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October 19, 2020

Chairman Todd Hiett
Vice-Chairman Bob Anthony
Commissioner Dana Murphy
Oklahoma Corporation Commission
P.O. Box 52000
Oklahoma City, OK 73152-2000

RE: NOTICE OF INQUIRY, CAUSE NO. PUD 202000083, REGARDING THE AREA OF ENERGY STORAGE

Honorable Chairman Hiett and fellow Commissioners,

The U.S. Energy Storage Association ("ESA") thanks the Commission for its attention to energy storage as an area of inquiry regarding maximizing and developing resources in Oklahoma. ESA looks forward to supporting the Commission in its investigation of this important energy technology.

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 200 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, liquid air, and pumped hydro among others. Several ESA member companies do business in Oklahoma, with some making initial plans for energy storage installations in the state.

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 Oklahoma 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. Finally, energy storage facilitates a changing supply mix, smoothing the delivery of variable electric supply from wind and solar and supporting the efficient delivery of electricity from inflexible, baseload resources. And since the costs of storage, particularly battery storage, have declined dramatically due to surging global demand in recent years, utilities in diverse states are deploying it for these exact grid benefits, including in SPP member states like New Mexico and Texas.

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 at will. 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 hosted in a building—and deployed at any size, from a unit housed in a home garage to a power plant-scale facility. That flexibility is what make storage so valuable—electricity exactly when and where it is most needed. For Oklahoma to be able to take advantage of energy storage, however, regulations must be updated to include technology not earlier contemplated.

ESA looks forward to supporting the Commission in its effort to examine the benefits of storage and stands by to be of assistance. Additionally, ESA will follow up from this letter to provide more detailed recommendations for the Commission to consider in removing regulatory barriers to and delivering the benefits of energy storage for ratepayers.

Respectfully submitted,

Julian Boggs

State Policy Director

Energy Storage Association