New York Battery and Energy Storage Technology Consortium
230 Washington Avenue Ext., Suite 101, Albany NY 12203
(518) 694-8474
www.ny-best.org

March 6, 2026

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-0764: Proceeding on Motion of the Commission to Address New York City Reliability Needs**
Comments on Con Edison's *January 2026 Reliability Needs Report*

Dear Secretary Phillips,

The New York Battery and Energy Storage Technology Consortium (NY-BEST) is pleased to submit comments in response to Con Edison's January 2026 Reliability Needs Report, issued on January 20, 2026.

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,

Dr. William Acker
Executive Director

Claudia Villar-Leeman
Sr. Director, Policy and Regulatory Affairs

ABOUT NY-BEST

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 and our members have been actively engaged in the implementation of the State's 6 GW by 2030 Energy Storage Roadmap. NY-BEST is committed to helping meet New York State's need for a reliable, affordable, and modernized electricity grid, while achieving 100% clean electricity by 2040.

BACKGROUND

In response to reliability needs identified in the NYISO Q3 2025 Short-Term Assessment of Reliability (STAR) Report and Con Edison's December Local Transmission Plan (LTP), the Public Service Commission directed Con Edison in December 2025 to develop a Reliability Contingency Plan for New York City. As a first step, Con Edison was directed to file a report identifying the specific size and timing of reliability needs arising in its service territory, and specifying the "key assumptions and methodologies used to determine the likely timing of those needs."[2] Con Edison subsequently filed a January 2026 Reliability Needs Report (Reliability Report) identifying an updated need of 200 MWh in 2032 growing to 3,775 MWh by 2036. On February 9, the Commission issued a notice soliciting comments on the Reliability Report by March 6, 2026.

COMMENTS

NY-BEST provides the following three overarching points for the Commission's consideration, further discussed below:

1. Con Edison's energy storage modeling assumptions are opaque and likely underestimate the technology's full potential.
2. Energy storage should be evaluated as a capacity resource, not just as a load modifier.
3. The Commission should direct Con Edison to explore interconnection and tariff reform before pursuing new wired solutions.

[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] Case 25-E-0764, Proceeding on Motion of the Commission to Address New York City Reliability Needs. *Order Initiating Proceeding and Directing Reliability Contingency Plan,* December 18, 2025, p3.

1. **Con Edison's energy storage modeling assumptions are opaque and likely underestimate the technology's full potential.**

The way in which energy storage is incorporated into a reliability assessment has a dramatic impact on its outcome. This is evident in Con Edison's own Reliability Report: the updated January 2026 assessment identifies a need of 200 MWh in 2032 growing to 3,775 MWh by 2036, meaningfully smaller and later than the need identified in the December 2025 Local Transmission Plan. Con Edison attributes this shift in large part to the incorporation of distributed Battery Energy Storage Systems (BESS) and the adoption of a 24-hour load modeling methodology, which allows energy storage to shift peak hours and modify load shapes in ways the single-hour approach did not capture. These two changes contributed to dramatically reducing both the projected peak load (by 519 MW in 2030 and by 916 MW in 2035) and the identified need, underscoring just how sensitive reliability forecasts are to the assumptions and methodologies used to model energy storage.

Given this sensitivity, the lack of transparency in Con Edison's energy storage modeling methodology is a serious concern. The Report asserts that the increase in energy storage projects signing interconnection agreements had "a significant impact to the overall [Summer Distributed Load Area (DLA) Peak Demand] forecast change,"[3] yet does not clearly explain the charging and discharging assumptions for these systems. The Report states only that the impact of distributed BESS "can be either increase or decrease demand [*sic*], depending upon their expected charging and discharging schedules," and that Con Edison "uses a highly customized set of technical and behavioral assumptions to assess peak demand impacts for each Distribution Load Area."[4] In the Appendix, Con Edison further notes that "a series of inputs" around these technical and behavioral assumptions (including AMI performance data of currently installed BESS, compensation mechanism, system size, and presence of paired PV) were assessed, and that they "dictate a variety of possible charge and discharge behaviors to be considered."[5] Without more detail, stakeholders have no way to evaluate whether these assumptions, which will have a significant impact on the outcome of the reliability needs analysis, are appropriate.

