

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

**Qualifying Facility Rates and Requirements:
Implementation Issues Under the Public
Utility Regulatory Policies Act of 1978**

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Docket No. RM19-15-000

COMMENTS OF THE ENERGY STORAGE ASSOCIATION

The Energy Storage Association (“ESA”) submits these comments in response to the Notice of Proposed Rulemaking issued on September 19, 2019,¹ pertaining to above-captioned docket on revising its regulations implementing sections 201 and 210 of the Public Utility Regulatory Policies Act (“PURPA”) of 1978. ESA respectfully requests that the Commission clarify the eligibility of storage-and-generation hybrid resources as qualifying facilities as a part of any final rule.

I. COMMUNICATIONS

Andrew O. Kaplan
Pierce Atwood LLP
100 Summer Street, Suite 2250
Boston, MA 02110
Phone: 617-488-8104
akaplan@pierceatwood.com

Jason Burwen
Vice President of Policy
Energy Storage Association
901 New York Ave, NW #510
Washington, DC 20001
Phone: 202-318-5325
j.burwen@energystorage.org

¹ *Qualifying Facility Rates and Requirements: Implementation Issues Under the Public Utility Regulatory Policies Act of 1978*, Notice of Proposed Rulemaking (Sep. 19, 2019). (“NOPR”)

II. ABOUT THE ENERGY STORAGE ASSOCIATION

The Energy Storage Association (ESA) is the national trade association dedicated to energy storage, working toward a more resilient, efficient, sustainable and affordable electricity grid – as is uniquely enabled by energy storage. 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.

III. COMMENTS

As the Commission notes, circumstances have changed considerably since the Commission implemented its PURPA Regulations in 1980.² Not only are energy storage technologies increasingly being deployed on the electric system, but they are increasingly being integrated with generation for deployment as “hybrid” resources. Today over 50 GW of such hybrid storage-plus-generation resources are in RTO/ISO generator interconnection queues³, including energy storage integrated with gas-fired, wind powered, and solar powered generating facilities.

In the last several years, the Commission has received requests for clarification regarding various aspects of the eligibility of hybrid resources as Qualifying Facilities (QFs).⁴ These requests for clarity have included whether the storage capacity and generation capacity shall be

² NOPR at 3.

³ See ESA and Grid Strategies, *Enabling Versatility: Allowing Hybrid Resources to Deliver Their Full Value to Customers* (Sep 2019) at 4, available at <https://energystorage.org/thought-leadership/enabling-versatility-allowing-hybrid-resources-to-deliver-their-full-value-to-customers/>

⁴ See *Franklin Energy Storage One, LLC et al.*, Docket No. EL18-50-000 *et al.*, Petition for Declaratory Order and Petition for Enforcement (Dec. 14, 2017). See also *Beaver Creek Wind II, LLC*, Application for Certification of Qualifying Small Power Production Facility Status, Docket No. QF17-673 (Aug. 14, 2018).

deemed a single QF, and how the capacity of such a single QF shall be calculated. In all cases of which ESA is aware, the Commission has not yet acted in response to such requests. ESA takes no position on the matters of the previously cited dockets where parties have sought clarification on QF eligibility of hybrid resources. ESA only notes that a continued lack of clarity creates further challenges for states, utilities, and QF providers to resolve disputes.

ESA agrees with the Edison Electric Institute's comment in Docket No. EL18-50 that such requests for clarification on hybrid resource QF eligibility questions demonstrate "the continued need for Commission activity on PURPA policy reform and the need to build on its existing record and institute a broader proceeding to modernize the FERC rules and regulations implementing PURPA."⁵ The instant docket represents precisely this broader proceeding, and the NOPR presents a scope that includes the definition of QFs, particularly on the subject of separate facilities.⁶ Therefore, ESA respectfully requests that the Commission clarify the various issues regarding QF eligibility of hybrid resources as a part of any final rule.

The characteristics of energy storage-plus-generation hybrid resources⁷ are similar to cogeneration resources. Both resources comprise an integration of non-generation equipment with a generator to deliver additional valuable services with greater overall efficiency than if the non-generation equipment were operated separately from the generator. As the Commission notes, PURPA was originally conceived in part to encourage the development of cogeneration facilities to conserve fuel.⁸ While ESA does not propose to define hybrid resources as cogeneration, we nonetheless note hybrid resources can similarly meet the Congressional intent

⁵ *Motion to Intervene and Comments of the Edison Electric Institute*, Docket No. EL18-50-000 (Dec. 16, 2018) at 5.

⁶ NOPR at P 93.

⁷ For the remainder of this document, "hybrid resources" is intended to refer only to energy storage integrated with generation.

⁸ NOPR at 2.

of PURPA in this manner. For example, a gas-fired generator with integrated energy storage can use fuel more efficiently than a gas-fired generator of equivalent nameplate capacity, because the integrated storage allows continuous turbine operation at efficient heat rates.⁹

Commission action in Orders 841 and 845 provide useful precedents for considering the question of hybrid resource eligibility for QFs. In Order 841, the Commission defined electric storage resources separately from generation¹⁰ and premised its Order on creating a new participation model for storage resources distinct from that of generation resources.¹¹ In Order 845, the Commission created new rules to allow electric storage resources to co-locate with generators without requiring interconnection agreements to tally the separate capacity of the storage and the generator resource.¹²

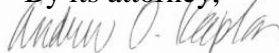
IV. CONCLUSION

For the foregoing reasons, ESA respectfully requests that the Commission clarify QF eligibility for hybrid resources as a part of its final rule.

Respectfully submitted,

ENERGY STORAGE ASSOCIATION

By its attorney,



Andrew O. Kaplan

PIERCE ATWOOD LLP

100 Summer Street

Boston, MA 02110

Email: akaplan@pierceatwood.com

Telephone: 617.488.8104

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⁹ For example, see “SCE, GE Debut Battery-Gas Turbine Hybrid System,” Power Magazine (June 1, 2017), available at <https://www.powermag.com/sce-ge-debut-battery-gas-turbine-hybrid-system-2/>

¹⁰ Order 841 at P 29.

¹¹ Order 841 at P 3.

¹² Order 845 a P 367 and P 467.

CERTIFICATE OF SERVICE

I, Anne O'Hanlon, hereby certify that the foregoing Comments of the Energy Storage Association were served via electronic mail to the service list.

Dated in Boston, MA this 3rd. day of December, 2019.



Anne O'Hanlon, Legal Executive Assistant
PIERCE ATWOOD LLP
100 Summer Street
Boston, MA 02110
Phone: 617.488.8123
aohanlon@pierceatwood.com