Energy Storage Association
www.energystorage.org

901 New York Avenue NW, Suite 510
Washington, DC 20001
p 202.293.0537

TESTIMONY TO
MARYLAND HOUSE ECONOMIC MATTERS COMMITTEE

MARYLAND HOUSE BILL 0650
ENERGY STORAGE PILOT PROJECT ACT

NITZAN GOLDBERGER
STATE POLICY DIRECTOR, ENERGY STORAGE ASSOCIATION

February 21, 2019

Chair Davis, Vice Chair Bromwell, Members of the Committee:

Thank you for the opportunity to provide these comments today in support of Maryland House Bill ("HB") 650. My name is Nitzan Goldberger and I am the State Policy Director of the Energy Storage Association. ESA is the national trade association for energy storage, representing more than 170 members, 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. The technology we represent is as varied as our membership – from batteries to thermal storage and pumped hydro. Several of our members conduct business in the State of Maryland 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 the State of Maryland.

Energy storage is unlike any other resource and does not fit existing electric system rules—sometimes it acts like supply, sometimes it acts like demand, sometimes it acts like infrastructure, and it can switch between these roles upon command. It can be located exactly where on the grid it is most needed—co-located with generation, connected directly to the transmission system, sited at a substation or on the distribution system, or hosted in a building—and deployed at any size, from a unit housed in your garage to a power plant-scale facility. That flexibility is what make storage so valuable—electricity exactly when and where it is most needed.

The pathway to providing customers, utilities and the electric grid with the greatest benefits and savings from the deployment of energy storage comes from the optimization of storage by "stacking" benefits and monetizing multiple value streams. Similarly, storage is unique in that those benefits can potentially be realized from assets owned by customers, third parties, or utilities. It is precisely these benefits that make energy storage valuable, but also difficult to accommodate from a regulatory perspective. The pilot program in HB650 provides an important opportunity for regulators and stakeholders to explore the regulatory reforms that will be needed to unlock the energy storage market in the State of Maryland.

Energy Storage Association
www.energystorage.org

901 New York Avenue NW, Suite 510
Washington, DC 20001
p 202.293.0537

The pilot program allows utilities to explore business models that enable multiple value streams, thereby reducing overall system costs borne by the ratepayers. Absent this ability, energy storage economics would need to hinge on a single value stream, which could result in underutilization of the assets and less efficient operations, and negatively impact project economics.

This pilot program mirrors a proposal that was developed in the Maryland Public Service Commission's Public Conference 44 (PC44) Energy Storage Working Group over the course of 15 months, reflecting a collaborative effort across a diverse group of stakeholders, of which ESA has supported. The four business models identified for the pilot are not intended to be an exhaustive list of the types of energy storage applications or ownership models that provide savings and societal benefits.

HB650 will test out regulatory and commercial models that are critical to facilitating the deployment of energy storage in the State of Maryland and for realizing the greatest savings for ratepayers. ESA strongly supports the efforts of the PC44 Working Group and respectfully urges the Committee's support of HB650 to facilitate the deployment of energy storage, for a more resilient, efficient, sustainable and affordable electric grid for the State of Maryland.

I thank you for your leadership and your consideration.

Nitzan Goldberger
State Policy Director
Energy Storage Association