

**STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION**

**Proceeding on the Motion of the Commission )  
to Address New York City Reliability Needs )**

**Case 25-E-0764**

**COMMENTS OF NEW YORK SOLAR ENERGY INDUSTRIES ASSOCIATION IN RESPONSE  
TO CONSOLIDATED EDISON COMPANY OF NEW YORK'S JANUARY 2026 RELIABILITY  
NEEDS REPORT**

**March 6, 2026**

**Introduction**

New York Solar Energy Industries Association (NYSEIA) appreciates the opportunity to comment on Consolidated Edison's January 2026 Reliability Needs Report. In its report, Con Edison identifies when and where future reliability needs are expected to arise. Con Edison's updated assessment identifies a reliability need in the New York City 345/138 kV system beginning with a 125-megawatt shortfall expected in 2032, growing to about 750 megawatts by 2036. Con Edison also projects that these needs continue to rise beyond the 10-year planning horizon, reaching roughly 925 megawatts in 2037 and more than 2,300 megawatts by the mid-2040s. The report's new 24-hour modeling approach also shows that the hours during which the system is stressed expand substantially over time, from roughly three hours in 2032 to approximately nine hours by 2036. These findings underscore the need to evaluate a broad set of tools as planning moves forward. NYSEIA does have some questions and concerns regarding the underlying modeling assumptions that were used in this report. However, we appreciate that it was prepared on an expeditious timeline and we welcome the opportunity to provide broad commentary regarding the opportunity to leverage non-emitting resources to meet the City's anticipated reliability needs. As the State considers how best to meet these emerging needs, it will be important to do so in ways that protect customers from avoidable costs, particularly given the widespread affordability concerns voiced across New York's energy landscape.

**Understanding the Reliability Need and Its Drivers**

The report describes a system facing steady growth in electricity demand over the coming decade, driven by economic activity, electrification, and the retirement of certain older power plants. Con Edison's analysis shows that the most significant strain would occur under a scenario where the Champlain Hudson Power Express line is lost and then followed by the loss of Ravenswood 3. Under those conditions, several major transmission lines would become overloaded. These findings point to the importance of solutions that can be added quickly and tailored to changing system conditions.

**Distributed Solar and Energy Storage Can Directly Support Reliability in New York City**

As the proceeding shifts from identifying needs to considering solutions, there is a significant opportunity to make better use of distributed solar, standalone storage, and solar-plus-storage as part of New York City's reliability strategy. These resources are already being deployed across the

City, they are well-understood technologies, and they can be brought online more quickly than most large-scale infrastructure upgrades.

The need identified in the report grows gradually and occurs during predictable afternoon and evening hours. These are the exact conditions under which storage and solar-plus-storage perform best. By discharging during the highest-load hours, these resources can reduce stress on the transmission and distribution system and help manage the conditions that give rise to the projected capacity shortfalls. Because they are modular, they can be added in stages that match the pace and size of the emerging need.

By interconnecting at the distribution level, they can reduce demand on the bulk system at the times and locations where the system is most constrained. This makes them especially well suited to the localized nature of the reliability concerns highlighted in Con Edison's analysis.

Finally, because they can be deployed on shorter timelines and in smaller increments, distributed solar and storage offer the State a practical way to maintain momentum even as the timelines for larger projects evolve amidst federal policy uncertainty. They create a hedge against these risks, and give planners an adaptable set of tools to respond as system conditions change. By reducing peak demand and deferring or eliminating the need for certain upstream investments, these resources also offer opportunities to limit cost burdens on customers, adding an important affordability dimension to their reliability value.

## **Distributed Energy Resources are a Critical Reliability Hedge in Light of Regulatory Risk Facing Offshore Wind**

On February 9, 2026, in response to a request from DPS Staff, Con Edison filed a letter describing whether the capacity shortfalls it projected would be addressed by deploying 6 gigawatts (GW) of offshore wind and achieving New York's 6 GW statewide energy storage deployment goal. In this letter, Con Edison explains that a combination of 5,200 MW of incremental offshore wind and 230 MW of energy storage capacity could address the identified reliability need, while also acknowledging that deployment delays are possible for certain resources<sup>1</sup>. Con Edison's letter concludes "These offshore wind and energy storage system reliability solutions presented above represent a range of possibilities rather than a single fixed path to solving the transmission security reliability needs identified by Con Edison in its January 2026 assessment<sup>2</sup>."

