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GOVERNOR ANDREW M. CUOMO

GOVERNOR CUOMO ANNOUNCES DRAMATIC INCREASE IN ENERGY EFFICIENCY AND ENERGY STORAGE TARGETS TO COMBAT CLIMATE CHANGE

2025 Energy Efficiency Targets Will Reduce Energy Consumption by Equivalent of 1.8 Million Homes Annually and Create as Many as 50,000 New Jobs

Energy Storage Initiative Will Provide Enough Electricity for 1.2 Million Homes and Produce \$2 Billion in Benefits to New Yorkers

Aggressive Pursuit of Energy Efficiency and Energy Storage Vital to Meet New York's Clean Energy Goals

Governor Andrew M. Cuomo today announced that the New York State Public Service Commission approved two initiatives to dramatically increase New York's energy efficiency and energy storage targets to combat climate change. The new energy efficiency target for investor-owned utilities will more than double utility energy efficiency progress by 2025, reducing the state's energy consumption by the equivalent of fueling and powering 1.8 million homes. The energy storage initiative sets New York on a trajectory to achieve 1,500 megawatts of storage by 2025, enough electricity to power 1.2 million homes, and up to 3,000 megawatts by 2030. First announced as part of the Governor's 2018 State of the State [clean energy agenda](#), these energy efficiency and energy storage targets are vital to meeting New York's clean energy goals.

"As the federal government continues to ignore the real and imminent dangers of climate change, New York is aggressively pursuing clean energy alternatives to protect our environment and conserve resources," **Governor Cuomo said**. "These unprecedented energy efficiency and energy storage targets will set a standard for the rest of the nation to follow, while supporting and creating jobs in these cutting-edge renewable industries."

"We're investing in projects and programs to advance our aggressive energy goals across the state," **said Lieutenant Governor Kathy Hochul**. "While the federal government has turned its back on energy initiatives to reduce consumption and greenhouse gases, New York is leading the nation to ensure a cleaner and greener environment for future generations and combat climate change."

Energy Efficiency

In his 2018 State of the State address, Governor Cuomo directed the Department of Public Service (DPS) and the New York State Energy Research and Development Authority (NYSERDA) to develop an ambitious new energy efficiency target by Earth Day. In celebration of Earth Day, DPS and NYSERDA staff issued the *New Efficiency: New York* report to establish New York's ambitious 2025 energy efficiency target of 185 trillion British thermal units (TBtu) of cumulative annual site energy consumption by 2025 - equivalent to fueling and powering 1.8 million New York homes annually. *New Efficiency: New York* also identified a comprehensive set of actions to meet that target, with emphasis on increased energy savings through innovative utility efficiency programs, the first steps of which were approved by the Commission today.

The Commission order adopts 31 TBtu of additional site energy reduction by the state's utilities, above existing utility efficiency goals and toward the achievement of the 2025 target. This goal is inclusive of a subsidiary annual three percent reduction in electricity sales by 2025 and 5 TBtu of savings from the installation of heat pumps, which will help further reduce emissions from the heating and cooling of buildings in a cost effective way.

The initiatives resulting from today's order will deliver direct benefits to New York consumers through new building retrofits, upgrades to heating and cooling equipment, and innovative technologies like heat pumps. The Commission has required a minimum of 20 percent of any additional levels of public investment in energy efficiency to be dedicated to the low- and moderate-income sector, helping to ensure that all New Yorkers have equal access to clean, affordable energy.

The associated reduction of carbon pollution resulting from this nation-leading initiative will bring an additional \$1.8 billion in societal and environmental benefits and will continue to grow employment opportunities in the energy efficiency field. Energy efficiency firms employed over 117,000 people in New York in 2017, and employers expect jobs to grow by nearly 6 percent by the end of 2018. If this rate continues through 2025, approximately 50,000 new jobs will be created. NYSERDA plans to provide training to at least 20,000 potential employees in the energy efficiency industry.

Energy efficiency is a vital and fundamental component of New York's Reforming the Energy Vision strategy to build a clean, resilient and affordable energy system to combat climate change and meet New York's ambitious greenhouse gas emission reduction goals.

Energy Storage

In June, Governor Cuomo announced the State's plan to jumpstart the development of energy storage in New York, calling for the deployment of 1,500 megawatts of energy

storage by 2025, or enough electricity for 1.2 million average sized homes, while avoiding more than one million tons of carbon pollution.