NY-BEST is supportive of Con Edison departing from the NYISO Gold Book[6] assumptions for energy storage deployment. Notably, the NYISO Gold Book figures for distributed energy storage are significantly underestimated and fail to adequately account for the growing pipeline of projects in the interconnection queue. Specifically, the NYISO forecasts only 295 MW of distributed energy storage capacity in Zone J by 2030;[7] even assuming 30% attrition of projects in late-stage development, New York City can reasonably expect at least 644 MW of distributed energy storage to

[3] Case 25-E-0764, Proceeding on Motion of the Commission to Address New York City Reliability Needs. Con Edison, *Attachment A: January 2026 Reliability Needs Report* (Reliability Report), January 20, 2026, p4.
[4] Ibid, p3.
[5] Ibid, p.A-3.
[6] New York Independent System Operator (NYISO). *2025 Load & Capacity Data Report* (Gold Book). Released April 2025.
[7] Ibid., *Table I-12a: Energy Storage Nameplate Capacity, Behind-the-Meter*, p51. Note: NYISO lists all energy storage interconnected on the distribution system (and not participating in the wholesale markets) as Behind-the-Meter storage, though NY-BEST notes a significant portion of distribution-connected energy storage will be Front-of-the-Meter.

be deployed by 2029.[8] Therefore, in its Reliability Report, Con Edison is right to use a queue-based approach, combined with forward-looking forecasts, to establish the total BESS installation forecast. *However, Con Edison fails to disclose the forecasted BESS installations it used for the reliability needs assessment.* This is in direct contradiction to the Order, which directs Con Edison to "include the core components of Con Edison's forecasts, including objective and validated data sources, critical assumptions, effects of economic multipliers, analytical methodologies, and approaches to managing for the inherent uncertainty and vetting, validation, and adaptations. This shall apply to the specific components of forecasts and categories of resource forecasts, and to the forecasts as a whole."[9]

Recommendation: For all these reasons, NY-BEST urges the Commission to direct Con Edison to provide full disclosure of its BESS modeling methodology, including:

- the total distributed BESS projects and MW assumed to be interconnected across different resource classes including those operating under:
    - the Demand Reduction Value (DRV) of the VDER framework
    - the Locational Service Relief Value (LSRV) of the VDER framework
    - the Dynamic Load Management (DLM) program
    - Non Wires Solutions (NWS) contracts
    - Utility Dispatch Rights (UDR) contracts
    - Utility-owned storage frameworks;
- the specific technical and behavioral assumptions made for different BESS resource classes listed above; and
- the commensurate modeled load relief in MW (and reliability benefit to the extent it is different) for each BESS resource class by hour for each year.

Given how dramatically modeling choices, and particularly BESS charging and discharging assumptions, can shift the identified reliability need, this transparency is essential for the Commission and stakeholders to have confidence in the forecast.

2. Energy storage should be evaluated as a capacity resource, not just as a load modifier.

Con Edison's Reliability Report treats energy storage exclusively as a demand-side resource, using it only to modify load shapes and shift peak hours. While this approach captures an important dimension of energy storage's value, it omits energy storage's capacity to contribute on the generation side of the reliability equation. The Report explicitly states that it assumes "no incremental new generation,"[10] effectively excluding bulk energy storage from consideration as a supply-side resource.

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[8] This estimate incorporates the 818 MW of distributed four-hour energy storage in late-stage development in New York City (which have paid 100% of their utility interconnection costs and contracted with NYSERDA for retail storage incentives), assuming 30% project attrition, combined with the 71 MW already deployed.

[9] Case 25-E-0764, Proceeding on Motion of the Commission to Address New York City Reliability Needs. *Order Initiating Proceeding and Directing Reliability Contingency Plan,* December 18, 2025, p17.

[10] Case 25-E-0764, Proceeding on Motion of the Commission to Address New York City Reliability Needs. Con Edison, *Attachment A: January 2026 Reliability Needs Report* (Reliability Report), January 20, 2026, p9.

