

**BEFORE THE
STATE OF NEW YORK
PUBLIC SERVICE COMMISSION**

_____)	
Proceeding on Motion of the Commission)	Cases 25-E-0764
To Address New York City Reliability Needs)	
)	
In the Matter of Modifications to the New)	24-E-0621
York State Standardized Interconnection)	
Requirements and Application Process for)	
New Distributed Generators and/or Energy)	
Storage Systems 5 MW or Less Connected)	
in Parallel with Utility Distribution Systems)	
)	
In the Matter of Energy Storage Deployment)	18-E-0130
Program)	
_____)	

**COMMENTS OF THE NEW YORK POWER AUTHORITY ON
THE NOTICE SOLICITING COMMENTS**

The New York Power Authority (NYPA) respectfully submits these comments in response to the New York State Public Service Commission’s (Commission) Notice Soliciting Comments (Notice) dated February 20, 2026, in the above-captioned matters. The New York Battery and Energy Storage Technology Consortium (NY-BEST) filed a petition seeking immediate relief (Petition) that asserted Consolidated Edison Company of New York, Inc. (Con Ed or the Company) changed its methodology for evaluating new battery energy storage system (BESS) interconnections processed under the Coordinated Electric System Interconnection Review (CESIR). NY-BEST argued that this methodology change resulted in requiring costly infrastructure upgrades, making the interconnection economically unviable for storage developers. NYPA provides the following comments in response to the Petition and Notice.

I. Background

On January 13, 2026, NY-BEST filed the Petition entitled a Call for Immediate Relief.¹ Within the Petition, NY-BEST stated that Con Ed changed its methodology for BESS interconnection review under CESIR, inappropriately lowering the threshold for infrastructure upgrades. The new approach determines that a battery project will violate substation equipment thermal capacity if charging contributes to a load curve that is greater than 70% of the total thermal capacity of the substation. If a project triggers this 70% threshold, then the project must pay for upgrades. According to NY-BEST, this rule-change stifled energy storage interconnections across approximately 85% of Con Ed's territory.²

On January 14, 2026, one day after NY-BEST filed its Petition, Con Ed responded and filed information in this proceeding related to its BESS interconnections. The Company stated that as of December 31, 2025, its interconnection queue for BESS projects five megawatts or less total approximately 2,500 MW, which Con Ed asserted represents a 300% increase over two years.³ The Company anticipates that it will continue to experience a growth in BESS interconnection requests due to the price signals of the Value of Distributed Energy Resources (VDER or Value Stack) and other incentives.⁴ Con Ed explained that BESS projects are clustered in areas where development is most economic, and stated that BESS projects generally seek to charge overnight during off-peak when rates are cheaper. Given this system behavior, Con Ed raised a concern that the cumulative effect of overnight charging across numerous clustered BESS projects could create an overnight peak that exceeds the Company's reliability thresholds.⁵ To accommodate this peak from BESS buildout, Con Ed stated that its infrastructure at the area substation or sub-transmission level may require upgrades that would not be required in the absence of the BESS.⁶

To determine whether such upgrades are required, Con Ed uses a two-part interconnection test. The Company considers whether the BESS project's charging operations

¹ Case 25-E-0764, et. al, Call for Immediate Relief (January 13, 2026).

² Id. at 1.

³ Case 25-E0764, et. al, Con Edison Notice on SIR Energy Storage (January 14, 2026), at 2. (Con Ed Response).

⁴ Id.

⁵ Id.

⁶ Id.

will (1) create an area station or sub-transmission peak, and (2) exceed area station or sub-transmission reliability capacity thresholds. To determine the second part of the test, Con Ed uses a 70% area station and sub-transmission feeder reliability capacity threshold.⁷ The Company asserted that the rule is consistent with the New York State Standardized Interconnection Requirements (SIR) and in accordance with CESIR.

II. Discussion

NYPA appreciates the issue raised by NY-BEST and the swift response of Con Ed. It is unclear if Con Ed's 70% substation thermal threshold is applied only when adding BESS charging load, or if it also applies when adding new load. NYPA recommends that the Commission direct Department of Public Service Staff (DPS Staff) to convene the Interconnection Technical Working Group (ITWG) and further assess the assumptions used when applying the new rule and if the 70% rule is applied fairly. Moreover, it should be recognized that distributed batteries participating in the Value Stack are different than other loads, because it not only withdraws electricity for charging but also injects. Recognizing this unique behavior, NYPA recommends the Commission direct the utilities to propose withdrawal rules, that are complementary to storage resources' charging behaviors, for example restrict hours of charging and/or allow for a restricted contract demand level. Energy storage can be a grid asset, and a resource that supports the State's resiliency, cost, and emissions goals.

A. Consistent Application of Substation Threshold Rules for Distributed Storage and Load

Neither the Petition nor the Con Ed Response identify whether the Company's rule in question applies only to BESS, or if a similar review is required for any load interconnection that falls under the same service classification. Both documents only reference that the methodology is used for storage, and the Con Ed Response details why it is used for BESS, indicating that the 70% rule is applied only to BESS. If that is true, then the methodology may be unfairly prejudicial to one type of resource.

