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Bulk Energy Storage RFP 2024

CENTRAL HUDSON GAS & ELECTRIC (“CHGE”) REQUEST FOR PROPOSAL (“RFP”) INDUSTRY FEEDBACK & RESPONSE

GENERAL QUESTIONS: (starting on 6/10/2024)

Q1) Can Central Hudson clarify what an approved bidder is?

A1) An approved bidder is an organization that satisfies the qualification criteria described in the RFP Section 2.2. All bidders must meet the qualification requirements to be eligible to submit formal Round 1 Offers. Bidders must submit all required qualification materials by July 8, 2024, and Central Hudson will review materials for completeness and inform the Bidders of their eligibility to submit Round 1 Offer. See CHGE Bulk Energy Storage RFP-2024 (sections 2.2, 4.1 and 4.2), Appendix A, Appendix C5, and Appendix C7 for more details.

APPENDIX E – Preferred Locations

Q2) Is the minimum size greater than 5 MW for the RFP only with 5.5 MW limited to the Saugerties Substation area, or is 5.5 MW for both the RFP & the Saugerties Substation area?

A2) The minimum size of greater than 5.0 MW (e.g., 5.1 MW) is applicable across the entire Central Hudson territory for the RFP, including the Saugerties Substation area; the suggested minimum size of 5.5 MW is specific to the Saugerties Substation area.

Q3) Is the maximum size 10 MW or 12 MW?

A3) There is no maximum dispatchable capacity requirement for an energy storage project submitted in response to this RFP; the 12 MW maximum size for the Saugerties Substation area is a suggestion based on the present infrastructure.

Q4) Is the maximum size of 12 MW only for the Saugerties Substation area?

A4) Please refer to the response provided in A3 above.

GENERAL QUESTIONS

Q5) Does Central Hudson have Appendix D2 in MS Word for modifications to the document from Bidder?

A5) Yes, Central Hudson can post a version of the document in Microsoft Word format for developer convenience.

Q6) Is Central Hudson open to redline changes to Appendix D1 (“ESSA”)?

A6) Central Hudson’s intent is that developers will accept the ESSA terms and conditions as presented. Central Hudson will post a version of the document in Microsoft Word format for developer convenience.

Q7) Does Central Hudson have Appendix A in MS Word for Bidder to Fill in and then submit in PDF format?

A7) Yes, Central Hudson can post a version of the document in Microsoft Word format for developer convenience.

Q8) Does CHGE have Appendix C7 in MS Word for Bidder to Fill in and then submit in PDF format?

A8) Yes, Central Hudson can post a version of the document in Microsoft Word format for developer convenience.

Q9) The RFP states a minimum Battery Energy Storage System (“BESS”) size of 10 MW in total (greater than 5.0 MW for each location). What is the maximum BESS project size CHGE is willing to contract for over a 5 year, 10 year or 15 year term?

A9) There is no maximum dispatchable capacity requirement for an energy storage project submitted in response to this RFP.

Q10) Does a Bidder’s BESS project have to be physically located in the Preferred Locations (Appendix E)?

A10) No, Central Hudson is receptive to considering BESS project interconnections located anywhere within the Central Hudson electric system for siting the energy storage project.

Q11) Does Central Hudson have an interest in procuring bulk storage projects that are of larger sizes (greater than or equal to 90 MW) and interconnected at transmission level voltages (greater than or equal to 69 kV)?

A11) Central Hudson will evaluate all Offers, regardless of size or interconnection voltage level, from qualified Developers that meet the operational criteria described in the RFP. Larger energy storage units may be more difficult or more expensive to site due to Central Hudson electric system limitations.

Q12) Is an option to lease document sufficient for providing evidence of site control in Round 1? Or are the only acceptable forms of site control a binding letter of intent or option to purchase?

A12) The minimum threshold of site control should be a binding letter of intent or an option to purchase document; an option to lease document can be sufficient for Round 1 Offer evaluation.

Q13) Does a bidder who had successfully prequalified in a prior year's CHGE Bulk Energy Storage RFP still need to re-submit the Pre-Qualification documents and appendices for this 2024 CHGE Bulk Energy Storage RFP?

