

STATE OF NEW YORK

2699

2017-2018 Regular Sessions

IN SENATE

January 17, 2017

Introduced by Sen. PARKER -- read twice and ordered printed, and when printed to be committed to the Committee on Energy and Telecommunications

AN ACT to amend the public service law and the public authorities law, in relation to energy storage systems

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The public service law is amended by adding a new section
2 74 to read as follows:

3 § 74. Energy storage systems. 1. Energy storage system defined. (a) As
4 used in this section "energy storage system" shall mean commercially
5 available technology that is capable of absorbing energy, storing it for
6 a period of time, and thereafter dispatching the energy. An energy stor-
7 age system shall be cost effective and either assist the integration of
8 variable energy resources, reduce emissions of greenhouse gases, reduce
9 demand for peak electrical generation, defer or substitute for an
10 investment in generation, transmission, or distribution assets, or
11 improve the reliable operation of the electrical transmission or
12 distribution grid.

13 (b) An energy storage system shall do one or more of the following:
14 (i) use mechanical, chemical, or thermal processes to store energy that
15 was generated at one time for use at a later time; (ii) store thermal
16 energy for direct use for heating or cooling at a later time in a manner
17 that avoids the need to use electricity at that later time; (iii) use
18 mechanical, chemical, or thermal processes to store energy generated
19 from renewable resources for use at a later time; or (iv) use mechan-
20 ical, chemical, or thermal processes to store energy generated from
21 mechanical processes that would otherwise be wasted for delivery at a
22 later time.

23 2. Procurement of energy storage systems by electric corporations. On
24 or before July first, two thousand eighteen, the commission shall

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

LBD07523-01-7

1 commence a proceeding to determine appropriate targets, if any, for
2 electric corporations to procure viable and cost-effective energy stor-
3 age systems. Any outcome of this proceeding shall be implemented no
4 later than January first, two thousand twenty-one. In reaching a deter-
5 mination, the commission shall consider a variety of policies to encour-
6 age the cost-effective deployment of energy storage systems, including
7 refinement of existing procurement methods to properly value energy
8 storage systems and using alternative compliance payments to develop
9 pilot programs. The commission shall adopt the procurement targets, if
10 determined to be appropriate, no later than December thirty-first, two
11 thousand eighteen.

12 3. Subsequent evaluation. After issuing a determination in the energy
13 storage systems proceeding, the commission shall, no less than once
14 every three years, reevaluate the procurement targets.

15 4. Reporting and planning. No later than January first, two thousand
16 twenty-one, every electric corporation shall submit a report to the
17 commission demonstrating that the electric corporation has complied with
18 the energy storage system procurement targets and policies adopted by
19 the commission. Each electric corporation shall prudently plan for and
20 procure resources that are adequate to meet its planning reserve margin
21 and peak demand and operating reserves, sufficient to provide reliable
22 electric service to its customers.

23 § 2. Sections 1020-ii, 1020-jj and 1020-kk of the public authorities
24 law, as renumbered by chapter 388 of 2011, are renumbered sections
25 1020-jj, 1020-kk and 1020-ll and a new section 1020-ii is added to read
26 as follows:

27 § 1020-ii. Energy storage systems. 1. Energy storage system defined.
28 (a) As used in this section "energy storage system" shall mean commer-
29 cially available technology that is capable of absorbing energy, storing
30 it for a period of time, and thereafter dispatching the energy. An
31 energy storage system shall be cost effective and either assist the
32 integration of variable energy resources, reduce emissions of greenhouse
33 gases, reduce demand for peak electrical generation, defer or substitute
34 for an investment in generation, transmission, or distribution assets,
35 or improve the reliable operation of the electrical transmission or
36 distribution grid.

37 (b) An energy storage system shall do one or more of the following:
38 (i) use mechanical, chemical, or thermal processes to store energy that
39 was generated at one time for use at a later time; (ii) store thermal
40 energy for direct use for heating or cooling at a later time in a manner
41 that avoids the need to use electricity at that later time; (iii) use
42 mechanical, chemical, or thermal processes to store energy generated
43 from renewable resources for use at a later time; or (iv) use mechan-
44 ical, chemical, or thermal processes to store energy generated from
45 mechanical processes that would otherwise be wasted for delivery at a
46 later time.

47 2. Procurement of energy storage systems. On or before July first, two
48 thousand eighteen, the authority shall conduct a study to determine
49 potential benefits for procuring viable and cost-effective energy stor-
50 age systems. The authority shall consider a variety of policies to
51 encourage the cost-effective deployment of energy storage systems,
52 including refinement of existing procurement methods to properly value
53 energy storage systems and using alternative compliance payments to
54 develop pilot programs. If the study results in identifying beneficial
55 energy storage systems, the authority shall, consistent with this arti-

1 cle and the state finance law, procure such energy storage systems, no
2 later than December thirty-first, two thousand eighteen.

3 3. Subsequent evaluation. After issuing a determination of the energy
4 storage systems study, the authority shall, no less than once every
5 three years, reevaluate the procurement targets and determine whether it
6 is appropriate to procure additional energy storage systems.

7 § 3. This act shall take effect immediately.