

October 27, 2025



TO:

Marco Padula, Department of Public Service
Tammy Mitchell, Department of Public Service
Jason Pause, Department of Public Service
Liz Grisaru, Department of Public Service
Schuyler Matteson, Department of Public Service

CC:

Jessica Waldorf, Department of Public Service

Dear DPS Staff,

Thank you for meeting with the New York Battery and Energy Storage Technology Consortium (NY-BEST) team on October 8, 2025. As you are aware, in recent months, Con Edison announced significant capacity constraints impacting energy storage interconnections in its service territory, creating substantial market uncertainty. NY-BEST, the New York Solar Energy Industries Association (NYSEIA) and our collective members are eager to work collaboratively with Con Edison towards operational solutions that would address utility concerns. However, to date Con Edison has not provided data evidencing the issue, raising questions about the nature and timing of the constraints.

Understanding the problem is critical to developing a solution. Therefore, NY-BEST and NYSEIA respectfully request the DPS direct Con Edison to improve transparency regarding its concerns, and to ensure alignment with the Coordinated Electric System Interconnection Review (CESIR) process. Specifically, as further described below, we request the DPS direct Con Edison to:

1. Abide by the legally binding terms of all signed Interconnection Agreements.
2. Complete CESIR studies based on current grid constraint limits, using the 2027 load forecast data published on the hosting capacity map, in line with SIR requirements.
3. Share data for any capacity constraints limiting interconnection requests at each impacted substation.
4. Publish the Utility System Impact Study (USIS) queue of projects over 5 MW, which are not included in the SIR Queue data filings.

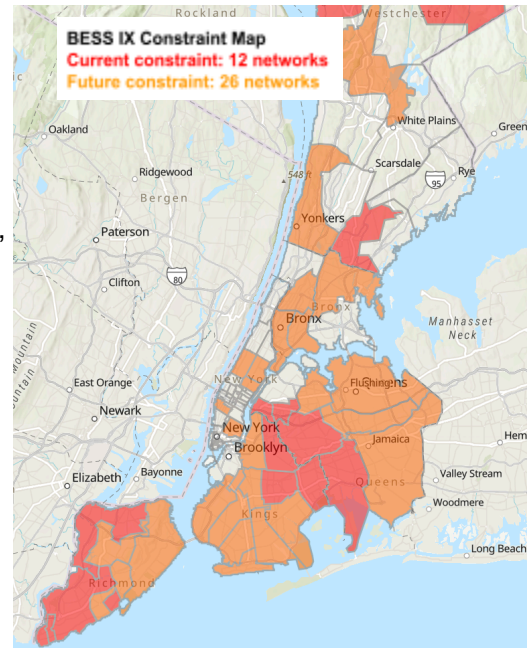
This memo includes the following sections:

- I. Context for the problem
- II. Lack of transparency from Con Edison and misaligned utility incentives
- III. Urgent need for energy storage in NYC
- IV. Requests
- V. Attachments

I . Context for the problem

On August 15, 2025, Con Edison notified Battery Energy Storage System (BESS) developers that 8 substations and associated networks are facing capacity constraints due to energy storage projects in the interconnection queue, and that all projects in these networks were placed “on hold effective immediately.” On September 16, Con Edison sent a follow up letter identifying 21 additional substations that “may experience similar constraints in the future.” These actions have called into question the viability of energy storage projects in approximately 85% of the utility’s service territory, severely disrupting the energy storage market at a time when deployment is more critical than ever.

Notably, Con Edison has not yet shared any data, analysis, or evidence of the reported constraints. Since August, NY-BEST, NYSEIA and our members have tried repeatedly to meet with the Company’s engineering team to better understand and address the challenge, but the Company has declined to bring its technical staff to meetings or to provide the underlying data to justify these actions.



The abrupt nature of the announcements of the constraints is surprising, particularly given that over the last decade, Con Edison has requested close to a quarter of a billion dollars to improve its hosting capacity maps and “load flow” analytics. Con Edison has touted: (1) its ability to read “situational impacts,” (2) its comprehensive distributed energy resources (DER) database, (3) its work on customized telematics to DERs, and (4) its SD-WAN technology going live. Given that the utility has spent significant ratepayer money towards visualization of DERs and the ability to control grid edge assets should the need arise, it is surprising that the capacity constraints have arisen so abruptly, particularly when these constraints were not identified in past CESIR studies and cannot be replicated using publicly available load data from Con Edison’s hosting capacity map and interconnection queue.

