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December 1, 2025

Submitted Electronically

TO: Hon. Michelle L. Phillips, Secretary
New York State Public Service Commission
Empire State Plaza, Agency Building 3
Albany, New York 12223-1350

RE: Case 25-E-0469 – Complaint of Nexamp, Inc. and Affiliates Against Niagara Mohawk Power Corporation d/b/a National Grid Pursuant to the New York State Standardized Interconnection Requirements.
Comments in Support of Nexamp’s Complaint Against National Grid Regarding Utility Cost Overruns

Dear Secretary Phillips,

The New York Battery and Energy Storage Technology Consortium (NY-BEST) is pleased to submit comments support for Nexamp’s complaint against National Grid regarding significant cost overruns for distribution upgrades associated with community solar projects in the utility’s New York service territory, filed on August 7, 2025.

We greatly appreciate the Commission’s consideration of our comments. 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,

A handwritten signature in black ink that reads "William P. Acker". The signature is written in a cursive, flowing style.

Dr. William Acker
Executive Director, NY-BEST

ABOUT NY-BEST

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. We act as a voice of the energy storage industry for more than 180 member organizations on matters related to advanced batteries and energy storage technologies. Our membership includes global corporations, start-ups, project developers, leading research institutions and universities, and numerous companies involved in the electricity and transportation sectors.¹

NY-BEST has been actively engaged in the State's implementation of the State's Climate Leadership and Community Protection Act (CLCPA), including through the development and implementation of the State's Energy Storage Roadmaps. We are committed to helping meet New York State's goal to deploy 6 GW of energy storage on the electric grid by 2030 and to direct 40% of the overall benefits of clean energy investments to Disadvantaged Communities. We recognize the tremendous opportunity for energy storage to support the State's goals and are eager to work with the Commission and the Joint Utilities to ensure energy storage is built strategically and efficiently across the State.

COMMENTS

The New York State Standardized Interconnection Requirements (SIR) are a bedrock foundation for New York's highly successful multibillion dollar distributed energy resource (DER) market. The SIR outlines straightforward interconnection rules for DER developers, providing confidence to invest in clean energy infrastructure in New York. Utility cost overruns for distribution upgrades are a growing issue in New York, and constitute a major threat to New York's most successful clean energy sector.

Nexamp's complaint provides a clear picture of the nature of this issue; National Grid is not appropriately managing costs for distribution upgrades or following the SIR, and is retroactively invoicing for cost overruns long after the upgrades are complete and the systems are operational. Regulatory action is urgently needed to establish guardrails that protect interconnection customers from uncapped liability for utility cost overruns.

Nexamp's complaint notes that they received 14 reconciliation statements from National Grid between September 2024 and August 2025 with an average cost overrun of 52%, and that they expect to receive more invoices for utility cost overruns in the near future. Nexamp's complaint notes that, in many cases, these reconciliation statements were issued well outside of the 60 day period after project completion – a clear violation of the SIR.

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.

The complaint notes that “National Grid cites three cost drivers to support the Cost Increase: (1) use of external contractors; (2) cost escalation in materials since the CESIR Studies were issued; and (3) addition of sales and income taxes not included in the original CESIR Study. National Grid’s use of external contractors, in particular, caused final labor costs to more than double the original estimate. National Grid incurred these costs without any direction from, or notice to, Nexamp.”

In addition to these cost drivers, Nexamp’s complaint highlights the unreasonably high overhead charges being applied to projects, including for outside services and equipment purchases. We agree with Nexamp’s position that equipment cost increases should not automatically entitle National Grid to charge additional overhead using a percentage-based formulaic approach. Additionally, it is inappropriate for National Grid to charge the same overhead rate for internal work it directly manages and that of external contractors. Close scrutiny of National Grid’s application of overhead charges is needed.

In response to Nexamp’s complaint, National Grid requested that the Commission direct Nexamp to fully fund an escrow account with the total amount of their cost overruns while the dispute is resolved. We strongly object to this request, which flies in the face of the SIR and due process. Utilities have the burden of proof to demonstrate the necessity of any costs they incur in excess of their “good faith cost estimate” provided in the CESIRs. Requiring an interconnection customer to pay for National Grid’s cost overruns before they present such proof and while a complaint is under consideration would set a dangerous precedent. A “guilty until proven innocent” approach will undermine investors’ confidence in Interconnection Agreements with New York utilities and harm New York’s ability to cost-effectively leverage private capital to finance clean energy infrastructure in the State.

Unfortunately, utility cost overruns for distribution upgrades are not limited to these fourteen projects; this is becoming a widespread issue impacting New York’s DER market, and NY-BEST is concerned about the potential to impact energy storage projects currently under development.

As a practical matter, clean energy companies cannot finance projects that include a blank check for utility cost overruns. In February 2024, New York Solar Energy Industries Association (NYSEIA) filed a petition under Case 24-E-0621 that seeks to provide greater transparency and cost certainty for DER interconnection in New York State.² NYSEIA’s petition would formalize and standardize utility cost estimation practices to increase accuracy and clarify that the 15% allowable contingency in the SIR is a cap on the interconnection customer’s liability for utility cost overruns (provided that they do not unduly delay the project).

These are common sense improvements to the SIR that will encourage utilities to generate accurate distribution upgrade cost estimates and complete upgrades within their allotted budgets. In addition to finding in favor of Nexamp’s complaint, NY-BEST urges the Commission to authorize the

² Case 24-E-0621. Petition of New York Solar Energy Industries Association Seeking Modifications to the New York State Standardized Interconnection Requirements to Provide Greater Transparency and Cost Certainty for New Distributed Generators and/or Energy Storage Systems 5 MW or Less Connected in Parallel with Utility Distribution Systems. February 2025.

modifications to the SIR proposed in NYSEIA's cost certainty petition without delay. Improving cost-certainty will de-risk New York's DER project pipeline, enabling more projects to commence construction by July 3, 2026 and secure the federal Investment Tax Credit while it's still available. This will materially lower the cost of these clean energy projects for New York ratepayers while strengthening New York's SIR and laying the groundwork for New York to continue deploying cost-effective DER to drive progress toward New York's clean energy and affordability goals.

Thank you for your consideration of this important matter.