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THREE-PRONGED APPROACH

State Tries To Jump-Start Energy Storage Sector

Initiative Pledges \$10M For Projects

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SPECIAL TO BANKER & TRADESMAN

Anticipating to be in the vanguard of the booming energy storage industry while bolstering the power grid and offering Bay State ratepayers clean and affordable electricity, Massachusetts has



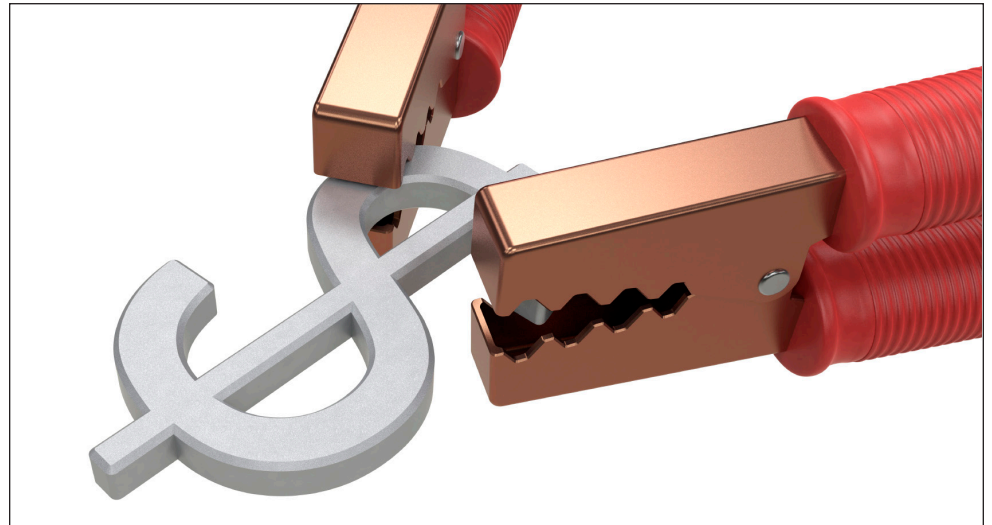
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launched a three-pronged approach designed to attract energy storage technology companies and rethink how power companies and government can work together to meet the commonwealth's

soaring energy needs.

As part of its Energy Storage Initiative (EST), Massachusetts last month pledged \$10 million from the Department of Energy Resources (DOER) to develop and fund demonstration projects for a range of applications. Additionally, DOER and the Massachusetts Clean Energy Center (MassCEC) are undertaking a two-part study that will assess the commonwealth's options both for backing energy technology companies and formulating policies to promote energy storage deployment. The \$10 million will be generated from alternative compliance payments from utilities that fall short of their renewable portfolio standard requirements.

Part one of the joint study will explore the industry landscape, economic development and market opportunities for energy storage, and part two is geared to provide Massachusetts policy makers with a cost-benefit analysis, as well as policy



and regulatory recommendations. DOER and MassCEC, which will designate a lead consultant to head each part of the study, are accepting proposals through June 18.

Endorsing the "holistic approach of analysis, assessment and demonstration projects," DOER Commissioner Judith Judson believes the policies and regulations expected to be the product of the initiative will make Massachusetts "a national leader in the deployment and cost-effective use of energy storage."

Energy storage methods encompass batteries, flywheels, thermal energy and compressed air, among other technologies. With estimates that the global market for grid-scale energy storage will exceed \$114 billion by 2017, it's not surprising that the commonwealth would search for solutions to the challenge of meeting businesses and consumers' insatiable hunger for more electricity. Among ECI's stated

goals are to:

- Attract, support and promote storage companies in Massachusetts;
- Accelerate the development of innovative storage technologies;
- Expand storage technology markets and value storage benefits to peak demand reduction, clean energy integration and system-wide efficiency; and
- Recommend and develop policies and regulations to reform the rate-making and regulatory process.

Meanwhile, with an August deadline looming for utilities to submit proposed grid modernization plans, the Department of Public Utilities (DPU) plans to conduct discussions with stakeholders to evaluate the pros and cons of including cost-effective, environmentally friendly storage resources on the grid. Earlier this month, the Massachusetts

Joint Committee on Telecommunications, Utilities and Energy solicited input in a hearing on Senate Bill 1762, a provision of which would require electric companies to procure workable and economical energy storage systems that would be used to defer or substitute needed investment in generation, transmission or distribution assets.

Gov. Charlie Baker has hailed the ESI

and its \$10 million seed money as creating for Massachusetts “an exciting opportunity to provide a comprehensive approach to support a growing energy storage industry with this initiative’s analysis, policy and program development.”

The third prong of ESI – demonstration projects – involves DOER bringing together industry players ranging from statewide storage and clean energy tech-

nology companies to Massachusetts distribution utilities and municipal power plants, to forge alliances in hopes of yielding efficient, clean energy innovation. Utility-scale storage projects and residential power systems are expected to be among the demonstration projects. ■

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