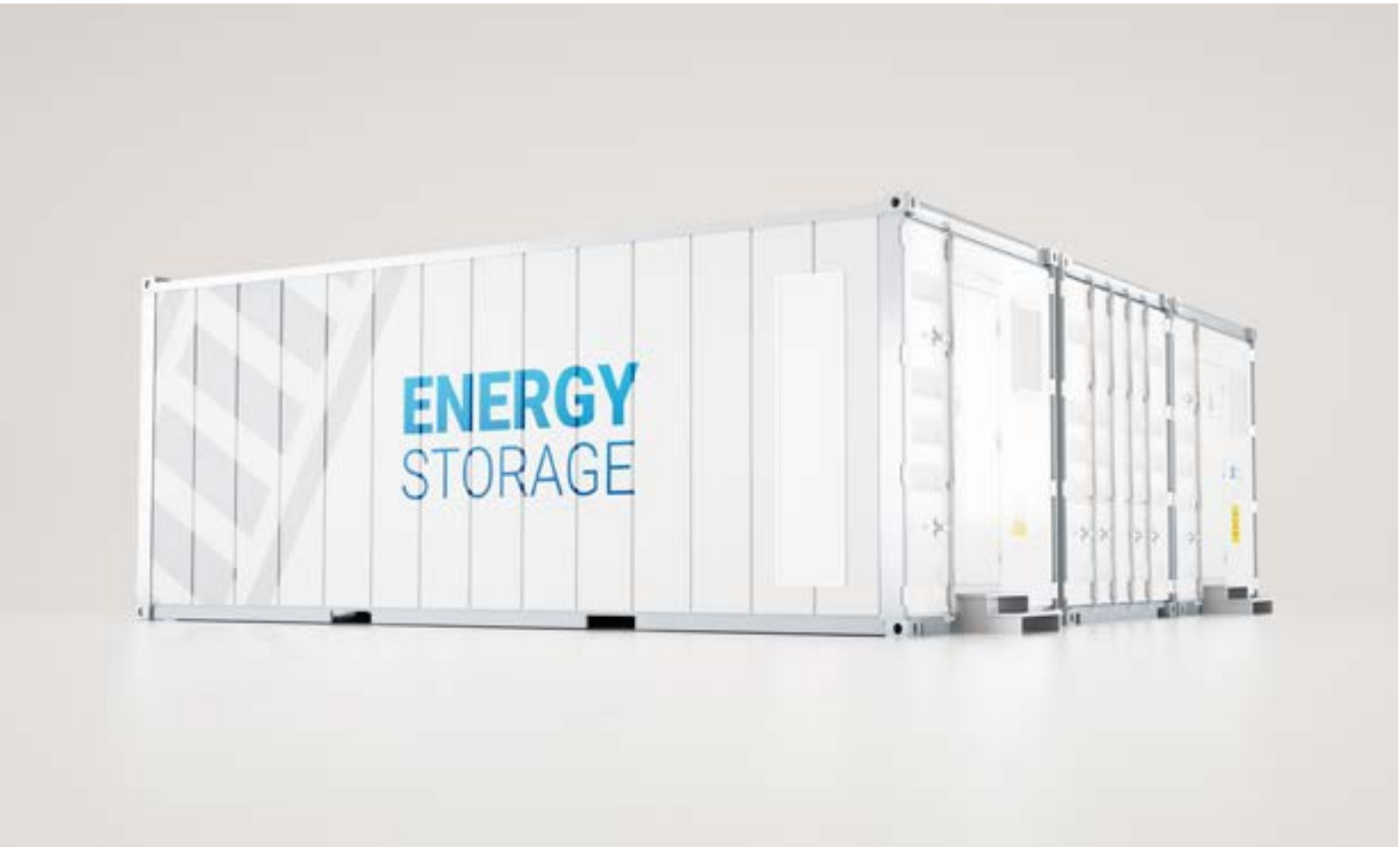
Residential and Retail Energy Storage Incentive Program

Program Manual

April 2025



NEW YORK STATE | NYSERDA
New York State Energy Research and Development Authority

NYSERDA Record of Revision
April 2025 - Document Title - NYSERDA Residential and Retail Energy Storage Market Acceleration Incentives Program Manual

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1. Program Basics

1.1 Residential and Retail Energy Storage Incentive Program Summary

The New York State Energy Research and Development Authority (NYSERDA) provides financial incentives through the Residential and Retail Energy Storage Program for the installation of new grid-connected distributed energy storage systems.

Funding for the program has been allocated by the New York State Public Service Commission through the Order Establishing Energy Storage Goal and Deployment Policy (2018 Storage Order) and the Order Establishing Updated Energy Storage Goal and Deployment Policy, issued June 20, 2024 (2024 Storage Order). Incentive applications will be accepted by December 31, 2030, or until funds are fully committed, whichever is earlier.

NYSERDA may update this Program Manual at any time and in its sole discretion. The current version of the Program Manual will be posted at www.nyserda.ny.gov/energystorage. Project and Contractor/Builder applications will be subject to the Program rules and requirements set forth in the version of the Program Manual in effect at the time of a project's incentive application, unless specifically stipulated.

NYSERDA shall exercise reasonable discretion in interpreting these terms and conditions and/or making adjustments thereto for the effective administration of the program. Participating projects will be subject to any rules adopted by the Public Service Commission before or after the issuance of this Program Manual.

1.2 Program Participation

Incentives are only available for new energy storage systems that are designed and installed by participating contractors and builders who have entered into Residential and Retail Energy Storage Program Participation Agreements and are in good standing within the program (referred to as "Contractors" and "Builders"). The Residential incentive program relies on Contractors and Builders to implement new energy storage systems for customers seeking incentives through the program. Contractors are responsible for the contract with the customer, while Builders are responsible for the installation of the system. A company approved as both a Contractor and Builder is responsible for all aspects of the project. Before a Contractor and Builder can work together, they must establish a Contractor-Builder relationship agreement through the program. For details on the roles and responsibilities of each, refer to sections 1.2.1.2, 1.2.2, and 1.2.4. The Retail incentive program relies on the Contractor role only; Contractors may engage with builders who do not participate in the Energy Storage Program.

Incentives in the Residential program will be provided directly to the Contractor of record for the project, not to the customer or Builder. Incentives in the Retail program will allow for payment assignment and/or full assignments (refer to section 3.6).

To participate in the Energy Storage Program as a Contractor or Builder, a company must submit a Contractor application, which can be found at https://nyserda.my.salesforce-sites.com/CORE_CONAPP_Program_Page. Interested companies may apply in either program, as a Contractor, Builder, or both at any time while the program is open.

Once a company is approved in the program, it will be given access to the NYSERDA Portal to begin submitting project applications. Initially, Contractors and Builders in the Residential program will be in Provisional status (refer to section 4 for details on participation status). A list of Contractors will be posted on NYSERDA's Energy Storage website.

1.2.1. Contractor Qualifications

1.2.1.1 Experience

All applications to participate as a Contractor or Builder in the Residential and Retail Energy Storage Program shall be reviewed based upon the prior experience of the applicant, and key personnel. Prior experience with energy storage installation, and relevant skills, credentials, employment history, and customer satisfaction will be considered. Applicants are also evaluated on past performance of the applicant and its key personnel in other NYSERDA programs.

To participate in the Retail Storage incentive program as a Contractor, applicants must demonstrate a total of five or more years of prior energy storage development experience across individuals in the company's engineering, construction, and development roles.

All applicants are required to submit:

- An organizational chart
- Resumes of key personnel
- Description of experience
- Quality assurance (QA) plan

A Participation Agreement (Found on the NYSERDA Energy Storage website)

- Proof of Eligibility to Conduct Business in New York State
- A sample customer agreement (where applicable) that meets program requirements
- Certificate of Insurance (Visit the Standard Forms and Agreements webpage to consult a certificate of liability insurance sample)

Companies in good standing as Contractors in NYSERDA's Retail Energy Storage Incentive Program as of April 1, 2025, shall be deemed qualified to participate in the Retail Storage incentive program going forward and need only submit a signed Participation Agreement and updated W-9 form. NYSERDA

reserves the right to request additional documentation to demonstrate that such applicants meet the requirements for Contractors set forth in this Program Manual.

1.2.1.2 Project References

To participate in the Residential incentive program, an applicant must submit:

- Three verifiable energy storage project references for completed grid-connected energy storage installations.
- References should include:
  - Name, address, phone, and email for each project reference
  - System size (kilowatts and kilowatt hours)
  - Interconnection date
  - Contractor's role in the project
  - Construction photos for the projects

To participate in the Retail incentive program, the applicant must submit project references, which should pertain to three projects, each greater than 600 kWh, that have entered commercial operation in the past three years and that, in aggregate, sum to at least 3 MW. Applicants should submit evidence of three energy storage projects that are most representative of the magnitude and complexity of the projects the applicant intends to install in New York State. Project references can be from outside of New York State.

- If an applicant is unable to provide sufficient project references as stipulated above, they may meet this requirement by substituting qualifying references from prior projects completed by the applicant's key personnel (in current engineering, construction and development roles) for other firms.
- If an applicant cannot meet the project references requirement via the pathways stated above, this requirement may be waived under the condition that any incentive applications for projects with nameplate capacity exceeding 600 kWh will not be approved. The Contractor will be placed in Provisional Status (refer to section 4.1) until they are able to meet the project references requirement.

1.2.1.3 Standing in NYSERDA Programs

An application will not be approved if the Contractor or its key personnel have unresolved customer or performance issues in another NYSERDA program, or any other New York State program(s), or have previously been terminated from any NYSERDA program for any reason.

1.2.1.4 Registered DER Supplier

Applicants must contact the New York State Department of Public Service (DPS) to obtain a copy of the DER Provider Registration Determination letter and submit it to NYSERDA, regardless of whether the DER Provider registration is required.

- If applicable, the applicant must be registered as a DER Provider with the New York State Department of Public Service (DPS) to be eligible to participate in the Program. Additional information can be found at https://dps.ny.gov/distributed-energy-resource-der-regulation-and-oversight
- Retail storage Contractors that do not contract with customers or subscribers should contact DPS to review their documents and business model to determine if registering as a DER Provider is required. The developer must provide a copy of the DER Provider Registration Determination letter that outlines registration is not required.

1.2.1.5 Other Qualifications

- A Contractor must be authorized to do business in New York State. A Contractor may use any business structure that is legal for conducting business in New York State (corporation, LLC, sole proprietorship, etc.).
- The Contractor must meet all program requirements, including required insurance coverage and have the capability to provide or ensure warranty services are provided on all storage systems installed, as required by the program and State law.
- A Contractor must comply with all local authority requirements for registration and licensing that apply to energy storage system installations, as well as those of the utility service provider.

1.2.2. Contractor Roles and Responsibilities

- Holds the agreement with the customer, where applicable. The customer agreement must comply with Uniform Business Practices for Distributed Energy Resource Suppliers (UBP-DERS), if applicable
- Responsible for the performance of Builder or engineering, procurement, and construction (EPC) Contractor(s)

Receives incentive payments (unless, for the Retail program only, a payment assignment is executed by the parties and approved by NYSERDA. Refer to section 3.6.)

