

Consolidated Edison Company of New York, Inc.

Orange and Rockland Utilities, Inc.

Request for Proposals

2022 Bulk Energy Storage Scheduling and Dispatch Rights

FINAL VERSION
– 12/21/22

Bulk Energy Storage Scheduling and Dispatch Rights Request for Proposals

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*CECONY and O&R will release the CECONY and O&R Energy Storage Services Agreements, respectively, for the 2022 RFP by the beginning of Phase Two. For Phase One, when reference is made to “the Agreement” – in this file and other appendix documents – please look at the Term Sheet for this 2022 RFP, which can be found in Appendix D4. Those terms will be incorporated into the 2022 Agreement, which will be similar to the 2021 Agreement. For a general understanding of the Agreement and to reference Exhibits and definitions during Phase One, please refer to the 2021 Agreement found here: <https://www.coned.com/en/business-partners/business-opportunities/bulk-energy-storage-request-for-proposals/archive>

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1 General Information

1.1 Introduction

Consolidated Edison Company of New York Inc. (CECONY) and Orange and Rockland Utilities Inc. (O&R; together with CECONY, the “Companies”) are jointly issuing this Request for Proposals (herein referred to as the “RFP”) to solicit Offers (“Offers”) from developers (“Bidders;” each, a “Bidder”) for the offering described herein, which requires scheduling and dispatch rights for new front-of-the-meter (“FTM”) energy storage resources.¹ These offerings are described further in Sections 2 and 3 and are further explained in the Appendices to this document.

CECONY and O&R are administering this RFP to meet the requirements of Case 18-E-0130, *In the Matter of Energy Storage Deployment Program* (“Storage Orders”).²³ In its decisions, the New York State Public Service Commission (“NYPSC” or the “Commission”) ordered all New York utilities to procure at least 10 MW of energy storage, including O&R, and for CECONY to procure at least 300 MW, so long as awarded Offers do not exceed a Utility-Defined Procurement Ceiling.⁴ Per the NYPSC, the Project(s)⁵ must be operational by December 31, 2025 and are eligible for a New York State Energy Research and Development Authority Incentive (“NYSERDA Incentive”). The Joint Utilities have filed a petition to extend the deadline for project operation to December 31, 2028.⁶

To receive the NYSEDA Incentive, each winning Bidder of the utility procurement will be required to enter into an agreement (“NYSEDA Incentive Agreement”) directly with NYSEDA in addition to executing an Energy Storage Services Agreement (“Agreement”) with CECONY or O&R.⁷ Any incentive payments will be administered by NYSEDA and made separately from any payments by CECONY or O&R. However, the structure and schedule of payments under the NYSEDA Incentive Agreement and the CECONY/O&R Energy Storage Services Agreement will be aligned. Bidders should submit one Offer Price regardless of the funding source. If the Offer is accepted, then the potential incentive split

¹ Front-of-the-meter resources are those directly interconnected on distribution or transmission networks or in connection with a generation asset.

² December 13, 2018, New York State Public Service Commission Decision in Case 18-E-0130.

³ April 16, 2021, Order Directing Modifications to Energy Storage Solicitations in Case 18-E-0130.

⁴ The Offer prices received will dictate the total MWs procured given the availability of and limitations on funding. As such, CECONY and/or O&R may procure more or less than the targeted MW amount in the NYPSC Order.

⁵ As defined in the Agreement (Appendix D1/D2); please note details for Phase One Offers provided below “List of Appendices”

⁶ Case 18-E-0130, *In the Matter of Energy Storage Deployment Program*, Petition to Modify the Energy Storage Order (November 30, 2022).

⁷ For more information from NYSEDA:

<http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId=%7b9824DFE0-EE5A-4EBA-9018-3B57341B4551%7d>

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between either of the Companies and NYSERDA will be communicated at that time. The sample NYSERDA Incentive Agreement is included as Appendix F.

Definitions of capitalized terms can be found in Section 7 of the RFP or in Exhibit A of the CECONY/O&R Agreement.⁸ Bidders are expected to adhere to definitions used herein.

Unless stated otherwise, any references to Articles, Sections or Appendices are to Articles, Sections, or Appendices contained in these RFP Instructions.

All clock times specified throughout these RFP instructions are in Eastern Prevailing Time (EPT).

1.2 Schedule and Process

CECONY's and O&R's expected RFP schedule is as follows:

Step	Action	CECONY and O&R Dates
1	Issue RFP and Term Sheet	December 21, 2022
2	Q&A Due	January 13, 2023
3	Bidders submit Phase One proposals	February 28, 2023
4	Bid review complete, bidders notified and release of Contract documents	March 31, 2023
5	Phase Two bidders submit proposals	June 30, 2023
6	Phase Two bidders notified	July 30, 2023
7	Contracts executed (expected 3 to 6 months from selection)	Q3 and Q4 2023

The RFP schedule and documentation are subject to change at any time and for any reason. CECONY and O&R will endeavor to notify Bidders of any changes to the RFP but shall not be liable for any costs or liability incurred by Bidders or any party due to a change or for failing to provide notice of any change. Changes to the RFP will be posted on the RFP website.⁹

Bidders may submit questions until January 13, 2023 by emailing them to BulkStorageRFP@coned.com. The CECONY and O&R teams will address the questions by January 27, 2023 and post the Q&A on the RFP website.

⁸ As defined in the Agreement (Appendix D1/D2); please note details for Phase One Offers provided below "List of Appendices"

⁹ RFP website: <https://www.coned.com/en/business-partners/business-opportunities/bulk-energy-storage-request-for-proposals>

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1.3 Changes from last RFP

The Companies highlight the following changes from the 2021 RFP:

	2021 RFP	2022 RFP
Latest Operational Date	December 31, 2025	December 31, 2028**
Maximum Term Length	10 Years	15 Years**
Payment Structure	70% at Commercial Operation Date and 30% over life of contract	Levelized payments throughout contract term or the 70%/30% 2021 option ¹⁰

** The Companies are proceeding with this RFP as it awaits Commission determination of the allowable operational date and the maximum contract term. Should the Commission deny the Joint Utilities' request in whole or in part, the Companies may require those bidders whose bids had incorporated the rejected terms to submit revised bids with terms consistent with the Commission's order.

