

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

At a session of the Public Service
Commission held in the City of
Albany on April 15, 2021

COMMISSIONERS PRESENT:

John B. Howard, Interim Chair
Diane X. Burman, concurring
James S. Alesi
Tracey A. Edwards

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

ORDER DIRECTING MODIFICATIONS TO
ENERGY STORAGE SOLICITATIONS

(Issued and Effective April 16, 2021)

BY THE COMMISSION:

INTRODUCTION

On December 18, 2018, the Public Service Commission (Commission) issued the Energy Storage Order,¹ which directed New York's electric investor-owned utilities² (Joint Utilities or IOUs) to competitively procure dispatch rights for bulk-level energy storage systems to be operational by December 31, 2022. The Commission further required Con Edison to contract for a minimum of 300 megawatts (MW) of qualified energy storage

¹ Case 18-E-0130, Energy Storage Deployment Program, Order Establishing Energy Storage Goal and Deployment Policy (issued December 18, 2018) (Energy Storage Order).

² The Joint Utilities are Central Hudson Gas & Electric Corporation (Central Hudson), Consolidated Edison Company of New York, Inc. (Con Edison), New York State Electric & Gas Corporation (NYSEG), Niagara Mohawk Power Corporation d/b/a National Grid (National Grid), Orange and Rockland Utilities, Inc. (O&R), and Rochester Gas and Electric Corporation (RG&E).

systems, while the other IOUs were required to contract for a minimum of 10 MW each.³ The IOUs conducted the first round of solicitations throughout 2019 and the first part of 2020. The Joint Utilities that did not meet these minimum requirements as part of the first solicitation are expected to conduct additional rounds of solicitations until the statewide target of 350 MW of bulk-level energy storage systems is met.⁴

On October 30, 2020, the Joint Utilities filed a petition seeking to modify the Energy Storage Order in order to improve the procurement results (the Petition). The Petition notes that negotiations continue with winning bidders from the first round of solicitations, but collectively the IOUs were not able to attain the full 350 MW target. The Joint Utilities request certain modifications to allow future solicitations to incorporate the experience and lessons learned from the first procurement and ask for additional time to fulfill the Energy Storage Order goals.

THE PETITION

The Petition explains that after the first solicitation, the Joint Utilities collectively and individually, in collaboration with Department of Public Service Staff (Staff) and the New York State Energy Research and Development Authority

³ A qualified energy storage system includes a commercially available thermal process technology that is capable of absorbing energy, storing it for a period of time, and thereafter dispatching the energy. Public Service Law (PSL) §74(1).

⁴ Central Hudson, NYSEG, O&R, and RG&E have indicated that their first Request for Proposals (RFPs) did not result in economically viable bids. See, Case 18-E-0130, supra, Central Hudson Closing Letter (filed July 2, 2020); O&R Closeout Letter (filed July 2, 2020); RG&E Closeout Letter (filed July 10, 2020); and, NYSEG Closeout Letter (filed December 2, 2020).

(NYSERDA), participated in debriefings and gathered feedback on ways to improve the solicitation process. As part of these efforts, each of the Joint Utilities interviewed the developers that submitted bids in response to their respective RFPs. Additionally, the Joint Utilities held a technical conference with energy storage industry stakeholders to discuss the procurement process, review several proposed RFP changes for consideration, and solicit additional feedback.⁵ According to the Joint Utilities, stakeholders provided feedback during and following this technical conference, including via a dedicated email address, and generally expressed support for making changes to improve the cost-competitiveness and cost-effectiveness of future solicitations.

Specifically, the Joint Utilities request three changes to be incorporated into the next solicitation based on this feedback: (1) an extension of the in-service date from December 31, 2022, to no later than December 31, 2025; (2) an extension of the maximum dispatch rights contract duration from the current "up to seven years" to "up to ten years;" and, (3) an additional procurement option whereby the utility could solicit and purchase storage projects from a developer upon project operation, and after an established ownership period could seek to sell the storage project if the sale would produce a ratepayer benefit.