Adheres to terms of Participation Agreement, Residential and Retail Energy Storage Program rules, and NYSERDA Contractor Code of Conduct

- Adheres to terms of Contractor and Builder relationship agreement as specified in the Program Manual
- Responsible for resolving customer complaints and honoring warranties for the entire energy storage system

- Complies with applicable local, state and federal laws and regulations
- Notifies NYSERDA within 10 business days of any changes to the status of the Contractor or their projects that may impact eligibility to participate in the program or receive incentive payments

1.2.3. Builder Qualifications

Approval for the Builder role is necessary for participation in the **Residential program only**. NYSERDA requires that Builders employ, at all times, at least one technically competent credentialed installer that has at least one of the four below Builder credentials. Companies applying for Builder status must include a copy of the relevant installer's credentialing certificate. If and when the credentialed installer is no longer employed by the Builder, the Builder must submit the credentialing certificate of another credentialed installer employed by the Builder to remain in good standing with the Program.

1. North American Board of Certified Energy Practitioners (NABCEP) Energy Storage Installation Professional Certification (ESIP)

The three following Builder credentials require documentation of 30 hours of advanced energy storage-specific training to be submitted in addition to the credentialing certificate.

2. NABCEP PV Installation Professional Certification
3. IBEW-NECA Electrical Journeyman & Apprentice Training (International Brotherhood of Electrical Workers and National Electrical Contractors Association) or
4. UL (Underwriters Labs) PV System Installer.

The 30 hours of advanced energy storage specific training is not required to be provided by any particular training organization and will be evaluated as part of the Contractor application process on a case-by-case basis to ensure applicability to ensure quality energy storage installations.

1.2.4. Builder Roles and Responsibilities

- Responsible for installation and quality of the project
- Agrees to the terms of Builder-Contractor Relationship Agreement
- Must employ at least one technically competent certified installer that must hold one of the four certification options described above

Adherence to NYSERDA Contractor Code of Conduct

- Compliance with applicable local, state and federal laws and regulations

1.2.5. NYSERDA Logo Use

Contractors and Builders are prohibited from using NYSERDA's logo on their website or any marketing materials.

1.3 MWh Block Incentive Structure

The Residential and Retail energy storage incentive programs are based on a "Megawatt-hour (MWh) Block" structure, which consists of a series of capacity-based (in MWh of energy capacity) funding "blocks" or segments, with incentive rates (in $/kilowatt-hour [kWh] of installed capacity) and funding amounts set for predetermined blocks that are subdivided by market segment and region. This program design provides certainty and transparency regarding incentive levels, accounts for regional and segment-specific differences, and allows for the reduction or elimination of incentives when and where market conditions support doing so.

Incentives are awarded based on the block in effect at the time of submission of a complete incentive application; program incentives are not awarded until a project has achieved an approved status. Once the project is approved, the Contractor or Builder will be notified of the incentive amount. NYSERDA reserves the right to deny newly submitted applications if the Contractor or Builder is delinquent in installation milestones for other distributed energy storage projects with an approved status or fails to comply with the Program rules and requirements or the NYSERDA Contractor Code of Conduct. Any Contractor or Builder who moves forward with the installation of a project that does not yet have an approved status in the Program does so at their own financial risk. Projects interconnected with the utility distribution system, prior to being submitted to the Program, will not be eligible to receive program incentives. Projects with an approved status will not be allowed to cancel and reapply for higher or new incentive rates unless specifically allowed by the Public Service Commission or the Program Rules.

For both the Residential and Retail MWh Block programs, incentive applications will be submitted through an online NYSERDA Portal. Allocated and available capacity will be monitored in real-time through the online MWh dashboards on NYSERDA's Energy Storage website. NYSERDA will track the status of each MWh block on these dashboards, which includes the date that each block was initiated, the incentive level for each block, and the date a block closes. Through the MWh Block dashboard on NYSERDA's Energy Storage website, Contractors can monitor block status, current incentive levels, and have real-time access to information regarding likely timing for incentive changes. Blocks for each region and market segment are tracked separately, and regional and segment-specific demand will dictate the rate at which each block is subscribed. Project-level data on statewide energy storage projects is available online at Open NY.

1.4 Quality Assurance

NYSERDA maintains the integrity of its programs through an independent Quality and Market Standards (QMS) team, which manages the Quality Assurance (QA) system for the program. The QA process for the Energy Storage programs provides guidance and oversight for energy storage projects that receive NYSERDA incentives to ensure that the commissioned system meets applicable code requirements and high safety and performance standards.

The Quality Assurance Policies and Procedures Manuals provide details on the QA system and are available on the NYSERDA Energy Storage webpage. The QA program has several components, including a review of qualifications and credentials, paperwork audits, establishment of program standards, and comprehensive field and photo inspections. The QA inspection will provide NYSERDA with an opportunity to evaluate the accuracy of the site analysis and design paperwork, verify the system was installed according to applicable code and program requirements, and include selected health, safety, and performance items.

Inspections will be conducted by a qualified independent third party, using comprehensive field and photo inspection QA checklists and inspection processes approved by NYSERDA. These checklists will be available for review on NYSERDA's Energy Storage website and will be updated as needed; projects will be inspected based on the checklists in place at the time of inspection. The NYSERDA QMS team, or its representatives, may make a reasonable number of visits to the customer site before, during, and after installation of an energy storage system to assess overall compliance.

Following an inspection, NYSERDA will produce a detailed QA inspection report and determine whether the project fully complies with all program requirements and meets acceptable standards of workmanship. The QA inspection report will be available in the NYSERDA Portal and will provide a list of any nonconformances observed. Projects that have nonconformances related to critical (health and safety) or major (system performance) attributes will automatically fail. Projects that have only nonconformances related to minor or incidental attributes may pass or fail based on the number and type of nonconformances observed.

The Contractor is responsible for correcting all nonconformances identified, within a timeframe determined by NYSERDA at its sole discretion based on the degree of nonconformance. Contractors are required to submit proof to NYSERDA demonstrating correction of all items identified. Contractors may also be moved into Probation status, Suspended status, or Terminated status based on the results of QA inspection, failing to correct identified nonconformances, or violating program requirements.

QA records will be maintained by NYSERDA in the program database. Specific functions such as inspection sampling, scheduling and field data collection will be maintained in a separate QA module. The program database is available to program staff, installers and QA Contractors and can be used to sample and review applications, identify installation status, and ascertain quality performance

NYSERDA may select any completed project for a photo or field inspection based on customer complaints, warranty-related issues, a review of the work done by the Contractor or Builder under status review or program disciplinary action, or for circumstances that relate to public safety or otherwise deemed by NYSERDA, for a period up to 25 years following the date the project was issued Permission to Operate by the interconnecting utility. At any time, Contractors will be responsible to make available documentation concerning fire or safety incidents, including Root Cause Analysis, upon NYSERDA's request. All Contractors and Builders are encouraged to perform in-house quality control of their projects.

All projects participating in the Retail Storage program will be subject to the QA process. For the Residential program, NYSERDA will select a representative sample of completed projects for onsite field inspections and/or as-built photo inspection based upon the Contractor or Builder's demonstrated quality performance and production volume.

1.5 Measurement and Verification

Contractors must verify the usable capacity for all projects participating in the Retail Storage program, for purposes of calculating the incentive payment. A project's usable capacity will be determined based upon the total capacity measured during a complete discharge from a 100% usable state of charge (discharge test), performed in accordance with the storage manufacturer's specifications.

Accordingly, Contractors must install a revenue grade meter on all projects funded under the Retail Energy Storage program, to directly record the net energy charged and discharged (kWh) from the energy storage system (storage charge/discharge minus auxiliary loads). If a utility owned meter is installed and provides the required net energy charged and discharged (kWh) from the energy storage system, this shall be used for data reporting.

If the gross battery output is being measured by a revenue grade meter, then another meter must be installed to measure the auxiliary loads for the battery system. Otherwise, the Contractor's revenue grade meter must be accurate to within ± 2% according to all applicable ANSI C-12 testing protocols and certified for accuracy by a Nationally Recognized Testing Laboratory (NRTL).

Following the NYSERDA QA field inspection, a NYSERDA measurement and verification contractor will be given access to the customer's load data, if applicable, and establish an automated data transfer to collect 15-minute data for demand charge installations or hourly interval data for VDER Value Stack tariff compensation installations, depending on the use case, for the charge and discharge of the energy storage system for up to three years. The project location, energy storage type, use case, kW and kWh size will be displayed on NYSERDA's DER Integrated Data System. Information on how to submit data may be found at https://der.nyserda.ny.gov/resources/data-submissions/

NYSERDA may also generate a third-party case study at a future date, with permission from the host site and the Contractor. If a project is selected for case study analysis, NYSERDA or NYSERDA's M&V Contractor may request the energy storage Contractor to provide additional data.

1.6 Contractor, Builder and Stakeholder Resources

1.6.1. Program Manual and Application Documents

The following program materials and application documents can be found at the NYSERDA Energy Storage webpage:

- The current version of the Program Manual. Previous editions of the Program Manual can be found at the Department of Public Service Energy Storage Deployment program case docket.

- Planning and Zoning Form
- Notice of Intent Submission Form for Projects in Agricultural Districts
- Participation Agreement
- Addendum to Customer Agreement
- Customer Acknowledgement Form for enrollment in qualifying aggregation program

1.6.2. Program Updates

Contractors and Builders are responsible for staying up to date with regard to all program updates by registering for email announcements at https://www.nyserda.ny.gov/All-Programs/Energy-Storage-Program/Connect-with-Us.

1.6.3. Webinar Presentations

Recordings and presentation materials pertaining to previous stakeholder webinars may be found on the NYSERDA Energy Storage webpage.

1.6.4. Program Inquiries

Contractors can submit inquiries pertaining to the Residential and Retail energy storage programs by contacting energystorage@nyserda.ny.gov.

1.7 Residential and Retail Energy Storage Incentives for Long Island

Residential customers of PSEG Long Island ("PSEG-LI") are eligible for the Long Island Single-Family Residential Storage Incentive, which was launched in in July 2019 and is currently funded through the Regional Greenhouse Gas Initiative. Rules and requirements associated with this incentive are governed by the NY-Sun Upstate + Long Island Program Manual. Contractors and Builders can apply for this program separately through the NYSERDA Portal.

Retail MWh Block incentives are not currently available for the Long Island region. A single block of MWh Block incentive funding for Retail energy storage projects located in Long Island, funded through RGGI, was launched in 2019 and fully allocated in 2021 (Long Island Retail Block 1).

2. Residential Energy Storage Incentive Program

2.1 Customer and Project Eligibility

Systems awarded incentives from the Residential program must meet the following criteria:

- The energy storage system equipment must be new and commercially available.
- The system must be electrically interconnected to the distribution grid after the date that NYSERDA receives the incentive application.
- The energy storage system must be physically and permanently located at the same site.
- The system must be grid-connected and connected on the customer's side of the electric meter.
- The system must be listed to specific UL or CAN standards as listed in section 5.
- All inverters must be certified as meeting all applicable standards of IEEE and UL and approved by the electric distribution utility that the system will be interconnected within.
- The system must have an appropriate interconnection agreement that meets New York State Standard Interconnection Requirements. The Contractor must ensure that the system is installed in compliance with that interconnection agreement.
- The system must be installed in accordance with the design and system components submitted in the application and approved by NYSERDA and must satisfy the requirements of the local Authority Having Jurisdiction (AHJ).
- The system must be installed in compliance with all manufacturers' installation requirements, applicable laws, regulations, codes, licensing, and permit requirements including, but not limited to, the International Building Code Series as amended by the New York State Uniform Code Supplement; the National Electric Code; New York State's Standard Interconnection Requirements and the utility's interconnection agreement; the applicable fire code; and all applicable State, city, town, or local ordinances or permit requirements.
- A minimum 10-year system warranty is required for purchased systems.
- The system must be designed to maintain a minimum round-trip efficiency as described in section 5.
- The energy storage system must be placed in-service by December 31, 2030.
- The system may be a standalone energy storage system or paired with a solar photovoltaics (PV) system.
- Upon installation, the system must enroll in a qualifying utility Dynamic Load Management (DLM) program or alternative aggregation program as listed by NYSERDA in this Program Manual (such as Demand Response, Direct Load Control, Distribution Load Relief, Commercial System Relief, and/or Virtual Power Plant programs), unless: (i) such a program is not available to residential energy storage in the project's utility territory or cannot be enrolled in at the date of incentive application; or (ii) direct customer participation in such a program is not practicable at the date of incentive application and an Aggregator for the program is unavailable. At the time of filing this edition of the Program Manual, no qualifying programs existed. The Program

Manual will be updated to list specific qualifying programs as and when such programs are implemented.

