

On June 20, 2024, the New York State Public Service Commission (PSC) issued an [Order Establishing Updated Energy Storage Goal and Development Policy](#) (“the 2024 Order”), which established an energy storage target for New York state of 6 gigawatts by 2030. The Order approved additional NYSERDA funding beyond that which was authorized in the 2018 Energy Storage Order.

Highlights of the 2024 Order include:

- New York State’s energy storage target is set at **6 GW** (6,000 MW) by 2030, expanding on the existing Climate Act goal of 3 GW by 2030.
- New funding is approved for NYSERDA to incentivize an additional 4,700 MW beyond what has already been funded through the 2018 Order
  - Funding for **3,000 MW of wholesale** (“bulk”) storage projects that interconnect to the transmission network and participate in the NYISO wholesale markets. Actual funding will vary based on NYISO market revenue, but is estimated to total \$1.33 - \$2.94 billion
  - \$675M of funding for **1,500 MW of “retail”** distributed projects, including commercial, non-residential, and community storage. These projects can be installed on-site (“behind-the-meter”) or “front-of-the-meter”, providing credits to remote offtakers
  - \$100M in funding for **200 MW of funding for residential** storage
- Residential and retail projects will be supported with a **per-kWh capacity-based incentive**, similar to the MWh block incentives funded by the 2018 Storage Order. The maximum incentive cap for retail projects is 5 MW at 4 hours duration, or 20MWh.
- Bulk projects will be funded with a novel incentive structure called the **Index Storage Credit** (ISC). Storage developers will bid in a “Strike Price” which reflects the developer’s assumption of revenue for the energy storage project and compare that to a “Reference Price” which would be calculated based on price indices representing expected revenue from the NYISO’s Energy and Capacity Markets. The ISC payment is equal to the Strike Price minus the Reference Price. If the Strike Price exceeds the Reference Price, then NYSERDA would pay out the difference to the developer. There will be at least three annual solicitations, and at least 20% of awards shall be for long-duration storage (8+ hour). Please see page 24 of the Order for more details.
- The Order embraces the Climate Act requirement that at least 35%, with a target of 40%, of benefits be allocated to **disadvantaged communities** (DACs). At least 35% of residential and on-site retail projects must be located in DAC census tracts. For bulk and front-of-the-meter retail projects, at least 35% of procured capacity must be located in NYISO zones G-K (Lower Hudson Valley, NYC, and Long Island), as they are most likely to offset emissions from peaker plants and benefit DACs. At least 30% must be in Zone J (NYC), and at least 5% must be in Zones G, H, I, or K.
- Projects 1 MWac and larger will be subject to **prevailing wage** requirements
- All funded projects must **be placed in service by December 31, 2030**, unless they meet criteria for an extension.

## Timeline of Next Steps

- Within 60 days (August 19, 2024), NYSERDA must submit an updated Implementation Plan for the residential and retail programs.
- Within 120 (October 18, 2024) days, NYSERDA must submit an updated Implementation Plan for the bulk program. Both Implementation Plans will be filed on [NY Department of Public Service's Energy Storage Docket](#) and will be subject to a public comment period (SAPA), and approval from the PSC. Both Implementation Plans must incorporate recommendations from the Fire Safety Working Group. NYSERDA incentive programs will launch following PSC approval of the Implementation Plans.
- June 30, 2025: Deadline for NYSERDA to issue first annual bulk storage RFP using the Index Storage Credit.

For additional updates, please join NYSERDA's [Energy Storage mailing list](#).