

FOR IMMEDIATE RELEASE: Wednesday, December 18, 2024

LIPA Board of Trustees Approve Two Utility-Scale Battery Energy Storage Contracts

*Approved Contracts will Enhance LIPA's Clean Energy Portfolio and
Ensure Continued Reliability of the Electric Grid*

Plans Include State-of-the-Art Technology, along with Enhanced Fire Safety Features

UNIONDALE, NY—The Long Island Power Authority (LIPA) today approved two battery energy storage contracts in Suffolk County: a 79 megawatt (MW) facility in Hauppauge and a 50 MW facility in Shoreham. Key Capture Energy, LLC, an experienced utility-scale battery energy storage developer, will now coordinate with the Towns of Islip and Brookhaven to build and operate the lithium-iron-phosphate battery facilities under long-term contracts with LIPA. They will serve as a critical resource to meet clean energy goals and reliability needs for Long Island and the Rockaways by providing LIPA with capacity and dispatch rights from these energy storage facilities.

John Rhodes, Acting Chief Executive Officer of LIPA, said, “Energy storage is essential to delivering reliable and affordable power as we increasingly switch to renewable energy sources and electrify our buildings and transportation systems. Integrating storage in the electric grid, especially in areas with high energy demand, will allow clean energy to be available when and where it is most needed. These projects are critically valuable for our electric grid and will be valuable additions to our power supply portfolio. These contract approvals now allow the developer, Key Capture Energy, to proceed with seeking final approval from the Towns of Brookhaven and Islip.”

The New York State Climate Leadership and Community Protection Act (Climate Act), enacted in 2019, set a target of 70% of the state’s electricity being produced from renewable resources by 2030, with the additional goal of achieving a 100% carbon-free grid. The Climate Act targets include a 3,000 MW statewide energy storage goal, which has since been expanded to 6,000 MW by the New York Public Service Commission.

Through a 2021 Bulk Storage Request for Proposals, LIPA intends to meet its share of these goals by procuring approximately 179 MW of new bulk energy storage contracts. These facilities will be critical as the needs of the local electric grid are changing – in preparation for additional offshore wind generation and the retirements of existing fossil fuel peaking plants. The electric grid will need flexible solutions that can respond quickly when needed, given the intermittency of renewable generation, and discharge during peak demand hours to enhance reliability.

79 MW “KCE NY 29” – Hauppauge, New York

The “KCE NY 29” project in Hauppauge will sell LIPA 79 MW and 316 megawatt-hours of capacity.

Over the 20-year contract, the cost to the average LIPA residential ratepayer will be \$0.19 per month. A 12-foot-high barrier wall will be installed to serve as a sound barrier and landscaping will be added around the perimeter to further reduce its visibility.

The project will connect to the Kings Substation and is expected to be completed by 2028.

50 MW “KCE NY 31” – Shoreham, New York

The “KCE NY 31” project in Shoreham is being developed on a portion of the former Shoreham Nuclear Power Plant, which LIPA owns. LIPA will purchase a guaranteed 50 MW and 200 megawatt-hours of capacity from the project.

Over the 20-year contract, the cost to the average LIPA residential ratepayer will be \$0.11 per month. The project will connect to the Shoreham Substation and is expected to be completed by 2028.

These projects will use lithium-iron-phosphate (LFP) batteries with a discharge duration of four hours. These are the most common types of batteries used in utility-scale battery energy storage, and they enable increased integration of renewable energy sources while ensuring a resilient and reliable power supply. Both projects are executed under “Energy Storage Build-Own-Operate-Optional Transfer Agreements,” which provide LIPA the option to purchase the projects in the future.

As required under state law, these projects undertook an environmental review under New York’s State Environmental Quality Review Act (SEQRA). This act requires all involved local, regional, and state government agencies to examine the environmental impacts along with the social and economic considerations for a jurisdictional project or actions during their discretionary review.

Fire incidents at smaller battery storage facilities on Long Island and New York State have highlighted the need to adequately address fire safety, including measures to prevent and respond to battery storage fires. Last year, to address these incidents, Governor Kathy Hochul announced the creation of an Inter-Agency Fire Safety Working Group to ensure the safety and security of energy storage. These two projects have incorporated all the Working Group’s recommendations to date.