2.2 Incentive Calculation

Eligible and approved projects will receive a $/kWh incentive for up to 25 kWh of installed storage capacity in kilowatt hours measured in alternating current (AC) based on the manufacturer specifications available when the system is initially installed (the usable energy available at the beginning of system operation). The total incentive funding for a project is calculated by applying the incentive rate associated with the block from which a project was awarded an incentive to the project's installed energy storage capacity measured in AC power.

2.3 Incentive Application Process

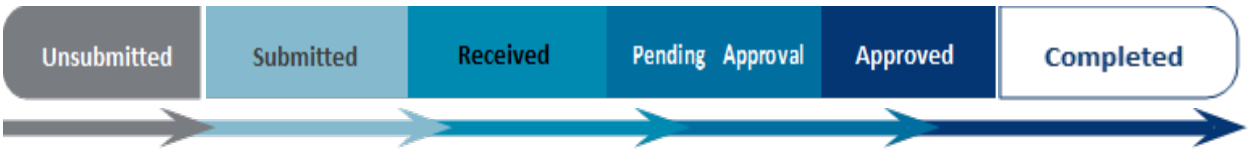
Approved Contractors or Builders can submit project applications for incentives, monitor the status of applications, and perform other program-related activities via the NYSERDA Portal. Note that each person submitting information or documentation via the NYSERDA Portal on behalf of a Contractor or Builder must use their own, unique login credentials (i.e. two or more individuals may not use the same login credentials to utilize the NYSERDA portal). Applications submitted to the residential program must list both a Contractor and Builder. The project application form must be signed by the customer

The project application will progress through each status shown below.

Any Contractor that moves forward with the installation of a project that does not yet have an *Approved* status by NYSERDA does so at the Contractor's own financial risk. Incentives are not awarded until a project has achieved an approved status and will not be paid until a project has achieved a *Completed* status (refer to "Completed Status").

Projects interconnected with the utility distribution system prior to being submitted to the Program will not be eligible to receive program incentives.

Figure 1. Project Application Flow



2.3.1. Unsubmitted Status

All project applications are generated in and submitted through the portal. *Unsubmitted* status is reached once a Contractor or Builder generates the application. The incentive rate is not confirmed until the application has been submitted.

Applications with missing or inaccurate information may be returned to *Unsubmitted* status and the incentive will be returned to the current block. The incentive level and all rules in effect at the time the new application is submitted will apply.

2.3.2. Project Application Requirements

Contractors must submit the following as part of the project application:

- Project Application: The Contractor or Builder must submit all project applications electronically through the portal. Applications submitted to the Residential program must list both a Contractor and Builder. The project application form must be signed by the customer, and if applicable, the payee.
  - Electronic signatures may be obtained through NYSERDA's DocuSign account, which is available in the portal. If a contractor prefers to use their own electronic signature account, the tool must be NYSERDA approved, and a signature verification report must be provided. Approved electronic signature tools include DocuSign, CudaSign, EchoSign, Adobe, and Seamless Doc. Electronic signatures must be obtained using the customer's own email account. Under no circumstances is a contractor or builder permitted to sign on behalf of the customer.
- Energy storage system/product specification sheet (technology type, supplier, kW and kWh nameplate capacity rating)
- Energy storage UL safety certifications (may be provided as a link to the certifying lab's listings. Refer to section 5 for specific requirements).
- Energy storage system warranty (refer to section 5 for minimum requirements).
- A description of the energy storage system including storage technology type, manufacturer, installed power and energy capacity, and roundtrip efficiency
- Site plan
  - Location and layout of all energy storage system components, including batteries, inverters/chargers, pumps, management system disconnects, point of interconnection, and utility meter
  - The schematics of the storage system's containerization in enough detail to demonstrate compliance with NYSERDA's Battery Energy Storage Guidebook

- Length of all wire runs more than 100 feet.
- Indication of all wire runs where a messenger wire (CAB) system will be used.
- Indication of which trees, if any, will be removed prior to system installation.
- For roof mounted projects outside of NYC DOB, structural calculations and a statement or structural letter stating the existing roof has sufficient structural capacity to support the additional loading due to the solar PV and stamped by a NYS licensed Professional Engineer (PE) or Registered Architect (RA) is required.

- Electrical drawing: A legible electrical diagram is required, using standard symbols to clearly describe the solar electric system. Either a one- or three-line drawing is acceptable and must indicate:
  - Quantity, conductor size, and insulation type of all energized (hot) conductors, neutral/grounded conductors, and ground conductors.
  - Type and characteristics of all raceways, conduit, and enclosures.
  - The voltage and amperage ratings of all combiner boxes, overcurrent protection devices, switches, inverters, batteries, electrical panels, and other relevant equipment as applicable, including the rating of the main service panel and its main breaker.
  - The quantity, manufacturer, and model of the inverter and system components.
  - The installed usable storage capacity in kilowatt hours measured in alternating current (AC) for the energy storage system, if applicable.
  - Customer name and address.
- Customer Utility Bill – required only for municipal projects
  - For projects taking electric service from a municipal utility, a copy of the utility bill is required with application submission.
- Site Photos
  - The Contractor must submit photos of the existing electrical service and the proposed location of the inverter. A single aerial photo does not meet this requirement.
  - Preexisting Conditions
    - Photos must document pre-existing conditions that do not meet current codes and standards, including damaged items. As part of the work scope, the Contractor or Builder will repair or replace substandard conditions that are hazardous or impact the installation of the energy storage electric system.
    - When encountering structural deficiencies, all repairs or replacement will be done under the direction of a NYS licensed Professional Engineer (PE) or Registered Architect (RA).
    - Split bus panelboard and load centers, including fused and circuit breaker styles, by any manufacturer, will not be used, regardless of the type and location of the interconnection.
    - Panelboard and load centers manufactured with FPE Stab-Lock® circuit breakers or Bulldog/ITE pushmatic-style circuit breakers will not be used for supply side or load side connection.
    - Damaged or severely corroded panelboards, disconnects, or switchboards will not be used for supply side or load side connection.

- Missing or undersized grounding electrodes, including the grounding electrode conductor (GEC) and water meter jumpers, must be replaced.
- When installing a supply side disconnect, at a minimum, the overcurrent protection device must meet or exceed the available fault current (AIC Rating) at the existing main service.

- Customer Contact Information
  - The Contractor must provide customer contact information including the customer email address and customer phone number. Providing Contractor contact information in place of the customer contact information will not be permitted.
- Customer Acknowledgement Form agreeing to enrollment of local utility's Dynamic Load Management (DLM) Program or other qualifying residential storage aggregation program (refer to section 2.1)
- Projects must meet all technical requirements identified in section 5.

2.3.3. Documents Not Required with Application: Must be Available Upon Request

The following additional documents must be on file with the Contractor. They may be requested by NYSERDA, but do not need to be submitted with the project application to achieve submitted status.

- **Onsite Residential Customer Agreement:** The customer agreement may be in the form of a purchase agreement or a lease/power purchase agreement. All customer agreements must also meet the requirements of the Uniform Business Practices for Distributed Energy Resource Suppliers, available at https://dps.ny.gov/distributed-energy-resource-der-regulation-and-oversight.

1. All customer agreements must be signed by both parties and include the following:
   - Installation location: town, street, and lot or building number.
   - Installation schedule: realistic installation and interconnection schedule taking into account timeline requirements of NYSERDA and utility review requirements.
   - System description: description of the energy storage system and an outline of system specifications, the make and model of major system components, identification and location of easy-to-read meter, references to UL listing, etc.
   - Estimate of the minimum number of hours a fully charged energy storage system could power and the circuits it could power, if applicable
   - Applicable incentives: Customer agreement must reflect the entire amount of the anticipated NYSERDA incentive and incentives and warranties must pass to the customer.
   - Explanation and estimate of additional customer-incurred costs: for development; installation; operations and maintenance; commissioning of the system(s) and a payment schedule, if applicable.
   - Assignment of responsibilities: for scheduling or obtaining and paying for permits, inspections, or other regulatory requirements.

- Addendum to customer agreement: completed and signed by both the customer and the Contractor.

Electronic signatures may be obtained through NYSERDA's DocuSign account, which is available in the portal. If a Contractor prefers to use their own electronic signature account, the tool must be NYSERDA approved and include a signature verification report. Approved electronic signature tools include DocuSign, CudaSign, EchoSign, Adobe, and Seamless Doc. **Under no circumstances is a Contractor or Builder permitted to sign on behalf of the customer.**

2. If the customer agreement is for the purchase of the system, the agreement must also include the following:
    - Total system and itemized costs: for example, cost of storage system; cost of inverters; balance of system (wires, racking, etc.); and labor and overhead (labor, permitting, etc.), roof replacement/repair, if any; service panel upgrades, if any; and any other significant project components.
    - System warranty (refer to section 5).
3. If the customer agreement consists of a lease or power purchase agreement (PPA), it must include all items listed under "1," and the following:
    - Total agreement cost and applicable incentives: lease or PPA must reflect the entire amount of the expected NYSERDA incentive.
    - Other terms: such as the party (customer or Contractor) responsible for costs related to movement and reinstallation of the system or parts and the terms under which those actions will be taken, as well as any insurance coverage related to the system.
    - Escalation rates or factor for a lease or PPA, clearly described.

- **Utility Bill:** For project applications, a copy of the utility bill must be available upon request.
- **Permits:** The Contractor or Builder must have applied for all necessary permits, approvals, and certificates, to the appropriate agencies or municipalities for construction of the storage project before submitting the application to the program. While submission of required permits is not necessary with the project application submission, the Contractor must produce all documents immediately upon NYSERDA's request. The building permit must be submitted with the final project invoice for all projects. All permits must clearly reference installation of the approved storage system at the customer site. If permits are not needed for installation, a signed letter from the town code officer, or Authority Having Jurisdiction (AHJ) must be submitted stating no building permit is required. Failure to obtain any necessary permits prior to construction, or to produce any requested permits or other documentation upon request, shall result in the revocation of a project's incentive award.
- **Construction Photos:** The Contractor or Builder is required to take construction photos for each project. NYSERDA may request construction photos for purposes of conducting a photo inspection at any time. Refer to section 2.4 for additional information.
- The storage manufacturer commissioning approval documentation

2.3.4. Submitted Status

The project application moves to Submitted status once the Contractor or Builder submits the application along with the required documents through the portal. Once a complete and accurate application is submitted, the applicable incentive rate is locked in. If a project application has missing or inaccurate information or documents, the Contractor will be asked to provide the correct information in the portal. **Applications with missing or inaccurate information may be returned to Unsubmitted status and the incentive will be returned to the current block.**

Once a project application has been submitted in the NYSERDA Portal, no changes to the Contractor, payee, site address, or customer are allowed**. If such a change is requested, the application will be canceled, and an updated application will need to be submitted.** The incentive level and all rules in effect at the time the new application is submitted will apply.

2.3.5. Received Status

The project application moves to received status once it has been received by the program. At this time, the application will move into the queue for technical (design) review.

