

June 19, 2020

Andrew S. Johnston, Executive Secretary
Maryland Public Service Commission
William Donald Schaefer Tower
6 St. Paul Street, 16th Floor
Baltimore, Maryland 21202

RE: In the Matter of the Maryland Energy Storage Pilot Program

Dear Mr. Johnston:

The Energy Storage Association (“ESA”) respectfully submits comments in response to a request for written comments in the Maryland Public Service Commission’s (“Commission”) Notice of Comment Period, Hearing Date, and Opportunity to Intervene on the state utilities’ energy storage pilot program proposals filed on April 15, 2020.

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 approximately 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 all types of energy storage technologies and chemistries, including lithium-ion, advanced lead-acid, flow batteries, zinc-air, compressed air, and pumped hydro among others.

We appreciate the Commission’s efforts to advance energy storage throughout the state of Maryland. ESA would also like to express support for the four investor-owned electric utilities’ energy storage applications in their current forms. ESA respectfully recommends that the Commission approve all the pilot projects, including those that present a benefit-cost analysis (“BCA”) ratio of less than one. Presently unquantified value streams, such as resilience, hold reasonable promise for moving projects’ BCA ratios near to or over one while providing the Commission operational data on which to build quantification strategies for future ratepayer benefit.

Respectfully,



Jason Burwen
Vice President, Policy
Energy Storage Association

**BEFORE THE PUBLIC SERVICE COMMISSION OF
MARYLAND**

In the Matter of the Maryland Energy Storage Pilot Program)))))	Case No. 9619
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**RECOMMENDATIONS OF THE U.S. ENERGY STORAGE
ASSOCIATION ON MARYLAND’S PROPOSED ENERGY
STORAGE PILOT PROGRAMS**

Pursuant to the Maryland Public Service Commission’s (“Commission”) Notice of Comment Period, Hearing Date, and Opportunity to Intervene on April 27, 2020, the Energy Storage Association (“ESA”) respectfully submits the following comments for the Commission’s consideration in Case No. 9619. ESA commends the Commission for adopting a state-wide electric utility energy storage pilot program with the intention of using data from the pilots to evaluate how best to deploy energy storage technologies more broadly in the future. Energy storage systems offer opportunities to reduce costs, shave peak demand, improve reliability and resilience, defer or avoid infrastructure upgrades, provide ancillary services, and integrate more renewable energy--as evidenced in many other states around the country.

ESA supports approval of the eight energy storage pilot projects proposed by the state’s four investor-owned electric utilities. The projects represent a diverse array of use cases for front-of-the-meter and behind-the-meter energy storage systems that range in size as well as ownership and operational structures, each of which seeks to increase capital utilization of storage assets through multiple services. These programs hold the potential to realize a variety of benefits. Some of these benefits are quantifiable—such as peak demand reduction, wholesale market services, and

other grid services—and some of them may be challenging to quantify—such as infrastructure and customer resilience, public health benefits, and environmental benefits. Importantly, these projects will test business model innovations that may reveal gaps or ambiguities in wholesale market rules, state regulations, and other regulations that may be limiting the value and benefits that would otherwise go to consumers. These factors, as well as a program duration of six years, will provide critical data and lessons learned to inform future regulations for energy storage in the state of Maryland.


ESA recommends that the Commission approve these projects, including those that present a benefit cost analysis (“BCA”) ratio of less than one, to reveal useful information for future applications. The Commission called on the Energy Storage Workgroup to submit a revised and improved BCA framework associated with these energy storage projects, recognizing that some of the benefits are challenging to include in a cost-effectiveness test. For example, resilience and operational flexibility are noted in the utilities’ proposals as value streams that have unquantifiable metrics. However, the absence of precedence to quantify these metrics should not discount these important benefits created for Maryland electric customers. Were some of the qualitative benefits of these pilot projects actually quantified, the benefit-cost ratios of such projects would be expected to reach levels much closer to one or greater than one.

While four of the eight proposed utility projects have benefit-cost ratios under one, in each case the utilities note that resilience is not quantified and would be expected to raise that ratio significantly. Potomac Edison’s Town Hill Project and Little Orleans project are proposed with reference to advances in communication systems, data collection capabilities, and analytical methods to translate qualitative benefits into measurable, quantitative benefits. Delmarva’s Elk Neck project and Ocean City project are undertaken in part to explore benefits for residential customers and island customers, respectively, in Maryland

The purpose animating Maryland’s legislature to pass SB 573 in 2019 establishing the energy storage pilot program is to help the Commission quantify the benefits of energy storage providing multiple services in the electric system. Data and information learned from the pilots will inform the Commission as to how to quantify some of those qualitative benefits, with an ultimate purpose of better securing such benefits for Maryland electric customers in a cost-effective manner in the future. Therefore, ESA respectfully suggests that the Commission support these pilot projects in recognition of the fact that they all present an opportunity to elucidate values to inform future decision-making processes associated with energy storage benefits for electric customers.

ESA appreciates the opportunity to provide these comments and looks forward to continuing to work with the Commission to leverage data from the pilot programs to inform the regulatory reforms and market incentives that will be needed to facilitate greater energy storage deployment in the State of Maryland.

RESPECTFULLY SUBMITTED on this 19th day of June, 2020.

By 

Jason Burwen
Vice President, Policy
Energy Storage Association