

FINAL – August 25, 2023

NYSEG and RG&E Bulk Power Energy Storage Request for Proposals Q&A Document



Q&A Related to the NYSEG and RG&E Draft Bulk Power Energy Storage Request for Proposals¹

Date: July 10, 2023

Bulk Power Energy Storage Request for Proposals

Section 1.2 Schedule and Process

- Q1: What latitude is there if the NYISO Class Year process does not yield approval (Capacity Resource Interconnection Service (CRIS) rights) in sufficient time (due to constraints outside the control of the Bidder) to complete the Guaranteed Date for Commissioning?
- A1: There is no latitude for the December 31, 2028 in-service (Commercial Operation) date. NYSEG and RG&E would support a developer's petition to the New York State Public Service Commission (NYSPSC) to extend this NYSPSC in-service deadline in the event of project specific issues related to the NYISO's Class Year interconnection process that would delay the project's Commercial Operation Date (COD) beyond the current NYSPSC in-service deadline.

Section 2.1 RFP Overview

- Q2: Is NYSEG/RG&E looking for a vendor to perform the scheduling/dispatching of the bulk storage in the NYISO on their behalf?
- A2: NYSEG and RG&E are planning on performing the NYISO bidding/scheduling activities for the bulk storage procurements internally.
- Q3: Can developers propose "charging restrictions" with their offer? What are NYSEG and RG&E's assumption for charging during peak periods?
- A3: NYSEG and RG&E will need the ability to charge and discharge without restrictions. With that said, NYSEG/RG&E would most likely not charge during peak periods to minimize costs, and would ideally operate the system to be ready to discharge during peak periods.

¹ Responses to these questions represent NYSEG and RG&E's best thinking at the time of the response. NYSEG and RG&E reserve the right to change responses as circumstances develop. Any changes will be posted on the NYSEG or RG&E RFP website(s).



Section 2.2 Bidder Prequalification

Q4: With regard to requirement to submit three years of Audited Financial statement, can RG&E/NYSEG clarify whether it will consider the Audited Financial Statements of a parent company of the Bidder to meet this prerequisite?

A4: Yes, NYSEG and RG&E will consider the use of audited financial statements of a parent company to the bidder to meet the three year requirement.

Section 2.5 Technical Information

Q5: For the RFP, what are you using for a definition of Round Trip Efficiency (RTE)?

A5: The definition of round trip efficiency is the following: "Round-Trip Efficiency" or "RTE" means the ratio of Energy put into the Storage Unit, measured in MWh, to the Energy delivered from storage to the Energy Delivery Point, expressed as a percentage.

Q6: How quickly would you need a battery resource to respond to a signal to dispatch?

A6: NYSEG/RG&E expect the projects to adhere to the leading and lagging requirements defined in the NYISO Ancillary Services Manual which can be found at the following link:
<https://www.nyiso.com/documents/20142/2923301/ancserv.pdf/df83ac75-c616-8c89-c664-99dfea06fe2f>.

Q7: Please clarify the discrepancy between required capability to operate 350 cycles per year and then max throughput of 2800 MWh per MW per year. Per the definition of throughput that correlates to 1400 cycles which is 4x more than 350.

A7: In this RFP, "Throughput" is defined as "The total electrical energy injected into and withdrawn from the energy storage resource over a specified period." In the RFP Section 2.5.1, "Maximum" annual throughput estimates are shown for an assumed year with 350 full depth of discharge cycles (e.g., 350 cycles x 4 hours (charge) + 350 cycles x 4 hours of discharge = 2800 MWh).

Q8: Will RG&E/NYSEG allow full remote access of the energy storage system to allow for system monitoring for operations and health? If RG&E/NYSEG will not allow full remote access of the energy storage system, how does it propose that system monitoring data for operations and health be provided to the Bidder?



- A8: Yes. The developer will own the ESS and is responsible for all Operations and Maintenance throughout the life of the facility. Full remote access is allowed as long as such access does not interfere with NYSEG and RG&E dispatch instructions.
- Q9: The draft RFP states that storage projects must have a single exclusive NYISO Interconnection Point. Will the final RFP exclude storage projects at existing generation interconnections with spare capacity?
- A9: NYSEG and RG&E will evaluate any energy storage project that satisfies all of the NYISO interconnection criteria required to provide wholesale market products and services.
- Q10: Will the utility accept line tap POI's rather than direct interconnections to substations?
- A10: NYSEG and RG&E has no preference as to how the battery storage projects are interconnected.
- Q11: Please confirm if the "physical interconnection point" is synonymous with the POI.
- A11: Yes, the physical interconnection point can be considered synonymous with the point of interconnection (POI).
- Q12: Is there a specific tariff rate Avangrid would recommend developers use to calculate energy delivery charges and station use energy charges?
- A12: The tariff will depend on the connection voltage level and will be project dependent. The following are links to the respective company rate summaries:
- [NYSEG Electric Rate Summary](#)
 - [RG&E Electric Rate Summary](#)
- Q13: The RFP states that the Bidder will be responsible for the "Station Use" charges. That term is not defined in the tariff. Can you provide any more detail about what those charges entail?
- A13: This will depend on what voltage level they are connecting to and what is their demand, so that will likely be project dependent. The following are links to the respective company rate summaries:
- [NYSEG Electric Rate Summary](#)
 - [RG&E Electric Rate Summary](#)



Q14: Can we use the Single Line Diagram (SLD) that NYSEG/RG&E provided to use through interconnection, assuming that it meets the requirements outlined?

