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June 2, 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 15-E-0751 – In the Matter of the Value of Distributed Energy Resources.**
Comments on Staff Proposal to update the Allocated Cost of Service (ACOS) Decision Tree Methodology

Dear Secretary Phillips,

The New York Battery and Energy Storage Technology Consortium (NY-BEST) is pleased to submit comments for consideration in the above referenced case in response to the Department of Public Service (DPS) Proposal to update the Allocated Cost of Service (ACOS) Decision Tree Methodology, filed on March 17, 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".

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.

BACKGROUND

On March 16, 2022, the Public Service Commission (Commission) issued the *Order Establishing an Allocated Cost of Service Methodology for Standby and Buyback Service Rates and Energy Storage Contract Demand Charge Exemptions* (March 2022 Order). This Order adopted a cost allocation approach based on Allocated Cost of Service (ACOS) studies, which apply a structured series of questions, known as the Decision Tree, to determine how each utility cost component should be treated in calculating rates.

On October 13, 2023, the Commission released the *Order Establishing Updated Standby Service Rates and Implementing Optional Mass Market Demand Rates* (October 2023 Order), which revised Standby Service rates and introduced optional demand rates for mass market customers. In the October 2023 Order, the Commission noted challenges in implementing the Decision Tree, including:

- Concerns related to Question 4 of the Interconnection Voltage Decision Tree; and
- The infeasibility of setting the Standby and Buyback Customer Charge at the same level as the Customer Charge of the Otherwise Applicable Service Class (OASC), as originally required in the March 2022 Order.

The October 2023 Order directed the Department of Public Service (DPS) to revise the methodology to address these concerns. On March 17, 2025, DPS filed a Proposal for public input and Commission review.

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.

COMMENTS ON PROPOSED METHODOLOGY

NY-BEST is broadly supportive of changes DPS proposes, including:

- Addressing the over-allocation of costs to the Local cost category by adding a new question to the Decision Tree;
- Modifying the Decision Tree to account for the new question;
- Ensuring that the updated Decision Tree and associated questions follow a logical flow to avoid confusion for future stakeholders; and
- Modifying guidance provided in the March 2022 Order to remove the requirements that the Standby and Buyback Service Customer Charge be the same level approved for the Otherwise Applicable Service Class (OASC).

We appreciate Staff's consideration of NY-BEST's previous comments² and the intent of the Proposal to ensure that the ACOS Decision Tree methodology is working as intended. While we do not expect that the Proposal will significantly change the Rates currently in effect, we expect the changes will improve clarity and support the calculation of cost-based rates in the future. Therefore, we encourage the Commission to accept DPS's proposal and adopt the described updates to the ACOS methodology.

COMMENTS ON BUYBACK EXEMPTION

The March 2022 Order also establishes a Buyback Exemption for all stand-alone energy storage customers, including already-existing systems not participating in an NWA contract, that have paid the 25% interconnection deposit or signed an interconnection agreement by December 31, 2025. The Order further directs Staff to convene a midpoint review process beginning in the fourth quarter of 2024 to determine if there is a need to extend the Buyback Exemption beyond the 2025 deadline, and to bring a proposal for Commission consideration if appropriate prior to the established deadline.

NY-BEST strongly reiterates our position that Buyback rates do not accurately capture cost causation and benefits from standalone energy storage assets. Given the urgency of deploying energy storage assets after 2025, in line with the State's 6 GW by 2030 target, and to support grid reliability and modernization as load growth accelerates and as we decarbonize, it is critical that DPS re-assess the need for the Buyback Exemption for standalone storage as soon as possible. NY-BEST strongly supports the extension of the Exemption and urges the Commission and Staff to move forward with a midpoint review and stakeholder comment process in Summer 2025, to ensure that any extension may be granted well in advance of the termination of the Exemption at the end of this year.

We stand ready to assist with any questions you may have on these comments. Thank you for the opportunity to share our input and feedback.

² Case 15-E-0751, *NY-BEST Comments on Utility filings - ACOS studies and Draft Tariff Leaves - Standby and Buyback Rates*, November 21, 2022. Accessed [here](#).