In megawatt terms, the reliability solution set presented in Con Edison's letter is 96% reliant upon offshore wind and 4% reliant upon energy storage. NYSEIA urges Con Edison to pursue a more balanced solution set as a regulatory and concentration risk mitigation strategy. Over the last twelve months, the United States federal government has taken multiple regulatory actions to halt or otherwise impede offshore wind development. While the federal government's actions are unreasonable, unjustified, and likely illegal, they have nonetheless created significant uncertainty that undermines New York City's ability to count on additional offshore wind assets coming online in time to meet the City's reliability needs. Simply put, offshore wind deployment depends on factors outside New York's direct control, including federal permitting and broader market conditions. As the Commission begins evaluating potential solutions, it is prudent to supplement these large-scale resources with tools that New York can advance more quickly and with greater certainty.

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<sup>1</sup>Case 25-E-0764. Proceeding on Motion of the Commission to Address New York City Reliability Needs. Con Edison Response to DPS Staff. February 9, 2026.

<sup>2</sup> Id.

Distributed solar, standalone storage, and solar-plus-storage fall squarely into this category. These resources can be deployed incrementally, aligned with the hours and locations identified in Con Edison's assessment, and developed under regulatory frameworks overseen by the State. Adding more distributed energy resources to the system will not just address a reliability need and serve as a hedge against the possibility of regulatory delays to offshore wind deployment; increasing distributed solar and energy storage deployment in NYC will also materially reduce electricity prices for Con Edison customers at a time of heightened concern regarding energy affordability by better aligning supply and demand and helping suppress wholesale electricity prices<sup>3</sup>.

## **Strategies to Accelerate DER Deployment for Reliability and Affordability**

The following section outlines strategies to accelerate DER deployment in New York City in order to quickly and cost effectively meet the City's forecasted reliability needs.

### **1. Address Arbitrary Interconnection Barriers and Restore Fair and Transparent Access to the Electric System for Energy Storage**

In the summer of 2025, Con Edison imposed new, arbitrary restrictions on energy storage interconnection; a key barrier to the deployment of community-scale battery energy storage systems (BESS) in New York City. Con Edison's recent actions have created market uncertainty, caused financial harm to BESS developers, and continue to prevent the deployment of the exact resources that the City needs for affordability and reliability. NYSEIA urges the Commission to act swiftly upon the recent Petition filed by the New York Battery Energy Storage Technology Consortium (NY-BEST) that calls for Con Edison to restore fair and transparent access to the electric distribution system<sup>4</sup> so New York City can resume deploying community-scale energy storage systems to meet its reliability and affordability needs.

In addition to this immediate relief, NYSEIA urges Con Edison to work collaboratively with DPS and stakeholders to modernize interconnection and rate design in order to unlock the full potential of BESS as a flexible resource to achieve favorable reliability and affordability outcomes. Today, BESS projects currently in Con Edison territory are required to operate under fixed charging and discharging schedules for the life of the project pursuant to Appendix K of the New York State Standardized Interconnection Requirements (NY SIR)<sup>5</sup>. In practice, this means that many projects are limited to export during the four Commercial System Relief Program (CSR) windows and to charge during a static overnight window Con Edison uses today, leaving them little operational flexibility. We urge Con Edison to pursue Flexible Interconnection Programs<sup>6</sup>, similar to New York's Upstate utilities, to allow future BESS to operate more efficiently and to avoid the need for cost-prohibitive distribution upgrades.

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<sup>3</sup>Sunlight and Storage into Savings: Evaluating Energy Cost Savings from Distributed Solar and Storage Additions in New York. Synapse Energy Economics. January 2026.

<sup>4</sup> Case 18-E-0130. Call for Immediate Relief: Con Edison Must Lift Newly-Imposed Restrictions on Energy Storage Interconnections. NY-BEST. January 2026.

<sup>5</sup> New York State Standardized Interconnection Requirements and Application Process For New Distributed Generators and/or Energy Storage Systems 5 MW or Less Connected in Parallel with Utility Distribution Systems. Effective: August 1, 2025.

