NEWS RELEASE

For Immediate Release:
December 4, 2017

NYISO Releases State of Energy Storage Report

Rensselaer, NY - The New York Independent System Operator (NYISO) today released its plans for creating a market participation model designed to maximize the economic and societal benefits of Energy Storage Resources (ESRs). In a new report, *The State of Storage: Energy Storage Resources in New York's Wholesale Electricity Markets*, the NYISO examines the technical, regulatory, and market landscape for ESRs and outlines the steps it will take to develop a full market participation model.

"While the NYISO has been a pioneer in refining its markets to facilitate the integration of storage resources, the *State of Storage* report envisions a future where ESRs can be eligible to offer all potential services and set market clearing prices," said NYISO President and CEO Brad Jones. "Operating the grid of the future will require the ability to manage increasing variability resulting from growing amounts of both renewable and behind-the-meter resources. The flexibility offered by storage resources will be a key tool for managing intermittent and distributed resources, supporting wholesale power markets and strengthening grid reliability."

ESRs such as pumped hydroelectric generators, flywheels, and batteries can supply electricity to the grid to meet demand, and can withdraw electricity from the grid to alleviate excess supply. When paired with intermittent renewable generation, ESRs can help maximize the potential of those resources while promoting more reliable and efficient grid operation of the electric grid.

In New York State, ESRs also have the potential to help meet the ambitious energy policy goals set forth in the Reforming the Energy Vision (REV) initiative and the Clean Energy Standard (CES). Recognizing this potential, the report:

- Identifies storage technologies that currently participate in NYISO markets, those that may participate in the future and potential participation barriers
- Describes how state policies like REV and CES are opening new opportunities for ESRs

- Establishes the foundation for the NYISO's ESR market design proposal
- Outlines a timeline for integration, development, and deployment of a new NYISO market participation model for ESRs sized 0.1 MW and above

As the grid continues to change and the NYISO works to align its markets with state and federal policy objectives, the contribution of ESRs to maintaining a reliable and cost effective electric system is expected to grow. The NYISO's proposed wholesale market participation model will enable "in front of the meter" (FTM) ESRs with a capability of 0.1 megawatts (MW) or more to participate in the NYISO-administered wholesale markets.

The report proposes three phases of market design work.

- **Phase 1 - Energy Storage Integration —** Create a new ESR participation model that captures unique storage characteristics.
- **Phase 2 - Energy Storage Optimization —**Utilize ESR services more efficiently, taking into account the resource's energy constraints over the course of a day.
- **Phase 3 - Renewable and Storage Aggregation —** Develop appropriate market rules for participation of ESRs co-located with intermittent resources.

The *State of Storage* report is consistent with the energy storage participation objectives outlined in the Federal Energy Regulatory Commission's Notice of Proposed Rulemaking in Docket No. RM16-23.

Download the State of Energy Storage Report from the NYISO website HERE.

For more information, please contact:
David Flanagan (518) 356-7325 [office] / (518) 727-1569 [mobile]/ dflanagan@nyiso.com