A13) All interested bidders need to submit Pre-Qualification documents and appendices for this 2024 CHGE Bulk Energy Storage RFP even if a bidder had successfully prequalified in a prior year's CHGE Bulk Energy Storage RFP, because a bidder's company financial situation, personnel composition, etc. may have changed over the past several years.

Q14) Appendix F (the NYSERDA Sample Agreement) states that projects must achieve Commercial Operation by December 31, 2025 (Article 3.1). If selected in the Central Hudson RFP, will this date be adjusted to align with the RFP (December 31, 2028) in the NYSERDA Agreement?

A14) Yes, if a bidder is awarded a Dispatch Rights contract as a result of this Central Hudson RFP, the NYSERDA Agreement's Commercial Operation Date ("COD") will be changed to match the COD in Central Hudson ESSA (Appendix D1) based on the bidder's proposed COD.

Q15) In Appendix C7, the Team Members that have to been selected and listed at time of Qualification submission are Bidder, Developer, Long-Term Owner, Parent Company, and Credit Support Provider. Under "Bidding Team Experience", should only the tables that are relevant to the Team Members listed above be filled out? For example, is it necessary to fill out Table 3 under "Bidding Team Experience", if the Integrator does not have to be selected and listed at time of Qualification submission?

A15) It is necessary to fill out only the 'Bidding Team Experience' tables relevant to the stage of the RFP. More specifically, the 'Bidding Team Experience' tables must be completed for 'Bidding Team Overview' Team Members that are required for Qualification, Round 1 Offer, or Round 2 Offer, respectively. If a 'Bidding Team Overview' Team Member does not need to be selected for a particular stage of the RFP, then the 'Bidding Team Experience' table(s) do not need to be completed as part of that RFP stage submittal.

Q16) Is there a specific deadline for any additional questions to be submitted? We do not see that date anywhere on the website or RFP documents.

A16) No, there is not a specific deadline for any additional questions to be submitted. This Q&A Document will be updated periodically to publicly post all Questions received from interested bidders and CHGE Answers to those corresponding questions. Please check CHGE website periodically for updates to this Q&A Document and to the status of other RFP Documents.

Q17) Considering that an express feeder will be required to serve the proposed Battery Energy Storage System ("BESS"), will CHGE consider one Point Of Interconnection ("POI") on the electric distribution system for a 10+ to 12 MW BESS?

A17) Yes, CHGE will consider one POI at the electric distribution substation level for a single 10 MW or 12 MW BESS.

Q18) There is an expectation of 5 Cycles per day. Can CHGE provide clarity on that requirement and for what market service? How often is that expected to occur annually?

A18) The RFP indicates a maximum of 5 Cycles per day is possible; it is not an expectation of the RFP. The RFP also indicates at least 300 Cycles per year. The number of Cycles per day will depend on wholesale market conditions and the economic selection or decision to discharge/charge in the New York Independent System Operator ("NYISO") electric energy market. The number of times that 5 Cycles in one dispatch day occurs annually (in a calendar year) will depend on wholesale market conditions.

Q19) The requirement for 100% state of charge at most or the time is challenging for Li Ion technology. Is that a firm requirement as it is also challenging for charging and efficient Battery Energy Storage System ("BESS") operation.

A19) The RFP requests the Energy Storage facility maintain a state of charge during most of the hours in the year at a level that allows for the Energy Storage facility to be ready to discharge at rated Dispatchable Capacity for at least one (1) hour. This state of charge requirement is meant to allow for the participation in the New York Independent System Operator ("NYISO") 10-minute spinning reserve ancillary service market. Furthermore, the Energy Storage facility would maintain 100% state of charge during the majority of the hours in the year in order to maximize wholesale market revenues, which includes complying with NYISO electric capacity market rules.

Q20) Is CHGE open to non-Li Ion technologies for this RFP? If so, what stage of maturity or commercialization would be required?

