



February 10, 2021

**Versant Power Testimony, Neither For Nor Against,
LD 9, “An Act To Promote Renewable Energy by Authorizing a Power-to-fuel Pilot Program”**

Chairman Lawrence, Chairman Berry, and distinguished members of the Energy, Utilities, and Technology Committee, Versant Power is pleased to offer the following testimony neither for nor against LD 9, “An Act To Promote Renewable Energy by Authorizing a Power-to-fuel Pilot Program.”

Energy storage technologies represent one of the biggest challenges and opportunities in the energy sector at the moment. Their potential use-cases are almost as diverse as the technologies themselves – which range from batteries of various types, to pumped-hydro, molten salt, and power-to-gas conversion, among others. Storage can be used to “shift peak” and reduce the usage of less efficient generators, it can provide back-up power to homes and businesses in the event of an outage, it can ease congestion at interconnection points, and can even defer the need for some transmission and distribution upgrades.

Versant Power is committed to working with the legislature, regulators, OPA and other stakeholders to accomplish our ambitious shared climate and energy goals. We believe the widespread use of various energy storage technologies will be critical to our transition to 100% renewable electricity – and the intermittent resources that will drive it – in a way that is affordable while also maintaining the reliability and safety of the electric grid.

It is with that in mind that Versant Power offers our support of many of the concepts contained within LD 9, and hopes the Committee will continue to encourage the development and deployment of this and various other rapidly evolving storage technologies, in recognition of the many benefits they may provide to all ratepayers.

In particular, we believe power-to-fuel systems, from a perspective of grid-management and the integration of renewable generation resources, may be well suited to easing congestion and/or capturing energy that might otherwise be curtailed. When dealing with new and rapidly developing technologies such as these, pilot projects may also prove to be valuable in demonstrating commercial feasibility and helping regulators and stakeholders better understand the complex technical, legal and market mechanisms involved.



Our understanding is that it is the intention of the bill's sponsor to put forward language that mirrors the majority report of the EUT committee when similar legislation was considered in 2020. Versant Power appreciates that the sponsor has explicitly included in the current language that necessary interconnection costs are appropriately the responsibility of the project owner.

We would also highlight for the Committee's consideration, as we did in the discussions during the previous legislature, that the exemption of these pilot projects from distribution charges for one-way transmission of electricity is a policy consideration for which the Committee will need to weigh the potential benefits of these projects against the fact that such an exemption means those costs would be spread among other ratepayers.

Versant Power firmly believes energy storage will play a major role in meeting the major challenges before us in a reliable and cost-effective way, and we hope the Committee will continue to encourage the development and usage of a wide array of these technologies.