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Power & Utilities

Energy Storage

New York to Set Energy Storage Targets by Next Year

Storage Mandates and Tax Incentives Enacted by Six States and Counting

June 29, 2017

JUNE 19 NEW YORK STORAGE BILL

On June 19, 2017, the New York state legislature passed legislation (**A 6571/S 5190**) to establish storage procurement targets through 2030. New York joins a **growing list of states discussing energy storage targets and incentives** driven by the prolific growth of distributed generation. Storage will be **crucial for reaching the state's goal of 50 percent renewables by 2030**.

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New York storage bill

A 6571
S 5190

Directs the NY PSC to set storage procurement targets through 2030 by January 1, 2018

Aligns storage deployment with the 50% renewable target by 2030 under the Clean Energy Standard

Follows the 10-year, $5-billion Clean Energy Fund unveiled in 2016 to advance energy technologies

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Storage in New York: projects, dockets, and figures

New York's REV demonstration projects represent innovation in advancing clean energy. For example, ConEd's Virtual Power Plant project integrates behind-the-meter solar and storage resources into the distribution grid by aggregating residential installations into a virtual power plant.

The NY PSC also directed the state's investor-owned utilities to deploy at least two energy-storage projects by December 31, 2018 under its distributed system implementation platforms proceeding (Docket No. 16-M-0411).

On June 21, the New York State Energy Research and Development Authority (NYSERDA) announced up to $6.3 million in funding for the commercialization emerging energy storage technologies that can support renewable power.

According to NYSERDA, New York State energy storage sector experienced a job growth of 30 percent from 2012-2015 and a 50 percent increase in estimated annual industry revenue which reached $906 million.

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Legislation on storage

An increasing number of states are increasingly exploring policies to encourage energy storage technologies, recognizing their ability to provide more dynamic energy services, address peak demand challenges, and expand renewables along with growing RPS requirements. Select legislation in 2017 on energy storage includes:

WA — HB 1233, Introduced 6/21/2017
Would provide that electric utilities may submit 10-year distributed energy resources plan including energy storage

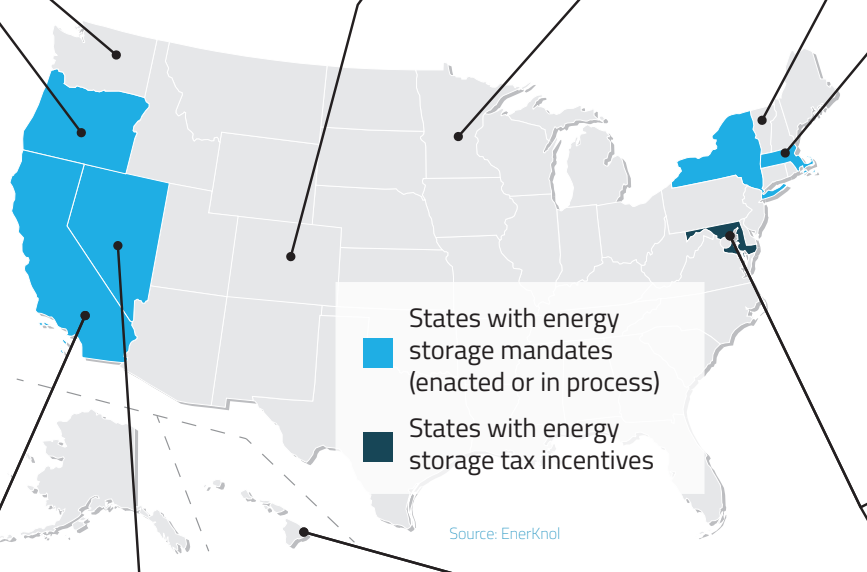
CO — SB 17-089, Introduced 2/8/2017
Would require the state PUC to adopt rules for installation of energy storage systems

CO — HB 17-1299, Passed one chamber 4/26/2017
Would direct the transportation legislation review committee to conduct a hearing in 2017 regarding the potential economic and social benefits and costs of requiring the PUC to determine storage targets

MN — HF 290, Introduced 1/17/2017
Would provide a tax credit for renewable distributed generation systems including storage systems equal to 30% of the cost

VT — H 501, Introduced 3/17/2017
Would require the state Department of Public Service to develop policy recommendations and targets in the state electric and energy plans to increase electricity storage capacity

OR — SB 978, Introduced 6/20/2017
Would require electric companies to use competitive bidding process when procuring electricity from resources capable of generating or storing electricity for at least 5 years and have capacity of 50 MW; would prohibit electric companies from including in their rates the cost of such resources unless they need to acquire resource to maintain electric system reliability



MA — H 2600, Introduced 6/15/2017
Would require the Department of Energy Resources, by January 1, 2018, to establish a rebate for Massachusetts-based companies installing and manufacturing energy storage systems

MD — HB 1395, Introduced 3/14/2017
Would provide that the Solar Energy Grant Program can provide grants to storage equipment

CA — AB 1030, Introduced 4/26/2017
Would require the state PUC to establish a program to incentivize residential and commercial customers to adopt energy storage systems

MD — SB 1146, Introduced 3/1/2017
Would require the Maryland Clean Energy Center and University of Maryland Energy Research Center to study RPS including whether energy storage devices that increase hosting capacity of renewable on-site generation should be included as part of the standard

CA — SB 700, Passed one chamber 6/15/2017
Would require the PUC to establish the Energy Storage Initiative to provide rebates s for the installation of energy storage systems

NV — SB 204, Enacted 5/31/2017
Requires the PUC to investigate and determine by 10/1/2018, whether it is in the public interest to establish storage requirements for utilities

HI — HB 1593, Passed both chambers 4/27/2017
Would establish a rebate program to incentivize the installation of energy storage systems together with solar PV systems

HI — SB 660, Introduced 2/15/2017
Would establish an energy storage market acceleration program

BOTTOM LINE

Amazing Transformation
Through its Reforming the Energy Vision proceeding, New York is at the forefront of grid transformation through distributed generation technologies, most of them renewables. In order to achieve the ambitious 50% renewable energy by 2030 goal, New York will benefit greatly from the ability of energy storage to firm intermittent generation, flatten the load curve, and offer ancillary services, among others.

Ready, Set, Go
As distributed generation spreads nationwide, an increasing number of states are considering implementing storage mandates to prepare for the changes. California was the first one to pass such a mandate in 2013, and Maryland became the first to offer residential storage tax credits in 2017. As state policies become more favorable to the storage industry, the market is poised for strong growth in the medium term.

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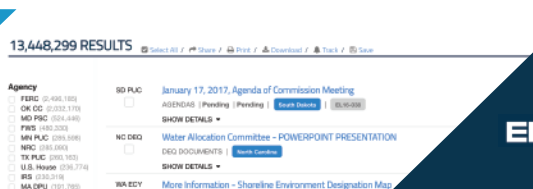

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