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Submitted Electronically

April 30, 2026

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

CC: Power Systems Management Department, PSEG Long Island
PSEG-LI-Non-EmittingResourcesRFI@psegliny.com

RE: **Case 25-E-0764: Proceeding on Motion of the Commission to Address New York City Reliability Needs**
Submission in response to PSEG Long Island's 2026 Request for Information Concerning the Prospects for Clean & Non-Emitting Resources on Long Island

Dear Secretary Phillips and the PSEG Long Island Power Systems Management Department,

The New York Battery and Energy Storage Technology Consortium (NY-BEST) is pleased to submit the following comments in response to the PSEG Long Island (PSEG-LI) *Request for Information (RFI) Concerning the Prospects for Clean & Non-Emitting Resources on Long Island*, issued March 16, 2026 on behalf of the Long Island Power Authority (LIPA). These comments are submitted simultaneously to the Commission in Case 25-E-0764 and directly to PSEG-LI in response to the RFI.

As an industry trade association, NY-BEST is submitting a non-traditional response to the RFI; rather than proposing a specific project, we offer analysis and policy recommendations intended to inform both the RFI evaluation and the development of LIPA's next Integrated Resource Plan. NY-BEST submits that energy storage is a proven, scalable, and cost-effective solution to the reliability needs identified in this RFI, and that Long Island could rapidly develop a substantial pipeline of storage resources, both bulk and retail, provided that planning frameworks, interconnection rules, market structures, and permitting pathways are updated to support timely deployment.

We greatly appreciate the consideration of our comments by PSEG-LI, LIPA, and the Commission. 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. NY-BEST has been an active participant in energy storage policy and planning on Long Island, including through comments on PSEG Long Island's Utility 2.0 Long Range Plan and engagement with LIPA and PSEG Long Island on interconnection, tariff reform, and retail storage market development.

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 issued an Order in December 2025 recommending LIPA develop a reliability contingency plan for Long Island. PSEG Long Island (PSEG-LI) subsequently committed, in its January 2026 filing in Case 25-E-0764, to issue this RFI seeking clean and non-emitting solutions to address Long Island's reliability needs through 2035, and to use the results to inform LIPA's next Integrated Resource Plan.

NYISO projects that Zone K will face unmet needs of increasing daily duration beginning around 2030, driven by continued growth in peak and energy demand, the potential retirement or reduced availability of aging thermal generation, increasingly stringent emissions requirements, and challenges in bringing new resources online in a timely manner. While major infrastructure projects including the Sunrise Offshore Wind project and the Propel NY Energy transmission project are expected to provide meaningful benefits around 2030, NYISO and PSEG Long Island anticipate continuing challenges, particularly during periods of peak demand or adverse system conditions.

LIPA has indicated it may seek to procure up to 500 MW of peak load relief by 2035 to address these needs. This RFI is intended to inform that effort and the development of LIPA's next Integrated Resource Plan.

[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

NY-BEST provides the following comments for the Commission's, PSEG-LI, and LIPA's consideration, further discussed below:

I. Battery storage can meet the need
II. The retail storage market on Long Island is opening up
III. Interconnection and planning reform is essential to unlock storage's full potential
IV. Summary of recommendations

I. Battery storage can meet the need

BESS are a proven critical reliability resource in other jurisdictions

The deployment of BESS has brought critical reliability benefits in California (CAISO) and Texas (ERCOT). More than 17 GW[2] of BESS has been deployed in CAISO and according to the California Energy Commission, "*battery storage has already changed how California weathers extreme heat and demand surge*." Following an effort to deploy more BESS after unprecedented heatwaves in 2021 and 2022, the state has not issued a "Flex Alert" - an emergency call for public electricity conservation over the past three years.[3] Similarly, more than 14 GW on the ERCOT grid have provided critical reliability support during "deep freezes" and the hottest days[4], helping avoid emergency alerts or system outages.[5]

The technology is proven and already performing in New York.

The energy storage industry has demonstrated that battery storage is a reliable, dispatchable resource in New York State today. Just next door to Long Island, 85 MW of grid-connected distributed storage is already operational in Con Edison territory, with an additional 995 MW in late-stage development having paid 100% of utility interconnection costs and contracted with NYSERDA for retail storage incentives.[6] According to a NY-BEST survey of member companies operating a combined 40 MW of grid-connected storage assets in New York City, more than 95% of that capacity was successfully discharged during the Summer 2025 ICAP Market Peak.[7] Further, 19 MW were enrolled in Con Edison's Auto-DLM program, with an achievement of 109% performance in 2025; that is, they injected a higher level of MWs during Auto-DLM events than they committed.[8] These results demonstrate that battery storage, when properly signaled and compensated, is a highly reliable resource capable of providing firm, dispatchable capacity during peak demand periods.

