Testimony of the New York Battery and Energy Storage Technology Consortium

Before the New York State Senate and Assembly

Legislative Roundtable on Climate Targets

Convened by Senator Liz Krueger, Senator Pete Harckham, and Senator Kevin Parker

September 26, 2025, 10am

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Dear Chairperson Krueger, Chairperson Harckham, Chairperson Parker, and distinguished members of the Legislature,

Thank you for the opportunity to provide testimony today. As you have noted, New York has fallen behind on its climate targets and faces increasing headwinds that require coordinated legislative and policy interventions. We appreciate your leadership in convening this roundtable in recognition of the urgent need to advance actions the State must take to accelerate an affordable and equitable path forward.

Introduction

The New York Battery and Energy Storage Technology Consortium (NY-BEST) is a not-for-profit industry trade association with a mission to grow the energy storage industry in New York, in line with the State's climate and energy mandates. We act as a voice of the energy storage industry for more than 175 member organizations on matters related to advanced batteries and energy storage technologies. Our membership includes manufacturers, developers, start-ups, leading research institutions and universities, government bodies, and numerous companies involved in the electricity and transportation sectors.[1]

NY-BEST and our members have been actively engaged in the State's implementation of the State's Climate Leadership and Community Protection Act (CLCPA)[2], including through the development and implementation of the State's Energy Storage Roadmaps. We are committed to helping meet New York State's goal of deploying 6 GW of energy storage on the electric grid by 2030 and directing 40% of the overall benefits of clean energy investments to Disadvantaged Communities. We applaud the legislature for its climate leadership to date and are eager to support the success of the CLCPA.

However, despite significant progress to date, including the recent launch of NYSERDA's energy storage incentive programs, we are in a race against the clock, with 5.5 GW of the 6 GW energy storage target yet to be deployed. With just five years to go, the industry faces significant financing, permitting, and interconnection challenges.

Now is not the time to back off of our goals. Energy storage is a keystone technology of a clean, reliable, and modernized electricity grid. It is essential not only when paired with renewables like wind and solar to provide clean power on demand, but also as a standalone technology that strengthens grid efficiency, improves reliability, and reduces costs to ratepayers.

[1] NY-BEST comments represent the interests of the organization as a whole and not the views of any single member. Our members have diverse interests and the organization's views are intended to be reflective of the energy storage industry collectively.

[2] New York State Climate Leadership and Community Protection Act, Chapter 106 of the Laws of 2019. https://www.nysenate.gov/legislation/bills/2019/s6599.

Energy Storage Reduces Costs

According to NYSERDA's Energy Storage Roadmap, achieving the 6 GW energy storage target by 2030 will avoid at least $2 billion in energy system costs for ratepayers.[3] This is partly driven by the opportunity for energy storage to mitigate or eliminate the need for investment in costly traditional infrastructure upgrades. Further, capacity expansion modeling performed for the Climate Action Council Scoping Plan and for the Coordinated Grid Planning Process has consistently demonstrated that energy storage is the most economic solution to serve key resource adequacy needs going forward. Energy storage is a cost-effective enabling technology that can support the buildout of renewables and electrification while saving ratepayers money as a cheaper alternative to traditional solutions.

In addition, it is critical to note that NYSERDA's $2 billion savings estimate does not include avoided healthcare costs from reduced fossil fuel pollution, nor the avoided economic losses from power outages – both of which, when quantified, dramatically increase the estimated cost savings energy storage can provide to New Yorkers, if deployed at the scale envisioned by the Scoping Plan.

Energy Storage Protects Health and Communities

Energy storage also directly advances New York's environmental justice (EJ) and equity goals. By charging during periods of low demand and discharging during peak hours, storage reduces reliance on fossil-fueled peaker plants that have burdened frontline communities with harmful air pollutants for decades.

Indeed, a PEAK Coalition analysis found that replacing New York City's 19 peaker plants with renewables and energy storage would generate more than $1 billion in additional health and economic savings by 2035.[4] Energy storage can help replace these plants and reduce harmful emissions in Disadvantaged Communities. Energy storage is therefore critical not only to meeting climate goals but also to protecting public health and advancing equity.

