

**TESTIMONY TO
CONNECTICUT JOINT COMMITTEE ON ENERGY AND TECHNOLOGY**

**HOUSE BILL 5351
AN ACT CONCERNING CERTAIN PROGRAMS AND TO INCENTIVIZE
AND IMPLEMENT ELECTRIC ENERGY STORAGE RESOURCES**

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MARCH 5, 2020

Committee Chairs Needleman and Arconti, Vice-Chairs Lesser and Allie-Brennan, Ranking Members Formica and Ferraro, and distinguished members of the Committee:

Thank you for the opportunity to provide these comments today in support House Bill (HB) 5351. I want to commend Chair Arconti and this committee for your leadership in working with stakeholders to develop policy that will drive the deployment of energy storage in Connecticut.

With more than 190 members, ESA represents a diverse group of companies, including independent power producers, electric utilities, energy service companies, financiers, insurers, law firms, installers, manufacturers, component suppliers, and integrators involved in deploying energy storage systems around the globe. Further, our members work with a broad base of energy storage technologies including electrochemical batteries such as lithium-ion, advanced lead-acid, flow, and zinc-air; thermal storage technologies like molten salt; mechanical technologies such as compressed air, liquid air, and flywheels; chemical storage technologies like power-to-hydrogen; and pumped hydro storage technologies. Several of our members conduct business in Connecticut in related fields, and an increasing number are looking to work on storage here. ESA strongly believes that energy storage can open a path to a more resilient, efficient, sustainable and affordable grid for Connecticut.

In simplest terms, all energy storage technologies enable electricity to be used when it is most needed, regardless of when it was generated. Without that storage capacity, the electric grid must be overbuilt with significant spare capacity to manage supply and demand fluctuations, resulting in system inefficiencies, underutilization of assets, and avoidable costs to ratepayers, which detracts from economic productivity.

Energy storage can save Connecticut ratepayers money by reducing the amount of spare capacity, in the form of excess power plants and wires, that utilities need to build to meet system peak demands. Energy storage also makes the grid more reliable by evening out fluctuations in supply and demand and serving as back-up for disruptions to supply and outages. And since the costs of storage, particularly battery storage, have declined dramatically due to surging global demand in recent years, utilities in states like New York, Arizona, Texas, Hawaii, California, Colorado, Indiana, and Massachusetts are starting to

deploy it for these exact grid benefits. Energy storage is even more critical for Connecticut, given the State's ambitious energy and environmental policy goals.

House Bill 5351 recognizes the value of energy storage by calling for a storage deployment goal of 1,000 MW by 2030. ESA strongly believes that this kind of policy signal will encourage energy storage companies to invest development resources in Connecticut. The legislation rightly recognizes that the Public Utility Regulatory Authority and the Department of Energy Resources are best equipped to develop programs that drive energy storage deployment in the most cost-effective and efficient applications, as well as devise appropriate mechanisms to promote storage that may vary between commercial & industrial customers and residential customers.

ESA believes that two modifications to the legislation would ensure the greatest savings and benefits to the State. First, in addition to requiring an update from PURA and DEEP on progress made towards achieving the energy storage deployment goal, the legislation would more effectively guide developers' investments and timelines by incorporating interim goals over the next ten years. Second, the legislation should allow DEEP solicitations to seek standalone energy storage resources, in addition to generation co-located energy storage resources. Standalone storage is a critical tool for grid operators to enhance electric grid infrastructure and to enhance reliability for ratepayers—be that extending the life of existing assets or increasing the hosting capacity for distributed energy resources. Constraining storage solely to renewable resource sites will limit the ability to use storage to enhance electric grid infrastructure and meet state policy goals. We also note that, while the legislation authorizes PURA to establish a program or programs for commercial & industrial customers, it goes further to require PURA to do so for residential customers. We recommend that the legislation avoid assigning different authorities and responsibilities to PURA with respect to different customer classes so that Connecticut officials can pursue the most optimal solutions for Connecticut ratepayers and public policy goals.

ESA respectfully urges the Committee's support of HB 5351 to facilitate the deployment of energy storage, for a more resilient, efficient, sustainable and affordable electric grid for Connecticut. I thank you for your leadership and your consideration and look forward to answering your questions.