¹⁰ Evaluation process examines bids considering the time value of money for payments associated with the two options.

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2 CECONY RFP: Eligibility and Requirements

2.1 RFP Overview

Pursuant to orders of the NYPSC,¹¹ CECONY seeks Offers totaling at least 200 MW.¹² CECONY will consider Offers exclusively for energy storage Projects connected to the transmission or distribution system that are capable of individual, direct participation in New York Independent System Operator Markets¹³ (“NYISO Markets”). An energy storage resource in this RFP must be capable of acting as a standalone asset regardless of whether it is co-located with a generation asset.

Winning Bidders will be required to enter into an Agreement with CECONY for a term of up to fifteen years. Winning Bidders must become NYISO Market Participants,¹⁴ provide all information and support necessary to successfully complete asset registration in the NYISO Markets and comply with all NYISO and Federal Energy Regulatory Commission (“FERC”) requirements. Winning Bidders must also provide the necessary staffing, communications, metering, and telemetry required to participate in the NYISO Markets for Products (as defined in the Agreement).¹⁵ Winning Bidders will retain ownership of the energy storage Project and will be required to maintain the system in a manner that meets or exceeds requirements specified in the Agreement. Winning Bidders must also operate the asset in accordance with the schedules set and communicated by CECONY and/or the NYISO. See Section 2.5, the Appendices to the RFP, and the Agreement for additional details.

Throughout the Agreement term, CECONY will have the sole right and responsibility to bid and schedule the storage asset into the NYISO Markets.¹⁶ CECONY will receive all associated NYISO revenues. CECONY will pay any NYISO-related charges. Bidders are responsible for enabling and maintaining service for

¹¹ See Case 18-E-0130, *Order Establishing Energy Storage Goal and Deployment Policy* (December 13, 2018), and *Order Directing Modifications to Energy Storage Solicitations* (April 16, 2021).

¹² The Offer prices received will dictate the total MWs procured given funding availability and limitations. As such, CECONY may procure more or less than the targeted MW amount in the NYPSC Order.

¹³ As defined in the Agreement (Appendix D1/D2); please note details for Phase One Offers provided below “List of Appendices”

¹⁴ The Winning Bidder will be a NYISO Market Participant, retain operational control of the asset, and be responsible for receiving real time dispatch signals/instructions from the NYISO Market during the Agreement term. Con Edison will be responsible for asset bidding, scheduling, and NYISO settlements during the Agreement term.

¹⁵ See Appendix D1/D2; please note details for Phase One Offers provided below “List of Appendices”

¹⁶ CECONY intends to provide charging and discharging schedule to the Winning Bidder(s) by 5 p.m. the prior day via email. Within the day, any changes to the asset schedule in the real time NYISO Market will be communicated through dispatch signals originating from the NYISO. Assets are expected to have AGC capability and the appropriate communications telemetry to enable it to follow NYISO base points and qualify for NYISO Products. Lead time for dispatch signals will be based on NYISO schedule for spinning reserve and RT energy. Assets are expected to install telemetry and communications that meets the NYISO requirements to enable real time market dispatch.

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both Station Use¹⁷ and storage charging, including standby and buyback charges to the extent applicable based on Interconnection Point.¹⁸ The Bidder is responsible for paying for all distribution and supply costs for Station Use and for Distribution Charging Energy Costs¹⁹ – which should be included in the determination of the Offer. CECONY will directly pay for Supply Charging Energy Costs.²⁰

At the end of the Agreement term, scheduling and dispatch rights will revert to the Bidder for the remainder of the asset's useful life. CECONY and the developer will notify the NYISO of the scheduling and dispatch rights transfer with enough lead time to effectuate the change at the end of the Agreement.

Bidders are expected to review the instructions in this RFP and its Appendices, as well as review the RFP specific clarifications and responses in the RFP Q&A, if posted, to design Offers that meet or exceed all requirements. To the extent there are any discrepancies between the RFP or Appendices and the RFP Q&A (if any), then the RFP and Appendices supersede and govern.²¹ Bidders will submit all required documentation of Offers as articulated in this RFP, its Appendices and any RFP Q&A. Offers will be evaluated based on the quantitative and qualitative criteria described in Section 4.

This RFP will be conducted in two Phases. The Companies will review Bidder Offers in Phase One and notify Bidders of their approval to submit a Phase Two Offer. This will minimize work for the Companies and the Bidders as certain Offers will not be viable options for the Companies. These Offers will not proceed to Phase Two and no additional work will be required of the Bidder.

Please note that certain aspects of Phase One Offers will be considered binding, while other components may change between Phase One and Phase Two. References to Phase One and Phase Two and their respective binding and non-binding components, as well as RFP instructions, are detailed in Section 5 of this document and each appendix.

All costs attributable to the Bidder for the proposed Project prior to the proposed Project's Commercial Operation Date ("COD")²² and throughout the Agreement term should be considered in the Offer

¹⁷ As defined in the Agreement (Appendix D1/D2); please note details for Phase One Offers provided below "List of Appendices"

¹⁸ *Id.*

¹⁹ *Id.*

²⁰ *Id.*

²¹ Please note there may be instances of additional changes and/or clarifications made in the RFP and Appendices that are not fully aligned with or differ from the responses provided in any posted Q&A. The Q&A, if any, may not be updated to account for these.

²² As defined in the Agreement (Appendix D1/D2); please note details for Phase One Offers provided below "List of Appendices"

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Price.²³ It is strongly recommended that Bidders consider the value of market participation and all potential revenue sources for the energy storage Project in the post-Agreement period when determining an Offer Price.

If awarded, the Bidder will receive payments from CECONY and NYSERDA reflecting the Offer Price.²⁴ Payment terms, structure, and milestones are described in detail in the CECONY Agreement (Appendix D1/D2) and NYSERDA Incentive Agreement (Appendix F).

2.2 Bidder's Qualification

All Bidders must meet certain requirements. The intent of Bidder requirements is to ensure receipt of well-developed Offers from experienced Bidders that will meet the In-Service Deadline.

Bidders must, at minimum:

1. Demonstrate experience deploying the proposed commercialized storage technology at scale with Dispatchable Capacity of at least 2 MW in a single project in an expeditious manner.
2. Provide at least three years of Audited Financial Statements.²⁵
3. Provide a written certification that all RFP requirements have been reviewed, are understood, and will be complied with for all Offers provided. Failure to meet all RFP requirements will result in automatic Offer rejection.
4. Complete the Bidder's Qualification Questionnaire (Appendix A).

