization of energy for industries with remote or unreliable grids; 3) isolated island grid optimization; 4) firming for PPAs; and 5) stability services provision.

Regarding geographic solution, ESS supports the allocation of procurements by NYISO Zone, but also suggests that there are benefits of tailoring non-lithium/LDES procurements to each region uniquely.

Other factors that ESS cites for the support of LDES is the longer life cycle, safety, easily sourced and sustainable components, and flexibility. These factors are also conducive to increased safety and are at reduced risk of permitting delays. LDES projects can also be designed to complement its surroundings and reduce noise and visual effects. Additionally, ESS suggests that NYSERDSA separate the "peaker displacement potential" weighting from the "system reliability & Resiliency" weighting as this may be limited to a 4-hour use case. Instead, ESS proposes that NYSERDA consider global environmental and label considerations.

For educational purposes, ESS suggests that NYSERDA conduct a study to gauge the understanding of where and how LDES can be implemented and the awareness of associated economic benefits. The results of this study could help inform the strategic development of a long-duration energy storage coalition and build support for the development of LDES in New York. Similarly, ESS suggests that NYSERDA partner with governments interested in deploying LDES to host collaborative sessions to identify stakeholders' needs, concerns, and interests in LDES.

Form Energy

Form Energy, Inc. (Form Energy) supports NYSERDA's bulk storage Implementation Plan. Form Energy is supportive of the use of the Index Storage Credit (ISC) mechanism to procure long-duration energy storage, but suggests that NYSERDA clarify that

the number of ISCs generated in a month will be equal to every MWh of energy storage system rated capacity on all the days that the resources is operational, regardless of system nameplate duration or daily state of charge. Form Energy also suggests that NYSERDA clarify that the bid evaluation price factor should be calculated based on the total net present value of ISC payments made to projects divided by the total MWh of the resources rated discharge capacity, without limit to the resource duration. Even with this clarification, Form Energy is concerned that the ISC program may not successfully create a diverse portfolio of short, long, and multi-day storage resources before 2030. Form Energy also suggests that NYSERDA clarify that projects that have received a grant from NYSERDA through its LDES technology demonstration program are eligible to participate in the ISC program.

Form Energy is supportive of the use of separate procurements for short-duration and long-duration storage.

Additionally, Form Energy supports the inclusion of separate round trip efficiency categories to more accurately estimate actual energy revenues.

Form Energy also supports NYSERDA's proposed adjustments to project maturity requirements for bulk storage resources.

Form Energy suggests that NYSERDA clarify the reference arbitrate price (REAP) calculation methodology for 12+ hour LDES and 24+ hour multi-day energy storage resources to improve the accuracy of this calculation. Form Energy proposes a different REAP calculation formula, based on an estimate of energy arbitrate revenues over each week for 12–24-hour duration energy storage resources and for a month for multi=day energy storage resources.

Form Energy suggests that NYSERDA ensure that non-price bid evaluation factors are transparent, quantifiable, and address benefits that are not priced into NYISO markets to ensure that the Program sense clear investment signals. Specifically, Form Energy suggests that NYSERDA consider duration and recommends that resources should be required to have a minimum threshold of 10-hours of duration to qualify for 50% of electric system value non-price scoring points and projects that have an exceeding threshold of 24-hours of duration should be eligible for the full 100% of non-price scoring points in the electric system value category.

Form Energy is concerned that procurement program goals for LDES remain too modest compared to New York's needs and the benefits LDES can provide.

Hydrostor

Hydrostor generally supports the Implementation Plan filed by NYSERDA and strongly supports the proposal to have two separate categories of procurements based on duration. Hydrostor requests clarification that the 200MW LDES target is not a cap and that NYSERDA has the flexibility to procure beyond this target. Hydrostor urges the Commission to approve the Implementation Plan in February to give developers certainty before the NYISO Interconnection Process Decision Point 1 so that they can decide whether or not to withdraw from the interconnection queue. Hydrostor strongly supports NYSERDA's proposed RTE categories and states that there are additional improvements that can be made to the formula that would more accurately estimate expected revenues. Hydrostor requests that NYSERDA have the flexibility to alter the REAP formula for the 8+ hour category if a superior alternative is available.

Key Capture Energy

Key Capture Energy (KCE) supports the Bulk Energy Storage Implementation Plan Proposal. KCE supports maturity requirements as a general principal; however, KCE states that it is important that NYSERDA maintain the flexibility to adapt maturity requirements in each solicitation according to the circumstances. KCE advises against rigid maturity requirements that require NYSERDA to only allow bids that have made certain interconnection deposits citing restrictions on participation, reductions in competition, and the undermining of program goals as potential problems with such an approach. KCE suggests using different maturity requirements for the first and second ISC solicitations. Another reasons KCE suggests flexible maturity requirements is the challenges related to permitting and energy storage moratoriums.

