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January 8, 2019

**VIA ELECTRONIC FILING**

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Re: 2019 Draft RGGI Operating Plan Amendment

To Whom It May Concern:

The City of New York ("City") respectfully submits this letter in response to the 2019 Regional Greenhouse Gas Initiative ("RGGI") Draft Operating Plan Amendment ("RGGI Plan Amendment"). The City is a strong proponent of increasing customer access to energy storage resources ("ESR"), and **supports the New York State Energy Research and Development Authority's ("NYSERDA") proposed RGGI Plan Amendment to provide \$52.9 million in funding for energy storage project activity not covered by the Public Service Commission's ("Commission") established energy storage market acceleration bridge incentive ("Bridge Incentive").**<sup>1</sup>

The City has made unprecedented commitments to distributed energy resources and ESR in an effort to achieve its objectives of creating a resilient and low-carbon energy supply, improving air quality, and reducing greenhouse gas emissions by 80 percent from 2005 levels by 2050, as set forth in *One New York: The Plan for a Strong and Just City* ("OneNYC"). The City also has established an aggressive ESR deployment target of 100 MWh in New York City by 2020.<sup>2</sup> These goals complement the State's Clean Energy Standard ("CES") that 50% of all

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<sup>1</sup> See Case 18-E-0130, In the Matter of Energy Storage Deployment Program, Order Establishing Energy Storage Goal and Deployment Policy (issued December 13, 2018), p. 66 (hereinafter "Energy Storage Policy Order") (establishing a \$310 million fund designed to serve as a bridge incentive program to support the short-term deployment of ESR development in New York State).

<sup>2</sup> *New York City's Roadmap to 80x50* (issued September 26, 2016) at 48-49, available at: <http://www.nyc.gov/80x50>.

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electricity used in New York by 2030 be generated from renewable resources<sup>3</sup> and the Commission's directive to install 1,500 MW of energy storage in New York State by 2025 and 3,000 MW of storage by 2030.<sup>4</sup> Significantly, enabling deployment of ESR will assist in achieving the Governor's move to 100% "carbon-neutral" electricity by 2040.

Energy storage is a particularly attractive technology for New York City given its unique physical and operational characteristics. Siting solar and other renewable generation within New York City is challenging due to the city's highly dense urban environment and affordability of siting. ESR can help improve the efficiency and utilization factors of these intermittent resources – which may improve the project's overall financial feasibility. Likewise, installing ESR in areas of need could help to address public policy priorities such as making energy affordable for all consumers, improving local air quality, strengthening the resiliency of the electric system, and reducing peak load. Moreover, both the Roadmap and the Accelerex Energy Storage Study found that the most high value locations for ESR project opportunities are located in the Con Edison service territory.<sup>5</sup> The New York City and Westchester regions are host to the New York Power Authority's ("NYPA") downstate customers – many of which are public sector entities.

The Commission's Energy Storage Policy Order "authorized NYSERDA to use previously collected, uncommitted ratepayer funds [collected through the Clean Energy Fund] to fund the Energy Storage Market Acceleration bridge incentives not to exceed \$310 million, plus associated administration and program evaluation fees."<sup>6</sup> The City submits that broadening the sourcing of ESR project incentive funding, as proposed in the RGGI Plan Amendment, will increase storage project development opportunities that have the potential to bring value to all customers. Accordingly, *NYSERDA's proposal to establish another source of incentive funding for energy storage deployment accessible to NYPA full requirements customers is equitable and furthers the directives provided by the Commission in the Energy Storage Policy Order.* The RGGI incentive funding for ESR projects should only be accessible to customers and projects unable to access the Bridge Incentive funding authorized by the Commission.

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<sup>3</sup> Case 15-E-0302, Proceeding on Motion of the Commission to Implement a Large-Scale Renewable Program and a Clean Energy Standard, Order Adopting a Clean Energy Standard (issued August 1, 2016) at 2.

<sup>4</sup> Energy Storage Policy Order at 3.

<sup>5</sup> Case 18-E-0130, *NYS Energy Storage Roadmap, NYC Technical Conference*, NYSERDA and Department of Public Service (July 31, 2018), pp. 12, 13.

<sup>6</sup> *Id.* at 66.

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The City appreciates the opportunity to provide these comments and looks forward to working with NYSERDA and other stakeholders to promote the successful integration of energy storage into the City's and State's electric portfolio.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Susanne DesRoches". The signature is fluid and cursive, with a long horizontal stroke at the end.

Susanne DesRoches  
Deputy Director, Infrastructure + Energy