



VIA ELECTRONIC FILING

Hon. Michelle L. Phillips
Secretary
New York State Public Service Commission
Empire State Plaza, Agency Building 3
Albany, New York 12223-1350

Re: Case 18-E-0130, In the Matter of Energy Storage Deployment Program

Dear Secretary Phillips,

The PEAK Coalition respectfully submits these comments in response to the New York State Energy Research and Development Authority’s (NYSERDA) *Residential and Retail Energy Storage Market Acceleration Incentives 2024-2030 Implementation Plan*. The PEAK Coalition is a coalition of organizations including Clean Energy Group, New York City Environmental Justice Alliance (NYC-EJA), New York Lawyers for the Public Interest (NYLPI), THE POINT Community Development Corporation (THE POINT CDC), and UPROSE. The PEAK Coalition’s goal is to end the long-standing, disproportionate pollution burden from fossil fuel power plants placed on New York City’s most climate-vulnerable residents by replacing them with clean energy alternatives including renewable energy and battery storage. As part of this work, the Coalition seeks to ensure that the deployment of energy storage in New York State prioritizes relieving overburdened communities and supports the retirement of peaking fossil fuel power plants, also known as peakers, as required by the Climate Leadership and Community Protection Act (CLCPA) and the ozone reduction requirements set forth in 6 NYCRR Subpart 227-3.

Support for the Implementation Plan’s Incentive Allocations

The 2024 Storage Order issued by the Public Service Commission (PSC) on June 20, 2024 directed that a minimum of 35 percent of procurements for bulk and off-site retail projects be allocated in the New York Independent System Operator’s (NYISO) G-K Capacity Zones, with at least 30 percent of total procurements in Zone J, which contains New York City, and that a minimum of 35 percent of residential and on-site retail energy projects be located in Disadvantaged Community census tracts.¹ Storage procurements in downstate New York (Zones G-K) are vital to alleviate these grid constrained areas and replace peaker plants. For these reasons, *New York’s 6 GW Energy Storage Roadmap: Policy Options for Continued Growth in Energy Storage*, filed by NYSERDA and the New York Department of Public Service (DPS) in 2022, recommended that 4 GW of the 6 GW energy storage target be allocated in Zones G-K. In comments submitted to the PSC in response to this publication on March 24, 2024, the Coalition advocated for a minimum of 50 percent of the allocations under the program be dedicated to New York City (Zone J). The Coalition is therefore pleased to see that NYSERDA’s 2024-2030 Implementation Plan goes beyond the 30 percent minimum set by the PSC’s 2024 Storage Order and allocates 50 percent of program capacity for New York City.

Locational Carve Outs for Disadvantaged Communities

While NYSERDA has gone above the minimum requirements set by the PSC by allocating 50 percent of total retail program capacity to Zone J, the implementation plan currently does not have specific locational carve outs for Disadvantaged Communities incentives for both the Residential and Retail programs. Developers

¹ “Order Establishing Updated Storage Goal and Deployment Policy,” pg 59. State of New York Public Service Commission, June 20, 2024. <https://t.co/5glqzfdYIU>.

already face a disincentive from developing energy storage projects in New York City, where space limitations, zoning challenges, and strict fire codes can add an additional layer of complexity and cost to projects.² These challenges have contributed to the delayed deployment of large-scale battery storage resources in New York City, which has in turn contributed to an extended reliance on the City’s peaker plant capacity.³ A statewide incentive opens the door for the majority of Disadvantaged Community incentive program capacity to go towards projects developed in other parts of the state which have fewer constraints. The development of Disadvantaged Community-benefiting energy storage projects in Zone J is particularly important as these projects have the potential to directly displace polluting peaker plants which have contributed to a disproportionate pollution burden on these communities. Therefore, the PEAK Coalition strongly recommends that a locational carveout for Zone J be included in the structuring of the Disadvantaged Community incentives for both the Residential and Retail storage programs. Furthermore, a locational adder for projects within the same distribution node of a peaker plant, or within a specified distance of a peaker plant, such as a 1-mile radius, would ensure that energy storage projects that can displace peaker plants in Zone J are prioritized.

Additional Support for New York City Projects

The Coalition supports NYSERDA’s commitment to continuing to support predevelopment activities and technical assistance to address barriers to deploying energy storage projects, particularly focusing on projects serving low-to-moderate-income households, Disadvantaged Communities, and affordable housing. However, the Coalition further recommends that NYSERDA commit to developing technical assistance initiatives specifically addressing regulatory and code enforcement concerns in New York City. NYSERDA should work directly with permitting authorities, particularly the New York City Fire Department (FDNY), to streamline and improve local permitting processes. Currently available residential batteries do not meet FDNY’s requirement for real-time monitoring and automatic notifications for residential energy storage systems, so without additional permitting improvements it is unlikely the target for Residential storage deployment in New York City will be met. On-site retail storage faces similar challenges. The Coalition encourages NYSERDA to work with local authorities including FDNY and the New York City Department of Buildings to facilitate feasible permitting pathways and ensure that storage deployment targets are met.

Thank you for your consideration of these comments.

Respectfully submitted,

The PEAK Coalition, which includes:

- Clean Energy Group
- THE POINT CDC
- New York City Environmental Justice Alliance
- New York Lawyers for the Public Interest
- UPROSE

² Laterman, Kaya. “New York City Is Using More Green Energy. But It Has a Storage Problem.” *The New York Times*, November 3, 2022, sec. New York. <https://www.nytimes.com/2022/11/03/nyregion/lithium-ion-battery-nyc.html>.

³ PEAK Coalition. *Accelerate Now! The Fossil Fuel End Game 2.0*, January 10, 2024. <https://www.cleangroup.org/wp-content/uploads/Accelerate-Now-Fossil-Fuel-End-Game.pdf>.