



1800 M Street NW, Suite 400S | Washington DC 20036 | energystorage.org

July 11, 2017

Judith Judson, Commissioner
Massachusetts Department of Energy Resources
100 Cambridge Street, Suite 1020
Boston, MA 02114

RE: Energy Storage Association's Reply to Stakeholder Input Request Pursuant to An Act Relative to Solar Energy, Chapter 75 of the Acts of 2016

Dear Commissioner Judson:

On behalf of the Energy Storage Association ("ESA"), please accept these Comments in response to the Massachusetts Department of Energy Resources' ("DOER") request for comments in the above-referenced matter. ESA appreciates the opportunity to provide comments on the "225 CMR 20.00 – SMART Program Emergency Regulation." We commend the DOER for its rigorous engagement with the storage and developer community in the development of these regulations, and we recognize that these regulations incorporate much of the feedback that was provided to the DOER.

For the reasons explained below, ESA respectfully requests that DOER modify the proposed regulations by (1) exempting the storage adder from the draft regulation's proposal to cap adders (Section 20.07(5)); and (2) revising the definition of Energy Storage System (Section 20.02).

I. ABOUT THE ENERGY STORAGE ASSOCIATION

Since its founding 27 years ago, ESA has promoted the development and commercialization of safe, competitive, and reliable energy storage delivery systems for use by electricity suppliers and their customers. ESA's nearly 200 members comprise a diverse group of electric sector stakeholders, including electric utilities, independent power producers, technology developers – of advanced batteries, flywheels, thermal energy storage, compressed air energy storage, supercapacitors, and other technologies – component suppliers, and system integrators. Several ESA member companies already operate in the state of Massachusetts and more look forward to entering the marketplace with the SMART Program established.

ESA's member companies have expertise in transmission- and distribution-level grid operations relevant to energy storage, as well as firsthand knowledge of the regulatory challenges to operating commercial energy storage facilities to realize full system benefits. ESA looks forward to working with the DOER and other stakeholders in this and related proceedings to ensure that

Massachusetts reach its electric system sustainability goals while ensuring least cost to ratepayers and enhancing system reliability.

II. COMMENTS OF THE ENERGY STORAGE ASSOCIATION

- a. ESA recommends exempting the storage adder from the proposed cap on adders.*

Per the proposed regulations, the Commonwealth will incorporate 1600 MWs of solar to the grid. Yet, per the proposed regulation at Section 20.07(5), DOER would allow no more than 320 MWs of that solar power to be eligible for the storage incentive adder. ESA strongly recommends that the cap on the storage adder be removed from the final regulations. While ESA understands that the proposal to cap all adders may be intended to ensure a wider variety of solar power projects and customer types, a storage adder contravenes the Commonwealth's clearly stated goals to encourage wider storage deployment with greater solar power penetration.¹

The proposed regulations themselves underscore that the storage adder is meant to aid the Commonwealth by "reduc[ing] peak demand, system losses, the need for investment in new infrastructure, and distribution congestion; increas[ing] grid reliability; and diversify the Commonwealth's energy supply."² Indeed, the 2016 *State of Charge* report commissioned by DOER found that the benefit-cost ratio to Massachusetts ratepayers of solar-plus-storage systems ranges from 1.78 to 3.66.³ Clearly, a cap on the storage adder significantly reduces the likelihood that the Commonwealth will meet its goals. What is certain however, is that a cap on the storage adder will have a detrimental impact on the number of ratepayers who would benefit by having storage incorporated with as many solar facilities as needed.

Accordingly, ESA respectfully requests that DOER modify its proposed regulations to exempt storage from the adders.

- b. ESA recommends minor revisions to the definition of Energy Storage System.*

ESA recommends revisions to the definition of Energy Storage System in Section 20.02 to ensure that the regulations do not unwittingly preclude future advancements in energy storage technology from participating in the program. This also aligns with changes in several states to interconnection rules in order to include storage systems.

The current definition reads as follows:

¹ As a more general matter, the proposed caps on all adders may frustrate the Commonwealth's broader renewable and new technology goals. ESA agrees with other stakeholders that the SMART regulations would be improved by relaxing or eliminating such caps.

² Draft 225 CMR 20.00 – SMART Program Emergency Regulation, Section 20.01 "Purpose and Application."

³ See Massachusetts Department of Energy Resources, *State of Charge: Massachusetts Energy Storage Initiative Study*, Sep 2016, available at <http://www.mass.gov/eea/docs/doer/state-of-charge-report.pdf>.

Energy Storage System: A commercially available technology that is capable of absorbing energy, storing it for a period of time and thereafter dispatching the energy.

ESA recommends the following definition:

Energy Storage System: A commercially available technology that is capable of capturing energy produced at one time, storing it for a period of time, and delivering that energy as electricity at a future time.

III. CONCLUSION

In crafting the SMART regulations, DOER has taken an important step towards ensuring deployment of resources to help meet the Commonwealth's greenhouse gas reduction goals while maintaining -- and increasing -- the reliability and stability of the grid. ESA's recommendations are critical improvements that will further that purpose and ensure the greatest benefits for Massachusetts' ratepayers and electric system.

Dated on the 11th day of July, 2017.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'JB', with a long horizontal flourish extending to the right.

Jason Burwen
ENERGY STORAGE ASSOCIATION