According to the Joint Utilities, the December 31, 2022 in-service deadline was appropriate for the storage resources procured by the first solicitation that began in 2019, but the deadline is not attainable for the next round of solicitations. The Joint Utilities that did not reach their storage targets in the first solicitation are currently

⁵ See, Case 18-E-0130, *supra*, Letter Announcing Technical Conference (filed September 10, 2020).

developing the next round of competitive solicitations, and plan to issue a second RFP during the second quarter of 2021. Following this solicitation, assuming the Joint Utilities are able to select and complete contract negotiations with winning bidders in early 2022, those projects would have an in-service date well beyond December 31, 2022, the Petition explains. The Joint Utilities note that this is particularly true for projects required to enter the New York Independent System Operator, Inc. (NYISO) interconnection Class Year process. Therefore, the Joint Utilities urge the Commission to modify the in-service date whereby projects are required to be operational by no later than December 31, 2025, with the potential to begin dispatch earlier for any project that can be placed in-service sooner.

Next, the Petition summarizes developer feedback regarding the significant uncertainty about realizable merchant revenues after the seven-year dispatch rights contract expires. The Joint Utilities explain that, as a result, developers submitted bids designed to recover a significant percentage of their costs over the seven-year contract period. Extending the contract term beyond seven years would permit the amortization of costs over a longer period of time, thereby providing the IOUs a lower annual contract cost. The Joint Utilities further explain that because the NYISO market rules for energy storage are under development and do not yet provide a certain revenue stream to finance merchant storage projects, a modest increase to the contract duration is appropriate. The Joint Utilities therefore urge the Commission to authorize the next RFPs to solicit bids for contracts of up to ten years.

Finally, given that the NYISO market rules are at an early stage of development, the Joint Utilities recommend an additional option for procuring energy storage resources in the next round of RFPs. According to the Joint Utilities, this

utility ownership model would be an additional pathway to developing energy storage projects that would ultimately be owned and operated by competitive market participants.

Specifically, the Joint Utilities urge the Commission to allow the Joint Utilities to solicit bids from energy storage providers to develop turn-key projects that the utility would purchase and own for a period of time. At the end of this utility ownership period, the utility would conduct a two-step request for information (RFI) and RFP process to evaluate interest from, and execute contracts with, third parties to purchase the storage assets.⁶ The Joint Utilities propose that prior to initiating the RFI/RFP process, the IOUs would develop a bid floor with Staff to provide a fair price for utility customers. Under this proposal, if there is insufficient interest or the bid floor is not met, the utility would retain ownership for two additional years and then repeat the RFI/RFP process.

According to the Joint Utilities, the option to sell the project to the IOU would address concerns regarding the uncertainty of NYISO market revenues and may appeal to entities more interested in developing rather than owning energy storage systems. The Joint Utilities explain that these engineering, procurement, and construction (EPC) firms have been a vital component of New York's commercial and utility-scale energy storage project market. Under this approach, the Petition states, the IOU would also contract with the developer to provide the project with operational and maintenance (O&M) services for the initial contractual period, with optional two-year extensions. Under this utility ownership proposal, the IOU

⁶ The Petition notes that the IOUs lease or sale of real or personal property would require Commission approval under PSL §70.

would capitalize and recover the revenue requirement of the project in base rates from all customers. Upon the sale of the storage project, the Joint Utilities propose that any resulting net gains or losses would be distributed to or recovered from all customers.⁷

PUBLIC NOTICE

Pursuant to the State Administrative Procedure Act (SAPA) §202(1), a Notice of Proposed Rulemaking was published in the State Register on December 23, 2020 [SAPA No. 18-E-0130SP8]. The time for submission of comments pursuant to the Notice expired on February 22, 2021. Comments were received by Independent Power Producers of New York and Alliance for Clean Energy of New York (IPPNY and ACENY), Microgrid Networks, LLC (MGN), New York Battery and Energy Storage Technology Consortium, Inc (NY-BEST), New York State Energy Research and Development Authority (NYSERDA), and Sunrun, Inc. (Sunrun). The comments are summarized in Appendix A and addressed below.

LEGAL AUTHORITY

The Commission has broad jurisdiction, power, and duties over the “[m]anufacture, conveying, transportation, sale, or distribution of . . . electricity . . .”⁸ 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.” The Commission’s supervision of electric corporations includes the responsibility

⁷ The Petition states that the PSL §70 filing would provide the accounting details for the transaction.

⁸ PSL §5.

to ensure that all charges made by such corporation for any service rendered shall be just and reasonable.⁹ PSL §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. Additionally, the Commission has the authority to direct the treatment of Distributed Energy Resources (DERs) by electric corporations.¹⁰

Pursuant to PSL §74, the Commission is required to establish, in consultation with NYSERDA, the NYISO, and the Long Island Power Authority, a statewide energy storage goal for 2030, and a deployment policy to support that goal. The actions directed by this Order are within the Commission’s regulatory authority indicated above and advance the Commission’s statewide energy storage goal and deployment policy established by the Energy Storage Order.

