

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:

1 Section 1. Section 74 of the public service law, as amended by chapter
2 417 of the laws of 2018, is amended to read as follows:

3 § 74. Energy storage deployment policy. 1. As used in this section
4 "qualified energy storage system" shall mean commercially available
5 technology that is capable of absorbing energy, storing it for a period
6 of time, and thereafter dispatching the energy using mechanical, chemi-
7 cal, or thermal processes to store energy that was generated at one time
8 for use at a later time. A qualified energy storage system shall be
9 cost-effective and either assist the integration of variable energy
10 resources, reduce emissions of greenhouse gases, reduce demand for peak
11 electrical generation, defer or substitute for an investment in gener-
12 ation, transmission, or distribution assets, or improve the reliable
13 operation of the electrical transmission or distribution grid.

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

22 (a) avoided or deferred costs associated with transmission, distrib-
23 ution, and/or generation capacity;

24 (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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1 (c) systems that are connected to customer facilities and systems that
2 are directly connected to transmission and distribution facilities;

3 (d) cost-effectiveness;

4 (e) the integration of variable-output energy resources;

5 (f) reducing emissions of greenhouse gases;

6 (g) reducing demand for peak electrical generation;

7 (h) improving the reliable operation of the electrical transmission or
8 distribution systems; and

9 (i) such other issues deemed appropriate by the commission.

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

14 (b) On or before July first, two thousand twenty, the commission shall
15 commence a proceeding to determine appropriate targets, if any, for
16 electric corporations to procure viable and cost-effective qualified
17 energy storage systems. Any outcome of this proceeding shall be imple-
18 mented no later than January first, two thousand twenty-three. In reach-
19 ing a determination, the commission shall consider a variety of policies
20 to encourage the cost-effective deployment of qualified energy storage
21 systems, including refinement of existing procurement methods to proper-
22 ly value qualified energy storage systems and using alternative compli-
23 ance payments to develop pilot programs. The commission shall adopt the
24 procurement targets, if determined to be appropriate, no later than
25 December thirty-first, two thousand twenty.

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

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

32 (b) No later than January first, two thousand twenty-three, every
33 electric corporation shall submit a report to the commission demonstrat-
34 ing that the electric corporation has complied with the qualified energy
35 storage system procurement targets and policies adopted by the commis-
36 sion. Each electric corporation shall prudently plan for and procure
37 resources that are adequate to meet its planning reserve margin and peak
38 demand and operating reserves, sufficient to provide reliable electric
39 service to its customers.

40 § 2. This act shall take effect immediately.