



NYSERDA

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June 21, 2019

ELECTRONIC FILING

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

Re: Case 18-E-0130 – In the Matter of Energy Storage Deployment Program

Dear Secretary Burgess:

The New York State Public Service Commission Order of December 13, 2018, *Order Establishing Energy Storage Goal and Deployment Policy* (“Order”) in the above-referenced case directed New York’s investor owned utilities (“IOUs”) to procure bulk energy storage dispatch rights. Consolidated Edison Company of New York, Inc. (“Con Edison”) is required to procure at least 300 MWs and the other IOUs are each required to procure at least 10 MWs, so long as awarded offers do not exceed a utility-defined ceiling. The New York State Energy Research and Development Authority (“NYSERDA”) was required to design its bulk system component of its market acceleration incentive to work in coordination with these utility procurements. NYSERDA hereby files this informational letter to clarify for potential bidders to the utility bulk energy storage dispatch rights solicitations how the NYSERDA incentive will be provided.

Rather than a single utility contract that includes the NYSERDA market acceleration incentive, two contracts will now be entered into with selected bidders – one from the utility and one from NYSERDA. Bidders will still respond to the utility solicitation with one bid price. This price should be irrespective of the ultimate composition of funding between the utility and NYSERDA. There will not be a separate process to apply for the NYSERDA incentive. Selected bidders will enter into two contracts: first, a contract with NYSERDA for the market acceleration incentive in a form similar to the [bulk storage incentive contract](#), and second, a contract with the utility in accordance with the respective utility’s RFP process.

The funding structure and timing will be the same for the utility and NYSERDA contracts (e.g., Con Edison and Orange & Rockland (“O&R”)) anticipate that 70% of the accepted bid price would be paid upon entering commercial operation and the remaining 30% would be paid annually over the dispatch rights term upon meeting performance

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requirements). Both the utility and NYSERDA will require a letter of credit that declines during the course of the dispatch rights contract.

NYSERDA and the Joint Utilities are working together to ensure there are not conflicting provisions within the two contracts. The final Con Edison / O&R RFP is expected to be released on July 15, 2019 and will include the specific payment terms, as well as the utility and NYSERDA standard contracts. The other investor owned utility RFPs are expected to be issued in draft form for comment on July 30, 2019.

If you have any questions regarding this filing, please do not hesitate to contact Jason Doling at 518.862.1090, ext. 3558.

Sincerely,

NYSERDA Energy Storage Team