2.3.6. Design Review

Once the application has been received, the project may undergo a full technical review (design review) to confirm the project has been designed appropriately and meets all program rules. For a full description of all technical requirements, refer to section 5.

If a project application has missing or inaccurate information or documents, the Contractor or Builder will be asked to provide the correct information in the portal. **Applications with missing or inaccurate information may be returned to *Unsubmitted* status.**

2.3.7. Pending Approval Status

When the project passes design review, the application will automatically move to Pending Approval status.

2.3.8. Approved Status

When the project application and system design have been officially approved by the program, the Contractor, Builder, and customer will receive notification to move forward with the installation of the system. The Contractor is responsible for providing the customer with a copy of the approval letter, if no customer email address has been provided.

Once the project is approved, the Contractor or Builder will be notified of the approved incentive amount.

2.3.9. Project Timelines

Barring extensions granted by NYSERDA (refer to section 2.3.10.2), all residential projects have 365 days from the project approval date (the date project is marked approved in the portal) to complete the system installation and submit for final project invoice approval.

2.3.10. Actions in Approved Status

While in approved status, the Contractor or Builder may submit a project cancellation request, project extension request, project modification request, or project invoice request.

2.3.10.1 Project Cancellation Requests

Requests to cancel a project must be submitted through the portal as soon as it is known that a project is not moving forward. Should a project wish to move forward after cancellation, the Contractor must submit a new project application. In this case, the incentive level and all rules in effect at the time the new application is submitted will apply. Projects previously awarded a NYSERDA Residential Storage incentive contract may not cancel and reapply for a NYSERDA MWh block offering at a higher rate or higher total incentive amount.

2.3.10.2 Project Extension Requests

To request an extension, the Contractor or Builder must submit a project extension request in the portal. Projects that exceed the completion deadline date will be in jeopardy of cancellation. NYSERDA will approve extensions on a limited case-by-case basis. Project extensions will be granted for legitimate and verifiable reasons which are beyond the control of the Contractor, Builder, or customer. No other requests will be considered. Project extensions may only be granted once for each residential project. If approved, the extension will allow an extra 90 days to complete the project, bringing the total to 455 days.

2.3.10.3 Project Modification Requests

Once a project application has been submitted in the portal, no changes to the Contractor, site address, or customer name are allowed.

Select project modification requests, as described below, may be submitted in the portal. The Contractor and customer will receive email approval for project modification requests. The Contractor is responsible for providing the customer with a copy of the project modification approval letter, if no customer email address has been provided. Please check the portal before contacting NYSERDA regarding project modification approvals.

Customer signature is required for any project modification request that results in change in approved funding amounts. Electronic signatures may be obtained through NYSERDA's DocuSign account, which is available in the portal. If a Contractor or Builder prefers to use their own electronic signature account, the tool must be NYSERDA approved, and a signature verification report must be provided. Approved electronic signature tools include DocuSign, CudaSign, EchoSign, Adobe, and Seamless Doc. **Under no circumstances is a Contractor or Builder permitted to sign on behalf of the customer.**

Any system modifications or equipment changes must be submitted in the portal as a project modification request and approved by NYSERDA before project invoice is submitted. **Failure to submit a project modification may result in revocation of the incentive reservation or nonpayment of the incentive.**

- **Energy Storage Equipment:** A request to modify the energy storage equipment or system size must state the original equipment quantity and catalog numbers, the proposed equipment quantity and catalog numbers, changes in cost, and any changes in the configuration or wiring.
- **System Size:** Residential project modification requests resulting in a larger system size are eligible to receive an increased incentive. NYSERDA will review the request and calculate the new incentive amount. Residential projects funded at a previously higher incentive level have the option of accepting the existing incentive award "as is" or recalculating the project at the current incentive level.

2.3.10.4 Invoicing and Payment

The Contractor receives the total project incentive in one installment. To request incentive payment, the project invoice must be submitted in the portal for approval.

To receive the incentive payment, the project invoice must include:

- Utility interconnect permission to operate (PTO) letter(s)
- The building permit for the system
- Proof of enrollment in a qualifying aggregation program as noted in section 2.1

Electronic signatures may be obtained through NYSERDA's DocuSign account, which is available in the portal. If a Contractor prefers to use their own electronic signature account, the tool must be NYSERDA approved and include a signature verification report. Approved electronic signature tools include DocuSign, CudaSign, EchoSign, Adobe, and Seamless Doc.

2.3.11. Completed Status

The project has achieved Completed status once the system has been installed and interconnected and NYSERDA approves payment of the incentive.

2.4 QA Inspections of Completed Projects

In the Residential Energy Storage Incentive Program, NYSERDA selects specific completed projects for QA inspections following a rational sampling protocol. The protocol utilizes a strategic sampling of completed projects with rates primarily based on the Contractor's and Builder's current program status and recent photo and field inspection scores. For more information on the QA inspection process, refer to section 1.4.

2.5 Expansion of Completed Systems

Additional incentives for the expansion of a project previously completed in the program may be requested. The initial application must be completed in its entirety, and the new application must indicate that it is an expansion system. The incentive will be capped at a total system size of 25 kWh as referenced in section 2.2.

2.6 Assignments

Payment Assignments and/or Full Assignments are not allowed for residential projects. Incentive payments will be made to the Contractor only.

3. Retail Energy Storage Incentive Program

3.1 Project Eligibility

New projects that meet the requirements described below are eligible to apply for incentives. New projects are those that have not received permission to operate (PTO) from the interconnecting utility prior to NYSERDA's approval of the project application. Eligible projects include:

- Energy storage (standalone or paired with an eligible generation source such as solar photovoltaic [PV]) connected directly into the distribution system and compensated under the VDER Value Stack tariff
- Retail, demand-metered customers that install energy storage (either standalone or paired with on-site generation such as solar PV) behind the customer's electric meter (BtM)
- Retail, non-demand metered customers that install energy storage paired with a solar PV system BtM.
- Projects may also pursue revenue through an Investor- Owned Utility program or the New York Independent System Operator (NYISO), including the NYISO DER and Aggregation participation model.

Projects must also meet the following requirements:

- The energy storage system must be a new, permanent, stationary system designed and installed by an eligible Contractor. The storage system may be standalone or interconnected with an existing form of on-site generation such as solar PV Storage systems that may be moved on a temporary basis for needed maintenance and related issues, including floating, barge-based systems, shall be deemed permanent and stationary provided that they have a permanent grid interconnection and do not provide services at other locations without prior approval from NYSERDA.
- The storage system must be electric grid-connected chemical, thermal, or mechanical storage and operated primarily for electric load management or shifting electric generation to more beneficial time periods while operating in parallel with the utility grid. The system may also provide other customer benefits such as backup power during a grid outage or power quality.
- The storage equipment must consist of commercial products carrying at least a 10-year manufacturer's warranty. The warranty must cover the entire energy storage system, including ancillary equipment, pumps, thermal management, and power electronics.
- Experimental, beta, or prototype equipment is not eligible.
- The system must have an appropriate interconnection agreement that meets New York State Standard Interconnection Requirements. The Contractor must ensure that the system is installed in compliance with that interconnection agreement.
- The system must be installed in accordance with the design and system components submitted in the application (including any modifications) and approved by NYSERDA, and must satisfy the requirements of the local AHJ.

- The storage system must be certified to meet minimum safety requirements by a Nationally Recognized Testing Laboratory as evidenced by applicable UL listings (refer to section 5).
- The system must be designed to maintain a minimum round-trip efficiency as described in section 5 and installed in accordance with the design and system components submitted in the project application and approved by NYSERDA.
- All inverters must be certified as meeting all applicable standards of IEEE and UL and approved by the electric distribution utility that the system will be interconnected within.
- The system must be installed in compliance with all manufacturers' installation requirements, applicable laws, regulations, codes, licensing, and permit requirements including, but not limited to, the International Building Code Series as amended by the New York State Uniform Code Supplement; the National Electric Code; New York State's Standard Interconnection Requirements and the utility's interconnection agreement; the applicable fire code; and all applicable State, city, town, or local ordinances or permit requirements including the New York State Environmental Quality Review (SEQR) (or the City Environmental Quality Review [CEQR]); Article 10; and any additional requirements of the local AHJ.
- Projects with an installed capacity of 1 MW-AC or greater that are awarded Retail storage incentive funding authorized by the 2024 Storage Order (i.e., awarded incentives from Rest of State Blocks 5 or higher, New York City Blocks 6 or higher, or Con Edison Westchester Blocks 2 or higher) must pay Prevailing Wage or enter into a project labor agreement for construction activities associated with project development and installation (refer to section 3.1.1).
- The system must have received utility Permission To Operate (PTO) by December 31, 2030, for projects awarded incentives from Rest of State Blocks 5 or higher, New York City Blocks 6 or higher, or Con Edison Westchester Blocks 2 or higher), or December 31, 2025, for projects awarded incentives from Rest of State Blocks 1-4, New York City Blocks 1-5, Con Edison Westchester Block 1 or Long Island Block 1.
- NYSERDA may extend these deadlines at the Contractor's request for projects that have experienced in-service delays due to conditions beyond the control of the Contractor, and upon receiving verification that project construction has commenced on or before these deadlines. Examples of when construction is considered to have commenced include:
    - When physical work of a significant nature begins on the project. This includes activities like clearing the site, excavating, or installing components necessary for the operation of the system.
    - The Contractor pays or incurs five percent or more of the total cost of the project.
    - Commencement of utility mobilization of distribution system upgrades necessary to interconnect the system as identified in the project's Coordinated Electric System Interconnection Review (CESIR) study.

The following projects are ineligible:

- Projects that have executed a contract to participate in a Non-Wires Alternative (NWA) or Non-Wires Solution (NWS) project or program on or before February 14, 2025.

- Projects previously awarded a NYSERDA Retail incentive contract may not cancel and reapply for a NYSERDA MWh block offering at a higher rate or higher total incentive amount.
- Projects owned by Investor-Owned Utilities (IOUs).
- Projects in which the energy storage system is compensated under the Clean Energy Standard through a NYSERDA-awarded Renewable Energy Certificate (REC) for a paired renewable and storage system.
- Projects that receive a Bulk Storage incentive or are awarded an IOU Dispatch Rights contract.
- BtM standalone energy storage projects serving retail, non-demand metered customers.

3.1.1. Requirements for Prevailing Wage or Project Labor Agreement

Energy storage projects with an installed capacity of 1 MW-AC or greater that are awarded Retail storage incentive funding authorized by the 2024 Storage Order (i.e., awarded incentives from Rest of State Blocks 5 or higher, New York City Blocks 6 or higher, or Con Edison Westchester Blocks 2 or higher) must pay Prevailing Wage or enter into a project labor agreement for construction activities associated with project development and installation as a programmatic requirement.

The Retail Energy Storage program participation agreement requires covered projects to pay prevailing wage to all laborers, workmen and mechanics, within the meaning of NYS Labor Law Article 8, performing on-site construction activities whether through long-term or short-term employment. The prevailing wage requirement will apply to direct employees of the developer and of developer's subcontractor(s). Contractors must submit quarterly certifications by a New York State licensed Certified Public Accountant in order to pass the Project Completion milestone (refer to section 3.4.11.3). In the event the project construction period extends beyond the Project Completion milestone, the Contractor must provide additional quarterly certification covering the entire project construction period within 90 days of the completion of construction.

The applicable Prevailing Wage in the area where the eligible energy storage facility will be situated, erected and used, will be as required pursuant to New York State Labor Law Article 8 and any regulations promulgated thereunder, including but not limited to the applicable New York State Department of Labor prevailing wage schedule (https://dol.ny.gov/bureau-public-work-and-prevailing-wage-enforcement) or the equivalent Prevailing Wage requirements of the jurisdiction where the covered energy storage facility is located.