Resolving this issue is directly relevant to customer affordability. Reduced ability to interconnect energy storage will lead to increased need for traditional infrastructure investments both in Con Edison’s ongoing rate case (Case 25-E-0072) and in adjacent proceedings, such as the Proactive Grid Planning Proceeding (Case 24-E-0364). Indeed, in their current rate case, Con Edison has proposed nearly \$6 billion in growth-related infrastructure projects on networks that overlap significantly with the networks designated above. BESS projects on these networks can offset some of this impact, making a thorough understanding of Con Edison's analyses critically important in protecting ratepayers.

II. Lack of transparency from Con Edison and misaligned utility incentives

Lack of evidence for the constraint

To date, Con Edison has declined requests from NY-BEST, NYSEIA and our members to provide evidence for the alleged capacity constraints. Based on analysis conducted using Con Edison’s publicly available data (including the August Con Edison active SIR interconnection queue and the 2027 load forecasts on the hosting capacity map), for the vast majority of designated networks, no capacity constraints were identified, even when the entirety of energy storage in each network’s SIR queue is assumed to be interconnected and charging at the same time (see Section V for attached analyses).

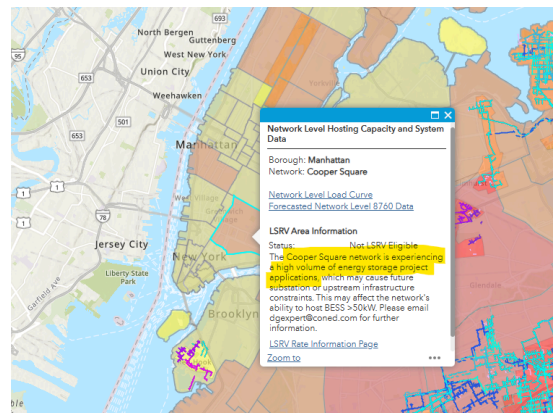
We acknowledge that the constraints Con Edison is identifying may be partially due to projects greater than 5 MW in the USIS queue, which are not publicly posted; to confirm, the USIS queue should be made public to ensure there is transparency in proposed project interconnections at each substation.

If the USIS queue projects are not driving the constraints, then we suspect Con Edison may be using forward-looking load forecasts in their analysis, rather than the load data published on the utility’s Hosting Capacity Map. This is prohibited by the SIR; energy storage interconnection today should not be constrained by the expectation for load growth in 10 years. We therefore request Con Edison provide the load forecasts used in their analysis.

Finally, NY-BEST and NYSEIA members are concerned that Con Edison has returned requests for CESIR studies for multiple projects with the language: “Please note that addressing the identified constraints will likely require substantial system expansion, potentially at a cost of hundreds of millions or more and involve timelines that may extend a decade - assuming the infrastructure can be built.” No additional information or data was provided, denying interconnection customers access to information needed to understand the nature of the constraint triggering the needed upgrades.

Conflicting statements

Con Edison has designated 13 networks¹ as constrained due to “a high volume of energy storage project applications” (see snapshot of hosting capacity map to the right) despite these networks having



“The Cooper Square network is experiencing a high volume of energy storage project applications” is a false statement; there is no BESS in the queue for this network. Similar messages have been posted for 13 networks with little or no BESS in the queue.

¹ Con Ed has identified 38 “BESS Constrained” networks shown in red and orange on their hosting capacity map. Of these, five networks have zero BESS in the SIR queue (Cooper Square, Yorkville, Chelsea, Lenox Hill, Central Park), and eight networks have de minimus BESS on the queue (Williamsburg, Prospect Park, Rego Park, Jackson Heights, Bay Ridge, Granite Hill, Flushing, Willowbrook; 3-16 proposed BESS projects per network, with 87-511 MW capability).

minimal, or zero, energy storage in the queue. This characterization, displayed on the Con Edison hosting capacity map, is demonstrably false.

