

## Ferguson, Thomas (ENE)

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**From:** Jonathan Hakim <jonathan@innsure.org>  
**Sent:** Monday, February 5, 2024 9:41 AM  
**To:** Ferguson, Thomas (ENE)  
**Cc:** Charlie Sidoti; Christopher Lowell; scullinan@masscec.com  
**Subject:** Re: DOER Energy Storage Study Report  
**Attachments:** Climate Tech for Industrial Decarbonisation.pdf

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Dear Tom

Thanks for your response. We believe there is a missing Program Element for MDES/LDES Technology Commercialization Grants. Project financing requires significant de-risking to bring existing and new storage technologies to market. Insurers/Reinsurers need to be brought into risk mitigation discussions early to ensure capacity and capital are available on the terms and scale required for commercial deployment. Historically, the insurance industry has been slow to jump into similar markets, where technology is still in the early stages, in part because technology developers tend to think of insurance/risk transfer only at a late stage in the go-to-market process. A recent report by the Geneva Association (attached) echoed this theme in the market for decarbonization technologies.

Our recommendation is that the following work needs to be done:

- Market discovery to identify key risks of MDES/LDES technology deployment and execution, current insurance and banking industry perspective on those risks, willingness to engage across multiple risk categories
- Ecosystem-building of potentially interested insurers and lenders to participate and discuss the key concerns and what data/efforts might be required to unlock risk capital during commercialization.
- Analysis of what role outside parties might play in this de-risking - specifically, government support, philanthropic investment, third-party verification, and nonprofit convening power.
- Co-creation of a working team to begin building the insurance products necessary to de-risk projects (supply chain, technology, offtake, degradation warranty, etc.)

We would be pleased to set up a meeting to discuss the above in more detail whenever that makes sense for your feedback-gathering process.

Best regards

Jonathan.

On Thu, Feb 1, 2024 at 9:06 AM Ferguson, Thomas (ENE) <[Thomas.Ferguson@mass.gov](mailto:Thomas.Ferguson@mass.gov)> wrote:

Dear Jonathan,

Thanks for your email. I actually wrote you a few days ago but it bounced back; hope you get this one.

I'd be happy to take your input and learn more about this. If you're able to write some comments that would be great, and I'm happy to take a meeting at some point as well.

Best,

**Tom Ferguson, Ph.D.**

**Energy Storage Programs Manager, Renewable and Alternative Energy Division**

Massachusetts Department of Energy Resources

100 Cambridge Street, 9<sup>th</sup> Floor, Boston, MA 02114



*Creating a Clean, Affordable and Resilient Energy Future for the Commonwealth*

Tom

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**From:** Jonathan Hakim <[jonathan@innsure.org](mailto:jonathan@innsure.org)>

**Sent:** Thursday, February 1, 2024 8:00 AM

**To:** Ferguson, Thomas (ENE) <[Thomas.Ferguson@mass.gov](mailto:Thomas.Ferguson@mass.gov)>

**Cc:** Charlie Sidoti <[charlie@innsure.org](mailto:charlie@innsure.org)>; Christopher Lowell <[Chris@innsure.org](mailto:Chris@innsure.org)>; [scullinan@masscec.com](mailto:scullinan@masscec.com)

**Subject:** DOER Energy Storage Study Report

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Dear Tom

I spoke yesterday with Sarah Cullinan regarding [InnSure](#) and opportunities for collaboration. We are a non-profit innovation hub with a focus on the intersection of climate and insurance. I appreciate that we have missed the official 01/31 deadline for comment on the DOER Energy Storage Study Report, but I would still like to provide brief input based on our insurance perspective.

The report is very clear and an important contribution. There are several references to the financing challenges facing deployment of the various categories of storage and the perceived need for subsidies or other types of non-market financial assistance to unlock capital and enable the technologies to scale. It may be worth considering, as part of your grant program, a project to work with re/insurers and lenders to identify what types of risk transfer products might be feasible and how they might be structured and priced. Such a project would fit naturally under your MDES/LDES Technology Commercialization Grants. It would be relatively low cost and offer the potential for high leverage in solving a significant market barrier.

We would be happy to discuss this further if helpful.

Best regards

Jonathan Hakim

Executive Advisor

InnSure

[www.innsure.org](http://www.innsure.org)