KCE supports NYSERDA's proposed limit on liability and notes that an appropriately set limit on liability can help bidders offer more competitive strike process for ratepayers by making it easier for developers to raise debt financing for projects with an ISC award. This limit on liability comes at virtually no cost to ratepayers if applied at the level recommended in the proposal.

KCE recommends that NYSERDA consider implementing risk sharing for Network Upgrades in order to reduce attrition and increase bid accuracy. To reduce the risks of uncertainty, KCE recommends three strategies: 1) scrutinize bids and reject non-

viable bids; 2) implement a Network Upgrade Index; or 3)implement a Network Upgrade adder. KCE suggests NYSERDA continue to engage with the storage industry and stakeholders on Network Upgrades as it prepares the RFP and contract for the ISC solicitation.

KCE contends that the Commission should allow NYSERDA to determine the contract length for each solicitation. Allowing this flexibility would allow NYSERDA to make decisions that may save ratepayer dollars. KCE also highlights that the Commission has previously found that longer contract durations reduce ratepayer costs and has updated its prior decisions on maximum contract length.

KCE suggests that NYSERDA should utilize portfolio risk stage of bid evaluation to ensure robust downstate portfolio. Using this methodology ensures that the ISC solicitations achieve desired geographic outcomes. Additionally, KCE recommends that desired geographic outcomes be defined as greater than two-thirds of storage resources located in zones G-K, rather than the 35 percent minimum required by the Commission.

Long Island Power Authority

Long Island Power Authority (LIPA) recommends that credit for LIPA's BES dispatch rights contracts be determined as the difference between LIPA's actual costs and its actual revenues for storage products sold in the NYISO market. LIPA contends that this recommended approach is the same as the ISC equivalent crediting. LIPA does not anticipate any non-market revenues associated with its storage dispatch rights since the projects will be operated solely for the purpose of meeting system needs and for no other commercial purpose; should any unanticipated future revenues materialize, they would be netted out of the costs passed to NYSERDA.

LIPA states that limiting its credit based on comparison with other BES projects is not appropriate, for the following reasons: the LIPA-contracted BES will be the first utility-scale lithium ion storage project build on Long Island, there are no comparable benchmarks that could be used to set a limit on the credit provided to LIPA; LIPA's storage RFP was highly competitive and thoroughly vetted; the integrity of the process and results are ensured by approval by the Office of the State Comptroller, the State Attorney General, and LIPA's Board of trustees; and the build-own-operate-optional transfer agreement is a beneficial model to LIPA as it protects LIPA from project

related risks so there will be no unreasonable costs borne by LIPA or passed through to the other participants in statewide cost sharing.

LIPA supports NYSERDA's proposal to evaluate certain factors that recognize locational differences. LIPA also suggests that the majority of the future dispatchable emission-free resources should be located downstate and recommends that NYSERDA refer to available planning studies to determine more reasonable geographic requirements.

For evaluation and reporting, LIPA suggests NYSERDA provide detailed information on the status of upcoming projects in its reporting process.

Multiple Intervenors

Multiple Intervenors (MI) recommends modifications to the proposed Implementation Plan to render the acquisition of bulk energy storage capacity via financial incentives as cost-effective as possible, which they note is critically important as the costs will ultimately be borne by end-use customers. MI recommends that the Commission modify the index storage credit (ISC) structure in accordance with its comments, or adopt it on a pilot basis subject to a mid-course review process; to support this review, MI recommends that NYSERDA should require and maintain records as to the frequency and the amounts of energy that are injected and withdrawn from energy storage facilities and the resource mix at the time of injections and withdrawals.

MI opposes NYSERDA's proposal to utilize a 60/40 weighting of price and non-price evaluation factors. MI recommends that price be weighted materially more heavily in the evaluation of bids. MI also suggests that after each solicitation NYSERDA should provide information as to the additional costs to which customers were exposed due to the consideration of non-price factors and how such factors were applied.

Given the State's experience with numerous project cancellations and contract terminations, MI recommends that developers be exposed to meaningful financial penalties for failures to perform. Because developers are afforded the opportunity to decide whether to participate in NYSERDA's solicitation and the projects that they advance, MI states they should be required to perform under their contract or face material financial consequences.

MI also states that the risk of inflation and market price volatility would be placed on consumers if NYSERDA's proposal to

accord developers an opportunity to adjust previously submitted bids to account for inflation is approved.

National Grid Ventures

National Grid Ventures (NGV) supports New York's expansion of the energy storage target to 6 gigawatts, the increased concentration of battery energy storage in NYISO's zones G-K, and NYSERDA's proposal to procure more than 1,000 MW in its first solicitation.