To achieve the Governor's goal, the Commission today adopted a comprehensive strategy to address barriers that have been impeding energy storage technologies from competing in the energy marketplace. These actions are intended to accelerate the market learning curve, drive down costs, and speed the deployment of the highest-value energy storage projects for maximum benefit to New Yorkers and the electric grid.

In addition to the 2025 goal, a secondary energy storage deployment goal of 3,000 megawatts for 2030 is being adopted, which was called for pursuant to legislation signed into law last year by Governor Cuomo. When implemented, the strategy adopted by the Commission today will establish a critical foundation for the emergence of this clean-tech industry across the state and support New York's goal to create 30,000 jobs in this industry.

To further stimulate energy storage deployment across the state and spur private sector investment, earlier this week, New York Power Authority (NYPA) announced it will invest \$250 million over the next five years to accelerate the flexibility of the electric grid to give New Yorkers greater access to renewable energy resources such as wind and solar power. This multi-pronged, collaborative effort by NYPA will harness the abilities of third-party providers to address key market and financial barriers, and accelerate implementation of 150 megawatts of grid flexibility projects and decrease market risk.

Both Commission actions today are the result of extensive public outreach, numerous public hearings, regional forums, active stakeholder engagement, and public comment review.

The Commission order also:

- Authorizes a \$310 million market acceleration bridge incentive to be administered by NYSERDA, in addition to \$40 million announced in November for pairing storage with PV projects, and directs NYSERDA to file a market acceleration bridge incentive implementation plan; and
- Directs the State's six major electric utilities to hold competitive procurements for 350 megawatts of bulk-sited energy storage systems.

As more renewable energy resources, such as wind and solar, are brought online, energy storage will enhance efficiency of the electric grid to better integrate these variable resources. Importantly, energy storage will also enable these resources to meet periods of peak demand. Achieving the 2025 energy storage target will produce \$2 billion in gross lifetime benefits to New Yorkers by reducing the reliance on costly, dirty and inefficient energy infrastructure, while also helping to scale up the clean energy industry.

According to a recent report by the American Jobs Project, New York is home to nearly 100 energy storage companies with expertise in hardware manufacturing, advanced materials, software development, and project management, and ranks fifth in the nation for energy storage patents due to the depth of research across its universities, national lab, and businesses.

Richard Kauffman, New York State Chairman of Energy and Finance, said, "Under Governor Cuomo, New York is taking the lead in fighting climate change and growing the clean energy economy. Today's energy efficiency and energy storage actions continues our nation-leading progress to maximize and deploy these important clean energy resources and reduce the need for new infrastructure by integrating solar, wind and energy storage to enable a more reliable and resilient electric grid, ensuring power is delivered when and where it's needed."

Public Service Commission Chair John B. Rhodes said, "Energy efficiency is one of our most important clean energy resources and one of the smartest investments we can make. Energy storage is the key to unlocking renewables and reducing bottlenecks and costs on the grid. Today's orders ramp up New York's commitment and achievement, delivering bill savings for all New Yorkers while driving down carbon emissions."

Alicia Barton, President and CEO, NYSERDA, said, "Under Governor Cuomo, New York is not waiting to address the challenge of global climate change—instead we are taking bold and immediate action today. Today's decisions by the PSC solidify the role of energy efficiency and of energy storage each as an important foundation of the state's transition to a clean energy-powered future, and will allow those resources to deliver on their potential—including a more reliable system than the one we have today, billions of dollars in cost savings for consumers and the creation of thousands of new, good clean energy jobs for New Yorkers."

Gil C. Quiniones, President and CEO of the New York Power Authority, said, "Increasing energy efficiency and accelerating energy storage deployment will significantly help in New York State's transition to a clean energy economy. In support of Governor Cuomo's energy storage target, the New York Power Authority's new flexibility initiative will help spur the development of the storage and demand flexibility market in New York by working in collaboration with the public and private sector to demonstrate the most effective business models to ensure projects are compensated for the value they provide the electricity grid."

Assemblymember Amy Paulin said, "Increasing our energy efficiency and energy storage targets is an important step toward meeting our clean energy goals. Not only do these projects help the environment, they also create jobs and opportunities for New Yorkers in the ever-growing green energy sector. I commend Governor Cuomo for setting these unprecedented standards for the rest of the nation to follow."

Sean Gallagher, Vice President of State Affairs for the Solar Energy Industries Association, said, "The storage plans laid out in today's PSC Order will allow the solar industry to better serve its customers and help bring energy storage to scale in New York. Battery storage helps diversify and strengthen the grid, saving customers money on their electric bills. This is a clear step in the right direction to achieving the state's clean energy goals."