2.3 Minimum Size Requirements

Proposed Projects must be greater than 5 MW of Dispatchable Capacity at each location (i.e., not the result of aggregated smaller projects at different sites/locations), interconnected electrically within CECONY's 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.

²³ Bidders should consider the impact of property taxes throughout the life of the project and the potential abatement options available. More information about reducing property taxes can be found here: <https://edc.nyc/nycida> and <https://www.nysenate.gov/legislation/laws/RPT/487>.

²⁴ The Offer Price may be provided via two separate payments from CECONY and NYSERDA. The two payments will equal the Offer price. The split between the two, if any, will be provided during the contracting phase.

²⁵ As defined in the Agreement (Appendix D1/D2); please note details for Phase One Offers provided below "List of Appendices"

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2.4 Site Control

Bidders must have existing site ownership or site control for all proposed Projects to be electrically connected within CECONY's service territory. Site control status must be stated in Appendix B (Offer Form) and demonstrated and detailed as described in Appendix C1.

Bidders should respond to all Phase One questions with as much information as possible. Bidders are not required to have site control by the Phase One submittal date, however Bidders must have site control by the Phase Two submittal.²⁶ The location submitted in Phase One is binding.

2.5 Technical Requirements

2.5.1 System and Operational Requirements

Bidders may assume the following usage profile for purposes of system specification, which reflect the probable range of system usage by CECONY over the Agreement period. All eligible systems will be four-hour energy storage systems:²⁷

- Capability to operate at least 350 cycles per year^{28,29},
- Average state of charge of 50-80%³⁰
- Maximum 2800 MWh Throughput per MW per year of Dispatchable Capacity maintained through the term of the Agreement³¹

All proposed Projects must meet the following requirements over the Agreement term. The methodologies and definitions for each requirement are detailed in the Agreement (Appendix D1/D2):

- Must maintain at least a 98% Availability for dispatch in each calendar year
- Must demonstrate a minimum Roundtrip Efficiency of 80%
- Must maintain a Dispatchable Capacity rating at least equal to the Offer's Guaranteed Capacity

²⁶ While site control is not required for Phase One of this RFP, site control may be required for interconnection.

²⁷ Operational parameters shown here are offered to Bidders for purposes of technical system design only. These parameters are separate and distinct from commercial performance requirements described in the Agreement.

²⁸ Expected actual annual usage could be as low as 100 cycles

²⁹ A cycle is a sequence of injecting electric energy into a battery then withdrawing electric energy from a battery, where one cycle is the charge and discharge of a battery's total useable energy storage capability.

³⁰ Average state of charge defined as ratio of average stored energy capacity available throughout Agreement period divided by total useable energy storage capacity at 100% state of charge.

³¹ See the Agreement (Appendix D1/D2) and Section 7 for definitions; please note details for Phase One Offers provided below "List of Appendices"

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- Must have a minimum Response Rate (or Ramp Rate) of at least 10% of the battery energy storage system's Dispatchable Capacity per minute
- Must comply with NYISO tariff requirements for providing Voltage Support Services³²

2.5.2 Interconnection Requirements

Bidders must have completed and submitted an interconnection application at the time of Offer submittal. In addition, all proposed Projects must complete required Interconnection Study(ies)³³ and receive Capacity Resource Interconnection Service ("CRIS") and/or Energy Resource Interconnection Services ("ERIS") rights, as applicable. Bidders must remain active in the applicable interconnection queue for proposed Projects until that Project has been interconnected.

Projects must have a single exclusive NYISO Interconnection Point, be able to send/receive electronic signals from CECONY (acting on its and O&R's behalf), and meet NYISO communication requirements to enable NYISO Market participation. Bidders will be responsible for all activities and costs associated with NYISO and/or CECONY communications requirements to enable NYISO Market participation. Bidders must submit their known and/or best estimates of interconnection costs as part of their Offer.

The "Storage Hosting Capacity" section of [Con Edison's hosting capacity map](#) provides guidance on availability of interconnection opportunities for distribution connected storage by location. Bidders at early stage of development should consult the hosting capacity maps to identify areas that may have sufficient capacity for the anticipated charging and discharging of the system.

Bidders should plan an interconnection design to match the area's level of reliability. For example, if the service territory requires new load to be interconnected at an N-2 reliability design, then the energy storage solution must be interconnected at the N-2 reliability design. Distribution connected storage should expect to provide reactive power support if the need is identified during the interconnection process.

As bidders are framing offers, they should account for known or anticipated charging restrictions associated with existing or forthcoming distribution interconnection agreements.

Consistent with the Storage Order, storage projects that have an executed interconnection agreement prior to December 13, 2018 are ineligible to participate in this solicitation.

Please refer to Appendix C2 and the Agreement (Appendix D1/D2) for additional information.

³² We expect the Projects to adhere to the leading and lagging requirements defined in the NYISO Ancillary Services Manual: <https://www.nyiso.com/documents/20142/2923301/ancserv.pdf/df83ac75-c616-8c89-c664-99dfea06fe2f>

³³ NYISO and local utility distribution studies as required per interconnection location and associated requirements.

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2.6 Credit Requirements

Bidders must provide a Letter of Credit to CECONY at the time of Agreement execution. Bidder must maintain the Letter of Credit from Agreement execution throughout the term of the Agreement, on terms set forth in the Agreement. (See Appendix D1/D2). In the event of any discrepancy between the security requirements described in the RFP documents and in Appendix D1/D2, Appendix D1/D2 governs.

2.7 Safety Requirements

CECONY requires Bidders to recognize that safety is of paramount importance. In connection with this solicitation and any executed Agreement, Bidders will be required to provide safety information related to the technology for the Project in Appendix C3 and information regarding safety history, including for the entities that will construct, operate, and maintain the Project(s). Storage Projects must meet all New York City Department of Buildings, Fire Department, and any other government agency design and safety requirements as required and applicable. See Appendix C4 for additional details.

Based on current fire safety regulations and the high risk that indoor batteries of this size will not receive the necessary permits to operate, proposals for indoor batteries will not be considered in New York City.