NGV suggests that bulk energy storage in New York City and neighboring regions could support and alleviate some of the reliability need associated with future shortfalls. NGV supports NYSERDA having the flexibility to procure more than 1,000 MW in its first solicitation as it would front-load progress toward the 2030 target while ensuring that bids received are sufficient to satisfy early needs across the State.

New York Battery and Energy Storage Technology Consortium

NY-BEST overall supports the incentive programs outlined in the Bulk Implementation Plan. This includes supporting the exclusion of 2-hour resources from the program, utilizing different procurements for different durations, giving NYSERDA flexibility to adjust solicitation procurement sizes, including different Roundtrip Efficiency levels based on technology types, and NYSERDA's proposed adjustment to project maturity requirements.

NY-BEST recommends expediting approval of the Implementation Plan, giving NYSERDA flexibility to finalize the ISC calculation methodology and other program aspects during the procurement process, and ensuring NYPA/LIPA participation. NY-BEST points to the NYISO Cluster Study process and the need to coordinate with the critical dates of that study process. NY-BEST states that the uncertainty of interconnection costs may drive up developer's bids and that NYSERDA should consider how they will evaluate this uncertainty; they further request that the Commission give NYSERDA flexibility on how to address this issue as part of the draft RFP process.

NY-BEST recommends that NYSERDA clarify certain elements of the ISC calculation, including the number of ISCs generated in a month, defining "operational", utilizing the top- and bottom-NYISO Zonal LBMP priced hours for calculating the REAP, flexibility for NYSERDA to update and refine the REAP methodology for 8+ hour resources, and that NYSERDA clarify in the solicitation that the capacity price used for the RCP

calculation be defined as the clearing price from the location-specific ICAP monthly demand curve spot auction. NY-BEST also recommends that NYSERDA publicly post the strike prices of awarded projects after the completion of contracting, similar to how is done for Tier 1 procurements.

New York Municipal Power Association

NYMPA states that the large majority of its members' electricity generation comes from renewable energy, and that 100% comes from zero emission resources. NYMPA continues that its members have still complied with State mandates through the Clean Energy Standard and that the payment obligations that will result from the Implementation Plan will further impact NYMPA members. NYMPA urges the Commission to prioritize consumer costs and energy affordability and for transparency into the process for establishing a Maximum Bid Price.

New York Power Authority

NYPA requests that the Commission affirm that NYPA has the same eligibility to participate in the ISC program as any other energy storage developer and not accept the inclusion of additional ISC eligibility requirements on certain NYPA projects as proposed in the Implementation Plan. NYPA states that there is nothing in the 2024 Energy Storage Order that would preclude them from unrestricted participation in the ISC program.

PEAK Coalition

PEAK Coalition recommends that NYSERDA allocate more than the minimum Commission-directed level of bulk energy storage projects in DACs. PEAK Coalition comments that zonal adders can be implemented to increase the level of bulk energy storage investment in areas with large amounts of DACs, notably Zone J and that NYSERDA can give additional credit to bidders who contract with unionized labor. PEAK Coalition also recommends that the bid evaluation criteria should use a 50/50 weighting of price and non-price factors instead of the NYSERDA proposed 60/40 split. PEAK Coalition states that NYSERDA should strive for statewide consistency in fire safety requirements across the State to facilitate project implementation.

Prologis

Prologis recommends that contract terms pay projects that are commensurate with the capacity of the project, taking into account degradation over time. Prologis also recommends that there should be flexibility for distributed-connected projects that are less than 5MW AC and that NYSERDA clarify whether the RTE calculation will be individual or uniform across technology types. Prologis recommends that NYSERDA provide more detail on the market readiness and potential barriers for 8+ hour storage projects, and the ability to adjust targets based on market conditions. Prologis states that NYSERDA should provide more clarity on the qualitative scoring process and disclose non-proprietary details of bid scoring methodologies to promote transparency.

Rise Light and Power

Rise states that performance guarantees for awardees be consistent with the OEM performance guarantees so that there is alignment between what the technology can provide and the program requirements. Rise also recommends that credit support requirements align with competitive market practices and not include a large up-front security to maximize participation, and that NYSERDA issue a standard form ISC contract in advance of the first solicitation to ensure it is consistent with industry standards. Rise supports the proposed 60/40 weighting of price and non-price factors during the bid evaluation process.

Sumitomo SHI FW

Sumitomo recommends that the maximum contract term length for non-lithium-ion bulk storage projects be allowed for up to 35-years and that NYSERDA create a category for inverter and non-inverter-based storage technology to account for differences in dispatch. Sumitomo seeks clarification on whether the monthly REAP will be updated that reflects the proposed methodology by NYSERDA and if there are additional criteria for multi-day storage such as discharge cycles or period between charge. Sumitomo recommends that the proposed electricity system value criterion of 10% in the non-price evaluation factors proposed by NYSERDA be increased to better reflect the value of storage to the grid.