

Frequently Asked Questions:

New York's Energy Storage and Solar-Plus-Storage Opportunities

Distributed energy resources (DERs), such as energy storage and combined solar-plus-storage systems, are becoming increasingly valuable for both New York's electric grid and the commercial and industrial (C&I) energy consumers that rely on it. The ability for C&I energy consumers to generate, store, consume, and share low-cost power can significantly offset energy costs while also making the grid cleaner and less expensive to operate.



Enel X helps New York's C&I energy users capitalize on this value by financing, installing, and operating energy storage and solar-plus-storage systems. Here are some answers to frequently asked questions about the opportunities available to New York's large C&I energy consumers.

Why is solar-plus-storage valuable for New York's C&I energy consumers?

New York's C&I energy consumers are leveraging solar-plus-storage to:

- > Minimize energy costs by managing exposure to the grid at times when it is most expensive, including when electricity prices spike and demand-related charges are calculated
- > Maximize earnings through incentive programs for C&I energy consumers that can provide relief to the grid during periods of high demand for electricity

Enel X's DER Optimization Software, which uses advanced machine-learning and optimization techniques, is designed to shift a facility's electric load between the grid and the available DERs automatically and seamlessly to maximize the financial value through these practices.

What incentives are available and how do they affect the solar-plus-storage business case in New York?

New York's large C&I energy consumers have access to several incentive programs, including:

- > State-level incentives such as NY-Sun, federal incentives like the Investment Tax Credit, and utility incentives encouraging non-wire alternatives that can offset a significant amount of upfront capital costs, which can result in more favorable financing options for C&I energy consumers.
- > New York State's Valuing Distributed Energy Resources (VDER) program, which offers long-term compensation for projects that can export power to the grid during periods of high demand.
- > Demand response programs administered by NYISO and the state's electric utilities, which offer payments for C&I energy consumers that can reduce their reliance on the grid during periods of high demand.

Some facilities have demonstrated the ability to offset overall electricity expenses by as much as 35%.

These incentives further enhance the business case for solar-plus-storage in New York. With high energy and demand rates, as well as access to several lucrative DR programs, C&I energy consumers in the state can create significant value by storing, consuming, or exporting self-generated power at the right times. Especially when used in conjunction with a VDER rate, batteries can earn additional credits to offset your electricity bills by exporting power to the grid during high-need times as well.

Some facilities have demonstrated the ability to offset overall electricity expenses by as much as 35% through these practices. Additional incentives can also offset more than half of the capital required to install an energy storage or solar-plus-storage system in the state.

Meanwhile, a more distributed electric grid that embraces behind-the-meter energy storage will be cleaner, less expensive, and more reliable and sustainable. This will ultimately result in lower costs for the C&I facilities that rely on it.

What if my organization does not have the capital to invest in solar and storage hardware?

You don't need to make a capital investment to integrate a solar-plus-storage system. Enel X will provide it.

Enel X finances energy storage, solar-plus-storage, and other DER projects for large C&I customers through agreements that deduct the project costs from the value these resources create while also passing additional value onto the customer.

One of the more unique financing opportunities available through Enel X is the hybrid power purchase agreement (hPPA), through which Enel X establishes a flat rate for the solar power—at a significant discount to the rates that

utilities impose—and passes a percentage of the recurring earnings and cost savings created by the energy storage system onto the customer. The result for the customer is substantially lower energy costs without making an upfront capital investment.

Enel X also offers a range of other financing options based on our customers' needs. As part of the Enel Group, one of the largest energy companies in the world, Enel X has the flexibility to offer financing agreements that may not be available elsewhere in the market, connecting our customers to these opportunities while also protecting them from risk and aligning with their financial priorities.

Solar and storage are complex. How do I install and maintain this equipment?

Enel X will model the right system for your facility and will operate and maintain the system so your staff can remain focused on their day-to-day responsibilities.

Will my staff need to transition our load onto the storage system manually? How will we know when to do that for demand response earnings or to reduce demand charges?

With our DER Optimization Software and industry-leading demand response operations team, Enel X will operate your DERs at the optimal times to maximize incentive earnings and minimize exposure to the high costs of consuming from the electric grid.

How do I get started?

To find out if your organization is a good fit for a solar-plus-storage system, contact one of our experts today at www.enelx.com/n-a/en/forms/contact-sales.