DISCUSSION

The Energy Storage Order established ambitious energy storage deployment goals and a suite of far-reaching policies to help achieve them. As is typical with initiatives addressing nascent markets like energy storage, regular evaluation of the effectiveness of Commission policy is built into its implementation. The Commission explained in the Energy Storage Order that the incremental nature of its energy storage deployment policy allows the Commission to make necessary adjustments where appropriate, and required Staff to highlight

⁹ PSL §65.

¹⁰ PSL §§5(2), 66(1), 66(2), 66(3), 66-c, 66-j, and 74.

program areas that should be revisited on an annual basis.¹¹ These review opportunities allow the Commission to take corrective action and to address new matters as they arise. The changes proposed by the Joint Utilities, based on feedback from developers and other stakeholders, are consistent with this approach and will appropriately allow subsequent procurements for storage dispatch rights contracts to reflect experience learned from the first solicitation.

In-Service Date Extension

The Petition requests that the Commission extend the in-service date of the energy storage resources from December 31, 2022, to December 31, 2025. Most commenters support extending the energy resource in-service date to December 31, 2025. The Joint Utilities' assertion that the initial in-service date was appropriate for the first solicitation, but is not attainable for the next round of procurements, is persuasive. The Commission agrees with the Joint Utilities that it would not be feasible to select and complete negotiations with winning bidders, and to then afford adequate time for any necessary permitting and construction activities to meet a December 31, 2022 in-service date. The RFP should be designed to drive interest and competition to produce a successful outcome for the utilities. Extending the in-service date provides a better timeframe for both the utilities and the project developers. Therefore, the Commission adopts the Joint Utilities' request to extend the in-service date to December 31, 2025. The Commission underscores that this is a "no later than" in-service date, and the Joint Utilities and winning projects

¹¹ Additionally, the Commission will conduct a triennial review of the progress towards achieving the energy storage deployment goal and the effectiveness of the energy storage deployment policy in meeting this state goal. Energy Storage Order, pp. 107-108.

continue to have the flexibility to begin dispatch earlier for any projects that can be in-service sooner.

Maximum Contract Duration

The Commission also agrees with the Joint Utilities and developers regarding extending the maximum contract duration beyond seven years to ten years. A ten-year contract duration will permit amortization of costs over a longer period of time and provide the utilities, and ultimately ratepayers, with a lower annual cost. Most commenters support extending the maximum contract duration to ten years; IPPNY and ACENY assert that it will improve the cost-competitiveness and effectiveness of the solicitations.

The Commission finds that extending the maximum contract duration to ten years will allow developers more flexibility in financing projects and lower utility and ratepayer cost impacts. The Commission therefore directs that the second round of competitive procurements, and subsequent needed procurements, shall be for a contract duration of up to ten years. The Joint Utilities shall amortize and recover the contract costs over the term of the contract.

Utility Ownership Proposal

The Petition recommends including an additional ownership option for utilities in procuring energy storage resources in the next round of RFPs. Most commenters object to the Joint Utilities' proposal and argue that the proposal fails to demonstrate a compelling reason why the Commission should deviate from its current position of only limited utility ownership of energy storage resources. NY-BEST believes that a broader utility role could distort the competitive playing field for developers and disadvantage developers not willing to sell their product to utilities. Further, NY-BEST argues that it is

unclear how utility-owned storage projects would be treated with respect to tariffs and rates.

IPPNY and ACENY maintain that allowing utility-owned storage assets would be a major step back from years of pro-competitive electricity market Commission policy. Additionally, IPPNY and ACENY note that it would be impossible to fairly compare the costs and benefits of a cost-of-service, rate-based proposed project with that of a private developer's project. IPPNY and ACENY argue that, as the NYISO continues to modify its market participation rules for energy storage, more certain revenue streams for developers should occur.¹²

MGN opposes utility-owned storage resources and agrees with IPPNY and ACENY that energy storage revenue uncertainty is progressively being mitigated with the development of the NYISO energy storage market. MGN believes that utility ownership of energy storage resources would shift the risk of uncertainty onto utility ratepayers. MGN posits that the Commission should not abandon the efforts made by the State to address market barriers and support the development of competitive markets.