While the program participation agreement will refer to the NYS Labor Law Article 8, such reference will be limited to establish the amount of the Prevailing Wage required to be paid pursuant to the 2024 Storage Order and the categories of persons required to be paid such Prevailing Wage. The NYS Labor Law Article 8 shall not apply to the program participation agreement as a matter of law; however, the prevailing wage requirement established thereunder will apply to the participation agreement as a matter of policy.

Construction activities within the scope of this requirement include but are not limited to the clearing, grubbing, grading, staging, installation, erection and placement of the facility, electrical interconnection, as well as start-up and commissioning of the facility. Covered activities include those related to the construction of the facility that extend beyond the commercial operation date. Compliance requirements, including those pertaining to payroll and time record-keeping and proof of payment of wages, shall apply pursuant to NYS Labor Law Article 8.

NYSERDA will require previously approved Contractors to submit an updated program participation agreement prior to NYSERDA's approval of the first covered project submitted by each Contractor. NYSERDA will enforce this contractual requirement pursuant to the Retail Energy Storage program implementation rules, and may request additional documentation from the Contractor demonstrating compliance with this requirement. The legal statute(s) addressing prevailing wage requirement for covered energy storage facilities may change and result in a change in the compliance requirements and enforcement protocols.

3.2 Incentive Calculation

The total incentive funding for a project is calculated by applying the $/kWh incentive rate associated with the block from which a project was awarded an incentive to the project's usable installed energy storage capacity measured in AC power, up to a maximum of 20 MWh (projects with usable installed capacity over 20 MWh are eligible to receive incentive funding, but their incentive award will be capped based at a capacity value of 20 MWh). This capacity will be verified through NYSERDA's Measurement and Verification process (refer to section 1.5). During this process, the usable capacity will be verified based upon the total capacity measured during a complete discharge from a 100% usable state of charge, performed in accordance with the storage manufacturer's specifications. These specifications will include C rates, resting state, maximum depth of discharge, and ambient temperature ranges.

Incentive rates listed will be provided at the dollar value listed for each of the first four hours of a system's duration and decline to 25 percent of this dollar value for hours five and six of duration with no incentive for any duration beyond six hours.

For thermal storage systems, the capacity will be verified during the inspection by witnessing a full system cycle. The incentive for thermal storage systems offsetting electric chiller load will be calculated as follows:

- [System capacity (ton-hours)] / [designed operating period (hours)] = average discharge rate (tons)
- Average discharge rate (tons) x the baseline efficiency value provided in the current version of the Utilities Technical Resource Manual (TRM) and the current versions of the Energy Conservation Construction Code of New York State and New York City Energy Conservation Code2 (kW/ton) = Average discharge (kW)
- Incentive amount ($) = Average discharge (kW) x (Hours 1-4) x Incentive ($/kWh) + 0.25 x (Average discharge (kW) x (Hours 5-6) x (Incentive $/kWh)

The approved incentive amount will not change, assuming the energy storage system is installed as approved and usable installed capacity as verified by the discharge test is within 5 percent of the installed energy storage capacity approved in the project application or approved project modification request, and within the terms and conditions of the program, including the completion deadline. The total incentive payment will be up to, and will not exceed, the approved incentive level.

3.3 Application Ordering

With the exception of New York City Blocks 5, 6, and 7 and Rest of State Blocks 5 and 6, incentives are available on a first-come, first-served basis.

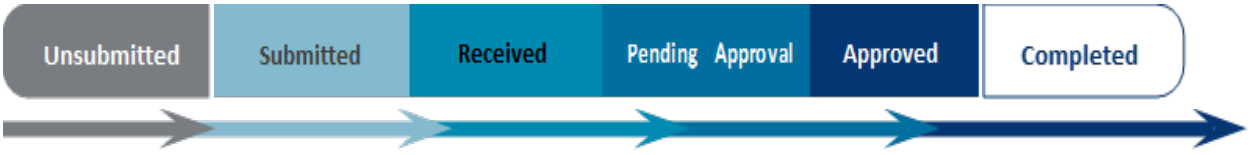
For New York City Blocks 6-7 and Rest of State Blocks 5-6, in the event that more complete and eligible applications are received within the first 21 calendar days of the opening of the Block than can receive an award given the total available funding, NYSERDA will re-order all complete and eligible applications by actual date of full (100%) utility interconnection payment, and award incentives in that order. In the event a project is not required to make a utility upgrade payment, the date of the utility-approved interconnection agreement will be used in place of the date of the 100% payment. In the event that projects have the same date of full utility interconnection payment or utility-approved interconnection agreement, the project with the earlier date of initial utility interconnection application submission will receive a higher rank-ordering.

For New York City Retail Block 5, if more complete and eligible applications are received within the first 14 calendar days of the opening of the block than can receive an award given the total block funding available, NYSERDA will re-order all complete and eligible applications by actual date of full (100%) utility interconnection payment, and award incentives in that order. In the event a project was not required to make a utility upgrade payment, the date of the utility-approved interconnection agreement will be used in place of the date of the 100% payment.

3.4 Incentive Application Process

Approved Contractors can submit project applications for incentives, monitor the status of applications, and perform other program-related activities via the NYSERDA Portal. Note that each person submitting information or documentation via the NYSERDA Portal on behalf of a Contractor or Builder must use their own, unique login credentials (i.e. two or more individuals may not use the same login credentials to utilize the NYSERDA portal).

The project application will progress through each status.



Any Contractor that moves forward with the installation of a project prior to being Approved by NYSERDA (refer to section 3.4.8) does so at the Contractor's own financial risk. Incentives are not awarded until a project has achieved an Approved status and will not be paid until a project has achieved a Completed status and requested payment (refer to sections 3.4.13 and 3.4.14)

Projects interconnected to the utility distribution system prior to being submitted to the Program, will not be eligible to receive program incentives.

3.4.1. Unsubmitted Status

All project applications are generated in and submitted through the portal. Unsubmitted status is reached once a Contractor generates the application. The incentive rate is not confirmed until the application has been submitted.

If a project application has missing or inaccurate information or documents, the Contractor will be asked to provide the correct information in the portal. Applications with missing or inaccurate information may be returned to Unsubmitted status.

3.4.2. Retail Energy Storage Project Application Requirements

Contractors must submit the following as part of the project application:

- Project Application: The Contractor must submit all project applications electronically through the portal. Applications submitted to the Retail program must list a Contractor only. The project application form must be signed by the customer and the payee, if applicable.
  - Electronic signatures may be obtained through NYSERDA's DocuSign account, which is available in the portal. If a contractor prefers to use their own electronic signature account, the tool must be NYSERDA approved, and a signature verification report must be provided. Approved electronic signature tools include DocuSign, CudaSign, EchoSign, Adobe, and Seamless Doc. Electronic signatures must be obtained using the customer's own email account. **Under no circumstances is a Contractor permitted to sign on behalf of the customer.**
- Electrical Drawings
  - A legible electrical diagram is required, using standard symbols to clearly describe the energy storage system. Either a one- or three-line drawing is acceptable and must indicate:
    - Quantity, conductor size, and insulation type of all energized (hot) conductors, neutral/grounded conductors, and ground conductors
    - Type and characteristics of all raceways, conduit, and enclosure.

    - The voltage and amperage ratings of all switches, inverters/chargers, batteries, electrical panels, and other relevant equipment as applicable—the rating of the main service panel and its main breaker must be given
    - The quantity, manufacturer, and model of the inverters/chargers, and electrical storage system components.
  - For thermal storage, the cooling system flow diagram
- Energy Storage System Product Description
  - The type of energy storage system and product description, which includes the storage technology type, manufacturer, kW and kWh capacity, and roundtrip efficiency
  - The energy storage product description must include manufacturer equipment specifications for all major components of the storage system, such as the storage component (e.g., battery), inverter, converter, controller, and additional system components when applicable.
    - For thermal storage projects, the nameplate information of existing chiller plant (chillers, pumps, tanks, cooling towers, etc.) is required.
    - Customer name and address, if applicable
    - Project address
- Site Plan
  - The Site Plan must include the following:
    - Location and layout of all energy storage system components, including batteries, inverters/chargers, pumps, management system disconnects, point of interconnection, and utility meter
    - The schematics of the storage system's containerization in enough detail to demonstrate compliance with NYSERDA's Battery Energy Storage Guidebook
    - Customer name and address, if applicable
    - Project address
- Final Coordinated Electric System Interconnection Review (CESIR) with email confirmation from the utility that a 100% interconnection upgrade payment has been made, with reference to the interconnection job number
  - Non-utility issued confirmation such as wire transfer documentation is not acceptable.
  - If the utility does not require a CESIR for the project: a copy of the signed and executed interconnection agreement
- Planning and Zoning Board Approval (if not sited in New York City)
  - Planning and Zoning Confirmation Form
    - Completed Planning and Zoning Confirmation Form identifying all local land use approvals required for the project, or identifying if no such approvals are required.
- Proof of UL 9540 Equipment Listing and UL 9540A test results and other relevant safety certifications, as detailed in the System Technical Requirements Section
- Proof of energy storage system 10-year warranty

- Coastal Assessment: The Contractor must provide a screen capture from the New York State Department of State online GIS tool showing if the project site location is or is not located in a New York State coastal boundary area and/ or local water front revitalization program zone.
- For BtM storage systems: one year of customer electrical usage data
  - One year of electrical usage data can be in the form of 12 months of utility bills, and if available, the usage data should be a customer's 15-minute interval data.
  - For new construction or projects with future load growth, a Contractor will submit, in lieu of historical load data, the building electrical load as designed, including a copy of the utility service request form if available.
  - For thermal storage projects, the usage data should also include information on the cooling load, in tons.
- Negative declaration under the State Environmental Quality Review Act (SEQRA) or City Environmental Quality Review Act (CEQR) as evidenced by meeting minutes or written approval from the local government/lead agency (if required by the lead agency)
  - For projects larger than 4,000 sq. ft, it is the contractor or builder's responsibility to initiate the SEQRA process, including filing of the SEQRA form (found on www.dec.ny.gov), at the local level and ensure a lead agent is identified. The contractor or builder will be required to submit the first half of the SEQRA Form to NYSERDA.
  - Some projects, such as systems installed on rooftops, brownfields, and landfills, may qualify as Type II actions (do not require further SEQR review). For these projects, the contractor must provide a statement indicating why it is a Type II action.
- Notice of Intent to Undertake an Action Within an Agricultural District, if sited in a State-Certified Agricultural District and if project footprint including paired solar components, access roads and any other project features outside fenced area exceeds one acre.
  - Retail energy storage projects that meet the above criteria and are proposed within a State-Certified Agricultural District will require an Agricultural Market Law (AML) Section 305(4) Notice of Intent (Notice) to be prepared through NYSERDA and filed with the New York State Department of Agriculture and Markets (NYSAGM).
  - Contractors must complete and submit to NYSERDA the Notice of Intent Submission Form, along with the required documentation and maps, as indicated on the form. The Notice must examine and address the impacts to land, farm enterprises, and agricultural resources within the Agricultural District and must demonstrate how such impacts will be avoided or minimized.
  - To ensure compliance with the Notice requirements, the Contractor should contact NYSERDA at the start of the State Environmental Quality Review (SEQR) process. If the SEQR process has already commenced, please contact NYSERDA and file the Notice as soon as possible.
  - Projects will not be eligible to receive incentive funding until they have led the Notice of Intent process with NYSERDA.