Brian Hayes, Chief Executive Officer of Key Capture Energy, said, “Key Capture Energy is excited to partner with LIPA to bring these projects online and support a clean and reliable electric grid across Long Island. We look forward to continuing to work with LIPA to help meet the evolving needs of the grid in the future.”

William Acker, Executive Director of New York Battery and Energy Storage Technology (NY-BEST), said, “This contract announcement is a significant step towards putting the state on a path to deploying 6,000 MW of battery energy storage in New York by 2030. NY BEST looks forward to more successful collaborations between the storage industry, electric utilities, and state policymakers to capture the benefits of battery energy storage for a clean, reliable electric grid.”

Terri Alessi-Miceli, President and Chief Executive Officer of the Hauppauge Industrial Association, said, “The Long Island Innovation Park at Hauppauge is a hub for forward-thinking solutions that drive economic growth and support critical infrastructure needs. We welcome new opportunities that enhance energy reliability and ensure a sustainable future for our region. Projects like this underscore the Park’s role as a leader in innovation, helping Long Island businesses stay competitive and resilient.”

Matthew Aracich, President of the Building and Construction Trades Council of Nassau Suffolk Counties, said, “The approval of these battery energy storage projects is a crucial step forward in meeting the demand for Long Island’s clean energy future. By embracing state-of-the-art technology and prioritizing safety, LIPA is not only supporting New York’s ambitious climate goals but also creating opportunities for high-quality union jobs that benefit local tradeswomen as well as the next generation of skilled tradespeople and their families. The Nassau Suffolk Building Trades are proud to partner in building a sustainable and reliable energy infrastructure for generations to come.”

Adrienne Esposito, Executive Director for the Citizens Campaign for the Environment, said, “Long Island is on the front lines of climate change. We must transition from fossil fuels to renewable energy, including wind, solar, and battery energy storage. CCE applauds LIPA for approving the contracts for two Battery Energy Storage Systems, which will assist our critical transition away from dirty, polluting peaking plants while creating a more resilient energy grid and delivering renewable power to Long Island homes. We will not achieve our climate goals without good battery energy storage projects like these. CCE thanks LIPA for their continued leadership in embracing renewable projects that protect our communities, environment, and economy.”

Tim McCarthy, a Business Representative of the International Brotherhood of Electrical Workers Local 25, said, “The renewable energy market on Long Island is an evolving landscape. IBEW supports the efforts of the state to achieve its renewable energy goals, and we are well-positioned to do so. Battery energy storage is a major part of the renewable energy portfolio, providing stabilization to the grid. IBEW Local 25 recognizes the importance of these projects and the opportunities they provide for our members, and we look forward to working with our partners at Key Capture Energy to deliver these vital projects to meet our energy needs.”

Julie Tighe, President of the New York League of Conservation Voters, said, “As New York moves off of polluting fossil fuels and onto clean, renewable energy, it is critical that we also build out a robust network of battery energy storage systems to ensure our green grid is as reliable as it is robust. We congratulate Key Capture Energy on the approval of their Hauppauge and Shoreham projects and we applaud LIPA for their ongoing commitment to the clean energy transition.”

Key Capture Energy and PSEG Long Island, LIPA’s service provider, conducted public outreach for both projects, including with local fire marshals and hazmat coordinators. The contracts will

now be sent to the New York State Attorney General and Office of State Comptroller for approval before state and local permits can be issued.

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ABOUT LIPA

LIPA is a not-for-profit public utility that aims to serve our customers and community by providing clean, reliable, and affordable energy to Long Island and the Rockaways. LIPA contracts with PSEG Long Island to manage its electric system to performance standards specified by its Board of Trustees under a four-year contract. For more information, visit lipower.org and follow us on [LinkedIn](#).

ABOUT KEY CAPTURE ENERGY

Key Capture Energy is a premier developer, owner, and operator of battery energy storage systems across the United States. Since 2016, KCE has led the industry in creating a resilient electric grid to meet today's challenges while paving the way for a more sustainable and reliable energy future. KCE has over 620 megawatts (MW) of utility-scale battery energy storage facilities operating today and a development pipeline of over 10,000 MW across the country. Discover how KCE is shaping the energy landscape at keycaptureenergy.com.

