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John B. Rhodes, Chair

**Contact:**

John Chirlin | John.Chirlin@dps.ny.gov | (518) 474-7080

<http://www.dps.ny.gov>

<http://twitter.com/NYSDPS>

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**PSC Expands Compensation to Clean-Energy Technologies Beyond Solar  
— Incentivizing Clean-Energy Technologies Such as Battery Storage and Biomass Generation  
is Vital to Meet the State’s Clean Energy Standard—**

**ALBANY** —The New York State Public Service Commission (Commission) today expanded the types of clean renewable energy systems that are eligible for compensation based upon the benefits they generate for society and the electric grid. Distributed Energy Resources (DER) offer tremendous value to the electric grid, not only in reduced carbon emissions, but also reducing peak load, and creating greater grid resilience and reliability.

“New York’s Clean Energy Standard laid the groundwork to create enough renewable energy to meet half of the State’s electricity needs by 2030,” **said Commission Chair John B. Rhodes.** “Energy efficiency and clean, locally produced power are central to a modern, reliable and efficient energy system. To sustain our progress, we must continue to reward utilities and energy developers for investment decisions based on the full value that all kinds of renewable energy facilities provide to our electric system.”

The Clean Energy Standard (CES) requires 50 percent of all electricity used in New York by 2030 be generated from renewable sources. Today’s action represents another step to meet the Commission’s commitment to compensate all DER in a technologically-neutral, value-focused manner. Today’s action is also the result of continued stakeholder engagement, including the input of environmental advocates, utilities, solar and DER providers, and consumer advocates.

Most significantly, stand-alone storage systems including regenerative braking, with a rated capacity of 5 MW or less, will now be eligible to receive compensation. Additionally, tidal energy generators, biomass generators and certain food-waste digestion configurations that meet the CES requirements will be eligible for compensation under the Value Stack methodology. Prior to the value stack policy, these technologies were not eligible for compensation, hindering their development.

In September 2017, the Commission adopted the value stack policy to compensate the owners of solar projects for the value the solar systems provide. This began the transition to compensation methodologies that enable a distributed, transactive, and integrated electric system, while encouraging the location, design, and operation of DER in a manner that maximizes benefits and value to the customer, DER suppliers, the electric system, and society. That order enabled traditional

renewable energy systems such as solar power, and other small, local clean-energy systems, to grow faster across New York, accelerating the opportunity for consumers to take control of their electricity costs and usage, supporting the clean energy economy. Extending value stack compensation to other clean generators and storage, as well as removing arbitrary and unnecessary restrictions, will result in more appropriate and accurate compensation for those resources as well.

To be eligible for value stack compensation, projects must interconnect to the utility system and have customers in the same utility territory. Compensation for new technologies will come in the form of bill credits. There will not be an adverse ratepayer impact as the bill credits are roughly the same as the cost reductions for the utilities. To reach the target of 50 percent renewables by 2030 the CES requires all electricity suppliers to purchase renewable energy from new projects at a small percentage of their total load. Today's action builds upon the State's commitment to expand access to clean energy for all New Yorkers and to support a robust, cost-effective and sustainable market for distributed energy resources.

Today's decision may be obtained by going to the Commission Documents section of the Commission's Web site at [www.dps.ny.gov](http://www.dps.ny.gov) and entering Case Number 15-E-0751 in the input box labeled "Search for Case/Matter Number". Many libraries offer free Internet access. Commission documents may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500). If you have difficulty understanding English, please call us at 1-800-342-3377 for free language assistance services regarding this press release.