- Questions regarding the NOI Submission Form should be directed to energystorage@nyserda.ny.gov.
- Guidelines for Solar Energy Projects - Construction Mitigation for Agricultural Lands
  - Retail energy storage projects paired with solar that are proposed within a State-Certified Agricultural District will require an executed copy of the Guidelines for Solar Energy Projects – Construction Mitigation for Agricultural Lands document (refer to www.nyserda.ny.gov/-/media/Project/Nyserda/Files/Programs/NY-Sun/Contractor-Resources/NYSAGM-guidelines-for-solar-construction-mitigation-ag.pdf).
- Mitigation Fund Payments
  - Retail energy storage projects that are paired with solar and are 1) proposed within a State-Certified Agricultural District, and 2) have filed an interconnection application (Step 3 of the New York Standardized Interconnection Requirements) on or after November 1, 2020, **and** 3) occupy greater than thirty (30) acres of Mineral Soil Group 1-4 will be required to make a Mitigation Fund Payment prior to invoicing.
  - The process for determining occupied acreage of Mineral Soils Group 1-4 and calculating the amount of the Mitigation Fund Payment can be found in the Mitigation Payment Requirements document, which is available at nyserda.ny.gov/solar-contractor-resources.
- Stacked Projects: For project(s) where NYSERDA submits an NOI to AGM after March 22, 2023, the project review will be in accordance with the following:
  - In situations where two or more projects (where each project is greater than 1 MWdc) are abutting and located on parcels of real property that are owned by the same landowner(s), the reviews for those projects, even when they have separate points of interconnection, will be combined, and the impacted Mineral Soil Group 1-4 acreage will be aggregated across stacked projects to determine the required mitigation. For stacked projects where it is unknown which project may become operational first, NYSERDA and NYSAGM staff shall utilize the date of application for interconnection to estimate the appropriate proportion for each individual project. For clarity, the overall parcel acreage converted to the Facility Area is to be incremental for each unique project's Mitigation Fund Payment calculation.
  - No payment related to agricultural mitigation or easement is or will be required regarding any project that submits an interconnection application prior to November 1, 2020, including those that have received or shall receive NYSERDA incentives.

- Projects must meet all technical requirements identified in section 5.

3.4.3. Documents Not Required with Application: Must Be Available Upon Request

- Customer Agreement: If the energy storage project is located with customer load (BtM), the customer agreement outlining the direct relationship between the Contractor and the customer must be made available upon request to NYSERDA. All customer agreements must include:
  - Installation location: town, street, and lot or building number
  - Installation schedule: realistic installation and interconnection schedule taking into account timeline requirements of NYSERDA, permitting agencies, and utility review requirements

- System description: description of the storage system and an outline of system specifications, the make and model of major system components, identification and location of easy-to-read meter, references to UL listings, and other relevant information
- Applicable incentives: customer agreement must reflect the entire amount of the anticipated NYSERDA incentive
- Explanation and estimate of additional customer-incurred costs for development; installation; and commissioning of the system and a payment schedule, if applicable
- Assignment of responsibilities for scheduling or obtaining and paying for permits, inspections, or other regulatory requirements
- If the customer agreement is for the purchase of the system, total system and itemized costs and the system warranty
- NYSERDA addendum to customer agreement: completed and signed by both the customer and the Contractor

- Payee W9: All payees should register their entity through the Portal. For projects eligible for payment assignments, the Contractor must provide a copy of the payee's W9 upon request.

3.4.4. Submitted Status

The project application moves to Submitted status once the Contractor submits the application along with the required documents through the portal. Once a complete and accurate application is submitted, the applicable incentive rate is locked in. If a project application has missing or inaccurate information or documents, the Contractor will be asked to provide the correct information in the portal.

Applications with missing or inaccurate information may be returned to Unsubmitted status and the incentive will be returned to the current block. The incentive level and all rules in effect at the time the new application is submitted will apply.

Once a project application has been submitted in the NYSERDA Portal, no changes to the Contractor, payee, site address, or customer are allowed except as described below:

- Projects will be allowed to change their selected metering method from Community Distributed Generation (CDG) to Remote Crediting, or vice versa, without penalty.
- Contractors will be allowed to request a payment assignment to another entity, or full assignment which would transfer roles and responsibilities to another approved Contractor. For additional details, refer to section 3.5.

NYSERDA reserves the right to deny newly submitted applications if the Contractor is delinquent in installation milestones for other energy storage or NYSERDA-funded projects with an Approved status, or fails to comply with the Program rules and requirements or the NYSERDA Contractor Code of Conduct.

3.4.5. Received Status

The project application moves to received status once it has been received by the program. At this time, the application will move into the queue for technical review (design review).

3.4.6. Design Review

Once an application has been received by NYSERDA, the project will undergo a technical review (design review). NYSERDA will review technical specifications, including the site plan and drawing, for compliance with program rules. For a full description of all technical requirements, refer to section 5.

3.4.7. Pending Approval Status

When the project passes design review, the application will automatically move to Pending Approval status. In this status, the purchase order is finalized and funding for the application is reserved.

3.4.8. Approved Status

When the project application is approved by the program, the Contractor, customer, and payee will receive notification to move forward with the installation of the system.

Once the project is in Approved status, the Contractor or will receive an award letter containing the incentive amount.

3.4.9. Project Timelines

For projects awarded incentives from Rest of State Blocks 1-4, New York City Blocks 1-5, Long Island Block 1 or Con Edison Westchester Block 1, the incentive amount will be encumbered for the project until 730 calendar days after the date the project enters “Approved” status in the application portal or until December 31, 2025, whichever date is earlier, to complete the system installation and submit for invoice approval, barring any extensions granted by NYSERDA.

For projects awarded incentives from Rest of State Blocks 5 or higher, New York City Blocks 6 or higher, or Con Edison Westchester Blocks 2 or higher, the incentive amount will be encumbered for the project

until 730 calendar days after the date the project enters "Approved" status in the application portal or until December 31, 2030, whichever date is earlier, to complete the system installation and submit for invoice approval, barring any extensions granted by NYSERDA.

Projects that do not meet the specified deadlines and have no extension on file may be at risk of cancellation.

3.4.10. Actions in Approved Status

While in Approved status, the Contractor may submit a project extension request, project cancellation request, project modification request, Full or Payee assignment request or project invoice request.

3.4.10.1 Project Extension Requests

To request an extension, the Contractor must submit a project extension request in the portal.

NYSERDA may grant up to two 180-day project extensions on a limited case-by-case basis. Project extensions will be granted for legitimate and verifiable reasons in instances where the delay is associated with circumstances outside of the Contractor's control, as determined at NYSERDA's sole discretion.

3.4.10.2 Project Modifications

Select project modification requests, as described below, may be submitted in the portal. The Contractor will receive email approval for project modification requests. Modification requests must be approved by NYSERDA before a project invoice is submitted. **Failure to submit a project modification may result in revocation of the incentive reservation or nonpayment of the incentive.**

- Energy Storage Equipment: A request to modify the energy storage equipment or system size must specify the original equipment quantity and catalog numbers, the proposed equipment quantity and catalog numbers, changes in cost, and any changes in the configuration or wiring.
- System Size: Retail project modification requests resulting in an increase to the system size will not earn an additional incentive. Projects which are built smaller than proposed may see a reduction in incentives. The Contractor must provide a copy of the final as-built 3-line that is stamped by a NYS licensed Professional Engineer (PE) to confirm equipment listed on the change modification matches what was installed for either a system size increase or decrease.
- Project modification form must be signed by all entities showing the new incentive amount.

3.4.10.3 Project Cancellation Requests

Requests to cancel a project must be submitted through the portal. Should a project wish to move forward after cancellation, the Contractor must submit a new project application. In this case, the incentive level and all rules in effect at the time the new application is submitted will apply. Projects

previously awarded a NYSERDA Retail incentive contract may not cancel and reapply for a NYSERDA MWh block offering at a higher rate or higher total incentive amount.

If a project is removed from the utility's interconnection queue, the project must also be cancelled in the MWh Block program. If the project reapplies to the utility's interconnection queue, that project may reapply to the MWh Block Program.

Failure to request a project cancellation in the portal once a project is removed from the Utility queue may result in the new application being moved to Unsubmitted status. A new application can only be submitted after the original awarded project is cancelled within the portal.

3.4.10.4 Project Invoice Request

Project invoice requests for payment must be submitted through the NYSERDA Portal. Prior to doing so, a project must pass each of the applicable milestones described in section 3.4.11 and have completed the measurement and verification process (refer to sections 1.5 and 3.4.12). Further details on invoicing and payment are described in section 3.4.13.

3.4.11. Project Milestones

To maintain eligibility for incentive payment and prior to invoicing NYSERDA the following milestones, where applicable, must be approved. If any of the milestones below are not approved the Contractor will not be able to submit an invoice.

3.4.11.1 Peer Review Milestone

To ensure conformance to relevant codes, standards and industry best-practices for fire safety, the Retail storage program contains a Peer Review milestone requirement for **all lithium-ion battery energy storage system (BESS) projects sited outside New York City with a nameplate capacity rating of over 600 kWh.**

The Peer Review will consist of a pre-construction (desktop) review of the project's product and project design documents, including but not limited to site plans, electrical drawings, and large-scale fire test reports, conducted by a qualified, independent third-party Peer Reviewer contracted by NYSERDA. This will be completed at no cost to the Applicant. Successful completion of the Peer Review process is required to receive an incentive under the Program.

Contractors may submit Peer Review deliverables to the NYSERDA Portal at any time after a project application is in Approved status, but prior to commencement of construction. Contractors should finalize proposed equipment before submitting Peer Review documentation.

Milestone Deliverables

The following deliverables should be provided by project developers for the Peer Review milestone:

- Narrative or cover letter clearly describing scope of proposed project including, but not limited to:
  - Address and size (footprint) of the proposed installation
  - BESS manufacturer name, product name, and model number
  - Type of chemistry (NMC, LFP, etc.)
  - Capacity of project (both kW/MW and kWh/MWh)
  - Brief summary of AHJ, emergency services, and community engagement at time of application
  - Any partnerships relevant to project safety, e.g. hazard mitigation support, subcontractors, peer reviewers (if applicable), etc.
  - Intended use of proposed installation
- Non-ministerial permits or related documentation received from AHJ
  - Zoning Approval Letter
  - Summary of AHJ Communications
- All project documentation that will be submitted to AHJ
- All project drawings
  - Location and layout diagrams of the room or area where BESS will be installed
    - Provide details of all nearby exposures in the drawings
    - Show distances between the BESS and the following exposures:
      - Lot lines
      - Public streets, fire apparatus access road, public walkways and other public ways
      - Any vehicle parking
      - Any building/structure with indications of entrances, doors, openable windows, access hatches, or ventilation intakes
      - Any egress features from a building or outdoor area
      - Any hazardous materials or combustible materials storage facility or area
      - Any storage facility or area for high-piled combustible materials or other combustible items
      - Overhead power lines or other aboveground electrical installation, measured from the boundary of the utility easement or, if there is no easement, from the vertical plane of the installation at its widest point
      - Any public utility or transportation infrastructure
      - Any equipment (including other BESS)
      - Container layout drawing
      - Container/enclosure HVAC design
      - Diagram of EMS design and communication
      - Fire alarm drawings including Sequence of Operations / IO Matrix (60% drawings)
      - Electrical design drawings (60% drawings)
      - Mechanical design drawings (60% drawings)
      - Civil drawings (60% drawings)

- Drawings must Include environmental conditions (temperature range, humidity range, site elevation)