A14: Yes, you can use the latest version of the SLD you have received.

Q15: Please clarify if proposals must complete the appropriate and applicable Interconnection Studies, as indicated in Section 2.5.2, by the time of Offer Submittal for Phase I.

A15: No, completion of all appropriate and applicable Interconnection Studies is not required for Phase I submittal.

Q16: Is it accurate that for the NYISO interconnection application process, the procedures for projects of 20 MW or less are outlined in [Attachment Z](#), and projects greater than 20 MW are in [Attachment X](#)?

A16: Yes, that is accurate. Attachment Z is Small Generator Interconnection Procedures and Attachment X is Large Facility Interconnection Procedures.

Q17: The RFP states that 'Bidders must have completed and submitted an interconnection application at the time of Offer submittal'. How is "completed" defined?

A17: The NYISO notifies the Customer and copies the Connecting Transmission Owner via email to let them know the Interconnection Request is complete.

Section 2.7 Safety Requirements

Q18: Can RG&E/NYSEG provide a comprehensive list of safety standards (i.e., NFPA, FM, IEEE, etc.) it expects compliance within the design of the energy storage system?

A18: All local, state, and federal requirements must be met. It is the bidder's responsibility to ascertain all requirements related to their proposed project.

Section 3.0 Offer Evaluation Criteria

Q19: Is it fair to say that a good approximation for the "distribution benefit" is the DRV + LSRV? Are you able to say how much LSRV value there would be at the preferred locations?



- A19: Distribution Benefit considers quantifiable benefits associated with a storage system’s location in the NYSEG and/or RG&E distribution system. Where applicable, a Marginal Cost of Service (MCOS) distribution value will be assigned to Offers based on the proposed Interconnection Point in NYSEG and RG&E’s service territories.
- Q20: Is there any scenario where a transmission interconnected BESS could receive distribution benefit, as outlined on pages 8-9 of the RFP?
- A20: Transmission interconnected BESS will be evaluated per the criteria outlined in Section 3.2. NYSEG/RG&E do not anticipate distribution value being applied to transmission interconnected projects.
- Q21: What extra value or grading will be given to projects at the suggested substations?
- A21: Energy storage projects proposed at any of the preferred locations will be evaluated using the qualitative factors as discussed in Section 3.2. Location is one of the eight factors utilized.
- Q22: How were the selected target substations picked? Why do you value a BESS at these locations higher than your substations in service?
- A22: NYSEG/RG&E selected and valued the preferred locations based on areas that could benefit from energy storage under a range of loading conditions and are expected to require minimal system upgrades.
- Q23: What is the most recent, public information you have available that helps quantify the MCOS?
- A23: Here are the links to each company’s current VDER tariff statements which contain the DRV and LSRV values based on the MCOS analysis filed in 2018:
- [Value of Distributed Energy Resources \(VDER-CRED\) Statements \(nyseg.com\)](https://www.nyseg.com/Value-of-Distributed-Energy-Resources-(VDER-CRED)-Statements)
 - [Value of Distributed Energy Resources \(VDER-CRED\) Statements \(rge.com\)](https://www.rge.com/Value-of-Distributed-Energy-Resources-(VDER-CRED)-Statements)
- Q24: Bidder Concentration is listed as Qualitative Factor. Given the smaller magnitude of the, will a 10 MW project be viewed less favorably than 2 – 5MW projects even if the economics are more favorable?
- A24: As indicated in the RFP Section 2.3, bidders’ proposed Projects must be greater than 5 MW of Dispatchable Capacity at each location, interconnected within the NYSEG or RG&E service territory, and separately metered from any other load or generation at the site. Systems of exactly 5 MW or



less, existing storage systems, and/or new systems eligible for Value Stack compensation are ineligible to participate in this RFP.

A 10 MW energy storage project proposal will be given the same consideration as multiple energy storage project proposals greater than 5 MW. However, if NYSEG or RG&E decide to award a Dispatch Rights Agreement to more than one energy storage project, NYSEG or RG&E may diversify its counterparty risk by not awarding all Dispatch Right Agreements to the same vendor.

Q25: Can RG&E/NYSEG provide a more detailed list of safety factors that will be evaluated in the Qualitative analysis?

A25: Due to the combination of the broad range of technology, possible site locations, and interconnection voltage levels, NYSEG and RG&E expects any proposed energy storage systems will be designed, installed, and maintained to avoid jeopardizing the safety of the public or the personnel working near or at the energy storage system site (i.e., runaway fires, mechanical failures, etc.) and to reduce the likelihood of any environmental harm (i.e., fluid leaks/spills, etc.). NYSEG and RG&E expect the energy storage system must be certified to meet minimum safety requirements by a Nationally Recognized Testing Laboratory (e.g. UL) and design criteria set forth in Nationally recognized Standards Organizations (e.g. ANSI, IEEE, NFPA, etc.) and New York State codes.