⁷ Con Ed SIR Response at 6.

In addition, if the rule unfairly burdens storage only in the Con Ed territory, then it may conflict with State energy policy goals. New York’s statewide energy storage goals include 6 GW of storage capacity by 2030,⁸ of which the Commission identified separate programs supporting 1,500 MW of distributed projects with specific targets for Zone J.⁹ Battery storage resources may inject electricity into the grid during peaks, and thus decrease the need for fossil fueled peaker plants. Storage may be charged from intermittent renewable resources, and discharge the electricity when demand is highest. Particularly in downstate zones, where a higher percentage of electricity generation comes from fossil units and the need for peaking power is the greatest, storage resources may assist the State and City in cost and emissions reductions. If the results of Con Ed’s interconnection methodology are limiting additional distributed BESS from coming online, then it may be more difficult to achieve the State energy and emissions goals. Based on the foregoing, NYPA recommends that energy storage charging be discussed further in the ITWG and consider revised withdrawal rules.

B. Consider Designing Complementary Withdrawal Rules

To receive compensation under the Value Stack, storage assets have certain requirements for discharging electricity into the grid. Simply, VDER pays storage assets a value for discharge performance, such as providing electricity during peak. However, VDER only implicates the injection of electricity into the grid from a distributed storage; the charging of the storage is subject to utility tariff and service classification like any other load. Under Con Ed’s tariff, distributed storage that participate in VDER will fall under the service class for large commercial customers, SC 9. This service classification allows customers to withdrawal electricity at any time. Other than economic incentives from “as-used” demand charges to charge off-peak, there is no framework in SC 9 intended to influence BESS charging behavior. While the business practice of distributed storage is to charge when electricity is cheapest, this economic incentive does not resolve Con Ed’s concern that storage units could charge at the same time, even at night

⁸ Chapter 106 of the Laws of 2019. See, Public Service Law (PSL) § 66-p(5), which directed the Commission to establish programs to support 3 GW of statewide energy storage capacity by 2030. See also, Case 18-E-0130, Order Establishing Updated Energy Storage Goal and Deployment Policy. (Issued June 20, 2024). (Updated Storage Order), in which the Commission expanded the goal of 3 GW of storage to 6 GW, and approved funding for incentives.

⁹ Id.

(off-peak) and exceed substation thresholds. In the future, the Commission should consider devising charging rules, a service class, or a new demand charge structure (contract and as-used) that would complement the behavior of VDER-participating storage and ensure that charging does not lead to unintended negative consequences.

One example of a potential approach is Con Ed's Auto-Dynamic Load Management (DLM) program. In 2020, the Commission directed the Joint Utilities¹⁰ to implement, with modifications, resource solicitation plans for their Auto-DLM Programs.¹¹ A utility may call upon a participant in the Auto-DLM Program either (1) during fixed four-hour windows aligned with network peaks on days where the day-ahead load forecast rises above certain thresholds, or (2) call with ten-minute notice in response to emergencies that may impact reliability.¹² According to Con Ed, "[t]he DLM Program rewards customers with cash incentives when they reduce energy use during peak demand to maintain grid reliability."¹³ Applying a similar structure to battery storage charging could alleviate the Company's concerns regarding storage demand on the system.

III. Conclusion

NYPA appreciates the opportunity to provide these comments and looks forward to the opportunity to work with DPS Staff and other stakeholders to advance the interests expressed in these comments. In reviewing the interconnection methodologies for energy storage resources, the Commission may consider requiring utilities to create a new rule or service classification that

¹⁰ The Joint Utilities are identified as Central Hudson Gas & Electric Corporation, Con Ed, 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.

¹¹ Case 18-E-0130, et al., Order Establishing Term-Dynamic Load Management and Auto-Dynamic Load Management Program Procurements and Associated Cost-Recovery (Issued September 17, 2020),

¹² Case 18-E-0130, Joint Utilities Petition for Clarification of the Term-DLM and Auto-DLM Programs (Filed October 19, 2020)

¹³ Con Ed. Dynamic Load Management (DLM) Program Customer Guide, available at: <https://cdnc-dcxprod2-sitecore.azureedge.net/-/media/files/coned/documents/business-partners/business-opportunities/dynamic-load-management/customer-guide.pdf?rev=1b10ecdfe7504e1e8338830b898eaf2c&hash=CDB865C438A2D709B827851BB111DD05>.

would incentivize storage assets to charge in ways that support grid reliability and provide assurance to the utilities that storage facilities will not charge in a way that exacerbates peak demand. The potential improvements noted above would better harness the capabilities of storage, optimize use of existing infrastructure, and advance New York's clean energy and reliability objectives in a cost-effective manner.

Dated: May 4, 2026
Albany, New York

Respectfully submitted,

/s/Alan T. Michaels
Alan T. Michaels
Director Regulatory Affairs
(518) 433-6716
Alan.Michaels@nypa.gov

/s/Mary Anne Bonilla
Mary Anne Bonilla
Principal Attorney
(518) 944-8302
MaryAnne.Bonilla@nypa.gov