- All BESS and fire protection system datasheets
  - BESS specifications sheet
  - PCS specifications sheet
  - Fire Alarm Control Panel (FACP) specification sheet
  - EMS/ESMS specifications sheet
  - Site Controller specifications sheet (if used)
  - Cell specifications sheet and performance data
  - BMS specifications and performance data
  - Summary of BESS fire safety features (detection, alarms, fire suppression, sequence of operations of system response to thermal runaway event)
  - Summary of BESS thermal management systems
  - Summary of BESS explosion control or mitigation strategy

O&M manual

BMS manual

Installation manual

- Communications architecture (SCADA interface, communication protocols, data connectivity requirements)
- Equipment Listings and certifications for the proposed model in the relevant categories (UL 9540 equipment listing and full report for the whole system, UL 1973 / IEC 62619 / UN38.3 certification for li-ion batteries, UL 1741 certification for inverter, appropriate indoor/outdoor NEMA or IP rating for enclosures)
- Full UL 9540A large-scale fire test reports (cell-level, module-level, and unit-level tests reports. Installation level test reports will be required for BESS which have not met unit-level performance criteria.)
- Site-specific Hazard Mitigation Analysis (HMA) that includes analysis of at least the following failure modes:
  - Thermal runaway or mechanical failure in a single BESS unit
  - Failure of an energy storage system that is not covered by the product listing Failure Modes and Effects Analysis (FMEA)
  - Failure of a required protection system
    - E.g., HVAC, exhaust ventilation, smoke or fire detection, fire suppression, or gas detection
- Site-specific draft Emergency Response Plan (ERP)
- Site-specific Safety Training plan, including but not limited to
  - Plans for safety training
  - Safety training materials
  - Site map complete with hazard identification

- Deflagration analysis or full-scale explosion testing demonstrating that the explosion control system(s) shall function as designed to adequately prevent or mitigate the effects of a deflagration event. Acceptable forms of substantiating documentation include:
  - Computational Fluid Dynamics (CFD) modeling
  - Independent NFPA 68 and/or NFPA 69 technical reports per the relevant explosion protection or prevention systems of the BESS product (e.g., NFPA 68 deflagration vent panel sizing calculations)
  - Full-scale testing of respective ESS enclosure and constituent battery components demonstrating that a deflagration shall be effectively managed by the provided explosion control system(s)
- Substantiation of explosion control design, including UL 9540 Report, completed by a reputable third party, under the most current edition of the Standard, indicating compliance with section 24.5 and one or more of the following additional documents:
  - Deflagration Hazard Analysis based on applicable UL 9540A test results and data, demonstrating that the flammable gas concentration remains below 25% of LFL. This may be completed by the manufacturer or a suitable third-party engineer.
  - Technical report substantiating compliance with either NFPA 68 or NFPA 69 requirements. This report should provide sufficient detail for Peer Reviewer to reasonably validate the conclusions reached in granting the UL 9540 Listing and developer may submit manufacturer documentation used in the UL 9540 Listing process, if desired.
- Commissioning and decommissioning plans (should include details on emergency decommissioning in addition to details about hazard support personnel)
- Central Station, 24/7 Network Operations Center (NOC), and video monitoring contracts
- Central Station listings and certifications

Peer Review Process

NYSERDA will review and approve the above documents in order to initiate the Peer Review. The Peer Review will consist of a pre-construction (desktop) review of the project's product and project design documents, including but not limited to site plans, electrical drawings, and large-scale fire test reports, conducted by a qualified, independent third-party Peer Reviewer contracted by NYSERDA.

Once the Peer Review milestone is approved, the Contractor must notify NYSERDA of any modifications to the project's site plan or system design. Changes may require the project to re-enter Peer Review. Failure to notify NYSERDA of changes to a project's design or product specifications may result in revocation of the incentive reservation or nonpayment of the incentive. Any Contractor that moves forward with the installation of a project that is found to be materially different from the design and product specifications approved at Peer Review does so at the Contractor's own financial risk.

The project will be deemed to have passed the Peer Review milestone when all deficiencies identified in the Peer Review have been addressed to the satisfaction of the Peer Reviewer and NYSERDA. Once the Peer Review team has reviewed all applicant materials and subsequent revisions and found them to be satisfactory, a Peer Review Report will be generated, upon which the Peer Review milestone will be approved.

The Peer Review Report is provided in support of a funding decision related to NYSERDA program eligibility and does not replace the Applicant's responsibility for obtaining and complying with all relevant local, state, and Federal permits and approval. This Report may be shared, at the Applicant's discretion, with relevant AHJs but neither NYSERDA nor the Peer Reviewer may be held liable for the findings. This report will also be consulted by the Quality and Market Standards Team (refer to section 1.4) before and during the QA field inspection.

More information and guidance regarding the Peer Review process can be found in NYSERDA's Peer Review Program Guidebook Manual at NYSERDA's Energy Storage webpage.

3.4.11.2 Project Inspection Milestone

A QA inspection must be conducted by NYSERDA after a project has an approved Peer Review Milestone. Prior to scheduling the QA inspection, the Contractor must submit the following required deliverables:

- Photos of constructed energy storage system
- Proof of UL 9540 Equipment Listing and UL 9540A test results and other relevant safety certifications, as detailed in section 5
- Proof of executed storage system 10-year warranty
- Submission of final as-built three-line drawing stamped by a New York State professional engineer (PE)

- Site plan, demonstrating compliance with local AHJ requirements and the New York State Uniform Fire Prevention and Building Code
- Commissioning plan
- Operations and Maintenance manual for the system
- Manufacturer's O&M for the energy storage system
- Name, address, phone number and email contact information of the relevant operations and maintenance service agency for the system.
- Decommissioning plan.
    - The plan provided to NYSERDA must address the manner in which the energy storage system and its components will be recycled or safely disposed of at the end of life or following system damage or failure, including the methods and tools necessary
    - to indicate how the system and its components will be decommissioned and removed from the site, and how the site will be restored to its original state, if necessary. The decommissioning plan must include disposal options that comply with applicable New York State Environmental Conservation Law requirements, transportation requirements from the New York State Department of Transportation, and any other applicable laws or regulations, including State and federal environmental laws and requirements of the local AHJ.
- For projects sited outside of New York City: Documentation of any modifications made to the project design after passing the Peer Review milestone
    - If any modifications are made to the project design after the Peer Review process is completed, the Applicant must notify and submit updated documentation to NYSERDA to assess the materiality of the change.
    - For modifications deemed to be non-material, the Peer Review team will issue an updated report noting the modifications. This updated report must be completed before the QA field inspection.
    - Modifications deemed to be material will trigger re-entry into Peer Review, and an updated Peer Review Report will be issued upon approval. The QA field inspection will be postponed until the Peer Review process is complete and the system design is approved.
    - For projects that must re-enter Peer Review as a result of material design modifications, the Peer Review team may identify necessary improvements to the design as a result of these modifications. Failure to implement these improvements may result in revocation of the incentive reservation or nonpayment of the incentive.

Upon approval of the Project Inspection Milestone Deliverables, NYSERDA will schedule a QA inspection.

- The system must be in a substantially complete state for the QA inspection, including installation of all fire safety systems and features, including detection, alarms, fire suppression, battery management system and thermal management systems.
- The QA inspection may take place prior to or after the system has commenced commercial operation; however, the system must be in a de-energized state for the QA inspection.

- The system must be in a status that allows for evaluation of all items in NYSERDA's QA inspection checklist for Retail energy storage projects as listed in the Field Inspection Reference located on NYSERDA's Retail Energy Storage webpage.
- Contractors are strongly encouraged to submit the Project Inspection Milestone deliverables and complete the NYSERDA QA inspection before inspection by the local AHJ and the utility.

All Corrective Action Requests resulting from the QA inspection relating to critical or major non-conformances must be addressed by the Contractor to approve the Project Inspection milestone. More information on the QA Inspection process can be found in section 1.4 of this Program Manual and in the Quality Assurance Policy and Procedure Manual located at the NYSERDA Energy Storage webpage.

3.4.11.3 Project Completion Milestone

After the above milestones have all been approved the Contractor may submit their invoice (update to what is finalized). The Invoices will require the following documents:

Milestone Deliverables

- Local electric utility's interconnection permission to operate (PTO) letter
- Complete Emergency Response Plan addressing the needs and concerns of first responders
- Approvals received from all AHJs, with equipment listed
  - Local building department approval
  - Fire department approval
  - Electrical inspection certificate with equipment listed
- For roof mounted projects, structural/mounting details stamped by a PE or Registered Architect (RA) as required by New York State law. A stamped engineer's roof letter also meets this requirement.
- Proof of outreach to AHJ or local fire department seeking input on Emergency Response Plan and that any input provided has been incorporated into the submitted Emergency Response Plan.
- Proof of local fire department BESS safety training conducted (e.g., electronic copy of sign-in sheet or registration list for training), or:
  - Electronic copy of correspondence confirming that the local fire department declined the training; or
  - If the local fire department did not respond to Contractor outreach pertaining to the training, electronic copy of outreach to local fire department and Chief Fire Officer, and electronic copy of certified letter and letter receipt sent to local Fire Department and Chief Fire Officer with BESS description and project details.
- If the project was subject to the AML305 Notice of Intent Process: NYS Department of Agriculture and Markets Determination Letter

- For projects subject to Prevailing Wage requirement (refer to section 3.1.1): Quarterly certifications certified by a New York State licensed Certified Public Accountant during the project construction period.

3.4.12. Measurement and Verification

Upon passing the QA inspection and approval of the Project Completion milestone, the NYSERDA Measurement and Verification team will be notified to:

1. Schedule a discharge test to verify the usable installed capacity of the project towards determination of the incentive payment. The results of the discharge test will be uploaded to the Portal by the Measurement and Verification team, and the incentive amount modified if needed in the case of less useable capacity than approved.
2. Coordinate with the Contractor to establish an automated transmittal of the system's generation data to the NYSERDA DER Integrated Data System. The site name must match what is listed in the NYSERDA Web Portal; if there are multiple sites with the same address, the application number must also be listed.

Refer to section 1.5 for more details regarding the measurement and verification process.

3.4.13. Completed Status

The project has achieved Completed status once it has passed all applicable milestones and the QA inspection, the measurement and verification process has been completed, and NYSERDA has approved the incentive payment.

3.4.14. Invoicing and Payment

The Contractor may invoice NYSERDA for payment once the project has passed all applicable milestones, NYSERDA's QA requirements have been completed with resolution of any issues identified, and the measurement and verification process is complete. Project invoice requests for payment must be submitted through the NYSERDA Portal. Following receipt of the invoice, NYSERDA will authorize payment of 100% of the final incentive payment.

3.5 Expansion of Completed Systems

Additional incentives for the expansion of a project previously completed in the program may be requested. The initial application must be completed in its entirety, and the new application must indicate that it is an expansion system. The incentive will be capped at a total system size of 20 MWh as referenced in section 3.2.

3.6 Assignments

The following assignment requests must be submitted via the portal after a project enters Approved status. Refer to section 3.4.8 for more information on Approved status.

3.6.1. Payment Assignments

Retail energy storage projects may request payments be made to another entity. While the Contractor may identify the payee at the time of application or any time during the project development phase, NYSERDA will only allow payment assignment or, immediately prior to submitting an invoice as part of a one-time Full Assignment request (refer to section 3.6.2). A Payment Assignment should only be submitted once the final payee is confirmed, and the EIN information is a match with the IRS. Payment Assignments will only be made to another entity in the amount of the entire incentive. Once NYSERDA approves a Payment Assignment, no additional Payment Assignments will be allowed.