Developer of utility-scale battery storage facility in Shoreham wins 20-year contract from LIPA



Key Capture Energy representative Phil Denera discussing plans for a 50 MW battery storage facility in Shoreham during a Wading River Civic Association meeting on May 23 at Wading River Congregational Church. RiverheadLOCAL/Denise Civiletti

By **Denise Civiletti**

Dec 26, 2024, 5:37 pm

The developer proposing a utility-scale battery energy storage facility on the site of the Shoreham power plant was awarded a 20-year contract by the Long Island Power Authority last week.

Key Capture Energy is seeking to build a 50-megawatt battery energy storage facility on the 57-acre site, which is owned by LIPA and is already developed with

a decommissioned nuclear power plant, a 138kV substation and the Cross Sound Cable, which connects the LIPA power grid to suppliers in Connecticut.

The BESS facility is planned for a two-acre portion of the property on the west side of the site, which borders more than 300 acres of wooded, undeveloped land owned by National Grid. Key Capture Energy will lease the two-acre site from LIPA for 20 years at a fair market rental value, determined by an independent appraiser, according to documents provided by LIPA with last week's announcement. LIPA has an option to purchase the facility after seven years; if it exercises the option to purchase, the lease will be terminated.

MORE COVERAGE: Energy company to discuss plans for 50 MW battery storage facility in Shoreham at Wading River Civic meeting Thursday night

The Shoreham project was one of two utility-scale battery energy storage projects awarded long-term contracts by LIPA on Dec. 18. The other is a 79-megawatt facility in Hauppauge, in the Town of Islip, also proposed by Key Capture Energy.

KCE was selected through an RFP process begun in April 2021. There were 78 proposals submitted in response to the RFP and in August 2022, five proposals were chosen for negotiations. Of the five short-listed proposals, two were withdrawn. Contract negotiations were successfully completed on two of the remaining three proposals.

The Shoreham BESS facility will connect to the Shoreham Substation and is expected to be completed by 2028, LIPA said in a Dec. 18 press release.

Under the contract, LIPA will purchase a guaranteed 50 MW and 200 megawatt-hours of capacity from the project during the first seven years. The estimated net cost of the KCE Shoreham Project for the first year is approximately \$2.9 million or approximately \$0.11 per month for the average LIPA residential ratepayer, according to documents provided by LIPA.

The developer must still obtain final permit approvals from the State of New York and the Town of Brookhaven.

“Energy storage is essential to delivering reliable and affordable power as we increasingly switch to renewable energy sources and electrify our buildings and transportation systems,” LIPA’s Acting CEO John Rhodes said in the press release.

New York has a 6,000 MW statewide energy storage goal, established to meet targets set by the New York State Climate Leadership and Community Protection Act of 2019, which calls for 70% of the state’s electricity being produced from renewable resources by 2030, with the additional goal of achieving a 100% carbon-free grid.

