

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1751

In the Matter of

PUBLIC UTILITY COMMISSION OF
OREGON,

Implementing Energy Storage Program
Guidelines pursuant to House Bill 2193.

Energy Storage Association’s Comments
on Order 16-316’s Project Guidelines,
Proposal Guidelines, and Competitive
Bidding Requirements

The Energy Storage Association (“ESA”) appreciates the opportunity to comment on the draft Project and Proposal Guidelines and draft Competitive Bidding Requirements proposed by the Oregon Public Utility Commission (“Commission”) in Order 16-316. We are generally supportive of the process for implementation of H.B. 2193 that the Commission outlined in Order 16-316.

ESA agrees largely with the comments of Renewable Northwest and supports their recommendations of changes to maximize the benefits from Oregon’s first energy storage program. In particular, ESA would like to express its strong support that the Commission request utilities to submit projects with an aggregate capacity of the one percent of 2014 peak load allowed by HB 2193. ESA also agrees that models used by electric companies should be transparent and auditable, not just for accountability but also because doing so can inform the activities of Oregon non-regulated load-serving entities, such as public power and co-ops, as well as of other states looking to Oregon’s leadership on energy storage.

Furthermore, ESA wishes to emphasize the importance of proposals capturing system benefits that may not accrue directly to the storage projects in question, as those benefits are potentially significant relative to the direct benefits accruing to the storage project. For example, the recently released Massachusetts *State of Charge* study of large-scale energy storage deployment found that the system benefits were greater than the expected direct revenues to storage.¹ Similarly, the impact of multiple storage units in aggregate may have greater value than the sum of unit benefits taken individually. ESA recommends that proposals offer some quantification of these values when considering cost-effectiveness so that the Commission may capture those values for ratepayers.

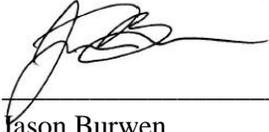
In addition to our support of Renewable Northwest's comments, ESA also recommends the Commission strengthen Competitive Bidding Requirements to increase transparency and overall benefits to Oregon consumers. The Commission should consider use of one or several independent evaluators who can assess and compare inputs of the different bids. Furthermore, requirements should be clear and create a level playing field for all potential developers.

ESA thanks the Commission for its work on these guidelines and processes. Oregon has a rare opportunity to serve as a leader to other states on energy storage, and ESA acknowledges the Commission's efforts. We look forward to working with the Commission, utilities, and other stakeholders to ensure that energy storage deployments provide the greatest benefit to Oregon businesses and households.

¹ See pages 87-88 of Massachusetts Department of Energy Resources' *State of Charge: Massachusetts Energy Storage Initiative Study*, released September 2016. Available at <http://www.mass.gov/eea/docs/doer/state-of-charge-report.pdf>

RESPECTFULLY SUBMITTED this 30th day of September, 2016.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'JB', is written over a horizontal line.

Jason Burwen
Policy & Advocacy Director
Energy Storage Association

cc: Service List