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New York State on Course to Meet Aggressive Energy Storage Goals

Energy Storage Essential to Maximize Benefits of Clean Energy Sources, Enhancing Grid Stability

Costs Continue to Decrease as Energy Storage Deployment Increases

Technology Fundamental to New York's Green New Deal Strategy and Nation-Leading Mandate to Achieve Economy-Wide Carbon Neutrality

ALBANY — The Department of Public Service (Department) today issued the second 'State of Storage' annual report announcing progress in reaching New York State's statewide energy storage goal of 3,000 megawatts (MW) by 2030, with an interim objective of deploying 1,500 MW by 2025. Energy storage enhances the efficiency of the electric grid through many different applications such as demand charge management, demand response, distribution system local reliability, firming large-scale intermittent renewables, and wholesale market installed capacity and ancillary services, and supports the most aggressive climate-change program in the nation, which puts New York on a path to economy-wide carbon neutrality.

"The development and introduction of energy storage will build flexibility into the grid and advance Governor Cuomo's ambitious clean energy goals," **said Department CEO John B. Howard.** "Today's report demonstrates the tremendous success New York is having toward meeting the country's largest energy storage target."

On December 13, 2018, the Public Service Commission established a statewide energy storage goal of installing up to 3,000 MW of qualified energy storage systems by 2030, with an interim objective of deploying 1,500 MW by 2025. The Commission also adopted a suite of energy storage deployment policies and actions to achieve these goals.

The Commission's energy storage deployment policy has effectively strengthened the market for developing and installing qualified energy storage systems in New York State. Total deployed or awarded/contracted projects at the end of 2020 equals 1,186 MW in capacity, or about 79 percent of the 2025 target of 1,500 MW and 40 percent of the 2030 target of 3,000 MW. The number of energy storage projects in various interconnection queues, which reflects some of the awarded/contracted projects noted above as well as potential projects in the pipeline, also indicates robust activity in the industry. Over 8,000 MW of energy storage projects are presently in New York utility interconnection

queues and the New York Independent System Operator (NYISO) interconnection queue, though it is possible that not all of these projects would get built by 2030.

Due to the technology's declining costs and the ability to pair with solar photovoltaic (PV) systems and capture those additional revenue streams, energy storage use cases continue to include augmenting the existing pipeline of solar PV projects being developed in the State. These types of projects that combine energy storage with solar PV and use a Community Distributed Generation (CDG) configuration reported installed costs as low as \$300-\$400 per kilowatt hour (kWh) in 2020. Bulk-level projects above 5 MW that intend to provide wholesale market services averaged installed costs of \$372 per kWh in 2020. Soft costs, such as customer or site acquisition, project siting, interconnection, and financing, averaged 20 percent of total installed costs for CDG-paired energy storage, a decline from 30 percent last year.

New York State's Nation-Leading Climate Plan

Governor Cuomo's nation-leading climate plan is the most aggressive climate and clean energy initiative in the nation, calling for an orderly and just transition to clean energy that creates jobs and continues fostering a green economy as New York State recovers from the COVID-19 pandemic. Enshrined into law through the CLCPA, New York is on a path to reach its mandated goals of economy-wide carbon neutrality and achieving a zero-carbon emissions electricity sector by 2040, faster than any other state. It builds on New York's unprecedented ramp-up of clean energy including a \$3.9 billion investment in 67 large-scale renewable projects across the state, the creation of more than 150,000 jobs in New York's clean energy sector, a commitment to develop over 1,800 megawatts of offshore wind by 2024, and 1,800 percent growth in the distributed solar sector since 2011. New York's Climate Action Council is working on a scoping plan to build on this progress and reduce greenhouse gas emissions by 85 percent from 1990 levels by 2050, while ensuring that at least 35 percent with a goal of 40 percent of the benefits of clean energy investments benefit disadvantaged communities, and advancing progress towards the state's 2025 energy efficiency target of reducing on-site energy consumption by 185 trillion BTUs of end-use energy savings.

Today's report may be obtained by going to the Documents section of the Commission's website at www.dps.ny.gov and entering Case Number 18-E-0130 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.