S T A T E O F N E W Y O R K

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I N S E N A T E

May 9, 2016

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:

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

S 74. ENERGY STORAGE SYSTEMS. 1. ENERGY STORAGE SYSTEM DEFINED. (A) AS USED IN THIS SECTION "ENERGY STORAGE SYSTEM" SHALL MEAN COMMERCIALLY AVAILABLE TECHNOLOGY THAT IS CAPABLE OF ABSORBING ENERGY, STORING IT FOR A PERIOD OF TIME, AND THEREAFTER DISPATCHING THE ENERGY. AN ENERGY STORAGE SYSTEM SHALL BE COST EFFECTIVE AND EITHER ASSIST THE INTEGRATION OF VARIABLE ENERGY RESOURCES, REDUCE EMISSIONS OF GREENHOUSE GASES, REDUCE DEMAND FOR PEAK ELECTRICAL GENERATION, DEFER OR SUBSTITUTE FOR AN INVESTMENT IN GENERATION, TRANSMISSION, OR DISTRIBUTION ASSETS, OR IMPROVE THE RELIABLE OPERATION OF THE ELECTRICAL TRANSMISSION OR DISTRIBUTION GRID.

(B) AN ENERGY STORAGE SYSTEM SHALL DO ONE OR MORE OF THE FOLLOWING: (I) USE MECHANICAL, CHEMICAL, OR THERMAL PROCESSES TO STORE ENERGY THAT WAS GENERATED AT ONE TIME FOR USE AT A LATER TIME; (II) STORE THERMAL ENERGY FOR DIRECT USE FOR HEATING OR COOLING AT A LATER TIME IN A MANNER THAT AVOIDS THE NEED TO USE ELECTRICITY AT THAT LATER TIME; (III) USE MECHANICAL, CHEMICAL, OR THERMAL PROCESSES TO STORE ENERGY GENERATED FROM RENEWABLE RESOURCES FOR USE AT A LATER TIME; OR (IV) USE MECHANICAL, CHEMICAL, OR THERMAL PROCESSES TO STORE ENERGY GENERATED FROM MECHANICAL PROCESSES THAT WOULD OTHERWISE BE WASTED FOR DELIVERY AT A LATER TIME.

2. PROCUREMENT OF ENERGY STORAGE SYSTEMS BY ELECTRIC CORPORATIONS. ON OR BEFORE JULY FIRST, TWO THOUSAND SEVENTEEN, THE COMMISSION SHALL COMMENCE A PROCEEDING TO DETERMINE APPROPRIATE TARGETS, IF ANY, FOR ELECTRIC CORPORATIONS TO PROCURE VIABLE AND COST-EFFECTIVE ENERGY STORAGE SYSTEMS. ANY OUTCOME OF THIS PROCEEDING SHALL BE IMPLEMENTED NO LATER THAN JANUARY FIRST, TWO THOUSAND TWENTY. IN REACHING A DETERMINATION, THE COMMISSION SHALL CONSIDER A VARIETY OF POLICIES TO ENCOURAGE THE COST-EFFECTIVE DEPLOYMENT OF ENERGY STORAGE SYSTEMS, INCLUDING

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

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REFINEMENT OF EXISTING PROCUREMENT METHODS TO PROPERLY VALUE ENERGY STORAGE SYSTEMS AND USING ALTERNATIVE COMPLIANCE PAYMENTS TO DEVELOP PILOT PROGRAMS. THE COMMISSION SHALL ADOPT THE PROCUREMENT TARGETS, IF DETERMINED TO BE APPROPRIATE, NO LATER THAN DECEMBER THIRTY-FIRST, TWO THOUSAND SEVENTEEN.

3. SUBSEQUENT EVALUATION. AFTER ISSUING A DETERMINATION IN THE ENERGY STORAGE SYSTEMS PROCEEDING, THE COMMISSION SHALL, NO LESS THAN ONCE EVERY THREE YEARS, REEVALUATE THE PROCUREMENT TARGETS.

4. REPORTING AND PLANNING. NO LATER THAN JANUARY FIRST, TWO THOUSAND TWENTY, EVERY ELECTRIC CORPORATION SHALL SUBMIT A REPORT TO THE COMMISSION DEMONSTRATING THAT THE ELECTRIC CORPORATION HAS COMPLIED WITH THE ENERGY STORAGE SYSTEM PROCUREMENT TARGETS AND POLICIES ADOPTED BY THE COMMISSION. EACH ELECTRIC CORPORATION SHALL PRUDENTLY PLAN FOR AND PROCURE RESOURCES THAT ARE ADEQUATE TO MEET ITS PLANNING RESERVE MARGIN AND PEAK DEMAND AND OPERATING RESERVES, SUFFICIENT TO PROVIDE RELIABLE ELECTRIC SERVICE TO ITS CUSTOMERS.