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3 O&R RFP: Eligibility and Requirements

3.1 RFP Overview

As described in Section 2.1, O&R is issuing this Request for Proposals concurrently with CECONY. Unless otherwise specified, O&R will maintain the same requirements as set forth in Section 2. O&R will use the same framework and criteria as CECONY to evaluate Offers but will consider its own system needs and priorities in doing so.

O&R is seeking Offers from Bidders for Agreements totaling at least 10 MW³⁴ of Dispatchable Capacity. As with CECONY's solicitation, O&R will contract with developers for bulk scheduling and dispatch rights for a term of up to fifteen years. O&R will accept bids exclusively for storage Projects connected to the transmission or distribution system that are capable of individual direct participation in the NYISO Markets.

During the term of the Agreement, CECONY, on behalf of O&R, will have the sole right and responsibility to bid and schedule the storage asset into the NYISO Markets. O&R is specifically interested in proposed battery energy storage systems that can be sited in locations and operated in a manner that may enable O&R to partially mitigate effects of excess solar generation on its distribution system. O&R has identified these Preferred Load Areas in Appendix E, and will consider additional distribution and environmental benefits associated with resources located in those areas, if applicable, during the bid evaluation and selection process.

As described in Section 2.1, all costs estimated to be incurred by Bidder prior to Commercial Operation and throughout the Agreement term, and all value from participation in NYISO Markets and/or other revenue sources should be considered when formulating an Offer Price. O&R payment milestones will reflect those described in the Agreement (Appendix D1/D2).

3.2 Bidder's Qualification

All Bidders must meet all eligibility requirements described in Section 2.2 to have their proposed Projects evaluated.

3.3 Minimum Size Requirements

All Offers within O&R's service territory must meet the same minimum size requirements as those in CECONY's service territory. Please refer to Section 2.3 for additional information.

³⁴ The Offer prices received will dictate the total MWs procured given the availability and limitations on available funding. As such, O&R may procure more or less than the targeted MW amount in the NYPSC Order.

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3.4 Site Control

Bidders must demonstrate the same level of Site Control as described in Section 2.4. See Appendix B and C1 for additional information.

3.5 Technical Requirements

3.5.1 *System and Operational Requirements*

Offers must meet all requirements described in Section 2.5.1.

3.5.2 *Interconnection Requirements*

Offers must meet all requirements described in Section 2.5.2. See Appendix C2 for additional information.

O&R has identified preferred locations to deploy storage assets. O&R expects these locations to provide benefits to multiple stakeholders. Bidders should include all interconnection design criteria and standards in their bids.

3.6 Credit Requirements

Credit requirements for O&R are the same as required by CECONY. Please refer to Section 2.6 for additional information.

3.7 Safety Requirements

Safety requirements are the same as those required by CECONY described in Section 2.7.

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4 Offer Evaluation Criteria

The Companies will consider quantitative and qualitative criteria to evaluate Offers.

See below for a detailed summary of quantitative and qualitative criteria, and the process by which the Review Team will evaluate and prioritize Offers.

As detailed in this RFP and its Appendices, many responses in Phase One are able to be refined in Phase Two. Phase One and Phase Two submittals (containing the information required by this RFP and its Appendices) are evaluated using the quantitative and qualitative factors below. Information submitted in Phase One may be considered binding if identified as such in Section 5.2.

4.1 Quantitative Factors

Bidders should provide only their best Offer Price without consideration to the source of the funding. Projects will be ranked based on their Quantitative Scores. The number of Projects and MW CECONY and O&R will procure will depend upon the Offer prices received, Offer scoring using evaluation criteria, and NYSERDA Incentive availability.

The Companies will use the following formula based on its forecast of value, benefits, and pricing to evaluate Bidder Offers:

$$\text{Quantitative Score} = \text{Net Market Value} + \text{Distribution Benefit} + \text{Environmental Benefit} - \text{Offer Price}$$

Net Market Value =

(Energy Value + Ancillary Services Value + Capacity Value)

– (Charging Cost + NYISO Fees)

Where:

- **Energy Value** = projected revenues from NYISO energy markets over its delivery term;
- **Ancillary Services Value** = projected revenues from participation in 10-minute and 30-minute Operating Reserves markets. Where applicable, participation in Voltage Support Service under its Market Services Tariff (Rate Schedule 2) will be considered.
- **Capacity Value** = projected revenues from NYISO capacity markets over its delivery term
- **Charging Cost** = expected costs of charging at projected LBMP³⁵ prices
- **NYISO Fees** = includes participation fees, and related charges made by the NYISO to the asset scheduler/bidder

³⁵ As defined in the Agreement (Appendix D1/D2); please note details for Phase One Offers provided below “List of Appendices”

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Distribution Benefit considers quantifiable benefits associated with a storage system’s location in the CECONY or O&R distribution system, as applicable. Where applicable, a Marginal Cost of Service (MCOS)³⁶ distribution value will be assigned to Offers based on the proposed Interconnection Point in CECONY’s or O&R’s service territory. The Companies will evaluate bids with proposed interconnections that match the contingency design level of load.

Environmental Benefit: Where applicable, an Environmental Value will be determined and assigned to each Offer.

Offer Price (“O”) submitted by Bidders based on Project-specific hurdle rate and financing requirements.

4.2 Qualitative Factors

CECONY and O&R will use the following qualitative criteria:

1. **Location** – CECONY and O&R will evaluate Offers on whether the proposed Project is in a Preferred Load Area as designated by CECONY and O&R. See Appendix E for maps and detailed descriptions.
2. **Project Viability** – Evaluates the likelihood that the Project can be successfully developed and can meet use case requirements for the Agreement period. Evaluation will consider the Project’s viability, risks, and likelihood of meeting NYPSC requirements for operational Projects by December 31, 2028. Preference will be given to Projects that can demonstrate ability to meet the RFP’s Commercial Operation deadline. For transmission connected projects to be considered viable for this procurement, they must have accepted cost allocation as part of the NYISO interconnection process.
3. **Credit Quality** – Evaluates the Bidder’s ability to perform all financial and financing obligations under the Agreement. Evaluation will include the response to Financial & Credit Information Appendix C5, adherence to Forms of Letter of Credit and/or cash collateral terms as specified in Appendices D1/D2. Preference will be given to Offers that meet all security requirements and adhere most closely to the terms described in the provided Letter of Credit.
4. **Adherence to Terms** – Measures Bidder adherence to the Agreement and Terms provided in Appendix D1/D2/D5. Redlines to the Agreement will be provided by Bidders as part of their Phase Two Offer package and reviewed by CECONY and O&R during the evaluation period. Preference will be given to Offers that most closely adhere to the Agreement to ensure timely execution of the Agreement and the Guaranteed Commissioning Date.