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[2] California's Battery Storage Fleet Continues Record Growth, Strengthening Grid Reliability, California Energy Commission, November 13, 2025

[3] California invests big in battery energy storage - and leaves rolling blackouts behind, LA Times, October 17, 2025

[4] Batteries, solar help keep the lights on in Texas but more needed, Dallas Fed, November 5, 2025

[5] Armed with new batteries and winterized plants, ERCOT survives Fern, Latitude Media, January 27, 2026

[6] Con Edison Company of New York, Inc., Standardized Interconnection Requirements (SIR), Completed Projects, January 2026, available here.

[7] The Installed Capacity Alternative 3 ("ICAP Alt 3") for VDER is defined as the peak hour of electricity demand during non-holiday weekdays in July and August.

[8] Case 14-E-0432, Con Edison 2025 Demand Response Annual Report, November 21, 2025 , page 4.

Independent engineering analysis confirms storage can address transmission reliability needs.
Earlier this year, NY-BEST commissioned PowerGEM, an independent power systems consultancy whose modeling tools are licensed and actively used by both NYISO and Con Edison, to evaluate whether battery storage could resolve the transmission reliability violations identified in Con Edison's January 2026 Reliability Needs Report for Zone J. Using the same power flow and production cost modeling methodology as Con Edison, PowerGEM confirmed that 165 MW of standalone four-hour energy storage in 2032, growing to 727.5 MW by 2036 can fully resolve the identified NYC transmission reliability need, while simultaneously reducing Zone J load payments by up to $15 million annually, reducing system-wide production costs, and cutting thousands of tons of CO_2 and NO_x emissions from displaced fossil fuel peaker plants each year.[9] Critically, the analysis demonstrated that standalone storage can successfully charge and discharge to meet the reliability need even under a prolonged simultaneous outage of both the Champlain Hudson Power Express and Ravenswood Unit 3, the two most severe contingencies identified in Con Edison's analysis. While the PowerGEM study focused on Zone J, its findings speak to the broader capability of battery storage to address transmission reliability needs in the downstate region, and NY-BEST believes a similar analysis focused on Zone K would demonstrate comparable value.

The bulk storage pipeline could be developed on Long Island.
NYSERDA's first bulk storage solicitation has attracted robust developer interest in PSEG-LI territory. Seven battery storage projects totaling approximately 675 MW are currently under consideration in PSEG-LI territory as part of NYSERDA's ongoing bulk storage procurement, all located in Suffolk County. These projects range in size from 50 MW to 150 MW and include both four-hour and eight-hour systems. NYSERDA completed its evaluation of bid proposals in February 2026 and is expected to publicly announce awards upon completion of contracting, anticipated later this summer. If even a portion of these projects are awarded and developed, this pipeline could address a significant portion of the 500 MW of peak load relief LIPA has identified as a potential need through 2035. NY-BEST urges LIPA and PSEG-LI to account for these anticipated projects in their reliability planning assumptions before sizing any new solicitation. As discussed further in Section III, realizing this pipeline will require addressing interconnection barriers, permitting timelines, and public perception to harness the value these projects can provide to Long Island ratepayers.

II. The retail storage market on Long Island is opening up

LIPA and PSEG-LI have made progress toward opening the retail storage market.
In addition to providing transmission reliability benefits, distribution-connected retail storage can also defer the need for distribution system upgrades, providing significant ratepayer benefits. NY-BEST is deeply appreciative of the significant steps LIPA has taken over the past year to develop a retail energy storage market on Long Island. LIPA's Board approved an SC-11 buyback tariff exemption for standalone storage in December 2025, bringing Long Island into alignment with the

[9] PowerGEM, "Ability of Energy Storage to Address Transmission Reliability Needs in New York City," prepared for NY-BEST, March 26, 2026, available here.

rest of the state and removing a longstanding barrier to front-of-meter storage development. Effective February 1, 2026, LIPA increased its DRV and LSRV compensation rates, reflecting a new Marginal Cost of Service of $146.90/kW-yr, a 33% increase that meaningfully improves the economics of retail storage on Long Island. LIPA is also developing a Retail Storage Roadmap covering value stack design, benefit-cost analysis, and tariff changes, to be shared with NYSERDA, DPS, and stakeholders upon completion. Further, LIPA recently announced adoption of a tiered LSRV framework that provides stronger locational price signals to direct storage deployment where it can provide the greatest system value.

