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TESTIMONY BEFORE THE ENERGY, UTILITIES AND TECHNOLOGY COMMITTEE

**An Act Relating to Energy Storage and the State's Energy Goals
L.D. 1850**

**GOVERNOR'S ENERGY OFFICE
May 16, 2023**

Senator Lawrence, Representative Zeigler, and Members of the Joint Standing Committee on Energy, Utilities and Technology (EUT) My name is Caroline Colan, and I am the Legislative Liaison for the Governor's Energy Office (GEO)

The GEO testifies in support of L D 1850

In 2021, the Maine Legislature passed L D 528, bipartisan legislation that directed the assessment of Maine's energy storage market and established energy storage goals of 300 megawatts of installed capacity within the state by the end of 2025 and 400 megawatts by the close of 2030 The results of the assessment¹ completed by the GEO underline energy storage as a vital complement to the state's broader climate and clean energy targets, particularly as Maine increases its use of renewable energy generation and electrifies transportation and buildings to support its decarbonization goals

Cost-benefit analysis conducted as part of the assessment shows that grid-connected storage has the potential to provide many benefits to Maine's electric grid and customers, particularly through the ability to shift electricity from when it is generated to when customers need it most Storage can help lower wholesale electricity costs, lower utility infrastructure costs, and lower electricity bills while increasing resiliency and helping integrate more renewable energy As the assessment demonstrates, energy storage is beneficial for Maine customers

However, the market assessment also recognizes that several barriers exist to storage deployment today including supply chain constraints and material price increases, uncertainty over interconnection timelines and costs, challenges in identifying the best sites for locating storage to maximize system benefits, and significant market pressures as well as general uncertainty regarding access to revenue streams as markets for energy storage evolve rapidly

This legislation would address many of these barriers by directing the GEO to evaluate program designs for the procurement of commercially available utility-scale energy storage systems connected to the transmission and distribution systems to facilitate achievement of Maine's energy storage policy goals while providing long-term market certainty and maximizing value to ratepayers and the grid Enabling competitive deployment of energy storage while maximizing benefits will require innovative policy

¹ Maine Energy Storage Market Assessment March 2022
https://www.maine.gov/energy/sites/maine.gov/energy/files/inline-files/GEO_State%20of%20Maine%20Energy%20Storage%20Market%20Assessment_March%202022.pdf

approaches and robust stakeholder engagement, functions the GEO is well-positioned to fulfill. Additionally, the bill seeks to further explore the opportunities for long-duration energy storage technologies to support Maine's need for clean, firm power generation to meet the state's decarbonization goals through the completion of a long-duration energy storage report. And finally, it directs the Commission to conduct a proceeding to determine the conditions under which a utility may own or operate energy storage, providing important clarity for stakeholders.

Energy storage resources, particularly battery energy storage, will play an important role in Maine and New England's transition. Already, there are more than 63 megawatts of grid-connected energy storage projects operating in the state helping to balance intermittent renewables. And in 2022, about 20 percent of proposed generators in the ISO-NE Interconnection Queue were battery storage projects.² These projects demonstrate that storage is viable, but we still have significant progress to make in order to meet our 2025 and 2030 goals. As we draw closer to our emissions reduction and renewable energy requirements, long-duration storage will become increasingly important as well. Several New England states are taking steps to support the development of battery technologies. This legislation will provide the state with additional resources to support a robust storage market in Maine.

Thank you for your consideration.



Caroline Colan, Legislative Liaison
Governor's Energy Office

² <https://www.iso-ne.com/about/what-we-do/in-depth/batteries-as-energy-storage-in-new-england>