³⁶ CECONY MCOS: <https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={D6E0CF85-2CEE-44D1-89C0-41F209ED9403}>

O&R MCOS: <https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={6010C7D8-0954-453A-A9DD-35C994A5E906}>

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5. **System Design** – Evaluates system specifications, warranties, expected operational parameters and associated restrictions/ limitations on use of the proposed Project. Evaluation will consider technical responses provided in Appendix C3 coupled with additional technical materials provided (e.g., warranties). Preference will be given to proposed systems that demonstrate capabilities to meet CECONY and O&R’s use case while minimizing restrictions on use of the system.
6. **Bidding Team Experience** – Evaluates the extent of the Bidder’s and Bidder Team’s energy storage and New York experience (e.g., previous development and/or operating experience) as described in Appendix C7. CECONY and O&R reserve the right to request and contact references as part of the solicitation process. The experience of the entire team will be evaluated, but preference and additional weight will be given to direct Bidder and developer experience relative to others.
7. **Safety** – Evaluates potential safety and risks and mitigation plans associated with Bidder implementation plans.
8. **Bidder Concentration** – CECONY and O&R will consider the amount of MW per Bidder to ensure a diversity of Projects.

5 Offer Submittal Process

5.1 Offer Submission Instructions

All Offers, for either CECONY or O&R, must be uploaded to the Con Edison “Bulk Storage RFP Bidder Portal” website (SharePoint) on or prior to the deadline. Individual and secure Bidder-specific web links will be provided to a single point-of-contact for each Bidder to upload Offers. To express interest in receiving the link to submit an Offer, please email BulkStorageRFP@coned.com with one point of contact, an email address, the requesting organization, and the utility (“CECONY” and/or “ORU”) you wish to submit an offer. Emailed links will be provided on Friday, January 13, 2023 by 5pm EPT.³⁷

Bidders will be required to login via a Microsoft account or applicable Organizational account to the SharePoint Online portal (via the link provided). To avoid any delays, please confirm your ability to log-in and upload files well in advance of the submittal deadline.³⁸ Access to the designated folders will close promptly at 5pm EPT on the submission deadline. No extensions will be considered for technical issues not raised at least 5 business days prior to the submission deadline. Bidders who fail to submit by the due date and time will be excluded from the Offer evaluation process.

Instructions for use of the SharePoint portal and document naming conventions are below to ensure consistency for efficient and complete Offer evaluation.

- Within your specific Bidder folder and within the pre-established CECONY or ORU folders, create a unique subfolder for each Offer and label the folder using the naming convention “*Utility_Bidder Name_Project Name*”. Offers subfolders should be placed in the applicable utility folder. “*Utility*” in the name should be either “*CECONY*” or “*ORU*”. The “*Project Name*” should match what is provided in the Offer documents.
- Multiple Offers will require creating multiple new subfolders within the applicable utility folder. Upload the entirety of each Offer into the relevant user-created subfolder.
- Variations should be uploaded into additional separate subfolders named “*Utility_Bidder Name_Project Name_Variation #*” under the associated Offer folder.
- Primary documents names should use the naming convention “*Utility_Bidder Name_Project Name_Document Name*”. For example, “*CECONY_Con Edison Inc_4 Irving Place ESS_Appendix C2*”.

³⁷ The email will come from no-reply@sharepointonline.com with subject “[Sender Last Name, First Name] wants to share [Bidder Name]”. If you do not receive in your Inbox, please check your Junk/Spam Folder.

³⁸ When you log-in, if you get a “You need permission to access this item” message, please click the “Request Access” button. Once this request is approved you will receive a verification email with a link to access your specific folder. If you receive an error message saying your email is not listed in the SharePoint directory, please try logging in 30 minutes later. If you receive any other access error messages please let us know as soon as possible at BulkStorageRFP@coned.com.

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- Supporting or referenced documents to the primary documents should be clearly labeled as follows “Utility_Bidder Name_Project Name_Document Name_referenced document description”. For example, “CECONY_Con Edison Inc_4 Irving Place ESS_Appendix C7_project team org chart”.
- **Offer and Variation submissions should be structured to match exactly the organization of the primary RFP documents and submitted as individual searchable PDFs for the Cover Letter, Bidder Checklist, Offer Body, and each Appendix as shown in the table in RFP Section 5.3 Offer Submission Format (reproduced below with “Submission Format” column added for format clarity)**

Please contact the RFP team at BulkStorageRFP@coned.com with any questions or technical issues.

5.2 Phase One vs. Phase Two

This RFP will be conducted in two Phases. The Companies will review bidder submissions to Phase One and notify bidders of their approval to submit a Phase Two bid(s).

Bidders must complete all requisite Appendices as part of their Phase One bid, however, not all information will be considered binding. Please refer to the table below as a guide to what appendix inputs are considered binding vs. those that are non-binding. Please note that instructions within each Appendix may supersede this categorization, as some sub-components of an otherwise non-binding attachment are considered binding. The reverse can be true as well.

Any changes to a bidder’s Offer between Phase One and Phase Two, including Dispatch Capacity, must be disclosed using Appendix C8, Offer Changes. Bidders may change any non-binding bid information as they choose, but the Companies may also re-evaluate bids based upon on these changes. This is true of Appendix B, the Offer Form. Bid information that is binding in Phase One may not be changed in Phase Two, i.e.: Appendix C1 (Site Control) on Phase One is non-binding, however, the location identified within this appendix is binding. The location can’t change between Phase One and Phase Two.

