



Testimony of RENEW Northeast before the Rhode Island General Assembly House Corporations Committee in support of

House Bill No. 7811 An Act Relating to Public Utilities and Carriers – 2024 Energy Storage Act

March 21, 2024

Chair Solomon and members of the House Corporations Committee,

My name is Francis Pullaro. I am the Executive Director of RENEW Northeast ("RENEW"), an association uniting environmental advocates and developers and operators of the region's largest clean energy projects, which include hydropower, offshore wind, land-based wind, solar, transmission and energy storage. RENEW's mission involves coordinating the ideas and resources of its members with the goal of increasing environmentally sustainable energy generation in New England from the region's abundant renewable energy resources.¹

House Bill No. 7811 will establish a robust energy storage requirement to match the magnitude needed to achieve the state's decarbonization requirements by setting a goal of 200 megawatts of energy storage by 2028 and 600 megawatts by 2033. This requirement would foster development of new energy storage systems that can lower peak emissions according to goals set by the 2021 Act on Climate and reduce costs arising from fossil-fueled generation units running during peak hours. Winter cold spells have shown that a large portion of the region's winter peak energy needs are typically fulfilled by old generating units fueled by coal and oil. By accelerating the switch from fossil fuels to energy storage at peak times, we can reduce emissions and improve the environment. Energy storage can complement renewable energy resources by absorbing their low-cost energy during times of surplus and store it for later use.

RENEW supports Section 2 of this bill that will launch a new program for energy storage development for systems located at both the distribution and transmission levels of the electric power system. RENEW members are developing large-sized energy storage systems which are one of the least-cost forms of generation to meet electricity demand at peak times.² This section will provide those large-scale resources with opportunities in Rhode Island to receive the long-term commitments that are needed for project financing.

Storage deployment has advanced around the country in recent years through the increase in electric distribution utility (EDC) procurements. Offtake revenue arrangements for large battery storage have expanded rapidly and typically involve an agreement as is proposed in this bill.

Across New England, states are working towards procuring large energy storage systems. Here is a summary of major developments now underway:

¹ This testimony represents the views of RENEW and not necessarily those of any particular member of RENEW.

² Lazard, Levelized Cost of Storage Analysis (Version 8.0) 19 (April 2023), https://www.lazard.com/media/2ozoovyg/lazards-lcoeplus-april-2023.pdf

- <u>Maine</u> has an energy storage goal of at least 300 megawatts by 2025 and at least 400 megawatts by 2030. The Maine Governor's Energy Office (GEO) is now evaluating designs for a program to procure this year up to 200 megawatts of commercially available utility-scale energy storage connected to the transmission and distribution systems.
- <u>Connecticut</u> has an energy storage goal of 300 megawatts by 2024, 650 megawatts by 2027, and 1,000 megawatts by 2030. Last week, the Connecticut Department of Energy and Environmental Protection (DEEP) issued an RFP for 450 megawatts of large energy storage systems.
- In <u>Massachusetts</u>, the Department of Energy Resources (DOER) recently proposed a fixed amount of energy storage be deployed in proportion to the amount of renewable energy capacity installed in the years 2030 and 2035. This formula results in a target of roughly 3,000 megawatts of energy storage capacity by 2030.

RENEW appreciates the opportunity to offer these comments in support of this bill. Adding a significant amount of large-sized battery energy storage to the power grid can provide significant cost, reliability, and environmental benefits to the people of Rhode Island. RENEW would be pleased to work with the Committee to continue to find ways to lower the cost of renewable energy, decrease the region's dependence on fossil fuels, and ensure a significant role for renewable energy resources that will boost Rhode Island's economy.