

Summary of Recent Activities & Achievements

Updated May 2021

Incentives

- SEIA successfully advocated for storage incentives in the **Massachusetts** SMART program. The latest round of utility-proposed changes to execute the SMART tariff include giving significantly more control to utilities over storage dispatch, to which SEIA will object at the MA DPU.
- SEIA is pushing in 2021 for the inclusion of an energy storage incentive as part of **New Jersey's** Successor Program that is available for both behind-the-meter and grid-scale solar + storage projects.
- The **New Jersey** BPU is proposing an energy storage incentive program that would be developed and implemented in two phases. The first phase, which is included as part of the NJ Solar Successor Straw Proposal, proposes a \$/MWh incentive for grid supply solar + storage hybrid projects as part of a competitive solicitation. SEIA is engaging the BPU on incentive design for this grid supply solar + storage incentive and advocating that a storage incentive be available for behind-the-meter projects as well. SEIA will also engage in phase two of the energy storage program, which is separate from the Solar Successor Program, which will consider storage as a transmission asset; a “clean peak” program that uses energy storage resources to have system peaks; increased integration of renewable energy; and long-duration storage.
- In 2021 **Colorado** energy storage legislation, SEIA and COSSA are leading an effort to revise the definition of eligible technologies to receive funding from the RESA account (which provides incentives in Colorado).

Procurement Targets

- SEIA participated in an Xcel-led working group in 2020 to discuss an energy storage procurement program in **Colorado**.
- SEIA is working with ISEA and ESA on a storage procurement requirement, to be set by the **Illinois** Commerce Commission (ICC) and executed by the Illinois Power Authority on behalf of utilities, for inclusion in omnibus energy legislation this spring (2021).
- SEIA is advancing legislation in **Pennsylvania** that would expand the state's Alternative Energy Portfolio Standard (AEPS), and considering how best to incorporate storage. SEIA has also expressed support for use of RGGI revenues to support storage deployment, as proposed by the PA Department of Environmental Protection (DEP) in a recent [report](#).

Rates & Rate Design

- SEIA proposed new rate design in the **Arizona** Public Service (APS) rate case to encourage and facilitate uptake of storage.
- SEIA will be participating in the upcoming **APS** tariff proceeding to establish a “bring-your-own device” program, including energy storage systems, that will pay participants for grid services.
- In the 2019 Public Service of **Colorado** rate case, SEIA proposed a time-of-use (TOU) rate design to facilitate deployment of storage, plus a \$4,000 residential storage incentive.
- In **California**, SEIA has successfully advocated for electric rates that promote the adoption of customer-sited storage at all scales across all three IOUs. These rates include Option S for large commercial customers, TOU-D and EV-A for residential customers, and A-1 STORE and Option ES for small commercial customers.
- Officials at NYSEDA want to explore new tariffs for paired solar and storage resources and expect this issue to be taken up by the **New York** Department of Public Service Rate Design working group this Spring, in which SEIA will participate.

Net Metering

- SEIA has submitted a NEM proposal in **California** designed to incentivize customers to install solar + storage. Under SEIA's proposal, NEM customers would be placed on electrification rates that are peakier than standard rates and provide additional value to customers who install storage.
- The recent Dominion NEM decision in **South Carolina** adopted SEIA's proposal to create a TOU – NEM tariff framework that provides a strong price signal between the hours of 2pm and 7pm, incentivizing energy storage. The motion also created a path to quantify the value that an individual DER system might contribute to the broader grid. As DER penetration increases, that value will likely become greater.
- SEIA has submitted comments in the 2021 **Mississippi** NEM reopener, highlighting the value that solar + storage systems could bring to ratepayers in Mississippi.

Resource Adequacy

- SEIA's 2021 testimony in the Duke Integrated Resource Plan (IRP) proceedings in **the Carolinas** advocate for higher deployment of solar + storage. As Duke moves toward a winter peaking system, standalone solar has little Resource Adequacy value. SEIA's testimony demonstrates that solar + storage provides Resource Adequacy for peak demand, so that Duke can reliably avoid building superfluous natural gas units.
- In **California**, SEIA successfully advocated for an improved methodology for valuing hybrid and co-located solar + storage resources to ensure that these resources are fully credited for the capacity they provide to the grid.
- In **California**, SEIA is currently advocating for an overhaul of the state's resource adequacy program that better reflects the central role that solar and storage will play in the state's resource mix going forward.
- In **California** Integrated Resource Planning proceeding, SEIA is advocating for solar + storage to be recognized as a distinct resource to ensure it is properly accounted for in portfolio and transmission planning.
- SEIA is active at the **CAISO** advocating for improvements to market rules to ensure that hybrid and co-located resources can compete against traditional fossil resources.

Siting & Permitting

- SEIA supported a bill in **Virginia** that will carry over to the 2022 legislative session, and we are working with partners to enable the existing "permit by rule" (PBR) regulations governing small renewable energy projects to also apply to small energy storage projects and small renewable plus storage projects, up to 150 MW. In addition, both SEIA and CHESSA have developed comments and are working with DEQ staff on amending the PBR rules to include storage.

