



RE: Case 18-E-0130 In the Matter of Energy Storage Deployment Program.

Dear Secretary Phillips,

The Solar Energy Industries Association (SEIA) submits the following reply comments in the above referenced proceeding.

The NY Energy Storage Roadmap Should Increase the Capacity Targets and Funding for the Residential Storage Program

The Solar Energy Industries Association (SEIA) DER Parties support the recommendations of the New York Solar Energy Industries Association (NYSEIA) filed in the above referenced proceeding, to increase the residential storage incentive program's target capacity of 200 MW to at least 400 MW. The Roadmap's current proposed residential storage target falls short of the Wood Mackenzie U.S. Energy Storage Monitor forecast, which projects an estimated 256 MW of storage deployed in New York by 2027, under current conditions (Table 1)¹. The Roadmap's initial funding target for the residential storage program of \$72 million should also be increased in terms of its total value and on a \$/MW basis as we believe the incentive level may not be sufficient to animate the market. These additive increases to the roadmap are appropriate to reflect the significant demand for residential storage across the state and multiple benefits that residential storage provides.

¹ Wood Mackenzie Power & Renewables/ACP (March, 2023) U.S. energy storage monitor.

Table 1 Projected Installed Residential Storage in NY

Market	2022	2023	2024	2025	2026	2027
MWh	33.1	53.2	84.9	119.1	170.7	214.4
MW	10.3	22.0	32.6	45.8	64.4	80.9

In addition to providing many of the same services as other storage market segments (*e.g.*, bulk and retail), residential energy storage provides numerous benefits and services. For example, residential storage: has much shorter development lead times thus allowing for more rapid deployment; it provides backup power (*i.e.*, resiliency) to homeowners; it is a critical enabling technology for customers to manage electricity bills in response to time-of-use pricing options; it can increase hosting capacity and renewable energy integration; and it provides both location specific (*e.g.*, NWA solutions) and system-wide benefits (*e.g.* peak demand reduction). These benefits can be further facilitated by aggregating individual storage assets into a virtual power plant, which is readily facilitated by a BYOD program model. New York will be well served to allocate additional capacity to the residential storage segment at this early stage to ensure a robust foundation of residential storage capacity is deployed and available to enroll in the programs that are likely to be developed in the near future by the JUs.

Table 2 below provides examples of upfront incentive structures for energy storage programs in other states. These programs provide upfront incentives ranging in value - however,

an incentive amount that is too low will not animate the market. The DER Parties thus urge Staff and NYSERDA to (1) increase the total capacity target for the residential storage program; and (2) increase the upfront incentive funding as a whole as well as on a \$/MW basis to better encourage deployment in this initial phase of the program. As new performance programs become available for residential storage to provide system benefits (e.g. BYOD programs for customers to provide peak reduction services) and unlock the revenue streams from participating in those programs, Staff and NYSERDA may consider whether these programs are sufficient to justify a phased step-down of the higher upfront deployment incentive over time.

Table 2: Energy Storage Program Upfront Deployment Incentives in Other States

State	Program	Incentive Amount
California	Self-Generation Incentive Program ²	\$500/kWh – Step 1 \$400/kWh – Step 2 \$350/kWh – Step 3 \$300/kWh – Step 4 \$250/kWh – Step 5 \$200/kWh – Step 6 \$150/kWh – Step 7
Connecticut	Energy Storage Solutions Program ³	\$200/kWh – Step 1 (10 MW) \$170/kWh – Step 2 (15 MW) \$130/kWh – Step 3 (25 MW)

² Self-Generation Incentive Program Handbook (March 6, 2023), p. 26. Available at: <https://www.selfgenca.com/>.

³ Energy Storage Solutions Program Manual (January 20, 2023), p. 41. Available at: <https://energystoragect.com/contractor-resources/>. Values listed represent the upfront incentive payment rate; this program also includes performance incentives.

State	Program	Incentive Amount
Illinois	Ameren Illinois Rider CGR – Customer Generation Rebate ⁴ Commonwealth Edison Rider DG REBATE ⁵	\$300/kWh
Oregon	Solar + Storage Rebate ⁶	\$300/kWh (Capped at lower of 40% of system costs or \$2,500)

⁴ Ameren Illinois Company, Ill. C. C. No. 1, 1st Revised Sheet No. 59.003. Available at: <https://www.ameren.com/-/media/rates/files/illinois/aie159rdcgr.ashx>

⁵ Commonwealth Edison Company, Ill. C. C. No. 10, 1st Revised Informational Sheet No. 48. Available at: <https://www.comed.com/SiteCollectionDocuments/MyAccount/MyBillUsage/CurrentRates/Ratebook.pdf>.

⁶ Oregon Administrative Rules 330-240-0110. Available at: <https://secure.sos.state.or.us/oard/displayDivisionRules.action?selectedDivision=5704>.