

Maximize Savings with Energy Storage

NYSERDA's Value Stacking PON and Con Edison's Rider Q Rate Pilot



Energy storage systems (ESS) yield value for both owners and the grid. Property owners can directly yield revenue or a return on investment with an ESS by discharging the system when demand in the building is at its highest during the billing period. This value stream is called **peak shaving**. If a building is able to peak shave or discharge its ESS at times of high demand across the electric network, grid pressure can be relieved, sparing the utility short-term emergency expenditures and long-term investment in costly backup generation resources. The utility and transmission system operators issue payments to registered building owners who achieve demand reduction at their buildings during these periods of high network demand through **demand response programs**.

Funding Opportunities with NYSERDA's Energy Storage Program

NYSERDA currently has Program Opportunity Notice (PON) 3541 available for storage demonstration projects and expects to be releasing a bridge incentive for energy storage in the future. Under PON 3541, NYSERDA is seeking storage system demonstration projects that effectively “stack” two or more value streams. This means the ESS would not only yield value for a property owner through electricity bill savings, but also for the utility or electric grid at large. The upcoming bridge incentive was proposed in the recently released [Energy Storage Roadmap](#), and details are [forthcoming](#).

To apply for the PON: Interested property owners should work with an energy storage vendor to determine which values to stack, then submit a concept paper to NYSERDA describing the project. If their concept paper is chosen, the applicant would be asked to propose a feasibility study or implement the demonstration project. Contact energystorage@ers-inc.com for assistance with accessing NYSERDA funding for energy storage studies.

Through the PON, NYSERDA will pay for up to 75% of ESS feasibility study costs (up to \$100K) and up to 50% of project implementation costs.

PON Participation with Rider Q, a Standby Electric Rate Pilot

Combining peak shaving and demand response program participation is one of the many ways to stack value streams using an ESS. Some value stacks are more complicated to achieve than others. Con Edison recently established a new standby electric rate pilot structure called [Rider Q](#). Opting into Rider Q Option B could make PON 3541 participation more straightforward for buildings with appropriate load profiles.

Rider Q is similar to regular standby rates in that demand charges are calculated according to daily, not monthly, demand peaks. Rider Q Option B differs from regular standby rates in that demand charges are highest when the electric network reaches its peak demand. This incentivizes a customer to discharge their ESS during the network peak, reducing their demand and relieving pressure on the grid. It also provides a clear 4-hour window for peak shaving, rather than relying on predictive algorithms to determine when to discharge the storage system. In this way, Rider Q could better aid applicants to NYSERDA's ESS PON to fulfill their value stack requirements.

To assess whether your building could implement an ESS project and maximize savings, contact NYSERDA at energystorage@nyscrda.ny.gov or ERS at energystorage@ers-inc.com.



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