A20) Yes, CHGE's RFP for Energy Storage is open to non-Li Ion technologies; the RFP is technology agnostic as long as the storage technology can meet or exceed the requirements specified in the RFP. Any offered technology must have proof of demonstrated commercialization in a wholesale market situation.

Q21) Can CHGE please provide a cost estimate for the Central Hudson Feasibility Study fee? Please note that a dedicated/express feeder may be required for the Battery Energy Storage System (“BESS”) interconnection.

A21) An Energy Storage projects’ Feasibility Study fee will depend on the size and interconnection location on the CHGE electric Transmission & Distribution (“T&D”) system. Therefore, it is difficult to estimate the study fee before the project concept is outlined in the Round 1 Offer.

Q22) Will the Central Hudson Feasibility Study provide an Energy Resource Interconnection Service (“ERIS”) equivalent value for participation in the New York Independent System Operator (“NYISO”) Energy Market? Will additional CHGE studies be required to obtain ERIS?

A22) Central Hudson’s feasibility study will indicate NYISO wholesale energy market ERIS (and Capacity Resource Interconnection Service (“CRIS”)) equivalent values for non-FERC jurisdictional interconnection locations. No additional Central Hudson studies will be required to obtain ERIS (or CRIS) values when the interconnection studies are completed as part of the NYISO Interconnection process for FERC jurisdictional interconnection locations.

Q23) Will CHGE need to know both Energy Resource Interconnection Service (“ERIS”) and Capacity Resource Interconnection Service (“CRIS”) interconnection costs? Do both interconnection services need to be requested with NYISO via an interconnection application submission to NYISO?

A23) CHGE expects a Developer’s Offer to include all anticipated project costs; the ERIS/CRIS interconnection study costs are one component of the interconnection cost break-out. No, both interconnection services (CRIS and ERIS) do not need to be requested with the NYISO. However, the Developer must be clear in their Offer package to indicate if ERIS only or ERIS and CRIS will be requested by the Developer from the NYISO as CHGE’s economic evaluation will be based on the project’s interconnection capability at the Point Of Interconnection (“POI”).

Q24) How will CHGE address developer's risk in undergoing the New York Independent System Operator (“NYISO”) interconnection process? The NYISO interconnection process (updated for FERC Order 2023) requires study and commercial readiness deposits which could be at risk due to withdrawal penalties.

A24) The most current NYISO Interconnection Process at the time of Offer must be incorporated into the Developer’s Offer price and Project Schedule. CHGE will assess the economic feasibility and project schedule feasibility when CHGE evaluates the project(s) offered by a Developer.

Q25) Can CHGE please provide more guidance regarding material modifications, including which modifications would be deemed "material" and "non-material"? The New York Independent System Operator (“NYISO”) interconnection process does not allow modifications during the cluster study, and we are curious what modifications CHGE will allow and at what stage.

A25) A “material” modification to an Offer includes items such as, but not limited to, a change from Round 1 bid to Round 2 bid in Offer price that exceeds the limit described in the RFP, a change in technology, a change in

Point Of interconnection (“POI”) on CHGE’s electric Transmission & Distribution (“T&D”) system, a change in the rated Dispatchable Capacity, a change in the Storage Duration, and a change in the property for construction; this is not an all-encompassing list. CHGE respects the NYISO interconnection process and will not allow any modification to a project that is not allowed by the NYISO process.

Q26) Please provide clarification on whether Appendix C5 (Financial and Credit Info) is a part of Qualification or Round 1?

A26) The information requested in Appendix C5 is necessary for the Qualification phase of the RFP. It is anticipated that responses to Appendix C5 will be refreshed in the Round 1 and Round 2 offer packages as additional information becomes available.

GENERAL QUESTIONS: (starting on 7/8/2024)

Q27) For Appendix D2, would an LLC need to sign both the general Non-Disclosure Agreement (“NDA”) as well as the Individual NDA (Attachment 1)? As an LLC, do we need to submit the individual NDA as well?