The Commission finds that competitive ownership of energy storage assets, and of DERs in general, is a core principle and the existing limitations on utility ownership of energy storage should be maintained if possible. In the REV Framework Order, the Commission delineated the circumstances in which utility ownership would be considered, including where:

- (1) procurement of DERs have been solicited to meet a system

¹² Specifically, IPPNY and ACENY refer to the Federal Energy Regulatory Commission's (FERC) acceptance of the NYISO's proposed tariff revisions that allow full energy storage participation in its wholesale energy markets, which should result in providing developers with greater certainty in estimating market revenues and result in more precise bids in future utility energy storage solicitations.

need, and a utility has demonstrated that competitive alternatives proposed by non-utility parties are clearly inadequate or more costly than a traditional utility infrastructure alternative; (2) a project consists of energy storage resources integrated into distribution system architecture; (3) a project will enable low or moderate income residential customers to benefit from DERs where markets are not likely to satisfy the need; or (4) a project is being sponsored for demonstration purposes.¹³ When considering the Joint Utilities' proposal, the Commission must take into account if any of these circumstances exist.

Although the first solicitation did not achieve the minimum amounts of storage dispatch rights described in the Energy Storage Order, the Commission does not find that any of the circumstances adopted in the REV Framework Order apply to the utility solicitation process. As directed by the Energy Storage Order, the Commission reiterates that the storage asset shall remain the property of the developer.¹⁴ Furthermore, the Commission agrees with IPPNY and ACENY that, as the NYISO continues to refine its market participation rules for energy storage and the energy and ancillary market enhancements better reflect the value that energy storage provides, certainty of revenue streams for developers will improve. However, the Commission does note that capacity market revenue uncertainty in some locations, due to buyer-side mitigation rules, remains a large obstacle that it is committed to addressing in other proceedings. Changes to the NYISO market rules and other

¹³ Case 14-M-0101, Proceeding on Motion of the Commission in Regard to Reforming the Energy Vision, Order Adopting Regulatory Policy Framework and Implementation Plan (issued February 26, 2015) (REV Framework Order), p. 70.

¹⁴ Energy Storage Order, p. 54.

regulatory efforts will continue to reduce barriers and provide more market confidence to potential bidders, resulting in more accurate and competitive bids to be submitted in future solicitations.

The currently strong position in achieving the energy storage deployment goals favors caution in significantly shifting the Commission's support for competitive electricity markets and it is appropriate to be conservative when considering utility ownership under the market failure exception. At the end of 2020, about 79 percent of the 2025 target of 1,500 MW and 40 percent of the 2030 target of 3,000 MW have been awarded or contracted, and over 8,000 MW of energy storage projects are presently in IOU and NYISO interconnection queues.¹⁵ Therefore, the Commission finds no compelling reason presently to modify its stated preference for third parties to develop these projects, and the Petition's proposal for the utility ownership model is rejected.

Other Matters

NY-BEST recommends that the utilities and NYSERDA clarify, upfront, the percent of the bulk energy storage incentive being awarded through the RFP. NY-BEST also states that it is not clear to developers responding to the utility RFPs what portion of the total compensation is from the utility compared to NYSERDA, and developers are therefore uncertain as to what percent of revenues would be subject to a "claw-back" provision if the project does not meet the operational requirements of the NYSERDA bulk incentive award. NY-BEST proposes aligning the claw-back period to be consistent with the

¹⁵ Case 18-E-0130, State of Storage: Annual Energy Storage Deployment Report Pursuant to Public Service Law §74, Department of Public Service Staff (issued April 1, 2021).

contract term in order to resolve this confusion. The Commission appreciates NY-BEST's point that it is not clear to developers responding to the utility RFPs what portion of the total revenue stream is from the utility contract versus from the NYSERDA incentive. While this is true at the RFP stage, importantly, a chosen project's revenue stream is clear to any winning bidders that proceed to contract with a utility. No developer that proceeds with a winning bid's contract negotiation and execution would be uncertain as to what portion of their revenue stream would be subject to a claw-back. This information is transparent and known to winning project developers.

