STATE OF NEW YORK

1611

2019-2020 Regular Sessions

IN SENATE

January 15, 2019

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, 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. Section 74 of the public service law, as amended by chapter 417 of the laws of 2018, is amended to read as follows:

§ 74. Energy storage deployment policy. 1. As used in this section "qualified 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 using mechanical, chemical, or thermal processes to store energy that was generated at one time for use at a later time. **A qualified 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.**

2. By December thirty-first, two thousand eighteen, the commission shall, in consultation with the New York state energy research and development authority, the Long Island power authority, and the federally designated electric bulk system operator for New York state, after a hearing held on notice, establish by order, rules and regulations, both a two thousand thirty energy storage goal for the state and a deployment policy to support that goal. The energy storage deployment policy shall assist with and take the following into consideration:

(a) avoided or deferred costs associated with transmission, distribution, and/or generation capacity;

(b) minimization of peak load in constrained areas;

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

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(c) systems that are connected to customer facilities and systems that are directly connected to transmission and distribution facilities;
(d) cost-effectiveness;
(e) the integration of variable-output energy resources;
(f) reducing emissions of greenhouse gases;
(g) reducing demand for peak electrical generation;
(h) improving the reliable operation of the electrical transmission or distribution systems; and
(i) such other issues deemed appropriate by the commission.

3. **(a)** To the extent that the energy storage deployment policy directs the procurement of qualified energy storage systems to encourage their deployment, such procurements shall be awarded through a competitive process.

(b) On or before July first, two thousand twenty, the commission shall commence a proceeding to determine appropriate targets, if any, for electric corporations to procure viable and cost-effective qualified energy storage systems. Any outcome of this proceeding shall be implemented no later than January first, two thousand twenty-three. In reaching a determination, the commission shall consider a variety of policies to encourage the cost-effective deployment of qualified energy storage systems, including refinement of existing procurement methods to properly value qualified 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 twenty.

(c) After issuing a determination in the qualified energy storage systems proceeding, the commission shall, no less than once every three years, reevaluate the procurement targets.

4. **(a)** Annual reports on the achievements and effectiveness of the policy shall be submitted to the governor, the temporary president of the senate, and the speaker of the assembly.

(b) No later than January first, two thousand twenty-three, every electric corporation shall submit a report to the commission demonstrating that the electric corporation has complied with the qualified 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.

§ 2. This act shall take effect immediately.