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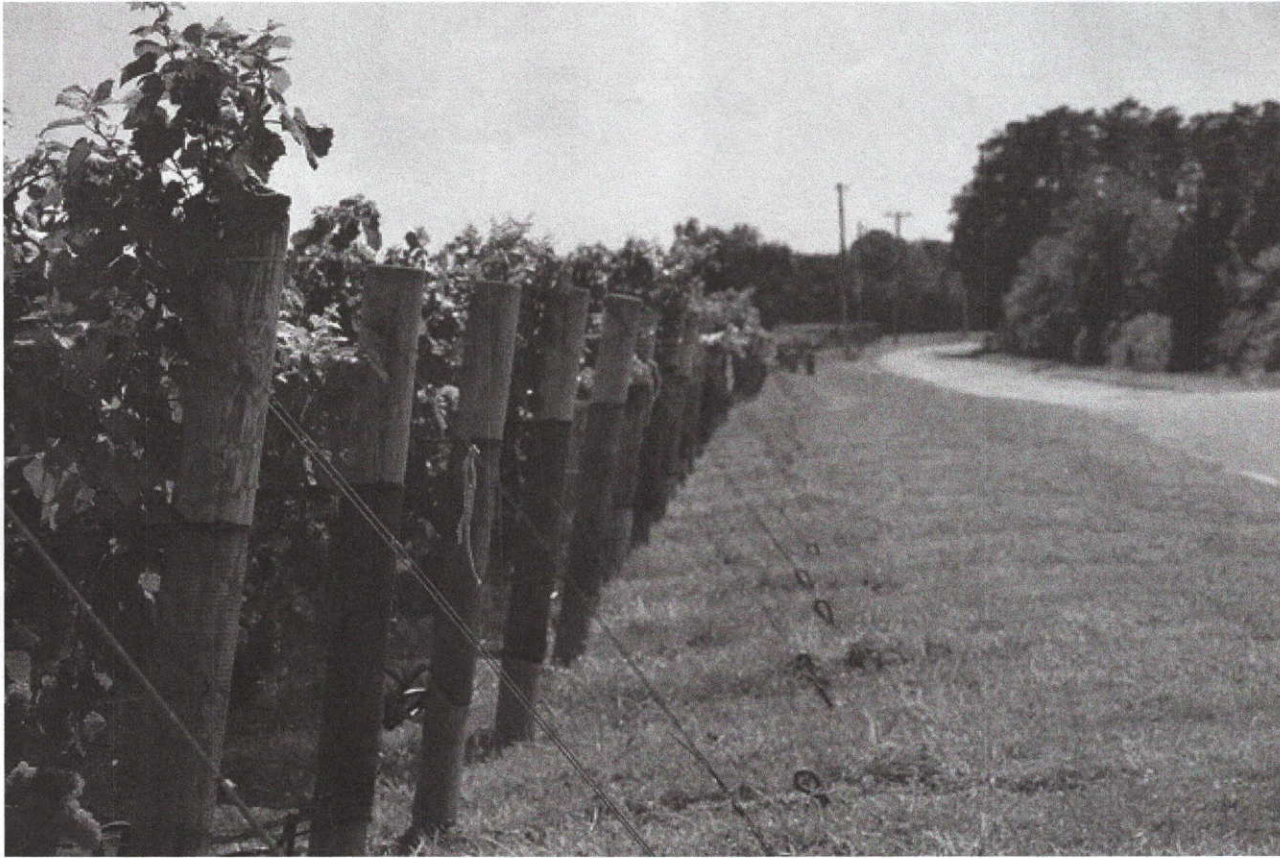
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Denise Civiletti

Denise is a veteran local reporter, editor and attorney. Her work has been recognized with numerous journalism awards, including investigative reporting and writer of the year awards from the N.Y. Press Association. She was also honored in 2020 with a NY State Senate Woman of Distinction Award for her trailblazing work in local online news. She is a founder, owner and co-publisher of this website. Email Denise.

The Suff^ol^k Times.



Oregon Road in Cutchogue. (File photo)

A public hearing to extend Southold Town's moratorium on the construction of Battery Energy Storage System facilities, known as BESS, has been set for April 15 at 7 p.m.


The temporary moratorium was enacted by the Southold Town Board on Jan. 31, 2023, with an effective date of April 11, 2023, following public scrutiny of a proposed BESS facility by Key Capture Energy on Oregon Road in Cutchogue.







That plan outlined a 60-megawatt, lithium-ion battery storage system and a new Long Island Power Authority substation on a 27-acre parcel. It was reported that a full discharge of the system would provide enough energy to power roughly 16,000 homes a day, on an average.

At a public hearing for the project in December 2022, then Cutchogue Fire Department chief Amos Meringer said area residents had significant concerns

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Yes, Long Island can potentially receive more hydroelectricity, primarily through large-scale transmission projects like the Champlain Hudson Power Express (CHE) and Clean Path NY (CPNY), which will bring renewable electricity, including hydropower from Quebec, into the New York City market.

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I believe this is due to the fact that **hydroelectric generation doesn't exist on the island**, but is prevalent elsewhere in NYS. MAP: <http://blog...>

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