<sup>6</sup> Case 26-E-0052. Petition of Niagara Mohawk Power Corporation d/b/a National Grid for Approval to Offer Flexible Interconnection Service Options to Distributed Generation and/or Energy Storage Projects Interconnecting Under the New York State Standardized Interconnection Requirements at Limited Locations as an Expansion of the Active Resource Integration Pilot. March 6, 2026.

## **2. Ensure that the Value of Distributed Energy Resources (VDER) Tariff Accurately Reflects Con Edison's True Marginal Cost of Service**

The electric tariff for compensating distributed energy resources (DER) in New York State is out-of-date, reflecting utility deferral values from nearly a decade ago. To the Commission's credit, efforts are underway to update the VDER tariff to more accurately reflect the current costs to build traditional utility infrastructure. However, in Con Edison's recently filed Marginal Cost of Service Study, which is the basis for the Demand Reduction Value (DRV) and Locational System Relief Value (LSRV) components of the VDER Value Stack, Con Edison excludes several major capital projects and systematically underestimates its marginal cost. NYSEIA and other parties will expand upon this further in the VDER proceeding with comments submitted later this month. By moving quickly to adopt updated DRV and LSRV values in the VDER proceeding, the Commission can ensure that there is an accurate price signal for front-of-the-meter DER deployment.

## **3. Partner with the City of New York to Create a Viable Permitting Pathway for Safe Residential and Medium-Sized BESS**

New York City's current Fire Code functions as a de facto ban against residential BESS. There are not currently any residential BESS products that have an active Certificate of Approval from the FDNY, due to Fire Code provisions that were developed for large-scale BESS but which are being inappropriately applied to small, residential BESS that meet robust safety standards and which are being deployed safely throughout New York State, the region, and around the world. We encourage Con Edison, the Department of Public Service, and NYSERDA to work collaboratively with the City of New York to encourage the adoption of reasonable Fire Code requirements for safe residential BESS so this significant local reliability resource can be adopted in the City. As this regulatory barrier is addressed, we encourage Con Edison to ensure that its Dynamic Load Management programs are ready to integrate and leverage residential BESS.

## **Reliability Solutions Must Protect Affordability and Strengthen Local Resilience**

Given the current focus on affordability in New York's energy policy discussions, it is essential that the reliability plan fully consider resource options that can mitigate, rather than amplify, future rate pressures. Distributed solar and storage are among the few tools capable of doing both.

The Reliability Needs Report reflects a system experiencing sustained load growth through the 2030s, and addressing that growth exclusively through large capital projects may result in higher long-term costs for customers. Distributed solar and storage offer a different pathway. Because they can be deployed incrementally, located where they provide the most relief, and brought online far more quickly than major infrastructure projects, these resources can help manage system costs while supporting reliability. Their ability to reduce peak demand and defer or avoid certain upgrades provides meaningful opportunities to moderate rate impacts at a time when cost pressures are a major concern statewide.

Distributed solar and storage also provide resiliency benefits that, while outside the formal scope of the Reliability Needs Report, are increasingly important in practice. The same resources that help manage peak demand can also support communities during localized outages, severe weather, or other disruptions. They can maintain essential services and help reduce outage durations in ways that centralized infrastructure alone cannot. As the Commission evaluates potential solutions, these

co-benefits strengthen the case for integrating distributed resources into the broader reliability strategy.

### **Conclusion: A Practical, Flexible, and Cost-Effective Path Forward**

NYSEIA appreciates the Commission's attention to New York City's evolving reliability needs. Con Edison's assessment makes clear that New York is entering a period in which thoughtful planning and timely action will be essential. Distributed solar and energy storage are among the tools that can help the State navigate this moment with flexibility, prudence, and an eye toward both reliability and affordability. These resources are already familiar to the market, they can be deployed quickly, and they can be matched to the specific hours and locations where the system is most constrained.

As the Commission turns toward evaluating solutions, we look forward to supporting an approach that makes full use of the options available to New York—one that strengthens reliability, manages long-term costs, and expands the set of practical pathways for meeting the needs identified in this proceeding.