

January 17, 2024

Rikka Strong
Presiding Officer
Maine Public Utilities Commission
18 State House Station
Augusta, ME 04333

Dear Ms. Strong:

Acadia Center appreciates the opportunity to provide written comments in response to the December 6, 2023 Notice of Inquiry in Public Utilities Commission (PUC) Docket 2023-00316, Inquiry Regarding Utility Control or Ownership of Energy Storage. Acadia Center is a non-profit research and advocacy organization incorporated in Maine and committed to advancing the clean energy future.

Energy Storage Offers Significant Benefits

Energy storage projects will be a vital component of Maine's greenhouse gas emissions reduction strategies. Energy storage projects can help to reduce peak demand, easing congestion constraints along the distribution and transmission systems. This in turn can defer or avoid new infrastructure upgrades and investments. Energy storage projects can help to integrate more renewable energy onto the grid and reduce potential curtailment. By storing energy when renewable energy is abundant and discharging energy during peak periods when generation sources are often the most polluting, energy storage can help reduce emissions. Further, the ancillary services that energy storage projects can provide—such as frequency and voltage regulation and black start capabilities—help make the grid more resilient.

Utility Ownership of Energy Storage Should Only Be Allowed Under Certain Conditions

Acadia Center believes that Maine's investor-owned utilities should only be allowed to own energy storage projects in a narrow set of circumstances and should otherwise be restricted from owning energy storage projects. Acadia Center recommends that Maine's investor-owned utilities may be allowed to own energy storage projects when there is a clear failure in the competitive marketplace to provide an adequate solution, such as for a narrowly defined reliability service, or when being sponsored for demonstration purposes.

As Maine seeks to meet its 300MW by 2025 and 400MW by 2030 battery storage targets, Acadia Center recommends that the Commission set conditions for energy storage ownership that support a competitive marketplace for solutions. A lack of restrictions on utility ownership of energy storage could dampen the ability of independent, third-party solution providers to offer solutions that may provide even greater benefits to ratepayers compared to strictly utility-owned energy storage projects.

Acadia Center recommends that the primary means for procuring energy storage systems should be through competitive solicitations. Any application by an investor-owned utility to own an energy storage project must clearly

show that third-party solutions are inadequate or that a competitive procurement is infeasible. Competitive procurements can be tailored based on the storage system's point of interconnection, location, function (i.e. energy, capacity, and ancillary services), and other needs, as well equity-related factors such as being located in environmental justice communities. Competitive procurements can help to drive down costs, thereby saving ratepayers money.

While competitive procurements are one key method for enabling energy storage deployment, the Commission should also consider the advantages and disadvantages of additional methods, such as clean peak credits like those used in Massachusetts' Clean Peak Program; upfront incentives; and index storage credits, among other tools.

The Commission Should Explore Programs to Support Behind-The-Meter Energy Storage

Acadia Center recommends that the Commission also explore opportunities to expand behind-the-meter (BTM) energy storage projects, in addition to front-of-the-meter grid-scale storage projects. The Green Mountain Power (GMP) battery program in Vermont is a useful model. GMP provides direct incentives to customers for the installation of residential batteries, and customers who participate in the Bring-Your-Own-Device program help to reduce peak load, generating both bill savings and reducing infrastructure costs. In Connecticut, regulators recently approved both upfront and annual performance-based incentives to reduce the cost of buying and installing energy storage systems for customers of the state's investor-owned utilities.¹ The program is administered jointly by the Connecticut Green Bank and the IOUs and includes added incentives for storage projects deployed in low-income communities. These and other programs can serve as a model for Maine as it works to accelerate the deployment of BTM energy storage projects.

Sincerely,

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¹ See Public Utilities Regulatory Authority Docket No. 17-12-03RE03 Decision, July 28, 2021.