

June 2nd, 2015

Testimony in Support of Energy Storage (S.1762, S.1770 & H.2852)

Dear Chairmen Downing, Golden, and Members of the Committee:

Acadia Center is a non-profit, research and advocacy organization committed to advancing the clean energy future.

Acadia Center supports S.1762 (*An Act relative to energy storage systems*), S.1770 & H.2852 (*Acts relative to net metering, community shared solar and energy storage*) as important means of supporting energy storage, which can help the Commonwealth achieve a number of important objectives, including reducing peak demand, decreasing greenhouse gas (GHG) emissions, integrating renewables, and optimizing the performance of the grid. Acadia Center is filing separate testimony today specifically addressing solar policy issues.

Precedents from Other Jurisdictions

Many jurisdictions have already created mechanisms to support energy storage:

- California – established a target for utilities to acquire 1,325MW of energy storage by 2020,¹ which – it is worth noting – started at a modest increase from expected deployment levels for energy storage.
- Hawaii – Hawaii Electric Companies is procuring 60MW-200MW of energy storage to enable further deployment of renewables.
- New York
 - Long Island Power Authority is procuring 250MW of energy storage to replace old and inefficient generation, accommodate load growth and increased renewable generation, defer transmission system upgrades, and support resiliency.²
 - Consolidated Edison is seeking up to 100MW of energy storage through incentives for thermal (\$2,600/kW) and electrical (\$2,100/kW) energy storage.³
- Ontario – established an initial 50MW procurement target, with 35MW carved out for emerging technologies.⁴

For comparison, Massachusetts currently has just 1.2MW of energy storage projects deployed (not including pumped hydro – for which existing potential has been exhausted), with another 1MW contracted, according to the Department of Energy.⁵ Clearly there is significant potential for additional cost-effective deployment of energy storage, which will support additional deployment of solar and other renewables, and help the Commonwealth and New England address winter price volatility due to over-reliance on natural gas generation.

¹ http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=200920100AB2514

² <http://www.lipower.org/proposals/GSDR.html>

³ <http://ny-best.org/sites/default/files/type-page/31348/attachments/ConEdison.pdf>

⁴ http://www.ieso.ca/Documents/Pages/Ontario%27s-Power-System/Backgrounder-Energy-Storage-July_25.pdf

⁵ <http://www.energystorageexchange.org/>

Complimentary Executive & Legislative Support

We are encouraged to see the Baker Administration take an active role in supporting energy storage, and believe that legislation will help solidify this support. Specifically, we believe that the \$10 million in recently announced funding through the Energy Storage Initiative⁶ for demonstration projects from the utility to residential scales will help prove the value of different energy storage technologies and deployment models.

Furthermore, the two part study of market potential and policy support mechanisms by the Department of Energy Resources and Massachusetts Clean Energy Center will provide timely information to support implementation of legislative proposals being considered today to establish longer term energy storage policies for Massachusetts. Both reports are scheduled to be completed at the start of 2016, when legislation would initiate regulatory proceedings to establish mechanisms to increase deployment of energy storage. In light of its role leading the policy-focused study,⁷ we believe that DOER would be the most appropriate entity to develop a policy framework to support energy storage deployment.

Massachusetts is already home to a growing energy storage cluster, and this cluster will continue to grow with appropriate support, and we look forward to continuing engagement with the legislature and administration to bolster this important and promising clean energy sector.

Peter Shattuck

Massachusetts Director
pshattuck@acadiacenter.org
617-742-0054 ext.103

⁶ <http://www.mass.gov/eea/pr-2015/10-million-energy-storage-initiative-announced.html>

⁷ <http://images.masscec.com/uploads/programdocs/%3Cem%3Eedit%20Offerings%3C/em%3E%20Massachusetts%20Energy%20Storage%20Study%20Request%20for%20Proposals/MassCEC-DOER%20Energy%20Storage%20Study%20RFP.pdf>