Appendix B: Offer Form

Q26: Is all of Appendix B – Offer Form due upon Phase 1?

A26: Please refer to the Instructions tab in Appendix B for bid response requirements by Phase.

Q27: Will the “initial payment” from NYSEG be paid at COD? Will the annual payments be paid monthly?

A27: The initial payment will be paid on COD and the annual payments will be paid on the anniversary of the COD date.

Appendix C1: Site Control

Q28: Would a signed landowner option agreement constitute as having site control?

89 East Avenue, Rochester, New York 14649



Take care of the environment.
Printed in black and white and only if necessary.

A28: A signed landowner option agreement constituting site control would be dependent on the language of the option agreement. If the landowner does not have the ability to terminate the agreement, then an agreement could be considered as site control. The Bidder would still be required to fully detail the agreement per Appendix C1 of the RFP. More specifically, it will be the responsibility of the Bidder to ensure the option agreement is of adequate length and other aspects to be considered as site control.

Appendix C3: Technical Information

Q29: Can you clarify division of responsibility between NYSEG/RG&E and project owner for communications and SCADA?

A29: The requirements are detailed in the NYSEG and RG&E 'Bulletin 86-01 - Requirements for the Interconnection of Generation, Transmission and End-User Facilities' located on both the NYSEG and RG&E websites². The developer is responsible to provide, own, operate, and maintain all communications equipment and the communications channel at the site.

Q30: Will NYSEG/RG&E provide specific design and construction standards?

A30: Specific design and construction standards are the responsibility of the developer; please refer to the eligibility requirements.

Q31: Are there any specific fire detection/suppressions requirements or will we be required to comply with a national standard such as NFPA 855. Will notifications need to go both to NYSEG/RG&E as well as us as project owner in the event of an issue?

A31: Design and construction standards are the responsibility of the developer. Fire detection and suppression systems will require approval by the authority having jurisdiction (AHJ), as indicated in Appendix C4.

Appendix C4: Permitting and Scheduling

² <https://www.rge.com/documents/40137/2123678/Bulletin%2B86-01.pdf/e67130dc-abd3-49af-e617-9adda1009fea?version=1.0&t=1654897507176>



Q32: As a bidder, I understand that we are responsible for coordination with appropriate AHJ for all required approvals. However, will NYSEG/RG&E be available to support this process such as attending pre-app and public hearings to voice support for the project?

A32: Yes, NYSEG and RG&E will attend public meetings to provide facts about the Commission Order and the NYSEG and RG&E Energy Storage RFP.

Q33: Is NYSEG/RG&E only looking for bids in the locations specified in Appendix E?

A33: Although the locations specified in Appendix E of the Bulk Power Energy Storage Request for Proposals (RFP) are preferred locations, NYSEG and RG&E are accepting proposals for energy storage at any location within NYSEG or RG&E's service territory, assuming the proposal meets the other requirements of the RFP.

Appendix C5: Financial & Credit Information

Q34: Should developers rely on the assumption that an energy storage standalone investment tax credit will be passed by the project COD, or would Avangrid prefer developers to not include a standalone storage ITC in their offer?

A34: Avangrid will review the offer however the developer chooses to provide it.

Q35: The RFP requests at least three years of Audited Financial Statements. If a bidder has fewer than three years of statements, and is in the process of auditing 2022 financials, will the Company accept assurance of third-party review of capital structure and project financing?

A35: If a bidder is unable to provide three years of Audited Financial Statements, it should provide all the information it is able to that can support the Companies' evaluation of the Bidder's creditworthiness and financial soundness.

Appendix C9: Warranties, Performance Guarantees and Maintenance Plans

Q36: Appendix C9 describes warranties are not required to be completed for Phase I. The Offer Body asks for a description of the warranties. Please advise if we should complete neither, one, or both.

A36: For Phase I, please provide description and approach as indicated on page 14 of the Offer Body.



Appendix D4: Energy Storage Services Agreement Term Sheet

Q37: What, if anything, can you say about the security requirements (\$/MW) that will be in the Appendix D1/D2? If that information is not available, can you share what the rate was in 2019?

A37: Security requirements value (\$/MW) will be finalized during Phase II of the RFP process.

Q38: Can you provide any detail on what the performance guarantees may be in the term sheet (what performance is expected and what liquidated damages should we breach)?

A38: Performance guarantees and liquidated damages will be provided in Phase II of the RFP process.

Appendix C9: NYSERDA Sample Incentive Agreement

Q39: Do you have any information (that can be shared publicly) on the amount of the money remaining in the NYSERDA incentive fund?

A39: For questions related to the NYSERDA incentive funds please contact Schuyler Matteson at: Schuyler.matteson@nyserda.ny.gov.

