



**IRA promotes development of battery energy storage systems and other green technologies - by Judy Simoncic and Gregory Carman**

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The recent passage of the Inflation Reduction Act ("IRA") on August 26, 2022 represents unprecedented legislation which, among other things, includes significant investment in renewable energy technologies. The IRA provides tax credits for companies developing and producing solar panels and wind turbines, as well as the manufacturing of battery storage and other renewable energy technologies. Solar and wind technologies have been implemented for many years but battery energy storage systems, more commonly known as "BESS," is a new evolving technology that allows for more efficient storage of energy. This technology is seeing widespread application by large corporations, developers and property owners.

BESS systems provide a wide range of power and storage capacities. A large BESS can be installed in industrial or business districts to serve local manufacturing plants and office buildings, and in some residential districts, it can supply power to entire neighborhoods. A BESS can also be downsized to service individual dwellings with small units, about the size of a standard residential central air conditioning unit.

Like most new legislation, the IRA is already having significant effects on municipal zoning codes as there are now major incentives to invest in green technologies and allow for their widespread installation. Before the IRA, only a handful of Long Island municipalities took steps to incorporate BESS provisions into their zoning codes. Among them, the Towns of Huntington, Brookhaven, and Southampton all adopted provisions allowing the installation of BESS in their industrial and business districts.

Notably, the Town of Southampton's code allows for BESS to be installed in residentially-zoned districts, allowing taxpayers to install a lower-powered unit in their homes as an accessory use. Combined with the growing trend of installing solar panels on the roofs of residential dwellings, these residential BESS systems will ease the daily burden on the power grid along with providing a source of emergency power during the next superstorm event.

The financial benefits of the IRA are already, not surprisingly, motivating developers to incorporate BESS technology into future projects. Similarly, municipalities are looking for ways to permit the development of BESS systems through zoning code amendments. Like other renewable energy sources, BESS is certainly here to stay. Developers, homeowners and businesses alike should consider taking advantage of the IRA benefits through installation of renewable energy technologies. With the IRA, renewable energy is not only environmentally responsible but carries with it financial incentives. The experienced attorneys in our Land Use and Renewable Energy practice groups are available to answer your questions and guide you through the complicated approval process for these systems.

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