In addition, Con Edison has identified 12 networks² as locations where additional third-party energy storage would cause constraints while simultaneously designating these same networks as priority locations for energy storage under its Bulk Solicitation and Non-Wires Solutions (NWS) programs, explicitly recognizing energy storage's ability to *alleviate*, not *cause*, network constraints. These contradictory signals undermine the utility's credibility.

Misaligned utility incentives

Energy storage can reduce or eliminate the need for expensive capital investments – the primary driver of profit for investor-owned utilities. Indeed, Con Edison receives a guaranteed Rate of Return on capital expenditures that energy storage could render unnecessary, creating conflicting incentives with New York State's energy affordability and sustainability goals. Notably, Con Edison also earns a guaranteed Rate of Return on energy storage investments under the Bulk Solicitation and NWS programs, but not on third-party VDER projects. Barring provision of additional data explaining the problem, this financial incentive misalignment raises questions regarding the motivation behind Con Edison's reports of capacity constraints for third-party energy storage.

III. Urgent need for energy storage in NYC

Energy storage will directly contribute to energy affordability and reliability needs in Con Edison territory. Indeed, modeling for the NYSERDA Energy Storage Roadmap 2.0³ and for the Coordinated Grid Planning Process (CGPP)⁴ shows a need for at least 2 GW of energy storage in Zone J (New York City).

Affordability

In the current rate case, Con Edison is proposing an approximately \$1.6 billion increase in electric revenue and an unprecedented 10.1% Return on Equity, one of the highest in the nation for utilities. This would result in an average electric bill increase of 11.4% at a time when 3.5 million New York City residents (42%) are in arrears and 1.9 million (23%) have experienced utility shutoffs due to inability to pay.⁵ Energy storage can mitigate or eliminate the need for many expensive traditional infrastructure investments, directly reducing ratepayer costs. We

² Of the 38 "BESS Constrained" networks shown in red and orange on their hosting capacity map: ten are "Preferred Locations" for Con Ed's Bulk solicitation (Cooper Square, Flatbush, Brighten Beach, Crown Heights, Ridgewood, Richmond Hill, Grasslands, West Bronx, Fresh Kills, Willowbrook; last RFP update: 7/24/2025); one is an active Non-Wires Solution location (Cooper Square; RFP deadline; 10/25/2025); and one is a designated Locational Service Relief Value area (Yorkville; 3.52 MW distributed energy need).

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 [here](#).

⁴ Energy Policy Planning Advisory Council Supporting Documents. Accessed online [here](#).

⁵ Wilkinson, N., Hernández, D., Salgado, D., Collyer, S., & Wimer, C. (2024, July 18). *The Prevalence and Persistence of Energy Insecurity in New York City*. Accessed online [here](#).

recognize that Con Edison is financially incentivized to propose expensive capital upgrades rather than interconnect third-party energy storage, and are eager to work with DPS and the JU to better align utility incentives with State goals.

Reliability

The recently released NYISO Short-Term Assessment of Reliability (STAR) report⁶ identifies ongoing significant reliability needs in New York City (Zone J). This has delayed deactivation of the Gowanus and Narrows generators (672 MW nameplate capacity) in accordance with the New York State Department of Environmental Conservation (DEC) regulation to limit emissions of nitrogen oxides, known as the “DEC Peaker Rule,” which required a May 2025 retirement date for generators out of compliance with emissions limits.⁷ Planned projects such as the Champlain Hudson Power Express (CHPE) transmission line and Empire Wind will help improve Zone J reliability margins temporarily, but modeling shows NYC will face deficiencies again beginning in 2029, after which Gowanus and Narrows cannot continue operating without meeting emissions requirements. Energy storage can directly support reliability margins by providing in-city capacity to replace peaker plants like Gowanus and Narrows, while providing health benefits to city residents associated with the cessation of reliance upon those facilities.

