

DOE Energy Storage Financing Summit



NYSERDA

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SCOPING PLAN

Full Report
December 2022

Recap & Overview



Electricity

The Climate Act requires that 70% of statewide electricity come from renewable energy sources by 2030 (70x30) and that the State achieve a zero-emission electricity system by 2040 (100x40).

It also requires that the State install:

- > 6,000 megawatts (MW) of distributed solar by 2025
- > 3,000 MW of energy storage by 2030
- > 9,000 MW of offshore wind by 2035

The Scoping Plan anticipates annual electricity demand will more than double by 2050, depending on the scale and timing of electrification and whether there are other clean alternatives for the transportation and building sectors.

Three themes encompass the recommended strategies in this sector to be implemented through the State's Renewable Energy Program and other planning processes detailed in this Scoping Plan and as required by the Climate Act.

- > Transform Power Generation
- > Enhance the Grid
- > Invest in New Technology



Roadmap Approach by Sector

- > The proposed 6 GW goal will require **4,700 MW of new projects** to be awarded and deployed by 2030
- > The roadmap recommends new programs be developed for three different sectors: **Bulk, Retail,** and **Residential**
- > **Bulk Storage** (>5 MW)
 - Target of 3,000 MW through a series of NYSERDA procurements using an Index Storage Credit (ISC) structure
 - Developers bid in a strike price which represents the required revenue for the project
 - NYSERDA selects and contracts with most viable/cost-effective projects; projects are free to participate in wholesale markets as they see fit to maximize revenue
- > **Retail** (<5 MW) target 1,500 MW and **Residential** target 200 MW
 - Compensation is through an upfront incentive with through a region-specific standard offer MW Block structure

Proposed Procurement Timeline

New Program Procurements	2023	2024	2025	2026	2027	2028	2029	2030
Bulk (3,000 MW)	0	1,000	1,000	1,000	0	0	0	0
Retail (1,500 MW)	0	375	375	375	375	0	0	0
Residential (200 MW)	13	27	27	27	27	27	27	27
Annual Total	13	1,402	1,402	1,402	402	27	27	27
Cumulative Total	13	1,415	2,817	4,218	4,620	4,647	4,673	4,700



Energy Storage Project Pipeline

Deployed and in the pipeline:

- Bulk and Retail:
- 651 projects totaling 24,458 MW
- Residential:
- 4,627 projects totaling 43 MW

NY Green Bank

Energy Storage: Investment Approach and Indicative Transaction Structures

WE CAN SUPPORT:

Bulk and Commercial Projects:

- > Participating in wholesale power markets
- > Awarded a dispatch rights contract through a utility RFP
- > Participating alongside a large-scale renewable project
- > Participating as a distributed energy resource through VDER

Distribution & retail projects

- > Awarded a dispatch rights contract through a utility RFP
- > Demonstration projects with PPAs or utility contracts
- > Participating in demand-side markets behind commercial and industrial meters



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