A27) The posted Confidentiality and Non-Disclosure Agreement (“NDA”) (Appendix D2) is optional for the Qualification, Round 1, or Round 2 stages of the RFP, unless the Bidder must exchange information with CHGE by means other than e-mail or CHGE will be providing confidential information to the Bidder. Due to a host of business risks, when the NDA is required, the full NDA must be signed, inclusive of Attachments 1, 2, & 3; no changes to the document will be accepted. Each employee of the Bidder who will have access to the confidential information must sign the Individual NDA (Attachment 1) and provide it to CHGE; electronic signature is acceptable. Further, if the Bidder makes modifications to the NDA when it is optional, CHGE must have the changes reviewed and signed by its attorney.

The version of CHGE NDA posted on 6/10/2024 can be used in the interim for the Qualification, Round 1, or Round 2 stages of the RFP. On July 17, 2024, an updated version of the NDA, inclusive of Attachments 1, 2, & 3, has been posted to the CHGE website. This July 17, 2024 version of the NDA and any subsequent replacement version must be used by the bidder(s) that CHGE awards an energy storage dispatch rights contract to before signing the CHGE Energy Storage Services Agreement (Appendix D1).

Q28) For Appendix D2, does the Vendor Questionnaire (Attachment 3) have to be completed at this time or during Round 1?

A28) Please refer to the answer A27.

Q29) For CHGE Preferred Location (Appendix E), what is the maximum (peak) electric MW load served by the Saugerties Substation? What is the minimum electric MW load served by the Saugerties Substation (excluding the hours when the Saugerties Substation was experiencing a substation electric outage)?

A29) CHGE electric substation load and operating voltage information can be found using this public website link <https://gis.cenhud.com/gisportal/apps/webappviewer/index.html?id=c8ae3bfbf0f34602bb19ccb2087019a0>.

Q30) CHGE 2024 Bulk Energy Storage (“ES”) RFP document states that Bulk ES project would be eligible for the New York State Energy Research and Development Authority (“NYSERDA”) Market Acceleration Bulk Incentive (“MABI”). However, this NYSERDA program appears to be older than the new NYSERDA incentives just published in New York State (“NYS”) ES Roadmap 2.0. Can CHGE provide clarification which NYSERDA incentive programs CHGE 2024 Bulk ES RFP projects would be eligible for and the relevant incentive levels that would be available?

A30) With regards to CHGE 2024 Bulk ES RFP, NYSERDA has committed to provide funding to CHGE's procured Bulk ES projects in the event that the Net Project Value as calculated by CHGE is insufficient to fund at least a total of 10 MW of potential Bulk ES project bids. This NYSERDA funding can be applied at NYSERDA's discretion to one or to multiple CHGE selected projects. Bidders will execute a NYSERDA contract (e.g., Appendix F) to receive this incentive prior to executing the Dispatch Rights contract with CHGE (i.e., CHGE Energy Storage Services Agreement {Appendix D1}).

Q31) Regarding redlines to CHGE Energy Storage Services Agreement (“ESSA”) {Appendix D1} and NYSERDA Utility Dispatch Projects contract {Appendix F}, are these due as part of CHGE 2024 Bulk Energy Storage RFP Round 1 bid or Round 2 bid?

A31) While CHGE's intent is for developers to accept the CHGE ESSA Terms and Conditions as presented (see answer A6), the company is willing to review feedback or concerns with the ESSA Terms and Conditions at any time during the RFP process. Therefore, there is no specific deadline (e.g., Round 1, Round 2, or ESSA Contract Signing phase) for bidder's feedback comments to be provided to CHGE.

Q32) Is CHGE able to provide specific feedback on submitted offers?

A32) At the notification stage (end) of each Round, CHGE will provide an opportunity for each bidder to have a conference call with the CHGE Energy Storage (“ES”) team. The bidder can ask questions of the CHGE ES team and the CHGE ES team will make best efforts to provide specific feedback on the bidder's ES project proposal. The conversation can include any aspect of the project offer package. However, CHGE will not provide specific information related to pricing, as that information would breach the competitive intent of the RFP. CHGE may provide general feedback regarding pricing for a project that does not meet the economic threshold necessary to advance to either the next Round or the Contracting phase.