This omission is particularly consequential given the current state of the bulk energy storage pipeline in New York City. Five Zone J projects are currently in Step Two of NYSERDA's bulk storage procurement,[11] representing a combined capacity of 759 MW. Awards for these projects are expected to be announced later this spring. If selected, these projects would be contracted to be in-service by 2030, well ahead of Con Edison's identified reliability need, which does not materialize until 2032. Ratepayers should not be asked to fund new wired infrastructure solutions if NYSERDA is already in the process of procuring a storage solution that would meet the need.

Recommendation: NY-BEST urges the Commission to direct Con Edison to include bulk energy storage as a sensitivity on the generation side of its reliability analysis, specifically by evaluating the contribution of the five Zone J projects currently in Step Two of the NYSERDA procurement. This analysis should assess whether these projects, if awarded and brought into service on their anticipated schedule, would partially or fully meet the identified reliability need. Building duplicative solutions when ratepayer-funded procurement is already underway would represent an unnecessary cost burden on ratepayers and would undermine the State's broader investment in energy storage as a critical grid resource.

3. The Commission should direct Con Edison to explore interconnection and tariff reform before pursuing new wired solutions.

Distributed energy storage systems' contribution to reliability is largely determined by the tariff structures and interconnection agreements that govern how and when they charge and discharge. Current interconnection rules require utilities to assume distributed BESS is neither flexible nor controllable, and that it may behave detrimentally by charging or discharging at non-optimal times. Further, under current interconnection and VDER market rules, Con Edison must assume that all distributed BESS will charge and discharge simultaneously during static, predetermined time windows. This is further discussed in NY-BEST's January 2026 Whitepaper, *Unlocking Distributed Energy Storage to Address Reliability Needs in New York City.*[12]

Given the limitations presented by current interconnection and tariff rules, a change to those rules could unlock significant reliability value from distributed BESS that are already built, already in the queue, or already being procured. Because policy reform is always less costly to ratepayers than funding new infrastructure, the Commission should require Con Edison to analyze how changes to interconnection and tariff rules would affect the forecasted need before any wired solutions are considered.

While Con Edison did not disclose the charging and discharging assumptions applied to distributed BESS, it is likely that these were limited by existing tariff and interconnection constraints. This concern is compounded by the fact that Con Edison's recent RFI invited *existing* distributed BESS

[11] New York State Research and Development Authority (NYSERDA), *ISCRFP25-1 Step Two Bid Proposal Map*. Accessed here, March 6, 2026.

[12] New York Battery and Energy Storage Technology Consortium (NY-BEST). *Whitepaper: Unlocking Distributed Energy Storage to Address Reliability Needs in New York City,* January 2026. Accessed here.

projects to submit responses. This implies that participation in the RFI would change Con Edison's assumptions about how those projects charge and discharge to meet the reliability need. However, Con Edison has not provided any detail on how this change would be applied.

Recommendation: NY-BEST therefore urges the Commission to direct Con Edison to provide a clear analysis of how the reliability need would change if existing and queued distributed BESS projects were dispatched in ways to maximize their reliability contributions, and to identify the specific tariff and interconnection changes that would be required to achieve this. Further, NY-BEST reiterates our previous recommendation that the Commission immediately initiate a 6-12 month stakeholder based process to collaboratively reform Con Edison's interconnection and tariff rules to ensure distributed BESS is leveraged as a truly flexible, controllable asset. Ratepayers should not be asked to fund expensive wired solutions if a change to how energy storage is contracted and dispatched would achieve the same result without building anything incremental.

CONCLUSION

NY-BEST appreciates the opportunity to submit these comments. The recommendations outlined above, including greater transparency in energy storage modeling, recognition of bulk storage as a capacity resource and appropriate consideration of bulk storage projects participating in the NYSERDA procurement, and targeted interconnection and tariff reform for distributed BESS, are critical steps toward a cost-effective solution to quantifying and addressing New York City's reliability needs. NY-BEST stands ready to work collaboratively with the Commission, Con Edison, and other stakeholders to advance these goals, capture savings for ratepayers, and ensure a reliable grid for New York City.