



# Construction costs of energy storage projects in New York USA





## Overview

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The total amount of energy storage projects in New York State at the end of March 2025 equaled 1,403.2 MW in capacity, consisting of 509.2 MW of deployed and 893.3 MW awarded/contracted projects. This represents approximately 93.5 percent of the 2025 target of 1,500 MW and 23.2 percent of the 2030.

Local Law 181 of 2019 (LL181) requires the City of New York to conduct a feasibility study on the applicability of different types of utility-scale energy storage systems (ESS) on City buildings and to install such systems on those buildings where cost effective.<sup>1</sup> NYC's Department of Citywide.

This document is designed to help inform industry about the opportunity for energy storage systems under Con Ed's Rider Q Tariff. This tariff creates new rate structures, based on the standby rate, that provide a valuable and stable source of revenue. Further information on the Rider Q Tariff can.

NYSERDA is allocating \$5 million to fund up to 50% of project costs for developing energy storage systems capable of operating for 10 to 100 hours, addressing key integration challenges and promoting viable economic products within New York's energy grid. New York State's "Renewable Optimization.

QUEENS, NY —Today, New York City Economic Development Corporation (NYCEDC) and the New York City Industrial Development Agency (NYCIDA) announced the advancement of a key commitment in New York City's Green Economy Action Plan to develop a clean and renewable energy system. NYCIDA closed its.

Energy storage is essential for creating a cleaner, more efficient, and resilient



electric grid, which can ultimately reduce energy costs for New Yorkers. As New York State transitions to renewable energy technologies like wind and solar, energy storage can provide energy when the wind isn't. How big is energy storage in New York State?

Nonetheless, energy storage accounts for only about 2% of total U.S. energy capacity.<sup>36</sup> FOTM systems have driven the bulk of this growth in installed ESS capacity. Under the Climate Leadership and Community Protection Act (CLCPA) passed in 2019, New York State (the State) established an ambitious goal for energy storage of 3 gigawatts by 2030.

How much do energy storage incentives cost in New York?

These incentives decline each calendar year and are set at \$90 per kWh for year 2021. Bulk energy storage incentives are applicable to ESS projects between 5 and 20 MW in capacity and are available through the New York State Energy Research and Development Authority (NYSERDA).

What are NYSERDA energy storage incentives?

Similar to the bulk energy storage incentives, NYSERDA incentivizes commercial scale ESS projects that are either standalone, grid-connected, or paired with new or existing clean DERs. Retail storage incentives are available to projects no greater than 5 MW in capacity and up to 15 megawatt hours (MWh), or for a 3-hour duration system.

When will energy storage projects be regulated?

The storage industry anticipates this to be passed into law in 2022, and that it will apply to projects that achieved commercial operation after December 31, 2020, reducing the risks and uncertainty in energy storage project economics.



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### Energy Storage in New York City

Energy storage is essential for creating a cleaner, more efficient, and resilient electric grid, which can ultimately reduce energy costs for New Yorkers. As New York State transitions to ...

#### [New York Battery Energy Storage System Guidebook for ...](#)

As an important first step in protecting public and firefighter safety while promoting safe energy storage, the New York State Energy Research and Development Authority (NYSERDA) ...



#### [New York continues long duration energy storage ...](#)

Now in its third iteration, the program finances up to 50% of each approved project's cost. It prioritizes projects that tackle renewable ...

### NY-BEST

A Sales Tax Exemption is key to making commercial energy storage projects financially viable, and would directly increase the number of energy storage projects that can be built in



support ...



## NYCEDC Advances Green Economy Action Plan with Support of ...

Construction for this project is expected to start in the first quarter of 2025. NYCIDA helps to lower the cost of capital investment through discretionary tax benefits.

## STATE OF STORAGE IN NEW YORK

As of December 2024, the average total installed costs for front-of-the-meter retail standalone energy storage projects, receiving NYSERDA incentives through money allocated ...



## \$168 Million USD in Construction Value of Projects

The Projects range in size from 500 kW DC to 7 MW DC for distributed solar, and 1.2 to 8 MWh for battery energy storage systems. The combined power from the 15 Projects ...



## Up to \$300M more required for 2030 energy storage goal: New York ...

It will cost New York up to \$2 billion to add 6 GW of energy storage by 2030, up from the previous high-end estimate of \$1.7 billion, according to updated cost estimates ...

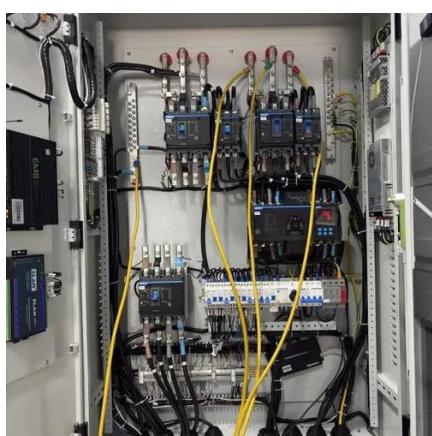


## New York continues long duration energy storage

Now in its third iteration, the program finances up to 50% of each approved project's cost. It prioritizes projects that tackle renewable integration challenges like grid ...

## Energy Storage Soft Costs Resources

NY-BEST is pleased to provide a new information resource for parties interested in developing energy storage projects in New York State. The Energy Storage Services Fact Sheet ...



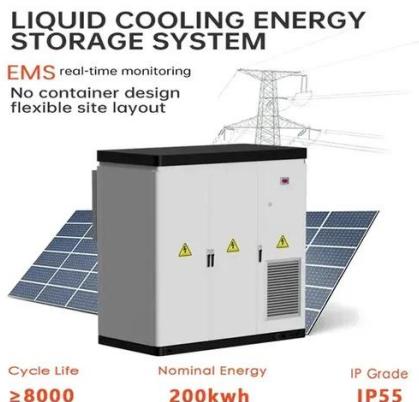
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## Strategic Guide to Deploying Energy Storage in NYC

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## Contact Us

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