NY-BEST has been an active participant in LIPA's Solar+Storage Working Group, which has proven a productive forum for collaboration between LIPA, PSEG Long Island, and the clean energy industry, and we are encouraged by the openness and constructive engagement LIPA's Clean Energy Team has demonstrated throughout this process. These developments represent a meaningful shift from where Long Island stood just a year ago, and provide a strong foundation for the retail storage market growth that will be essential to meeting the reliability needs identified in this RFI.

Critical reforms remain pending.
While the progress described above is significant, several important tariff and market structure reforms remain pending that are essential to fully unlocking the retail storage market on Long Island. In line with recommendations NY-BEST has previously advanced, including in our August 2025 comments on PSEG-LI's Utility 2.0 Plan and in our discussions as part of the Solar+Storage Working Group, we reiterate our recommendations for LIPA/PSEG-LI to pursue the following:

- Conduct a Missing Money analysis and implement a performance-based Resilience Adder to the VDER value stack to close the gap between market revenues and the investment threshold needed to mobilize private capital at scale;
- Implement strong pricing signals for transmission reliability needs, which may not be captured in LSRV zones and may require alternative performance criteria;
- Align LIPA's ICAP capacity payment methodology with the NYCA statewide peak rather than the Long Island Control Area peak, consistent with the NYISO capacity tag methodology and the approach used by every other utility in the state, and to ensure LIPA captures the benefits of reduced systemwide peak demand in its capacity payments to the NYISO;
- Implement the Statewide Storage for All program to provide direct electricity bill benefits to low-income households in Long Island's Disadvantaged Communities.

These reforms are complementary and will together help unlock the retail storage market at the scale needed to contribute meaningfully to Long Island's reliability needs. Further, we recommend LIPA and PSEG-LI evaluate how the VDER value stack, and LSRV in particular, should evolve as renewable penetration increases on Long Island. With the anticipated interconnection of Sunrise Wind in 2027 and continued growth in distributed solar, the system value of storage will increasingly include renewable energy integration and local storage of clean generation, not just peak demand reduction and local constraint relief. LIPA should ensure that compensation frameworks are designed to capture and reward this broader value, so that storage is optimally

sited and dispatched to support a high-renewable grid rather than optimized solely around the current load shape.

The VDER market framework, not utility-run solicitations, is the right vehicle for retail storage. For retail and distributed storage, a competitive marketplace under the VDER tariff, supported by NYSERDA incentive programs, is far more scalable and effective than utility-run solicitations. New York City's experience demonstrates this clearly: 85 MW of distributed storage is already operational in Zone J, with an additional 995 MW in late-stage development, driven primarily by market-based frameworks rather than utility-run solicitations. Utility-run solicitations for distributed resources are not scalable, and would undermine the market frameworks like VDER that have made New York's distributed energy resource deployment so successful. The most effective path to mobilizing retail storage at the scale needed to contribute to Long Island's reliability needs is to complete the tariff and market structure reforms described above, which will enable investments to flow into Long Island's retail storage market without the need for individual utility procurements.

III. Interconnection and planning reform is essential to unlock storage's full potential

Current interconnection rules create barriers to bulk storage development on Long Island. FERC Order No. 2023, issued in July 2023, requires transmission providers to use operating assumptions in interconnection studies that reflect the proposed charging behavior of electric storage resources, rather than assuming worst-case simultaneous charging during peak hours. This reform was a significant step forward in ensuring that storage is studied and valued as the flexible, controllable resource it is, rather than as an uncontrollable worst-case actor. However, this framework has not been extended to storage resources interconnecting to lines below 100kV, which are instead studied using the unrealistic assumption that the battery charges at the peak hour. This gap is particularly consequential on Long Island, where the majority of LIPA's transmission system operates at 69kV. While LIPA's 69kV network functions as transmission, it falls below the NYISO threshold at which FERC Order 2023 protections apply, meaning that the bulk storage projects interconnecting to Long Island's grid are studied under assumptions that inflate interconnection upgrade costs, undermine project economics, and discourage private investment in resources that could provide significant reliability value. NY-BEST has raised this issue with FERC, the NYISO, and with LIPA, and urges LIPA and PSEG-LI to engage proactively on developing a solution for the 69kV network that brings interconnection study assumptions for bulk storage in line with the principles established under FERC Order 2023.

