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Energy Storage Initiatives Continue to Move Forward to Combat Climate Change

Energy Storage Initiatives Will Enable Clean Electricity for 1.2 Million Homes and Produce $2 Billion in Benefits to New Yorkers

Aggressive Pursuit of Clean Energy Storage Vital to Meet New York’s Clean Energy Goals

ALBANY — The New York State Public Service Commission (Commission) today approved tariff filings submitted by the six major investor-owned electric utilities in New York State to allow for cost and benefit recovery of the energy storage dispatch rights contracts directed by the Commission’s December 13, 2018 order establishing its nation-leading energy storage goal and deployment policy.

“With this step, we advance the critically important deployment of energy storage in New York State,” said Commission Chair John B. Rhodes. “With viable and valuable energy storage systems, we will optimize our renewable energy sources and enhance grid reliability for the benefit of all New Yorkers.”

The six utilities include the state’s largest utility, Consolidated Edison Company of New York, Inc. (Con Edison), as well as Central Hudson Gas & Electric Corporation (Central Hudson), Niagara Mohawk Power Corporation d/b/a National Grid (National Grid), New York State Electric & Gas Corporation (NYSEG), Orange and Rockland Utilities, Inc. (O&R) and Rochester Gas and Electric Corporation (RG&E). Collectively, these utilities serve the vast majority of New York’s nearly 20 million citizens.

The tariff amendments approved today are an integral part of Governor Cuomo’s energy storage roadmap to provide opportunities for the creation of smart and innovative energy storage programs and initiatives to advance New York State’s progress toward its 1,500 MW storage goal. The 2025 mandate — the equivalent electricity demand of one-fifth of all New York homes — was established by Governor Cuomo to help combat climate change and supports New York’s nation-leading clean energy goals under Governor Cuomo’s Climate Leadership Community and Protection Act.

Achieving the state's ambitious 2025 target will deliver approximately $2 billion gross lifetime benefits to New Yorkers, including electric distribution system savings and reduced greenhouse gas emissions, as well as added resiliency to the electric grid by reducing the impact of outages caused by severe weather. Adding more energy storage into the system will also maximize the benefits of other renewable energy sources such as solar and wind and will help to ensure they are available when needed to meet peak demand for electricity.

The energy storage program supports New York’s status as a home for the growing clean tech industry, which has the potential to create up to 30,000 new, good-paying jobs in the energy storage
industry. It will build on New York's commitment to combat climate change and grow the energy storage sector, which has already seen steady job growth over the past five years. New York State currently has approximately 93 MWs of advanced energy storage capacity deployed with 1,076 MWs under contract in the pipeline, in addition to 1,400 MWs of traditional pumped hydro storage. The total deployed and contracted energy storage systems is about 78 percent of the 2025 target of 1,500 MW and 39 percent of the 2030 target of 3,000 MW. Furthermore, the number of energy storage projects in the various interconnection queues, over 7,000 MW of bulk storage in the NYISO interconnection queue, and over 1,500 MW in Utility interconnection queues, indicates robust growth in the industry.

The compliance tariff filings were filed pursuant to the energy storage deployment order to effectuate the cost recovery and benefit sharing of the contract costs and market revenues associated with the Commission directive to Central Hudson, National Grid, NYSEG, O&R and RG&E to competitively procure at least 10 MW of scheduling and dispatch rights from qualified energy storage systems, and Con Edison to procure at least 300 MW of scheduling and dispatch rights from qualified energy storage systems.

The energy storage deployment order directed that these costs be recovered from all delivery customers in the same manner that non-wires alternative program costs are recovered at each utility. The energy storage deployment order also authorized revenue sharing of the storage asset wholesale revenues that exceed contract costs of the energy storage assets of 30 percent to utility shareholders and 70 percent to ratepayers. The revenue sharing comparison is to be performed on an annual basis.

Today’s decisions may be obtained by going to the Commission Documents section of the Commission’s website at www.dps.ny.gov and entering Case Numbers 18-E-0130 (Central Hudson, National Grid, NYSEG, O&R and RG&E) or 20-E-0444 (Con Edison) 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.