Appendix	Title	Phase One	Phase Two
A	Bidder’s Qualification	Binding	N/A
B	Offer Form	Non-Binding	Binding
C1	Site Control	Non-Binding	Binding
C2	Electric Interconnection	Binding	Binding
C3	Technical Information	Non-Binding	Binding
C4	Permitting & Schedule	Non-Binding	Binding

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C5	Financial & Credit Information	Non-Binding	Binding
C6	Bidder Checklist	Partial	Complete
C7	Bidding Team Information	Non-Binding	Binding
C8	Offer Changes	N/A	Required
C9	Warranties, Performance Guarantees and Maintenance Plans	Non-Binding	Binding
D1	CECONY Energy Storage Services Agreement	N/A	N/A
D2	O&R Energy Storage Services Agreement	N/A	N/A
D3	Energy Storage Services Agreement Issues Matrix	N/A	Binding
D4	CECONY & O&R Term Sheet of ESSA	N/A	N/A
D5	Term Sheet Issues Matrix	Binding	N/A
E	Preferred Locations	N/A	N/A
F	NYSERDA Incentive Agreement	N/A	N/A
G	Letter of Engagement	N/A	N/A

5.3 Offer Submission Format

Bidders are eligible to submit one or more Offers for this RFP. Each individual Offer should be provided in the format specified below and submitted via the “Bulk Storage RFP Bidder Portal website” (SharePoint). Multiple Offers should be submitted in multiple dossiers with each Offer submitted on separate subfolders. Only complete Offers will be accepted and evaluated. Phase One Offers are due no later than 5:00 P.M. EPT on February 28, 2023. Phase Two Offers are due no later than 5:00 P.M. EPT on June 30, 2023.

It is the Bidder’s responsibility to thoroughly review all provisions of the respective supporting documents and all requirements of this RFP process and to understand all anticipated costs that should be factored into the Offer price. Bidders are encouraged to mark sections of their bids confidential as needed so they are treated as such by the review team.

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Offers shall be organized as follows:

Offer Section	Offer Section Title	Reference	Submission Format³⁹
N/A	Cover Letter		searchable PDF
N/A	Bidder Checklist Form	• Completed Appendix C6	searchable PDF
Offer Body	<ul style="list-style-type: none"> • Proposed ESS Solution Description • Project Schedule • Potential Risks and Challenges • Professional Background and Experience with the Proposed Solution 		searchable PDF
Offer Appendices	• Bidder's Qualification	• Complete RFP Appendix A	Searchable PDF
	• Offer Form	• Completed RFP Appendix B • (One per Offer, Variant of Offer)	XLS
	• Site Control	• Completed RFP Appendix C1	searchable PDF
	• Electric Interconnection	• Completed RFP Appendix C2	searchable PDF
	• Technical Information	• Completed RFP Appendix C3	searchable PDF
	• Permitting & Schedule	• Completed RFP Appendix C4	searchable PDF
	• Financial & Credit Information	• Completed RFP Appendix C5	searchable PDF
	• Bidder Checklist	• Completed RFP Appendix C6	searchable PDF
	• Bidding Team Information	• Completed RFP Appendix C7	searchable PDF
	• Offer Changes	• Completed RFP Appendix C8	searchable PDF
	• Warranties, Performance Guarantees and Maintenance Plans	• Completed RFP Appendix C9	searchable PDF
	• Redlines to Agreement	• Redlines to RFP Appendix D1/D2	searchable PDF
	• Agreement Issues Matrix	• Completed RFP Appendix D3	searchable PDF
	• Redlines to Term Sheet	• Redlines to RFP Appendix D4	searchable PDF
	• Term Sheet Issues Matrix	• Complete RFP Appendix D5	searchable PDF

³⁹ Each individual document/file within the Offer specific folder to use the naming convention identified in section 5.1.

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Cover Letter

The cover letter shall include the following:

- Bidder legal name and address
- The name, title and telephone number of the individual authorized to negotiate and execute the Agreement
- The signature of a person authorized to contractually bind Bidder's organization
- A statement that the Bidder has read and understands all provisions of the RFP

Bidder Checklist

Bidder should provide to CECONY and O&R the properly completed Bidder Checklist (Appendix C6) as part of an Offer. A Bidder Checklist is needed for each Offer submitted.

Offer Body

This section should contain a response to the RFP requirements as described in Appendices to this RFP. Please limit Offers to 10 pages maximum not including the Cover Letter, Checklist, and Appendices. The following information addresses major areas that shall be included in Bidder's Offer:

- Proposed energy storage system
 - Energy storage system design characteristics (e.g., equipment, configuration)
 - Energy storage system performance characteristics (e.g., Roundtrip Efficiency, Guaranteed Availability, Guaranteed Capacity, Maximum and Minimum State of Charge, Capacity and System Efficiency Degradation Rate)⁴⁰
 - Description of warranties and approach to maintaining Availability and Performance Guarantees⁴¹
- Project schedule
- Potential risks and challenges with detailed plans to address/mitigate
- Professional background and experience with the proposed solution

Offer Appendices

Bidders must complete all documentation required of Offers as described in the Appendices to this RFP. See Appendices for details of what is required to be submitted. This document only provides a high-level description of the details provided in the various Appendices.

Redlines to Term Sheet and Agreement

⁴⁰ As defined in the Agreement (Appendix D1/D2) and Section 7; please note details for Phase One Offers provided below "List of Appendices"

⁴¹ Ibid

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For Phase One, Bidders shall complete a full review of the Term Sheet provided in Appendix D4. Any exceptions shall be marked in a redlined copy and attached to the Phase One offer. Bidders will also summarize the proposed changes in the table provided in Appendix D5.

During Phase Two, Bidders shall complete a full review of the Agreement provided in Appendix D1/D2 for both commercial and legal terms. Any exceptions shall be marked in a redlined copy and attached to the Offer. Bidders will also summarize the proposed changes in the table provided in Appendix D2.

CECONY and O&R will assume all material issues have been identified during the Phase Two redline and will establish a timeline for Agreement execution accordingly. CECONY's or O&R's acceptance of an Offer shall not be deemed acceptance of Bidder's redlined Agreement. However, Bidder should be prepared to sign the redlined version if selected.

Additional Materials

Bidders can provide information not specifically requested in the body of the Offer as an appendix or a separate attachment. Such items can include:

- Project experience examples (no more than one-page per Project)
- Organizational charts and resumes
- Other relevant information

5.4 Offer Fee

Approved Bidders must provide an "Offer Fee" in the amount of \$10,000 for each Offer at the time of submission for each Phase

1. Purpose of Offer Fee

The Offer Fee is intended to contribute to CECONY and O&R's administrative costs to assemble, review, prioritize, and award Offers to Bidders. Offer Fees are also intended to reflect the Bidder's commitment to prepare thorough, competitive Offers.

