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New York State on Course to Meet Aggressive Energy Storage Goals

Energy Storage Essential to Maximizing the Benefits of Clean Energy Sources and Enhancing Grid Stability

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 first “State of Storage” annual report announcing progress in reaching New York’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 New York’s Green New Deal, the most aggressive climate change program in the nation which puts the state on a path to economy-wide carbon neutrality.

“Energy storage is a smart clean way to build flexibility into the grid and advance Governor Cuomo’s ambitious clean energy goals, said **Department CEO John B. Rhodes**. Today’s report is terrific news in that it highlights that we are on track toward meeting the country’s largest energy storage target.”

Total deployed or awarded/contracted projects at the end of 2019 totals 706 MW in capacity, or about 47 percent of the 2025 target of 1,500 MW and 24 percent of the 2030 target of 3,000 MW. The number of energy storage projects in various interconnection queues, which reflects some of these reported projects as well as potential projects in the pipeline, also indicates robust activity in the industry. Approximately 9,779 MW of energy storage projects are presently in various interconnection queues in New York.

The report is in response to directives in the Public Service Law §74 and from the Public Service Commission’s (Commission) December 13, 2018 order which established the statewide energy storage goals. In this initial energy storage order, the Commission adopted a suite of energy storage deployment policies and actions to achieve its goals.

The energy storage report highlights that the portfolio of programs and actions approved by the Commission in its energy storage order have been effective to-date in building a market for the development and installation of qualified energy storage systems in New York.

The declining costs of the technology, coupled with favorable compensation options established by the Commission, is making energy storage an increasingly attractive option to augment the existing pipeline of utility-connected solar photovoltaic (PV) projects being developed in the State. 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 2019. Energy storage’s eligibility for Value of Distributed Energy Resource (VDER) compensation, and recent changes to that methodology by the Commission that have allowed projects to obtain easier financing, have also contributed to the healthy growth in energy storage development in New York. VDER is now the most common compensation mechanism chosen by developers

and coupling energy storage with a renewable generator allows developers to maximize this compensation in many cases.

New York State's Green New Deal

Governor Cuomo's Green New Deal is the most aggressive climate and clean energy initiative in the nation, putting the state on a path to being entirely carbon-neutral across all sectors of the economy and establishing a goal to achieve 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 \$2.9 billion investment in 46 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 nearly 1,700 megawatts of offshore wind by 2024, and 1,700 percent growth in the distributed solar sector since 2012. The recently passed Climate Leadership and Community Protection Act mandates the Green New Deal's nation-leading clean energy targets: nine gigawatts of offshore wind by 2035, six gigawatts of distributed solar by 2025, and three gigawatts of energy storage by 2030, while calling for an orderly and just transition to clean energy that creates jobs and continues fostering a green economy. The CLCPA also directs New York State agencies and authorities to collaborate with stakeholders to develop a plan to reduce greenhouse gas emissions by 85 percent from 1990 levels by 2050 and aim to invest 40 percent of clean energy and energy efficiency program resources to benefit disadvantaged communities, achieving 70 percent renewable energy by 2040.