Q33) Is a completed Appendix C8 due for Round 1, Round 2, or both?

A33) Appendix C8, NATF Cyber Questionnaire-2024, must be completed and submitted prior to signing the Energy Storage Services Agreement. While a completed Appendix C8 is not required for Round 1 or Round 2, it is anticipated that this Appendix will require a lengthy review period. Therefore, Bidders are strongly encouraged to submit a completed Appendix C8 as early as possible in the RFP process, and preferably no later than the Round 2 offer submission.

Q34) Is there any security fee, beside the Offer Submission fee of \$10,000, that needs to be paid for bid submission?

A34) As detailed in Section 4.4 of the Bulk Storage Request for Proposals document, “Approved Bidders must provide an ‘Offer Fee’ in the amount of U.S. \$10,000 for each Round 1 Offer and an additional U.S. \$5,000 for each Round 2 Offer at the time of submission.” Please refer to Section 4.5 of the Bulk Storage Request for Proposals document to determine the number and total amount of Offer Fees will be due for Round 1 and Round 2 submission.

Q35) Please indicate which submission Round (1 or 2) the information in Appendix C2 Interconnection, item 7 ‘Studies and agreements’ must be provided.

A35) When a submission, such as item 7 in Appendix C2 Interconnection, is requested without identifying the specific Round it is due, it is recommended for the Bidder to provide the requested information in the earliest Round it is available for consideration by the CH Energy Storage team.

Q36) Please clarify the timing of when the NYSERDA Market Acceleration Bulk Incentive (MABI) funding will be determined.

A36) The NYSERDA MABI funding will be determined just prior to the scheduled Round 2 notifications on May 15, 2025.

Q37) Should the NYSERDA MABI funding be included in a Bidder’s project offer price?

A37) No, bidders must not include any estimate of NYSERDA MABI funding in their project offer price.

Q38) Please clarify what level of NYSERDA MABI funding is available for each offered project.

A38) The level of NYSERDA MABI funding for any, each, or multiple offered projects will be determined by NYSERDA in collaboration with DPS Staff and Central Hudson’s Energy Storage evaluation team after Central Hudson’s utility ‘bid ceiling’ has been determined for each offered project. NYSERDA’s MABI funds will be applied at NYSERDA’s discretion to bridge a forecasted economic shortfall between Central Hudson’s utility ‘bid ceiling’ and a project offer price, to the extent that enough funds are available to bridge the gap.

Q39) Is the RFP Offer submission required to be one PDF document or can the appendixes be submitted as separate attachments?

A39) Central Hudson prefers to receive one PDF document for the RFP Offer submission. This is to ensure Central Hudson receives the complete Offer submission. However, if the single document exceeds 10MB in size, please provide multiple documents that are each smaller than 10MB in size and list each attached document file name and size within the body of the e-mail submission. Central Hudson will compare the document file names and size to the attachments as a means to validate the entire Offer submission has been received.

Q40) Is the NATF Cyber Questionnaire required for our Round 1 Offer?

A40) Please refer to the Answer provided in Q33/A33.

Q41) Is any Bidder action needed for Appendix C9 Cyber Security Requirements beyond reading & understanding?

A41) The Bidder action needed for Appendix C9 is to initial the box in “Appendix C6 – Bidder Checklist” to acknowledge having read and understand the requirements of Appendix C9.

Q42) Please provide more context regarding the preferred capability of up to five cycles per day.

A42) The ‘up to 5 cycles per day’ criteria is applicable to any offered Energy Storage (“ES”) project with 2 hours of Storage Duration; please see RFP Section 2.5.1 bullet #2 on page 7. Longer Storage Duration ES projects may be subject to fewer full cycles per [dispatch] day.

Q43) Are there existing plans to cycle the battery in this manner?

A43) It is uncertain at this time how the battery may operate in the NYISO wholesale market. However, because it is possible for a 2-hour duration battery to cycle fully up to 5 times per [dispatch] day, the Bidder must be certain that their project is designed for this possible operating condition. As indicated in RFP Section 2.5.1 footnote #25 on page 7, “Expected actual daily usage could be as low as zero Cycles or as high as 5 Cycles per Calendar Day for an energy storage system with as few as 2-hour Storage Duration for example.”