2. Form of Offer Fee

The form of the Offer Deposit will be made by cash or check.

NOTE: If a Bidder fails to submit the Offer Fee within the required time frame listed above, the Bidder's Offer may be rejected.

3. Submission of Offer Fee

Cash may be deposited through a wire transfer as instructed by CECONY and O&R. Wiring instructions will be provided to Bidders that express interest in submitting an Offer when access to the Bulk Storage RFP Bidder Portal website is granted. Bidders have until 5 p.m. EPT on the date Phase One and Phase Two bids are due to remit their fee.

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4. Refund of Offer Fee

In the event the RFP is canceled prior to review of any Offers, the Offer Fee will be refunded. After the evaluation process has begun, no refunds will be considered or made in respect of any Offer, whether or not selected.

5.5 Number of Offers and Variations Allowed Per Bidder

Bidder's Offers are defined by Project Interconnection Point (i.e. 1 IP = 1 Offer, 2 IPs = 2 Offers, etc.). There is no restriction on the number of Offers Bidders may submit. More than one Offer can be located at the same location, but each would require separate Interconnection Points and metering. In other words, multiple Projects at a single location will be considered separate Projects if they have separate Interconnection Points. In this situation, each Project would require a separate Offer submission.

A separate and complete submission is required for each Offer. Each Offer must be complete as a standalone submission and not reference information contained in other Offers. An Offer Fee is required for each Offer submitted.

Bidders are permitted to submit variants of Offers using the same Interconnection Point by varying the Dispatchable Capacity of the proposed storage Project at each location within the allowable amount based on interconnection application rules. Each Offer may include up to two Offer Variations (i.e., the original Base Offer and two (2) additional variations of that Offer). Only one Offer Fee is required for a Base Offer plus Offer Variations.

Note: Offer Variations may only alter a system's Dispatchable Capacity and associated price and cost information. Other Offer variants such as (but not limited to) payment structure, contract term length, commercial operation date, duration, technology, capabilities, location, and Interconnection Point will not be accepted nor considered as a single Offer.

An entirely new Offer package is not required for each variation. A written explanation indicating which sections are duplicative over multiple Offer Variations is required. Variations of a Base Offer must be clearly marked, described as such, and submitted with the Base Offer in a single PDF. A separate Offer Form (Appendix B) is required for each Offer Variation.

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6 Collusion and Other Prohibited Activities

6.1 Collusion

Collusion with other Bidders prior to, during, or after the RFP is strictly prohibited. Collusion and other prohibited activities include but are not limited to: discussing Offer strategies with other Bidders, engaging in any activity with the intent of influencing the outcome of the RFP in a manner inconsistent with competitive behavior, or taking any action to otherwise undermine the competitive nature of the RFP or benefit from Company compensation without the intent or expectation of providing services described in this RFP. The Company shall have the discretion to determine when collusion or other prohibited activities have occurred and to take any appropriate action, including disqualifying Offers, barring participation in future RFPs or programs, and reporting the activity to the New York State Department of Public Service (the "NYDPS"), the NYPSC, NYSERDA and any other appropriate Governmental Authorities.

6.2 Confidentiality

In connection with this RFP, CECONY and O&R will keep confidential, and not disclose to any person (except as set forth below), any information pertaining to Bidder or its Offer provided by or on behalf of Bidder that is non-public, proprietary or confidential in nature and is clearly marked or otherwise identified as such. The foregoing shall not preclude CECONY or O&R from publicly identifying the Bidders who win Agreements as a result of this RFP, or from disclosing Bidder's confidential information (a) to CECONY's and O&R's trustees, officers, employees, consultants, contractors and agents for the purpose of evaluating Bidder's Offer, (b) to NYSERDA for purposes of administering the NYSERDA Incentive, or (c) pursuant to a legal or regulatory requirement (including, without limitation, of the NYPSC and/or NYDPS) provided that CECONY and O&R will make reasonable efforts to prevent the information's further disclosure. Confidential information does not include information that (i) is in or enters the public domain other than as a result of CECONY's or O&R's unauthorized disclosure, (ii) Bidder expressly authorizes CECONY or O&R to disclose, (iii) is already known or becomes known to CECONY or O&R on a non-confidential basis other than as a result of a breach of any confidentiality obligation known to CECONY or O&R, or (iv) is independently developed by CECONY or O&R without reference to the confidential information. This obligation of confidentiality will expire upon execution of a definitive Agreement between the parties with respect to the subject of this RFP, in which event the terms of this paragraph shall be superseded by the confidentiality provisions of such definitive Agreement.

6.3 Execution of Agreement

By submitting an Offer, the Bidder agrees, if its Offer is selected for CECONY or O&R, that it is prepared to negotiate and execute a definitive Agreement consistent with the Bidder's Phase Two Offer and containing such other terms and conditions as may be mutually acceptable to CECONY or O&R, as applicable, and the Bidder. CECONY and O&R reserve the right to consider, in the evaluation of the

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Bidder's Offer, any changes Bidder requests to the form of proposed Agreement attached to this RFP. Acceptance by CECONY or O&R of the Bidder's Offer will not constitute agreement by CECONY or O&R to any of the Bidder's modifications made to the form of Agreement submitted.

6.4 Termination Rights

CECONY and O&R reserve the right at any time, in their sole discretion, to terminate the RFP for any reason whatsoever without prior notification to Bidders and without liability of any kind to, or responsibility of, CECONY and/or O&R or anyone acting on CECONY or O&R's behalf. Grounds for terminating the RFP may include (but are not limited to) the failure of any Offer following evaluation to provide adequate ratepayer benefit.

CECONY and O&R reserve the right to change the Offer evaluation criteria for any reason and at any time, to terminate further participation in this process by any Bidder, to evaluate the qualifications of any Bidder, to accept any Offer or to enter into any definitive Agreement, and to reject any or all Offers, all without notice and without assigning any reasons without liability to CECONY or O&R or anyone acting on CECONY or O&R's behalf. CECONY and O&R shall have no obligation to award any contract pursuant to any Offer.