Kelly Speakes-Backman, CEO of the Energy Storage Association, said, "New York State is leading the way by setting this bold target for energy storage. The target was developed through a robust and open stakeholder process, and was supported by strong economic modeling. The state's actions will generate an important, long-term signal to the storage industry to invest and hire in New York, and can serve as a model for the rest of the nation."

Dr. William Acker, Executive Director of NY-BEST, said, "NY-BEST applauds the Public Service Commission for its action today to establish an Energy Storage Roadmap for New York, codifying Governor Cuomo's 1,500 MW energy storage target by 2025 and establishing a nation-leading 3 GW by 2030 energy storage deployment goal. The Roadmap's new market bridge incentive program will jumpstart energy storage deployments in the state and we look forward to working with the Commission and NYSERDA on this program, as well as the Roadmap's other ground-breaking initiatives, to unleash the benefits of energy storage for New York's electric grid, economy and the environment."

Andy Frank, Founder & President of Sealed, a New York-based energy and financial technology company, said, "Sealed applauds the New York Public Service Commission for taking the next step in reaching Governor Cuomo's ambitious energy efficiency goals. It is especially encouraging that the PSC continues to understand that reaching these goals enables both flexibility and innovative partnerships with private market actors like Sealed that provide homeowners with performance-based financing solutions. Reaching our state energy efficiency goals will require state, utility, and private investment working in concert, and this Order supports that vision."

Jackson Morris, Eastern Director for Climate & Clean Energy at the Natural Resources Defense Council, said, "New York took a massive leap forward today, bolstering its status as a national leader on energy efficiency. Coupled with a nation-leading energy storage target for 2030, and with an eye toward pairing that storage with solar, Governor Cuomo has yet again demonstrated an unwavering commitment to growing the clean energy economy, delivering critical climate solutions, and creating a stronger New York for generations to come."

Bill Nowak, Executive Director of NY-GEO, said, "NY-GEO applauds Governor Cuomo's Comprehensive Energy Efficiency Initiative for recognizing the important role geothermal heat pumps will play in achieving New York's ambitious goals. We commend the PSC for meshing greenhouse gas reductions and energy efficiency

seamlessly in its actions today. The heat pump carve out sets an important precedent that our industry looks forward to fulfilling."

David Hepinstall, Executive Director of the Association for Energy Affordability, said, "I'm very pleased the Public Service Commission has acted decisively on Governor Cuomo's call for increased energy efficiency in New York State. Today's Order provides the much needed near term direction for the utilities and creates a process for specific program developments to serve low income communities, which are vitally necessary to ensure energy efficiency for all New Yorkers."

Anne Reynolds, Executive Director of the Alliance for Clean Energy New York, said, "New York's clean energy industry welcomes today's actions by the Commission as important steps forward for energy storage and energy efficiency policy. Both are critical as New York continues its transition to a cleaner, more renewable, and more efficient electricity system. Governor Cuomo's clean energy goals are nation-leading and ambitious, and these types of implementation details are key to reaching those goals."

Adam Procell, President of Lime Energy, said, "Well-structured targets and funding mechanisms that foster aggressive energy efficiency action among utilities bolsters New York's economic growth, accelerates greenhouse gas reductions and are a great deal for the people of New York State. Lime Energy is grateful to Commissioner Rhodes, and the DPS and NYSERDA teams for the hard work - and extensive stakeholder engagement - that made today's Order possible. We look forward to continuing to work with the State and the utilities to advance New York as a national leader in energy efficiency."

Reforming the Energy Vision

Reforming the Energy Vision is Governor Andrew M. Cuomo's strategy to lead on climate change and grow New York's economy. REV is building a cleaner, more resilient and affordable energy system for all New Yorkers by stimulating investment in clean technologies like solar, wind, and energy efficiency and requiring 50 percent of the state's electricity needs from renewable energy by 2030. Already, REV has driven growth of more than 1,000 percent in the statewide solar market, improved energy affordability for 1.65 million low-income customers, and created thousands of jobs in manufacturing, engineering, and other clean tech sectors. REV is ensuring New York reduces statewide greenhouse gas emissions 40 percent by 2030 and achieves the internationally recognized target of reducing emissions 80 percent by 2050. To learn more about REV, including the Governor's \$5 billion investment in clean energy technology and innovation, visit rev.ny.gov, follow us on [Twitter](#), [Facebook](#), and [LinkedIn](#).