

November 1, 2021

NYSEG and RG&E 2021 Bulk Power Energy Storage Request for Proposals Q&A Document



Q&A Related to the NYSEG and RG&E 2021 Bulk Power Energy Storage Request for Proposals¹

November 1, 2021 Q & A

Section 2.0: Technical Information

Q1: For the RFP, what are you using for a definition of Round Trip Efficiency (RTE)?

A1: The definition of round trip efficiency is the following: "Round-Trip Efficiency" or "RTE" means the ratio of Energy put in to the Storage Unit, measured in MWh, to the Energy delivered from storage to the Energy Delivery Point, expressed as a percentage.

Q2: How quickly you would need a battery resource to respond to a signal to dispatch?

A2: 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>.

Section 2.5.2: Interconnection Requirements

Q3: Will the utility accept line tap POI's rather than direct interconnections to substations?

A3: NYSEG and RG&E has no preference as to how the battery storage projects are interconnected.

Q4: Please confirm if the "physical interconnection point" synonymous with the POI.

A4: Yes, physical interconnection point can be considered synonymous with the POI.

Q5: Is there a specific tariff rate Avangrid would recommend developers using to calculate energy delivery charges and station use energy charges?

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).

- A5: 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](#)
- Q6: The RFP states that Bidder will be responsible for the "Station Use" charges. That term is not used in the tariff. Can you provide any more detail about what those charges entail?
- A6: This will depend on what voltage level they are connecting to and what is their demand, so that will likely be project dependent. Here are links to rate summaries which give brief descriptions.
- [NYSEG Electric Rate Summary](#)
 - [RG&E Electric Rate Summary](#)
- Q7: Can we use the SLD that NYSEG provided to us through interconnection, assuming that it meets the requirements outlined?
- A7: Yes, you can use the latest version of Single Line Drawing (SLD) you have

Section 3.0: Offer Evaluation Criteria

- Q8: Is it fair to say that a good approximation for the "distribution value" is the DRV + LSRV? Are you able to say how much LSRV value there would be at the preferred locations?
- A8: 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.
- Q9: Is there any scenario where a transmission interconnected BESS could receive distribution value, as outlined on pages 8-9 of the RFP?
- A9: 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.

Q10: What extra value or grading will be given to projects at the suggested substations?

A10: 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.

Q11: How were the selected target substations picked? Why do you value a BESS at these locations higher than your other substations in service?

A11: 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.

Q12: What is the most recent, public information you have available that helps quantify the MCOS?

A12: 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 \(rge.com\)](https://www.rge.com/Value-of-Distributed-Energy-Resources-VDER-CRED)

Section 4.4: Offer Fee

Q13: Could you please provide the banking instructions for Offer Fee payment for both NYSEG and RG&E?

A13: Please find details of wire transfer for NYSEG and RG&E below. In case you want to confirm your wire transfer, you can reach out to Kimberly.Kowalski@nyseg.com and cc averkey@nyseg.com and bulkstorage@AVANGRID.com in your confirmation email.

New York State Electric & Gas
ABA 021000089
Account 00040387
Swift code CITIUS33XXX
Citibank N.A.
111 WALL STREET
NEW YORK, NY 10043

Rochester Gas & Electric
ABA 021000021
Account 0000058503
Swift code CHASUS33XXX
J.P. Morgan Chase & Company
4 New York Plaza 13 FL, MC
NEW YORK, NY 10004

Appendix B: Offer Form

Q14: Is all of Appendix B - Offer Form due upon Phase 1?

A14: Please refer to the instructions tab in Appendix B for bid response requirements.

Q15: Will the "initial payment" from NYSEG be paid at COD? Will the annual payments be paid monthly?

A15: The initial payment will be paid on COD and the annual payments will be paid on the anniversary of the COD date.

Q16: Several tabs of Appendix B are locked and request a password in order to input information in the requested tabs. Can you guide how to fill those tabs?

A16: Please download updated version of Appendix B from the website.

Appendix C4: Permitting & Schedule

Q17: Requires us to complete the Project Milestone Schedule based on Appendices D1/D2. Please advise how we should respond since D1/D2 have not yet been released?

A17: Refer to requirements of offer submission process on Page 12 under the heading Offer Submittal Process.

Appendix C5: Financial & Credit Information

Q18: Should developers rely on the assumption that an energy storage standalone investment tax credit will be passed by project COD, or would Avangrid prefer developers to not include a standalone storage ITC in their Offer?

A18: AVANGRID will review the offer however the developer chooses to provide it.

Appendix C9: Warranties, Performance Guarantees and Maintenance Plans

Q19: Appendix C9 describes warranties, is not required for Phase I. The Offer Body asks for a description of the warranties. Please advise if we should complete neither, one, or both.

A19: 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

Q20: What, if anything, can you say about the security requirements (\$/MW) that will be in the D1 Appendix? If that information is not available, can you share what the rate was in 2019? I saw the old RFP was removed from the website.

A20: Security requirements value (\$/MW) will be finalized during Phase II of the RFP process.

Q21: 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)?

A21: Performance guarantees and liquidated damages will be provided in Phase II of the RFP process.

Appendix E: Preferred Location

Q22: What made the utilities select a substation as a "Preferred Location" in 2019 and then omitted it in 2021?

A22: There are two main factors that contributed to the change

- Changes to the transmission system relative to 2019 such as load growth, increase in distributed generation, and new system reinforcement projects were all taken into account when identifying high value areas for the 2021 study.
- Feedback and lessons learned from issues that were identified during the 2019 RFP were taken into account. For example, if a location from the 2019 RFP was studied in detail and it was determined that there was no feasible option to physically interconnect, this feedback may have been a factor in removing the location from the "preferred" list.

Appendix F: NYSERDA Sample Incentive Agreement

Q23: Do you have any information (that can be shared publicly) on the amount of \$ remaining in the NYSERDA incentive fund?

A23: For questions related to the NYSERDA incentive funds please contact Schuyler Matteson at: schuyler.matteson@nyserda.ny.gov