



New York Battery and Energy Storage Technology Consortium, Inc.

SUBMITTED ELECTRONICALLY TO: dobrules@buildings.nyc.gov

March 28, 2022

TO: NYC Department of Buildings

FROM: NY-BEST

SUBJECT: Comments on Proposed Property Tax Abatement Rule Amendments

The New York Battery and Energy Storage Technology Consortium (“NY-BEST”) is pleased to submit these comments on the New York City Department of Buildings (“DOB” or “the Department”) Proposed Property Tax Abatement Rule amendments adding requirements for approval of a property tax abatement application for the installation of electric energy storage equipment.

NY-BEST appreciates DOB’s efforts to streamline the pathway for widespread use of energy storage systems (ESS). We share your interest in achieving this goal and our comments are offered in the spirit of providing constructive recommendations to improve the Proposed Rule.

Background

The New York Battery and Energy Storage Technology Consortium (“NY-BEST”) is a not-for profit industry trade association that serves as a voice of the energy storage industry for more than 180 member organizations on matters related to advanced batteries and energy storage technologies. Our membership covers the full span of activities related to research, development, production, manufacturing and deployment of energy storage devices, and currently includes the following: technology developers, ranging in size from small start-up companies to global corporations, project developers, leading research institutions and universities, national labs and numerous companies involved in the electricity and transportation sectors.

Policy and Regulatory Context

In 2019, the New York State enacted the Climate Leadership and Community Protection Act, nation-leading climate protection legislation which codifies the following goals into statute:

1. Achieve net zero greenhouse gas emissions, from 1990 levels, economy-wide by 2050;
2. State goal of deploying 3 GW of energy storage on the state's electric grid by 2030.
3. State goals of 6 GW of solar by 2025, GW of energy storage by 2030 and 9 GW of off-shore wind by 2035.
4. New renewable energy goals: 70 percent renewable energy by 2030 and 100 percent carbon-free electricity by 2040.

Energy storage and batteries are essential to achieving the State's climate goals. Governor Hochul recognized the critical role for energy storage in her 2022 State of the State address in January 2022, calling for the State to increase its energy storage deployment goal from 3 GW by 2030 to at least 6 GW by 2030 and establishing a Roadmap with market and program reforms to achieve this goal.

Additionally, the City of New York enacted Local Law 97 (LL97) in 2019 as a part of the Climate Mobilization Act. This law places carbon caps on most buildings larger than 25,000 square feet—roughly 50,000 residential and commercial properties across NYC. These caps start in 2024 and will become more stringent over time, eventually reducing emissions by 40 percent by 2030 and 80 percent by 2050. Energy storage technologies will play a large role in assisting buildings to meet their required emissions reductions, as well as promote building resilience in New York City.

Recognizing this larger context, it is clear that creating incentives and a viable path to installing ESS in New York City is vital for the State and the City to reach its energy, environmental and public health goals and we appreciate DOB's efforts to establish clear and achievable rules for the storage industry to follow.

Comments on the Proposed Property Tax Abatement Rule Amendments

Recommended Clarifications

General Applicability – Hybrid Systems and Storage Added to Solar

NY-BEST requests the Department clarify in the final rule whether hybrid solar-plus-storage projects are eligible to receive the Property Tax Abatement (PTA). As written, this the Proposed Rule does not address this scenario.

Similarly, we request clarification about whether the storage PTA can be claimed for a site that previously received the solar PTA in cases where the energy storage is being added to existing solar equipment.

To maximize the benefits of the solar system on buildings and the grid, NY-BEST encourages the development of hybrid systems and the addition of energy storage to existing solar where feasible. We encourage DOB in the final rule to ensure that such hybrid systems and storage additions are permitted to receive the PTA.

Specific Sections- Requested Clarifications

Section (e)(1)(ii) and (f)(1)(ii) - eligible expenditures

Language from Draft Rule: “Work unrelated to the property tax abatement shall not be included in the alteration application”

NY-BEST Comment: If work related to solar and storage projects requires separate alteration applications, how can those otherwise eligible expenditures be included as part of PTA costs if they are part of a different filing?

Section (g)(3)(iii) - date range of eligible expenditures

Language from Draft Rule: “No expenditures shall be eligible for a tax abatement pursuant to Title 4-C if such expenditures were incurred in connection with a solar electric generating system placed in service before August 5, 2008, or electric energy storage equipment placed in service between January 1, 2019 and January 1, 2024.”

NY-BEST Comment: This language appears to reference an incorrect date range. We believe it should be “before January 1, 2019 or after January 1, 2024” to coincide with the dates in the underlying NYS PTA legislation (NYS RPT Title 4-C).

Conclusion

Energy storage is key to achieving the State’s and the City’ climate goals and mandates. The Property Tax Abatement is a valuable tool for incentivizing energy storage deployment. Proposed amendments to streamline the PTA for energy storage are needed to ensure the PTA is available to these critical projects.

Thank you for considering these comments. NY-BEST appreciates the opportunity to provide feedback on the Draft Proposed Real Property Tax Abatement Rule Amendments. We are available to answer any questions you may have about these comments. We can be reached at info@ny-best.org or by phone at 518-694-8474.

Submitted By:

Dr. William Acker, Executive Director, NY-BEST