Contractors shall have the ability to identify a payee at the time of application, however all awards will be made to the Contractor. A payee's information will only be confirmed during the Payment Assignment request or during a Full Assignment request.

All rights and responsibilities will remain with the Contractor. Payees will not have access to the project application portal.

3.6.2. Full Assignments

The Contractor may request a one-time Full Assignment to another approved Contractor in good standing for an approved project. During the Full Assignment request a new payee must be identified. This request must be made before submitting an invoice.

NYSERDA reserves the right to deny a full assignment request and may ask for additional documentation before approving the request.

The Contractor is responsible for notifying NYSERDA when a project has been sold to another entity. The Contractor of record is responsible for all program requirements until a formal assignment has been approved by NYSERDA, regardless of who owns the project prior to approval of the assignment.

The Contractor must provide the following to submit a request via the portal:

- Assignment Document signed by the current Contractor and new Contractor.
- New Project Application signed by the current Contractor, new Contractor, customer,
- and payee.

No Payment Assignments will be allowed after the Full Assignment has been executed by NYSERDA. The current Contractor will be responsible for the project until the assignment has been executed.

4. Contractor Status

4.1 Provisional Status

For the Residential Energy Storage program, Contractors and Builders in Provisional status meet entry level program requirements for credentials and experience but have not met the minimum QA requirements to move to Full status.

Project applications submitted by Contractors or Builders in provisional status will receive both an initial review and technical review, and completed installations will be subject to increased QA oversight. The guidelines of the Provisional status are as follows:

- Provisional Contractors or Builders will be listed on NYSERDA's website and may be denoted as such.
- Provisional Contractors may not submit more than 15 project applications total, until three completed projects have received a passing QA inspection (photo or field).
- Following the completion of the third project and the related QA inspections, NYSERDA will conduct a formal review to evaluate a change in status. Evaluation for a change to Full status will be based on the quality and consistency of all submitted work that is fully compliant and meets credentialing requirements.

For the Retail Energy Storage program, Provisional status applies only to Contractors that are unable to meet the project reference requirements pertaining to Contractor qualification as required in the Contractor application (refer to section 1.2.1.2). Such contractors may be approved as Contractors but will be placed in Provisional status and may not submit incentive applications for projects with nameplate capacity over 600 kWh, until they meet the project reference requirements.

4.2 Full Status

Contractors who have met all program requirements for credentialing, experience, and installation quality will be placed in Full status.

4.3 Probation Status

Probation status is reserved for Contractors that fail to meet program requirements. Probation is prescriptive in nature, in that NYSERDA defines specific results to be achieved in a designated timeframe. During probation, a Contractor can still submit project applications. A Contractor may be placed in probation status for any of the following reasons:

- Violation of program rules or ethical standards
- Failure to consistently deliver completed projects that pass the NYSERDA QA inspection
- Installed projects do not provide the customer or grid services as indicated in the project application and analyzed during the project application design review

- Failure to take effective corrective actions on a critical or major deficiency or a repeated incidental or minor deficiency in work quality or performance
- Corrective action requests remain unresolved for more than 30 days
- A lapse in required credentials including insurance

The probation period will not be less than 30 days. While in probation status, the Contractor:

- May continue to submit new project applications, subject to restrictions based on the reason for the probation status
- Will be subject to higher QA inspection levels
- Must remediate all issues related to probation, as directed by NYSERDA
- Must submit, in writing, an agreed-upon action plan designed to ensure future violations are avoided
- Must demonstrate successful results through a specified number of completed projects

Upon satisfactory completion of the action plan and all remediation and review of probation period QA results, NYSERDA will determine whether to return the Contractor to full status, continue the probation period, or move to suspended or terminated status.

4.4 Suspended Status

Contractors who fail to adequately respond to terms of the probation status action plan or commit serious violations of program rules will be placed in suspended status. A Contractor may be suspended if they:

- Fail to adequately fulfill the terms of the probation action plan
- Are placed on probation for a second time in 12 months
- Are under investigation for or have been determined to have engaged in practices that put the public or program at risk
- Have one or more projects not completed by the deadline and no project extension is on file
- Have outstanding and unresolved requests for return of incentive to NYSERDA due to failure to meet program requirements
- Fail to provide backup documents when requested
- Have submitted documentation with falsification of any required items, including but not limited to permits, approvals, and customer signatures
- Have a lapse in required credentials while on probation status
- Fail to consistently deliver completed projects that pass the NYSERDA QA inspection and perform as intended

While in suspended status, the Contractor:

- Will not be allowed to submit new project applications to the program
- May not represent themselves as a Contractor, except in the execution of remedial action
- May be directed by NYSERDA to remediate issues related to the suspension
- May be required to submit, in writing, an agreed-upon action plan designed to ensure future violations are avoided

Suspended Contractors will either progress to probation or full status upon satisfactory completion of the specified remedial activities and resolution of issues related to the suspension or will be terminated from program participation. Nothing in this status relieves the Contractor of the responsibility to fulfill any outstanding obligations to the program or program customers as directed by NYSERDA.

4.5 Terminated Status

Contractors who fail to respond to prescriptive action plans and disciplinary measures or commit serious violations of the program rules may be terminated. A Contractor may be terminated from the program if they:

- Have a suspended status for more than 30 days and been unresponsive or failed to adequately fulfill the terms of their suspension action plan
- Have their credentials lapse while suspended
- Submit falsified documents or unauthorized signatures to the program
- Commit illegal actions while participating in the program
- Are convicted or have a principal who is convicted of a criminal charge that casts the program in a negative light or calls their integrity or workmanship into question
- Are in gross violation of program installation standards
- Submit deliverables and/or invoice for uninstalled work
- Fail to meet the terms of the provisional period

A Contractor cannot represent themselves as a Contractor except in the execution of remedial action. Contractors in terminated status are prohibited from participation in this or other NYSERDA programs. Customers with incomplete projects will be notified of the termination and may be offered such remedies as NYSERDA deems appropriate. NYSERDA may notify the New York State Attorney General, the New York State Department of Labor, the Better Business Bureau, or others including local Authorities Having Jurisdiction and electric utilities of the decision to terminate the Contractor from the program. Further, the officers and owners of the terminated Contractor are prohibited from being or becoming officers or owners of any other program partner. Nothing in this process relieves the Contractor of the responsibility to fulfill any remaining obligation to the program or its customers as required by NYSERDA's program rules.

4.6 Inactive Status

Contractors may be declared inactive if they have not had an approved project in the program over a 24-month period. They will no longer receive email notifications or be eligible for incentives. If a Contractor that is previously declared inactive wishes to participate in the program, they may reapply under the rules in place at the time of reapplication.

4.7 Status Review Process

NYSERDA continually reviews all Contractors' performance in the program to determine if a change in status is necessary. NYSERDA administers changes in program status in the following ways:

- Request a meeting with the Contractor
- Issue a notice of program violation or compliance resulting in Contractor status change
- Reserves the right to take immediate action on program violation when warranted
- Contractor has five business days to dispute the program violation notification

Contractors in full status who receive a failing inspection will be automatically placed in probation status. A Contractor will be reinstated to full status following three passing inspections.

5. Technical and Other Requirements

The following additional technical requirements apply to all projects funded under this Program.

5.1 Permanently Installed

NYSERDA requires the energy storage system to be permanently installed and remain in New York for the life of the system. Physical permanence is determined by physical and electrical connections in accordance with industry practice for permanently installed equipment and securing the system to a permanent surface.

5.2 Energy Storage System Warranty

The storage equipment must consist of commercial products carrying at least a 10-year manufacturer warranty. The warranty must cover the entire energy storage system, including ancillary equipment and power electronics. Experimental, beta, or prototype equipment is not eligible. The specific terms of the warranty (such as number of cycles warranted) are between the manufacturer and Contractor/customer.

5.3 Grid Connected

Financial support is only for energy storage systems that are connected to the local electric utility's distribution system. Off-grid systems are not eligible for incentive funding.

5.4 Safety Certifications: Listed to UL or CAN Standards

All eligible energy storage systems must be certified for safety by a Nationally Recognized Testing Laboratory (NRTL) as evidenced by listing to UL 9540 or CAN 9540 (Standard for Energy Storage Systems and Equipment) with subcomponents meeting each of the following standards that are applicable based on the storage type (chemical, thermal, mechanical): UL 1973 (Standard for Batteries for Use in Stationary, Vehicle Auxiliary Power and Light Electric Rail Applications), UL 1642 (Standard for Lithium Batteries), UL 1741 or UL 62109 (inverters and power converters). These listings must be received by the time that the system is entering commercial operation and before payment of the NYSERDA incentive. In all cases energy storage systems must satisfy the requirements of the local AHJ. A field evaluation may also be conducted by an NRTL to the applicable product safety standard(s).

5.5 Inverter Requirements

All inverters must be certified as meeting all applicable standards of IEEE and UL and approved by the electric distribution utility that the system will be interconnected within.

5.6 Round Trip Efficiency

Round trip efficiency (RTE) is the difference between energy used to charge the system and electric energy discharged from the system, including any parasitic losses and all forms of usable energy and measured using the design procedures indicated in Pacific Northwest National Lab / Sandia National Lab's Protocol for Uniformly Measuring and Expressing Performance of Energy Storage Systems (SAND 2016-3078 R). Lithium-ion battery energy storage systems must be designed to maintain a minimum 70% RTE during the system's commercial operation. Minimum RTEs for non-lithium-ion technologies may be determined on a technology-specific basis; Contractors intending to apply to the program with projects deploying non-lithium-ion technologies are encouraged to contact NYSERDA prior to application.

5.7 Approved System Design

The Contractor is responsible for ensuring that energy storage systems are installed in accordance with the design and system components submitted in the application and approved by NYSERDA. However, NYSERDA's approval of the project application does not guarantee the system design, engineering, construction, and/or installation of the energy storage system is proper or in compliance with any particular laws (including patent laws), regulations, codes, or industry standards.

Energy storage systems not installed according to the NYSERDA-approved design must have a project modification submission on file. The project modification must be approved before the incentive payment is made. Upon inspection, if it is determined the system is not installed as approved, the Contractor may not be eligible for incentive payments as per NYSERDA's QA requirements.

5.8 Interconnection

The Contractor is required to ensure all approved energy storage systems have an appropriate interconnection agreement that meets New York State Standard Interconnection Requirements. Contractors must also ensure all approved systems are installed in compliance with that interconnection agreement.

5.9 Other Components

All components of each energy storage system including charge controllers, wiring, and metering equipment must be new equipment and certified as meeting the requirements of all relevant national, New York State, local codes and standards, and any additional requirements of the local AHJ.

5.10 Structural Requirements

The Contractor is responsible for determining that a building is structurally able to support the addition of an energy storage system without overstressing the structure or increasing the load beyond the limits indicated in the applicable building code.

5.11 Compliance with Laws and Codes

Energy storage systems and components must comply with all manufacturers' installation requirements, applicable laws, regulations, codes, licensing, and permit requirements. This includes the New York State Environmental Quality Review Act (SEQRA) (or the City Environmental Quality Review Act [CEQR]); any applicable provisions of the New York State Environmental Conservation Law (ECL) and Department of Environmental Conservation (DEC) regulations pertaining to disposal; Article 10, if applicable; the International Building Code Series as amended by the New York State Uniform Code Supplement; the National Electric Code; New York State's Standard Interconnection Requirements; and all applicable State, city, town, or local ordinances or permit requirements, and any additional requirements of the local AHJ. It is the Contractor's responsibility to ensure compliance with all such laws; NYSERDA will inspect to ensure such compliance and may terminate the agreement at any time upon a finding that any applicable law or code has not been complied with.

NEW YORK STATE
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