Legislative Actions to Advance Energy Storage

In short: energy storage is not only good for the climate, it is good for New Yorkers' wallets. However, the State's recent plans and announcements appear to be shifting away from proven,

[3] New York State Department of Public Service (DPS) and the New York State Energy Research and Development Authority (NYSERDA). "New York's 6 GW Energy Storage Roadmap: Policy Options for Continued Growth in Energy Storage (Case 18-E-0130)," March 2024. Accessed online: https://www.nyserda.ny.gov/-/media/Project/Nyserda/Files/Programs/Energy-Storage/2024-06-6GW-Energy-Storage-Order.pdf

[4] Strategen Consulting on behalf of the PEAK Coalition. "The Fossil Fuel End Game: A Frontline Vision to Retire New York City's Peaker Plants by 2030," March 2021. Accessed online: https://www.cleanegroup.org/wp-content/uploads/Fossil-Fuel-End-Game.pdf

cost-effective solutions like storage, wind, and solar, toward less-developed, more expensive, and potentially risky alternatives such as advanced nuclear and hydrogen combustion. For example, in the Draft State Energy Plan Summary for Policymakers,[5] nuclear is referenced more than 30 times, while long-duration energy storage is mentioned only twice — even though the latter can likely meet the same need for dispatchable, emissions-free electricity at a much lower cost. At this pivotal moment, it is critical that the State double down on its commitment to an affordable energy transition, and to do that, solar, wind and energy storage must be placed at the center of the State's plan.

To unlock the benefits of storage, we respectfully ask the Legislature to advance three key initiatives this upcoming session:

1. **Sales tax exemption for energy storage: S.1527 (Parker) / A.313 (Paulin)**
   Level the playing field by enacting a sales tax exemption for energy storage, as already provided to fossil fuel resources. It makes little sense to subsidize polluting technologies while taxing the clean technologies needed for our future.

2. **Permit Large Energy Storage Systems Under the Office of Renewable Energy Siting and Electricity Transmission (ORES): S.5506 (Kavanagh) / A.8378 (Levenberg)**
   Enable timely and safe project development by placing bulk storage under the jurisdiction of the Office of Renewable Energy Siting (ORES), leveraging the Office's technical expertise on fire safety and aligning with siting processes for renewables and transmission.

3. **Establish a 10 GW by 2035 target for Dispatchable Emissions Free Resources**
   Provide an interim target to ensure the State can procure cost-effective Dispatchable Emissions-Free Resources (DEFRs), like long-duration energy storage, and stay on track toward CLCPA goals. Modeling by the State and the NYISO indicates at least 20 GW of DEFR capacity will be needed by 2040 to maintain grid reliability as fossil fuel plants are retired.

Executive Actions to Advance Energy Storage

In addition to supporting the three legislative actions described above, we urge legislators to work with the Governor's administration to further advance energy storage. Our recommended Executive priorities include:

1. **Support investment in New York's energy storage supply chain**. With new federal restrictions designed to shift supply chains away from China, New York has a unique opportunity to compete for domestic battery manufacturing investment. Strategic State support would ensure the energy transition supports good-paying jobs here in New York,

[5] New York State Energy Planning Board. "Summary for Policymakers: Draft New York State Energy Plan," July 2025. Accessed online: https://energyplan.ny.gov/-/media/Project/EnergyPlan/files/Draft-2025-Energy-Plan/Volume-I-Summary-Draft-Plan.pdf

while accelerating clean energy deployment, and positioning our State as a national energy leader.

2. **Streamline interconnection and improve grid planning.** The Department of Public Service and the Joint Utilities should work with stakeholders to modernize the interconnection process, which is currently based on outdated rules not designed for bidirectional technologies like energy storage. These inefficiencies are slowing deployment and failing to maximize system benefits. In parallel, the State must invest in improved modeling that is both more comprehensive and more granular to inform long-term grid investment decisions, such as those made through the Coordinating Grid Planning Process. Without these improvements, New York risks locking in expensive and unnecessary rate-based investments, instead of unlocking the full potential of energy storage to deliver cost savings.

3. **Support outreach and education.** Expanding the State's existing community outreach and education efforts will be critical to combat misinformation and clarify the robust energy storage safety and regulatory framework in New York. While NYSERDA has already demonstrated leadership on this front, a coordinated effort across State agencies and leadership will help communities understand the benefits of energy storage and build confidence in its deployment.

Conclusion

NY-BEST and our members stand ready to partner with the Legislature, alongside our allies in the environmental, EJ, labor, and business communities, to advance energy storage solutions. Notably, New York benefits from a recently updated Fire Code with some of the most stringent battery safety testing and design requirements in the world. The industry is prepared to deploy storage safely, reliably, and at scale. Now we need the support of the Legislature to make it happen.

Energy storage is indispensable to meeting New York's climate mandates, reducing costs for ratepayers, protecting public health, and ensuring a reliable, affordable clean energy future. We urge you to prioritize investment and support for energy storage as a cornerstone of the State's climate strategy.

Thank you for your leadership and for the opportunity to provide this testimony.