

## Update on Energy Storage and Offshore Wind Initiatives in New York

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On January 17, 2019, New York Governor Andrew Cuomo [announced](#) the introduction of the Green New Deal, a nation-leading clean energy and jobs agenda factored into the state's 2019 Executive Budget. The Green New Deal will statutorily mandate New York's power to be 100 percent carbon-free by 2040, the most aggressive goal in the United States and five years ahead of a target recently adopted by California. The cornerstone of this new mandate is a significant increase of New York's successful Clean Energy Standard mandate from 50 percent to 70 percent renewable electricity by 2030. The ramp-up of renewable energy will include:

- Quadrupling New York's offshore wind target to 9,000 megawatts by 2035, up from 2,400 megawatts by 2030; and
- Deploying 3,000 megawatts of energy storage by 2030, up from 1,500 megawatts by 2025.

### Energy Storage

#### ***New York State Energy Roadmap***

In order to realize the state's energy storage targets, NYSERDA and the Department of Public Service (DPS) developed the New York State Energy Storage [Roadmap](#) (Roadmap) to identify the most promising near-term policies, regulations, and initiatives. On December 13, 2018, the New York Public Service Commission (PSC) issued an Order based upon the Roadmap recommendations, establishing deployment mechanisms to achieve the energy storage targets.

Among [other steps](#), the Order authorized \$350 million in bridge incentives to accelerate the energy storage market, including funding for solar-plus-storage projects within NY-Sun. The Market Acceleration Bridge Incentive Plan includes \$130 million for retail incentives, \$150 million for bulk incentives, and a reservation of \$70 million for bridge incentives for future allocations based on DPS guidance. The Order also directed the state's six investor-owned utilities to hold competitive procurements for a minimum of 350 MW of bulk-sited energy storage. The investor-owned utilities plan to draft Requests for Proposals (RFPs) in the summer of 2019.

#### ***Funding and Assistance Initiatives***

NYSERDA is supporting a robust energy storage market and market acceleration with a handful of [funding and assistance initiatives](#).

1. NY Green Bank is soliciting direct interest from project developers, which will realize its commitment to make \$200 million available for energy storage-related investments. NY Green Bank is looking to work with project developers who are interested in financing options that will ultimately expand the deployment of energy storage in the state through one-on-one conversations and stakeholder meetings to expand the



Article By [Mintz](#)  
[Thomas R. Burton, III](#)  
[Energy & Sustainability Matters](#)

[Environmental, Energy & Resources](#)  
[Utilities & Transport](#)  
[New York](#)

market.

2. NYSERDA will fund value-stacking pilot projects, selecting proposals competitively based on various factors, including local grid and energy system needs, replicability across the state, and the potential for returns on investment without incentives. Concept papers may be submitted at any time. The current funding opportunity covering value stacking is [Demonstrating Distributed Energy Storage for 'Stacking' Customer and Grid Values](#) (PON 3541).
3. NYSERDA is also funding feasibility studies on deploying energy storage in diverse ways. These studies will cover energy storage systems that are either integrated with other distributed energy resources or are standalone, serving a customer/behind the meter or as part of a grid operator's system/in front of the meter. The [NYSERDA Flexible Technical Assistance \(FlexTech\) Program](#) provides funding for feasibility studies covering energy storage.
4. NYSERDA provides funding opportunities and resources for emerging technologies through a handful of programs.
  1. [BEST Test and Commercialization Center](#) (BEST T&CC) allows manufacturers to test, validate, and scale up their storage technologies.
  2. [The Battery Prototyping Center \(BPC\)](#) at Rochester Institute of Technology allows startups, researchers, and developers to commercialize industry standard pouch and cylindrical cells.
  3. [Business Resources to Innovate, Develop, Grow, and Excel](#) (BRIDGE) is a NY-BEST program that provides one-on-one consulting assistance from NY-BEST's expert team.
  4. The [NY-BEST Supply Chain Database](#) includes a wide array of companies and individuals from New York State and beyond who are working in the energy storage industry.

### **Additional Efforts**

To support utilities in developing energy storage projects, REV Connect is driving New York's six investor-owned utilities to work with energy innovators to lower costs, test advanced technologies, and design new replicable business models through [REV Demonstration Projects](#). The state has also released guidebooks and proposed regulations to help companies navigate battery energy storage projects and to phase out the use of less efficient power plants.

## **Offshore Wind**

### **Offshore Wind Master Plan**

In order to attain its goal of developing 9,000 MW of offshore wind by 2035, the state plans to leverage private sector investment to create an offshore wind supply chain based in New York, with a focus on upgrading port infrastructure to support deployment of offshore wind projects from facilities located in NY. Additionally, NYSERDA will continue the steady pace of offshore wind procurements to bring market certainty and associated cost reductions, improving based on experience and market evolution.

As part of NYSERDA's [Offshore Wind Master Plan](#), the agency filed an Offshore Wind Policy Options Paper (Options Paper) with the PSC that provides an assessment of different mechanisms that could be used to procure offshore wind energy. The Options Paper recommended two phases for offshore wind development. The first phase would initiate the procurement of Offshore Wind Renewable Energy Credits (ORECs) associated with approximately 800 MW of offshore wind over an initial two-year period (an OREC represents one MWh of electricity generated from offshore wind resources and consumed by retail customers in New York State). The remainder of the offshore wind would be procured in future years as the domestic offshore wind industry matures and the resulting expected price declines materialize.

In July 2018, the PSC issued an Order Adopting the Offshore Wind Standard, which authorized a first phase of offshore wind procurements in 2018 and 2019. In early November 2018, NYSERDA [issued](#) its first solicitation for 800 MW or more of new offshore wind projects for New York. Four major developers submitted proposals; awards are expected to be designated in spring 2019.

### **Additional Efforts**

Recently, NYSERDA announced the execution of [two multi-year contracts](#) to study the meteorological and oceanographic conditions in the waters off the Atlantic coast of New York in support of offshore wind energy

development. The state also plans to [invest](#) up to \$200 million in port infrastructure to match private sector investment in regional development of offshore wind.

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