Testimony of the New York Battery and Energy Storage Technology Consortium

Before the New York State Senate and Assembly

2026 Joint Legislative Budget Hearing

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Submitted by:

Dr. William Acker

Executive Director

New York Battery and Energy Storage Technology Consortium (NY-BEST)

acker@ny-best.org

Dear distinguished members of the Legislature,

Thank you for the opportunity to provide testimony today on behalf of the New York Battery and Energy Storage Technology Consortium (NY-BEST).

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]

With electricity costs on the rise and grid reliability margins shrinking, coordinated legislative and policy interventions to support grid modernization are more urgent now than ever. **Energy storage is critical to achieving the reliable, affordable, and sustainable electricity grid that New York needs.** It can help meet grid reliability needs amid growing electricity demand by providing power during peak demand; it can cut customer costs by mitigating the need for costly traditional infrastructure upgrades; and it can dramatically increase the grid's ability to onboard new renewable energy, reducing reliance on polluting fossil fuels and improving health outcomes particularly in Disadvantaged Communities.

We applaud the legislature for its climate leadership to date, including the passage of the groundbreaking Climate Leadership and Community Protection Act (CLCPA),[2] and are eager to support the success of the State's climate initiatives holistically with its energy affordability and reliability goals. Indeed, these three priorities need not be in conflict with each other; energy storage is a cost-effective and reliable solution that directly supports progress toward a decarbonized grid. In recognition of this, the State has set a 6 gigawatt (GW) energy storage target by 2030. However, with only 0.5 GW deployed – just 8% of the target – and five years remaining, we must dramatically accelerate deployment to meet this goal.

Energy Storage Supports Grid Reliability

Energy storage enhances grid reliability by making power available when and where it's needed, serving as a "virtual transmission system" at a fraction of the cost of traditional infrastructure like power lines and substations. By capturing low-cost energy during off-peak hours and dispatching it locally when demand surges, energy storage can help mitigate transmission bottlenecks and defer expensive infrastructure upgrades while meeting local reliability needs. For example, in New York City, both NYISO and Con Edison have identified imminent reliability shortfalls; energy storage is uniquely positioned to meet these needs while supporting the State's energy goals. By providing

[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.

flexible, fast-responding capacity that can be deployed more quickly than traditional infrastructure, energy storage can help ensure grid stability during this critical period of increasing demand and energy system transformation.

Energy Storage Reduces Costs

Energy storage resources allow us to extract more value from existing infrastructure by reducing the need to overbuild the electricity grid to meet peak demand, which may only occur a handful of hours each year. According to NYSERDA's Energy Storage Roadmap, achieving the 6 GW energy storage target by 2030 will avoid at least $2 billion in transmission system costs for ratepayers.[3] This does not include additional distribution system cost savings that would accrue from avoided traditional infrastructure upgrades at the distribution level, nor the healthcare cost savings from reduced fossil fuel pollution or the avoided economic losses from power outages – all 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 State.

Further, many grid-connected energy storage projects will directly reduce the bills of low-income customers under the Statewide Solar for All (SSFA) program, which enables community storage projects to generate bill credits that are directly distributed to customers enrolled in the utilities' Energy Affordability Program (EAP).

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 grid modernization goals but also to protecting public health and advancing equity.

[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

Legislative Actions to Advance Energy Storage

Despite significant progress to date, including the recent launch of NYSERDA's energy storage incentive programs, the industry continues to face significant financing, permitting, and interconnection challenges. In addition, the State's recent plans and announcements appear to be shifting away from proven, 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 State Energy Plan and the recent State of the State address, nuclear is featured as a cornerstone technology for New York, while energy storage receives less emphasis — even though the latter can likely meet the 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. Passing this exemption would cut red tape by avoiding the need for projects to seek discretionary exemptions through their local Industrial Development Authority (IDA), an expensive and lengthy process, and would not significantly impact State revenue as the majority of projects receive discretionary exemptions.

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 (>25 MW) under the jurisdiction of the Office of Renewable Energy Siting (ORES), addressing longstanding challenges with local permitting of energy storage by establishing a centralized, expert review process at ORES. This will align the treatment of standalone energy storage systems with other large-scale energy generation like fossil plants, wind, and solar, which are permitted at the State level.

3. **Establish a 3 GW target for Long-Duration and Multiday Energy Storage to be contracted by 2030**.
   With grid reliability needs projected to increase dramatically in the coming years, establishing procurement targets now ensures adequate lead time for project development and interconnection. A clear, multi-GW procurement target provides the strong market signal that Long-Duration and Multiday Energy Storage companies and investors need to commit capital and scale manufacturing.

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.

We urge you to:

1. **Include in your one-house budgets, and negotiate for inclusion in the 2026-27 enacted budget, a Sales Tax Exemption for commercial energy storage projects;**
2. **Co-sponsor and pass S.5506 / A.8378 to include energy storage permitting under ORES; and**
3. **Advance new legislation to establish a 3 GW target and procurement program for long-duration and multiday energy storage.**

Energy storage is indispensable to meeting New York's climate mandates, reducing costs for ratepayers, protecting public health, and ensuring grid reliability. Acting this session positions New York to meet its 2030 goals while delivering cost savings and reliability benefits to all New Yorkers.

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