Additionally, NY-BEST and NYSERDA recommend increasing the minimum MWs of bulk dispatch rights contracts for the upcoming solicitations. Given the enactment of the Climate Leadership and Community Protection Act (CLCPA),¹⁶ NYSERDA suggests increasing the storage target for utilities outside of Con Edison's service territory to 20 MW to encourage larger developers to participate and help meet the State's clean energy goals. NY-BEST suggests increasing those same procurement targets to a minimum of 50 MW. Sunrun urges the Commission to modify the market participation rules for customers with DERs paired with energy storage to participate in dynamic load management programs, stating that it would provide a pathway for customer-sited energy storage. While the Commission appreciates Sunrun's suggestions, they are beyond the scope of this proceeding and should be discussed and evaluated in other proceedings.¹⁷

¹⁶ See Chapter 106 of the Laws of 2019. The CLCPA is available at: <https://legislation.nysenate.gov/pdf/bills/2019/S6599>.

¹⁷ Specifically, Sunrun's comments may be more appropriate for Case 15-E-0751 or Case 14-E-0423.

Given the existing ability for any of the utilities to procure storage dispatch rights contracts that are economic and beneficial to ratepayers above the minimum MW amounts directed by the Energy Storage Order, defining a new minimum target is unnecessary at this time. The Commission acknowledges NYSERDA's comment that recent studies have concluded that New York may need more than the target of 3,000 MW of storage deployment to meet the CLCPA's 2040 decarbonization goal. The directives made in in this Order are in reaction to the minimum targets not being procured in an economic manner in the first round of RFPs. It is important to first get the revisions in place for the next round of RFPs, then monitor and evaluate the outcomes of the next solicitation before directing a more aggressive energy storage deployment target. The Commission expects the energy storage procurement goals to be reviewed as part of the triennial review required by the Energy Storage Order.

CONCLUSION

The extension of the in-service date and extension of the maximum contract duration approved by this Order will facilitate the Energy Storage Order's directive for the Joint Utilities to competitively procure a minimum of 350 MW of qualified energy storage dispatch rights contracts. By declining to adopt the proposed utility ownership model, the Commission continues to promote third-party asset ownership and a competitive market for qualified energy storage systems in New York. The Commission expects Staff to continue to collaborate with the Joint Utilities, NYSERDA, the Long Island Power Authority, and the NYISO to advance the energy storage deployment policy and report any recommended changes in the triennial review.

The Commission orders:

1. Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation are directed to file updated implementation plans detailing the competitive direct procurement process for qualified energy storage systems reflecting the changes adopted in this Order, within 30 days of the effective date of this Order.

2. Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation are directed to file tariff revisions necessary to effectuate cost recovery of the contract costs up to ten years on not less than 30 days' notice, to become effective on a permanent basis on July 1, 2021.

3. The requirements of Public Service Law §66(12)(b) and 16 NYCRR §720-8.1 as to newspaper publication for the tariff revisions directed in Ordering Clause No. 2 are waived.

4. 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.

5. This proceeding is continued.

By the Commission,

(SIGNED)

MICHELLE L. PHILLIPS
Secretary

SUMMARY OF COMMENTSJoint Comments of Independent Power Producers of New York and Alliance for Clean Energy of New York (IPPNY and ACENY)

IPPNY and ACENY support the Joint Utilities' request for an extension of the in-service date and maximum dispatch rights contract duration. They believe it will improve the cost-competitiveness and effectiveness of future solicitations. Further, they recommend inclusion of enforcement provisions that prevent the Joint Utilities from seeking additional extensions of the in-service date.

IPPNY and ACENY oppose the Joint Utilities' request to own energy storage, and believe that the Joint Utilities fail to demonstrate a compelling reason why the Commission should deviate from its position on utility ownership outlined in the Energy Storage Order. They argue that it is impossible to compare the costs and benefits of a proposed project that will obtain cost-of-service rate based-recovery with a private developer's proposed project. Additionally, IPPNY and ACENY note that the Joint Utilities did not accept all the contracts they received in the first solicitation because they were uneconomic. IPPNY and ACENY do not believe that utility ownership will improve the economics of these projects. They believe that the cost of uncertainty will be shifted to ratepayers.

Further, they believe that because of the rapid pace of energy storage technologies, the Commission should stay the course so consumers will benefit from the innovation and cost reductions achieved by competitive developer-owned projects. IPPNY and ACENY point out that recent changes in NYISO tariffs will allow for more precise bids in future utility solicitations. Lastly, IPPNY and ACENY posit that utility

ownership should be the last resort. Rather, they recommend that the Commission direct the Joint Utilities to hold a solicitation with clearer and more specific guidelines with a new in-service date and contract terms and provide sufficient time for the bidders to respond before considering utility ownership.