Community education and permitting reform are essential to realizing Long Island's storage potential. Local opposition and the patchwork of municipal moratoria and zoning restrictions across Long Island represent a significant and growing barrier to energy storage development. Without a consistent, efficient permitting framework, even highly viable projects may face years of delay or prevention at the local level. NY-BEST urges the Commission to work with the legislature to bring standalone battery energy storage projects over 25 MW under the jurisdiction of the Office of Renewable Energy Siting and Electric Transmission (ORES), in line with A.8378/S.5506

(Levenberg/Kavanagh). All other power plants, whether gas, oil, wind, or solar, are already permitted at the state level in recognition that adequate power supply is a state need. Co-located storage is already under ORES jurisdiction; this legislation would close the gap for standalone storage and ensure parity across technologies. At the same time, NY-BEST urges LIPA and PSEG-LI to work with state, local, and industry stakeholders to develop a coordinated community engagement strategy that builds public understanding of the reliability, affordability, and clean energy benefits that battery storage can provide to Long Island communities. In addition, LIPA and PSEG-LI should work with Long Island communities to advance permitting reforms, including the adoption of the NYSERDA's Battery Energy Storage System Model Law.[10]

Reliability planning should transparently account for the existing and potential storage pipeline. The identified reliability need is highly sensitive to how existing and anticipated storage resources are modeled. As NY-BEST argued in its comments on Con Edison's parallel reliability planning process, if storage resources are modeled using worst-case charging and discharging assumptions rather than realistic operational behavior, the result is an inflated assessment of unmet need that could drive unnecessary procurement and cost to ratepayers. LIPA's reliability needs assessment appears to rely primarily on NYISO system-level projections, which may not fully capture the potential contribution of storage resources under realistic operational assumptions. NY-BEST urges LIPA and PSEG-LI to conduct their own analysis that includes sensitivities showing how the identified need changes under scenarios that assume:

- all or a portion of the NYSERDA bulk storage projects anticipated to be awarded this summer are developed on schedule; and
- retail storage market reforms described in Section II successfully catalyze distributed storage deployment at various scales.

In the scenarios, storage resources should be modeled using realistic charging and discharging assumptions rather than worst-case scenarios. Further, the analysis should include a comparative cost-benefit assessment of storage solutions against traditional alternatives, including the continued operation or repowering of existing fossil fuel generation assets. As the PowerGEM study demonstrates for Zone J, storage can address reliability needs at competitive cost while simultaneously reducing ratepayer costs and emissions. Critically, this analysis should be conducted transparently, with public disclosure of key modeling assumptions, so that developers and stakeholders can engage meaningfully in the planning process.

NY-BEST further urges LIPA and PSEG Long Island to incorporate the insights from the analysis into both the Utility 2.0 Long Range Plan and the forthcoming Integrated Resource Plan, including the potential adoption of updated energy storage deployment targets that reflect the full potential cost-effective contribution of storage to Long Island reliability.

IV. Summary of recommendations

[10] New York State Energy Research and Development Authority (NYSERDA), *Battery Energy Storage System Model Law: For local governments to utilize when drafting local laws and regulations for battery energy storage systems.* Accessed here, April 2026.

NY-BEST offers the following recommendations for LIPA, PSEG-LI, and the Commission's consideration in evaluating responses to this RFI and developing the next Integrated Resource Plan:

1. Account for the NYSERDA bulk storage projects anticipated to be awarded this summer before finalizing any new solicitation;
2. Complete pending tariff and market structure reforms to unlock the retail storage market on Long Island;
3. Develop a solution for the sub-100kV interconnection gap on Long Island's 69kV network, bringing bulk storage interconnection study assumptions in line with the principles established under FERC Order 2023;
4. Enable permitting of standalone battery storage projects over 25 MW under ORES jurisdiction, and work with state, local, and industry stakeholders to develop a coordinated community education and engagement strategy;
5. Conduct transparent reliability analysis with storage sensitivities and a comparative cost-benefit assessment of storage against traditional alternatives, with public disclosure of key modeling assumptions;
6. Incorporate insights from that analysis into both the Utility 2.0 Long Range Plan and the forthcoming Integrated Resource Plan, including updated energy storage deployment targets that reflect the full potential cost-effective contribution of storage to Long Island reliability.

CONCLUSION

Battery energy storage is a proven, scalable, and cost-effective solution to the reliability needs identified in this RFI. As described in our comments above, Long Island could rapidly develop a substantial pipeline of storage resources, both bulk and retail, provided that planning frameworks, interconnection rules, and market structures are updated to recognize their full contribution and support timely deployment. NY-BEST is encouraged by the progress LIPA has made over the past year on retail storage market development, and looks forward to continuing that collaborative work through the Solar+Storage Working Group and other forums. We urge LIPA, PSEG Long Island, and the Commission to ensure that the next Integrated Resource Plan reflects the full potential of battery storage to meet Long Island's reliability needs cost-effectively, in alignment with the State's clean energy goals and the imperative to minimize costs to ratepayers. NY-BEST stands ready to work collaboratively with LIPA, PSEG Long Island, the Commission, and all stakeholders on the issues raised in these comments, and we appreciate the opportunity to submit them.