IV. Requests

Con Edison’s notices regarding limited interconnection capacity for energy storage are creating substantial market uncertainty and chilling investment. This directly threatens both the achievement of the State’s 6 GW by 2030 energy storage target and ratepayer affordability more broadly, limiting access to much lower-cost solutions for ratepayers compared to the utility’s proposed traditional infrastructure investments. NY-BEST and NYSEIA request that the Department of Public Service require Con Edison to:

1. Abide by the legally binding terms of all signed Interconnection Agreements.
2. Complete CESIR studies based on current grid constraint limits, using the 2027 load forecast data published on the hosting capacity map, in line with SIR requirements.
3. Share data for any capacity constraints limiting interconnection requests at each impacted substation, including thermal capacity for affected transformers, connected and queued DER capacity and min/peak load.
4. Publish the Utility System Impact Study (USIS) queue of projects over 5 MW, which are not included in the SIR Queue data filings, identifying projects that contribute to affected transformers.

⁶ New York Independent System Operator (NYISO). “Short-Term Assessment of Reliability: 2025 Quarter 3,” October 13, 2025. Accessed online [here](#).

⁷ See 6 N.Y.C.R.R. Part 227-3 (available [here](#)).

These steps are essential to ensure that energy storage companies have a complete understanding of the nature and timing of any constraints, and can begin to work with the utility toward operational solutions. This is essential to ensuring that energy storage interconnections can continue in Con Edison territory, in support of energy affordability and reliability needs.

V. Attachments

1. August 15 Letter from Con Edison
2. September 16 Letter from Con Edison

We greatly appreciate DPS Staff's consideration of our comments and requests. If you have any questions about these comments or need additional information, please contact us at 518-694-8474 or by email at info@ny-best.org. Thank you.

Sincerely,



Dr. William Acker
Executive Director, NY-BEST



Noah Ginsburg
Executive Director, NYSEIA



Notice to Distributed Energy Resource (DER) Developers: BESS Interconnection Constraints

August 15, 2025

Dear DER Developer,

We are writing to inform you of important updates regarding interconnections for battery energy storage systems in portions of our service territory. Most importantly, we wanted to notify you promptly about the potential for interconnection changes or delays.

Recent assessments indicate that the rapid growth of interconnection requests at the Brownsville, Washington Street, Fresh Kills, Glendale, Millwood West, Ossining West, and Woodrow Substations has led to capacity constraints. We are actively evaluating the full impact of these constraints and will provide periodic updates and individualized communications as more information becomes available. Notably, we may identify additional areas with constrained capacity during our analysis.

WHAT THIS MEANS AND NEXT STEPS:

- Any existing project that is located in an impacted area and does not yet have a fully executed Interconnection Agreement is on hold effective immediately. Likewise, any new project that enters the interconnection queue in an impacted area will immediately be placed on hold.
- No new Interconnection Agreements will be issued for projects in impacted areas until further evaluation is completed and any Interconnection Agreement that is countersigned after the issuance of this notice is invalid.
- If your project has a fully executed Interconnection Agreement, we will contact you directly to discuss any potential impacts.

For questions, please reach out to our Distributed Generation team at **dgexpert@coned.com**. We are available to discuss your project specifics and timelines.

Thank you for your continued partnership.

Consolidated Edison Company of New York, Inc.

4 Irving Place
New York, NY 10003

From: [dgexpert](#)
Subject: Notice of Emerging BESS Areas
Date: Tuesday, September 16, 2025 3:18:51 PM
Importance: High

Good afternoon,

As a follow-up to our August 15, 2025 letter informing you of areas where the Company's distribution system is experiencing capacity constraints for interconnecting battery energy storage systems (BESS), we are reaching out today to share that our continued analysis indicates additional areas may experience similar constraints in the future. These areas include the following substations: Mott Haven, Fox Hills, Bruckner, Parkchester No. 2, Wainwright, Corona No. 1, East 179th St., Bensonhurst 1 & 2, Corona No. 2, Greenwood, East 75th Street, Jamaica, Granite Hill, Water Street, Hellgate, Avenue A, Willowbrook, West 19th Street, Grasslands, and West 110th Street No. 2.

We will be reviewing upstream BESS application impacts in these areas on an ongoing basis and, accordingly, you will be receiving notices from PowerClerk during the CESIR process. To promote transparency, these areas will be marked on the hosting capacity maps to contrast with the areas that are already constrained, which are marked red.

Please reach out to dgexpert@coned.com with any questions.

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