



TESTIMONY OF CLEARWAY ENERGY GROUP ON LD 1850
COMMITTEE ON ENERGY, UTILITIES AND TECHNOLOGY
May 16, 2023

Dear Chairman Lawrence, Chairman Zeigler and members of the Committee:

My name is Dan Hendrick, and I am head of External Affairs – East Region, for Clearway Energy Group (“Clearway”). I’d like to thank the Committee for the opportunity to offer Clearway’s perspective on LD 1850, *An Act Relating to Energy Storage and the State’s Energy Goals*.

Clearway supports LD 1850, which will jump-start the energy storage industry in Maine and facilitate the transition to a cleaner grid and help meet the state’s climate goals. This legislation is also timely; the costs of energy storage systems continue to decline and the federal Inflation Reduction Act will make such systems more affordable than ever, thanks to a ten-year Investment Tax Credit for both standalone storage and wind-plus-storage facilities.

About Clearway

Clearway is one of the largest developers and operators of clean energy in the United States with nearly 7 gigawatts of wind, solar, and energy storage in operation operating in 28 states. Clearway differs from other renewable energy providers because our company is the long-term owner/operator of our assets; therefore, our focus is on markets, projects and product offerings that are stable and sustainable for the long term.

Clearway operates battery energy storage systems across geographies and markets, from Hawaii to Massachusetts, and from smaller systems paired with distributed solar to stand-alone, transmission-scale units.

Clearway offers the following recommendations that draw on our company’s nationwide experience in energy storage and will help realize the potential of this important legislation:

- 1) While it is good to learn from other state’s experiences, Maine should craft its own energy storage policy mechanisms to meet its unique needs. LD 1850 requires the PUC to consider an index storage credit mechanism but this model has not been proven. In New York, for example, stakeholders and the Public Service Commission are still actively investigating this model. Meanwhile, California leads the nation in scaling energy storage deployment and has done so through the state’s Resource Adequacy (RA) Program. Clearway thus recommends Maine consider a full spectrum of program design and

contracting mechanisms, including long-term contracts for utility dispatch rights, and make specific reference to such options in the bill language.

- 2) Utility ownership of energy storage systems may not be the most cost-effective solution; however, utilities best understand the needs of the grid and may be best positioned to dispatch energy storage. It may be wiser to keep Central Maine Power and Versant focused on improving their core functions, which only they can provide, and allowing the PUC to consider utility ownership only when absolutely necessary, on a case-by-case basis. Energy storage developers bring national experience and can rally private capital to ensure Maine builds the best and most cost-effective energy storage network for its needs, and to own, operate, and maintain these assets over their useful life. Utilities are best positioned to understand the needs of the system in real time. By 'giving the keys over' of an energy storage system to the utility under a tolling agreement or equivalent, utilities can dispatch energy storage to meet those needs. The utilities also have unique information about where storage may be most easily interconnected to provide the greatest benefits to the system. This information should be shared with renewable energy and energy storage developers to inform strategic siting.

- 3) Consider setting a maximum project size of 100 megawatts in the initial 300-megawatt tranche. As proposed, Maine's energy storage targets are relatively modest. Setting a project size cap will allow the state to test a number of use cases in different locations, and avoid creating reliability concerns if any single unit were to experience an unscheduled outage.

Clearway appreciates the opportunity to provide these comments and we are excited about the possibility of working with policy makers to build Maine's energy system of the future. Please feel free to contact me with any additional questions.

Respectfully submitted,

/s/ Dan Hendrick
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