

STATE OF NEW YORK

# Public Service Commission

Garry A. Brown, Chairman

Three Empire State Plaza, Albany, NY 12223  
Further Details: James Denn  
james\_denn@dps.state.ny.us | 518.474.7080  
<http://www.dps.state.ny.us>

09095/09-E-0592;09-E-0628

## CONSTRUCTION OF ENERGY STORAGE FACILITY APPROVED — State-of-the-Art Flywheel Facility Gets Green Light —

Albany, NY—10/15/09—The New York State Public Service Commission (Commission) today decided to grant Stephentown Regulation Services LLC, which plans to construct and operate an energy storage project in Stephentown, Rensselaer County, a Certificate of Public Convenience and Necessity. In addition, the Commission decided that the company qualifies for lightened regulation because it will sell its regulation services in the competitive wholesale market, and that its proposed financing would be approved.

“We are excited to be able to support the development of new, state-of-the-art facilities that will help us improve our use of electricity,” said Commission Chairman Garry Brown. “The facility’s flywheels are designed to store excess energy when the generated power supply exceeds demand and conversely deliver it back to the grid when demand exceeds supply. This project will help fully utilize electricity generated from renewable power sources, which is often generated at times when demand is low.”

Stephentown Regulation plans to site, install and operate an interconnected system of energy storage devices utilizing flywheels, control equipment and substation switchgear, to convert transmission level electrical energy to kinetic rotary energy for short term storage and regulation. The facilities will be installed at a seven acre site which adjoins electric transmission facilities owned and operated by National Grid, and electric distribution facilities owned and operated by New York State Electric and Gas.

The company states that the Federal Energy Regulatory Commission (FERC) recognizes the rate and reliability benefits of grid-interconnected energy storage facilities, and opened the New York Independent System Operator (NYISO) market to energy storage facilities. The NYISO now provides a tariff for Limited Energy Storage Resources (LESRs), including short-term energy storage facilities such as flywheels, batteries, and vehicle-to-grid technologies.

LESRs can provide regulation service by rapidly charging or discharging in response to regulation control signals. By providing near-instantaneous response to control signals the proposed facilities will enable efforts of the NYISO to meet appropriate system control performance criteria as wind and other intermittent generation penetration increases in response to the state Renewable Portfolio Standard.

Approval of the company's financing plans is appropriate under lightened regulation. The proposed financing does not appear contrary to the public interest, and is approved up to a maximum amount of \$69.3 million in federal loans, private investments, inter-company financing and private offerings.

The granting of the Certificate of Public Convenience and Necessity authorizes the company to construct and operate the facility. Stephentown Regulation will have to obtain all necessary federal, state, and local permits and approvals, and implement appropriate mitigation measures defined in such permits or approvals. It shall also submit final plans and drawings to Department of Public Service for review.

The Commission's decision today, when issued, may be obtained by going to the Commission Documents section of the Commission's Web site at [www.dps.state.ny.us](http://www.dps.state.ny.us) and entering Case Numbers 09-E-0592 and 09-E-0628 in the input box labeled "Search for Case/Matter Number." Many libraries offer free Internet access. Commission orders may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500).