Q44) Which CHGE electric rate tariff(s) will be applied to the bulk energy storage system for station use and for electric distribution charging energy costs?

A44) During the term of CHGE Energy Storage Services Agreement (“ESSA”){Appendix D1}, the CHGE electric rate tariff(s) that will be applied to the bulk energy storage system for station use (a.k.a. Station Service) and for the cost to deliver electric charging energy will be identified independently and billed separately. The costs and revenues related to wholesale market electric charging and discharging energy (and ancillary services and electric capacity) are the responsibility of CHGE for the duration of the ESSA.

The CHGE electric rate tariff that will be applied to station service load is wholly dependent upon the Bidder’s project’s electric load and interconnection requirements. The CHGE electric rate tariffs that are most relevant for station service requirements are Service Classification No. 2 (General Service), Service Classification No. 3 (Large Power Primary Service), or Service Classification No. 13 (Large Power Substation and Transmission Service). The Bidder must consider the expected electric interconnecting service type (single-phase or three-phase), electric voltage class (distribution or transmission), electric interconnection location (distribution, substation, or transmission), and connected electric load (energy demand and periodic volume) when deciding which Service Classification and applicable electric tariff rates should be used to estimate Station Service costs to be included in the project offer. Upon award, CHGE will have the responsibility to determine the Service Classification that will be applied to the offered project’s station service electric load.

Separately, the CHGE electric rate tariff that will be applied to the costs for delivering electric charging energy will be CHGE Wholesale Distribution Service (“WDS”) tariff (Rate Schedule 21)(FERC Docket# ER24-1434-001) filed on June 5, 2024 at the Federal Energy Regulatory Commission (“FERC”) by the New York Independent System Operator (“NYISO”) on behalf of CHGE. Costs for delivering electric charging energy will be applied based on the Bidder’s project’s electric load, electric interconnection requirements, and the frequency and magnitude of electric charging at CHGE’s direction under the ESSA term. Like station service, the Bidder must consider the electric interconnection service type, the electric voltage class, the electric interconnection location, and the electric load volume, as well as an estimate of the annual electric charging cycles when determining the estimated cost to deliver electric charging energy under Rate Schedule 21 to be included in the project offer.

CHGE current electric rate tariffs can be found on the New York State Department of Public Service (“NYSDPS”) website by copying and pasting the following weblink to your web browser:

https://ets.dps.ny.gov/ets_web/search/searchShortcutEffectiveAction.cfm?M%3FIW%3F%21ZQOH%25NL%40LNR%3C%2BR%3F%2BXTWD8AM%3F%263%40JZ%3E%3EME%2AOC9%3E4J%292TH%21J%3EH%2AK%3D%26%28VP%0AMLF%5EGL%2A%5F%25AKO%2BS%5EH%3BQO%5F%2E%22%5C%2DD4%3B%2F%2FO%20%2AVBMFR4K%3BHI%2AR%29H4VHFQ614AB%2C%22%3B%2A%2E%0AMHE%5E%5FU%3DL%2CV%27%2AJ%5F8B%21%5DYSY%5D906J4OLCKBD0G7%20KX%23%3C%3CK%25GM%29VKOM%2ANS%2D%5E8VK%3A%26%0AM%2356F38%5EVFV%3A%5E%5CC%3EZOW%3EW%5CU7YEA%5E%3CX%2B%5EM7%22%29WHYBK%206%28OMWUHOZUEW%5B%20%5BDK7K%0A%23%28%2D%5D%2B%0A

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CHGE current Wholesale Distribution Service (“WDS”) tariff (Rate Schedule 21) can be found on the FERC website by copying and pasting the following weblink to your web browser:

https://elibrary.ferc.gov/eLibrary/filelist?accession_number=20240605-5161

<https://elibrary.ferc.gov/eLibrary/filedownload?fileid=251B1969-19B4-C975-B658-8FE9C8B00000>