In the event of termination of the RFP for any reason, CECONY and O&R will not reimburse the Bidder for any expenses incurred in connection with the RFP regardless of whether such Bidder's Offer is selected, rejected, or disqualified.

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7 Definitions

Key terms in this RFP and Appendix documents are defined by CECONY and O&R below. See Exhibit A in the Agreement (Appendix D1/D2) for additional RFP definitions not included below.

Base Offer: The Bidder's primary Offer submitted in response to this RFP

Beginning Energy Level: The total amount of Energy (in MWh) stored by the Energy Storage Resource at the beginning of the Day-Ahead Market day or a Real-Time Market interval.

Bidders: Entities that submit Offers in response to this RFP.

Bidding Entity: Developer(s) submitting one or more Offers to this RFP.

Capacity Degradation: The decline of total energy capacity attributed to the battery modules.

Charge Response Rate (Ramp Rate): The speed at which a storage system can move from zero output to its Maximum Allowable Charge Rate, measured as described in the Storage Rating Test Exhibit to the Agreement (Appendix D1/D2).

Cycle: The sequence of injecting electric energy into a battery then withdrawing electric energy from a battery, where one cycle is the charge and discharge of a battery's total Dispatchable Capacity.

Designated Schedule: Refers to a NYISO scheduling strategy that CECONY will use to offer in to NYISO Markets. It will consider operational parameters of the energy system, market prices, and any limitations on usage as specified in the Agreement.

Discharge Response Rate (Ramp Rate): The speed at which the storage system can move from zero output to its Maximum Allowable Discharge Rate, measured as described in the Storage Rating Test Exhibit to the Agreement (Appendix D1/D2).

Dispatchable Capacity: The MWs that can be continuously dispatched by the storage system and measured as described in the Storage Rating Test Exhibit to the Agreement.

Environmental Costs shall be defined as costs, expenses, and liabilities incurred in connection with (1) acquiring, complying with, and maintaining all permits as required under applicable Environmental Laws, or (2) compliance with all applicable Environmental Laws, including without limitation, in each case (i) costs of permit maintenance fees as applicable; (ii) costs associated with the characterization, storage, generation, use, handling, manufacture, processing, transportation, treatment, disposal, investigation, remediation, removal, and clean-up of Hazardous Substances, if any; and (iii) costs associated with the characterization, storage, generation, handling, processing, transportation, treatment, disposal, investigation, remediation, removal, and clean-up of all materials encountered, excavated or disturbed, whether or not such are considered Hazardous Substances.

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Environmental Value: The pecuniary value ascribed to reductions in greenhouse gas emissions (GHGs) and other benefits.

General Partner: Has responsibility for the actions of the business, can legally bind the business and is personally liable for all the business's debts and obligations.

Greenhouse Gases: Includes carbon dioxide, methane, nitrous oxide, fluorinated and other gases.

Host Utility: Transmission or distribution system owner at the Project's Interconnection Point.

Lower Operating Limit: The minimum MW level at which the Energy Storage Resource is willing to operate.

Lower Storage Limit: The minimum amount of energy an energy storage resource is physically capable of storing.

Market Participant: An entity, excluding the ISO, that produces, transmits, sells, and/or purchases for resale Unforced Capacity, Energy or Ancillary Services in the NYISO Wholesale Market. Market Participants include: Transmission Customers under the NYISO OATT, Customers under the NYISO Services Tariff, Power Exchanges, Transmission Owners, Primary Holders, LSEs, Suppliers and their designated agents. Market Participants also include entities buying or selling TCCs. Definition per NYISO Market Service Tariff (MST) Section 2.13. See the MST for more information.

Maximum Allowable Charge Rate: The maximum warranted MW quantity of electric energy that a resource using the NYISO participation model for electric storage resources can receive from the grid.

Maximum Allowable Discharge Rate: The maximum warranted MW quantity that a resource using the participation model for electric storage resources can inject into the grid.

Minimum Allowable Charge Rate: The minimum warranted MW level that a resource using the NYISO participation model for electric storage resources can receive from the grid.

Minimum Allowable Discharge Rate: The minimum warranted MW output level that a resource using the participation model for electric storage resources can inject onto the grid.

Offers: Energy Storage Project proposals submitted by Bidders to this RFP.

Offer Variation: An offer using the same Interconnection Point as the Base Offer but varies by Dispatchable Capacity.

Participant: See Bidder.

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Preferred Load Areas: Specific geographic and electrically connected areas that are preferred locations for Projects. See Appendix E.

Rated Power: Measured in megawatts (MW), the intensity of the electricity delivered to the grid from the battery energy storage system.

Response Rate (Ramp Rate): How quickly the Energy Storage Resource can respond to dispatch instruction from the NYISO under various operating conditions.

State Environmental Quality Review Act: New York's State Environmental Quality Review Act (SEQR) requires all state and local government agencies to consider environmental impacts equally with social and economic factors during discretionary decision-making. This means these agencies must assess the environmental significance of all actions they have discretion to approve, fund or directly undertake.

Subsidiary: Of any Person means any corporation, general or limited partnership, joint venture, limited liability company, limited liability partnership or other Person that is a legal entity, trust or estate of which (or in which) (a) the issued and outstanding capital stock having ordinary voting power to elect a majority of the board of directors (or a majority of another body performing similar functions) of such corporation or other Person (irrespective of whether at the time capital stock of any other class or classes of such corporation or other Person shall or might have voting power upon the occurrence of any contingency), (b) more than 50% of the interest in the capital or profits of such partnership, joint venture or limited liability company or (c) more than 50% of the beneficial interest in such trust or estate, is directly or indirectly owned or Controlled by such Person.

System Efficiency Degradation: The decline of Dispatchable Capacity not attributed to the battery modules.

Throughput: The total electrical energy injected into and withdrawn from the energy storage resource over a specified period.

Upper Operating Limit: The physical maximum MW level which the Energy Storage Resource is willing to operate.

Upper Storage Limit: The maximum amount of energy an energy storage resource is physically capable of holding.

Utility-Defined Procurement Ceiling: The maximum the utility is allowed to pay based on the total net value of the projected benefits per the December 13, 2018, New York State Public Service Commission Decision in Case 18-E-0130.