

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>

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## **PSC BEGINS REVIEW OF HIGH-TECH ENERGY STORAGE PLANT — First Step Finds No Significant Environmental Impact —**

Albany, NY—09/17/09—The New York State Public Service Commission (Commission) today said that a proposed state-of-the-art 20-megawatt energy storage facility in Rensselaer County would not need a mandated environmental impact study. The Commission conducted its own environmental assessment, and concluded that its assessment, together with other supporting documentation, indicated that the facility’s construction would not result in any significant adverse environmental impacts.

“Finding ways to spur the development of renewable energy sources in New York is of prime importance,” said Commission Chairman Garry Brown. “In regards to this particular project, the Commission found that the project as proposed will not have a significant adverse effect on the environment. Because of that finding, no additional review is required.”

In addition, the Town of Stephentown’s separate environmental assessment review found the facility will not have a significant effect on the environment. It will not emit direct air pollutants to provide the additional electric power. The environmental impacts identified are limited to temporary impacts during construction and permanent loss of approximately two acres of woodlands that will be cleared at the project site.

Stephentown Regulation Services LLC proposes to construct and operate a 20-megawatt flywheel-based frequency regulation facility at an undeveloped seven acre site on Grange Hall Road in Stephentown. The flywheels are designed to store excess energy when the generated

power supply exceeds demand and will deliver the power back to the grid when demand is at peak.

The \$69.3 million facility will utilize off-peak power from upstate New York power facilities to prime the flywheels, which off-peak generation resources generally include a mix of facilities that are environmentally cleaner in terms of air emissions than the on-peak mix of resources. The additional energy supplied by the flywheels will offset the need to burn fuel to generate additional electric power at times when demand is at peak. This is more cost effective than utilizing fossil fueled resources to meet peaks in demand.

The decision to waive the requirement of the state environmental impact study was the first step in the regulatory review process. The Commission continues to review as to whether to approve construction and operation of the facility. The Commission is also considering a request for financing approval and a request for a lightened regulatory status.

The development company is owned by Beacon Power Corporation of Tyngsboro, Massachusetts. The energy storage facility is being designed to enhance system reliability, lower costs to ratepayers, integrate renewable resources, reduce CO2 greenhouse gas emissions and increase regional generation capacity. The developer anticipates receiving a \$43 million loan from the Federal Financing Bank and guaranteed by the United States Department of Energy to help finance the project.

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 Number 09-E-0592 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).