Microgrid Networks, LLC (MGN)

MGN supports the Joint Utilities' proposal to extend the in-service date for storage resources and extend the maximum dispatch rights contract duration. MGN supports NY-BEST's argument that the Commission ensure that utility bulk storage procurements align with NYSERDA bulk storage incentives to reduce the cost risks to storage projects. Further, MGN supports the argument that developers need to know the percentage of revenue awarded by NYSERDA and the utility to make better informed decisions.

MGN urges the Commission to reject the Joint Utilities' proposal to allow utilities to own storage resources. MGN believe that this proposal would crowd out private capital from New York's energy storage market. MGN notes that the primary reason for energy storage deployment delays in New York City is the archaic and costly regulatory and utility practices. MGN states that the Joint Utilities' petition runs counter to the Commission's policy against utility ownership of storage resources. Further, MGN adds that the Joint Utilities' petition lacks details as to utility-conditions of ownership and would create uncertainty in the future market. MGN argues that the Commission has remained consistent with their position of third-party ownership of energy storage resources.

MGN argues that energy storage deployment has advanced at a rapid pace in recent years and notes that recent programs

have contributed to the deployment or contracting of 706.6 MW of energy storage. MGN believes that revenue uncertainty is progressively being diminished and cites recently approved provisions at FERC to allow for full participation of energy storage in wholesale energy, ancillary services, and capacity markets. MGN argues that utility-owned projects will not improve the market but shift the cost to ratepayers.

New York Battery and Energy Storage Technology Consortium, Inc (NY-BEST)

NY-BEST supports extending the in-service date to December 31, 2025, and recommends two revisions: the RFP should clearly allow projects to be delivered earlier than December 31, 2025, and the Commission should increase utility energy storage procurement targets to support the State's energy storage and clean energy goals. NY-BEST states that the upstate utilities that have operations outside the mitigation zones of the NYISO should have procurement targets increased to a minimum of 50 MW each.

NY-BEST supports extending the maximum dispatch rights contract duration from seven to ten years. However, NY-BEST urges the Commission and DPS Staff to work with NYSERDA to ensure its bulk energy storage incentive is aligned with utility storage procurements. NY-BEST recommends that NYSERDA and the utilities clarify upfront the percent of the incentive revenue being awarded with the RFP, and notes that the NYSERDA incentive requires 20-year operation of the bulk storage or faces a claw-back. It is not clear to developers responding to the utility RFP, what percentage is the total compensation from the utility compared to NYSERDA. NY-BEST recommends aligning the claw-back period to the contract term.

NY-BEST continues to support the Commission position on utility ownership of energy storage, which only allows for utility ownership in limited circumstances. NY-BEST argues that utility ownership could distort the competitive playing field for developers responding to the utility RFP and disadvantage developers not willing to sell their projects. Further, NY-BEST states that it is unclear whether the utility assets would be treated the same as a developer-owned Energy Storage Resource. NY-BEST believes there are several improvements that can be made to the Joint Utilities' energy storage procurements to yield better results.

New York State Energy Research and Development Authority
(NYSERDA)

NYSERDA supports the Joint Utilities' requests to modify the in-service date and the maximum contract duration. NYSERDA requests that the Commission consider increasing the minimum bulk dispatch rights utility targets for the upcoming solicitations. NYSERDA argues that the State's significant clean energy goals have changed and the 10 MW "minimum" target for utilities may be too small to encourage deployment of the necessary amount of bulk storage to reach the CLCPA's 70 by 30 goal. Additionally, the 10 MW goal may prevent a developer that concentrates on larger projects from participating. NYSERDA states that recent studies have concluded that New York may need more than the target of 3,000 MW of storage deployment to meet the CLCPA's 2040 decarbonization goal.

Sunrun, Inc.

Sunrun believes that the Petition highlights crucial shortcomings of the competitive solicitation process and underscores the need for revisions to energy storage policies.

Sunrun recommends that the Commission modify market participation rules for customers with DER paired with energy storage to participate in dynamic load management and other grid service programs. Sunrun believes these changes will expand market opportunities for distributed storage, unlock system values these resources can deliver, provide savings to all ratepayers, and drive storage deployment to help meet clean energy goals. Sunrun notes that grid service and ratepayer benefits of residential DERs paired with storage is well recognized.