Interconnection

- In 2021, SEIA is participating in a working group to update **New Mexico's** interconnection rules and handbook, including for energy storage systems.
- SEIA is actively working with the CAISO and utilities to address interconnection delays for hybrid and co-located resources in **California**.
- SEIA is challenging the status quo on Interconnection at **PJM** for solar and storage. Projects in PJM face queue delays of up to five years. SEIA is working through its Interconnection Working Group to identify the pitfalls of PJM's process, formulate a strategy to unlock these queues, and challenge PJM's rules both at PJM and FERC.
- SEIA is participating in the Building a Technically Reliable Interconnection Evolution for Storage (BATRIES) project, a three-year project funded by the Department of Energy's Solar Energy Technologies Office. The BATRIES project is focused on expediting and streamlining storage interconnection for distribution-connected systems, whether they are interconnected in front of or behind the meter, and irrespective of system size.
- SEIA filed a joint request with the Colorado Solar & Storage Association (COSSA) to petition the **Colorado** Public Utilities Commission to recommend changes that will expedite and facilitate interconnecting solar + storage projects to the grid, with the PUC then adopted in May 2021.

Distribution Resource Planning

- The **Pennsylvania** PUC started a proceeding to inform the Commission on utilities' and other stakeholders' positions regarding regulatory policies related to utilization of electric storage within electric utility distribution resource planning. [SEIA filed comments in spring 2021](#) that it does not object to utility ownership of storage if it is used exclusively as a distribution asset, but that any storage proposal should be subjected to a Cost Benefit Analysis, comparing it to traditional infrastructure solutions as well as non-wires alternatives and a tariff-based program.
- In **California**, SEIA has achieved improvements to utility grid modernization planning to help ensure that distributed storage is not “crowded out” by traditional utility infrastructure investments.
- In **California**, SEIA has successfully advocated for changes to processes in which utilities evaluate and procure non-wires alternatives, resulting in a process that provides more commercial opportunities to storage providers.

Installation, Training & Licensing

- SEIA has been actively engaged in **Nevada's** SB 328 (2021), a labor-led effort to require Energy Storage and Microgrid Training & Certification ([ESAMTAC](#)) for all energy storage installation. Through our efforts, installation of residential systems has been excluded from the certification requirement, and we continue to seek additional flexibility for other training protocols included in the legislation.

Property Tax Treatment

- SEIA's property tax clarification legislation in **Massachusetts**, enacted in 2021, incorporates storage resources, ensuring that most storage paired with solar systems will be exempt from any local taxation.
- SEIA is working on legislation in **Virginia** that would extend a tax treatment to storage projects that was enacted in 2020 for solar-only projects. Several bills that SEIA supported have carried over to the 2022 session and SEIA is engaged with legislators on moving them next year.

Wholesale Market Reform

- SEIA led discussions with **FERC** commissioners and the policy office that resulted in a FERC technical conference on hybrids. Thereafter, FERC issued a mandatory questionnaire to RTOs/ISOs challenging their rules associated with hybrids. The RTOs/ISOs must submit those reports this summer. The responses to these reports may drive a rulemaking on hybrids (similar to Order 841), to improve market access for hybrids in wholesale markets.
- At **FERC**, SEIA successfully advocated for lower storage charging rates under Southern California Edison (SCE)'s Wholesale Distribution Access Tariff (WDAT) for in-front-of-the-meter (IFOM) storage resources that sell to the California ISO. The reduction in storage charging rates will have precedential impacts across wholesale markets for storage and what counts as just and reasonable rates for storage charging and providing services to transmission owners.
- SEIA has supported **FERC's** proposed consideration of a Carbon Pricing Policy, which would support solar + storage economics.
- SEIA successfully protested **PJM's** proposed Resource Adequacy valuation methodology (ELCC), and PJM's previous rule that provided capacity value for storage assets only if they were able to provide 10-hours of power. SEIA's advocacy has driven the development of capacity valuations for storage and hybrid resources that rival those for fossil resources.

Reliability Standard Compliance

- Inverter Based Resources (Hybrids and Standalone Storage) will be a focus at NERC for at least 5 years. SEIA has been instrumental in the standard development for new applicable standards for inverter-based resources and storage (MOD-

026 and MOD-027). We are a thought leader in NERC stakeholder groups, directly working to integrate and regulate Inverter Based Resources in the Inverter Based Resources Performance Working Group (IRPWG).

Other Issues

- SEIA is participating in a New Technologies and Business Models Workgroup in **Michigan** that is focused on energy storage. In addition, Consumers' IRP is scheduled to be filed in July 2021, and is likely to address storage.
- The state-commissioned Energy Storage Task Force in Virginia was created to examine the different costs and benefits of implementing storage from the distribution level up to in front of the meter grid scale resources. This task force will draft and publish a report prior to the 2022 VA legislative session. SEIA is a primary stakeholder and is actively participating in this task force.