S 2. Sections 1020-ii, 1020-jj and 1020-kk of the public authorities law are renumbered sections 1020-jj, 1020-kk and 1020-ll and a new section 1020-ii is added to read as follows:

S 1020-II. ENERGY STORAGE SYSTEMS. 1. ENERGY STORAGE SYSTEM DEFINED. (A) AS USED IN THIS SECTION "ENERGY STORAGE SYSTEM" SHALL MEAN COMMERCIALLY AVAILABLE TECHNOLOGY THAT IS CAPABLE OF ABSORBING ENERGY, STORING IT FOR A PERIOD OF TIME, AND THEREAFTER DISPATCHING THE ENERGY. AN ENERGY STORAGE SYSTEM SHALL BE COST EFFECTIVE AND EITHER ASSIST THE INTEGRATION OF VARIABLE ENERGY RESOURCES, REDUCE EMISSIONS OF GREENHOUSE GASES, REDUCE DEMAND FOR PEAK ELECTRICAL GENERATION, DEFER OR SUBSTITUTE FOR AN INVESTMENT IN GENERATION, TRANSMISSION, OR DISTRIBUTION ASSETS, OR IMPROVE THE RELIABLE OPERATION OF THE ELECTRICAL TRANSMISSION OR DISTRIBUTION GRID.

(B) AN ENERGY STORAGE SYSTEM SHALL DO ONE OR MORE OF THE FOLLOWING: (I) USE MECHANICAL, CHEMICAL, OR THERMAL PROCESSES TO STORE ENERGY THAT WAS GENERATED AT ONE TIME FOR USE AT A LATER TIME; (II) STORE THERMAL ENERGY FOR DIRECT USE FOR HEATING OR COOLING AT A LATER TIME IN A MANNER THAT AVOIDS THE NEED TO USE ELECTRICITY AT THAT LATER TIME; (III) USE MECHANICAL, CHEMICAL, OR THERMAL PROCESSES TO STORE ENERGY GENERATED FROM RENEWABLE RESOURCES FOR USE AT A LATER TIME; OR (IV) USE MECHANICAL, CHEMICAL, OR THERMAL PROCESSES TO STORE ENERGY GENERATED FROM MECHANICAL PROCESSES THAT WOULD OTHERWISE BE WASTED FOR DELIVERY AT A LATER TIME.

2. PROCUREMENT OF ENERGY STORAGE SYSTEMS. ON OR BEFORE JULY FIRST, TWO THOUSAND SEVENTEEN, THE AUTHORITY SHALL CONDUCT A STUDY TO DETERMINE POTENTIAL BENEFITS FOR PROCURING VIABLE AND COST-EFFECTIVE ENERGY STORAGE SYSTEMS. THE AUTHORITY SHALL CONSIDER A VARIETY OF POLICIES TO ENCOURAGE THE COST-EFFECTIVE DEPLOYMENT OF ENERGY STORAGE SYSTEMS, INCLUDING REFINEMENT OF EXISTING PROCUREMENT METHODS TO PROPERLY VALUE ENERGY STORAGE SYSTEMS AND USING ALTERNATIVE COMPLIANCE PAYMENTS TO DEVELOP PILOT PROGRAMS. IF THE STUDY RESULTS IN IDENTIFYING BENEFICIAL ENERGY STORAGE SYSTEMS, THE AUTHORITY SHALL, CONSISTENT WITH THIS ARTICLE AND THE STATE FINANCE LAW, PROCURE SUCH ENERGY STORAGE SYSTEMS, NO LATER THAN DECEMBER THIRTY-FIRST, TWO THOUSAND SEVENTEEN.

3. SUBSEQUENT EVALUATION. AFTER ISSUING A DETERMINATION OF THE ENERGY STORAGE SYSTEMS STUDY, THE AUTHORITY SHALL, NO LESS THAN ONCE EVERY THREE YEARS, REEVALUATE THE PROCUREMENT TARGETS AND DETERMINE WHETHER IT IS APPROPRIATE TO PROCURE ADDITIONAL ENERGY STORAGE SYSTEMS.

S 3. This act shall take effect immediately.