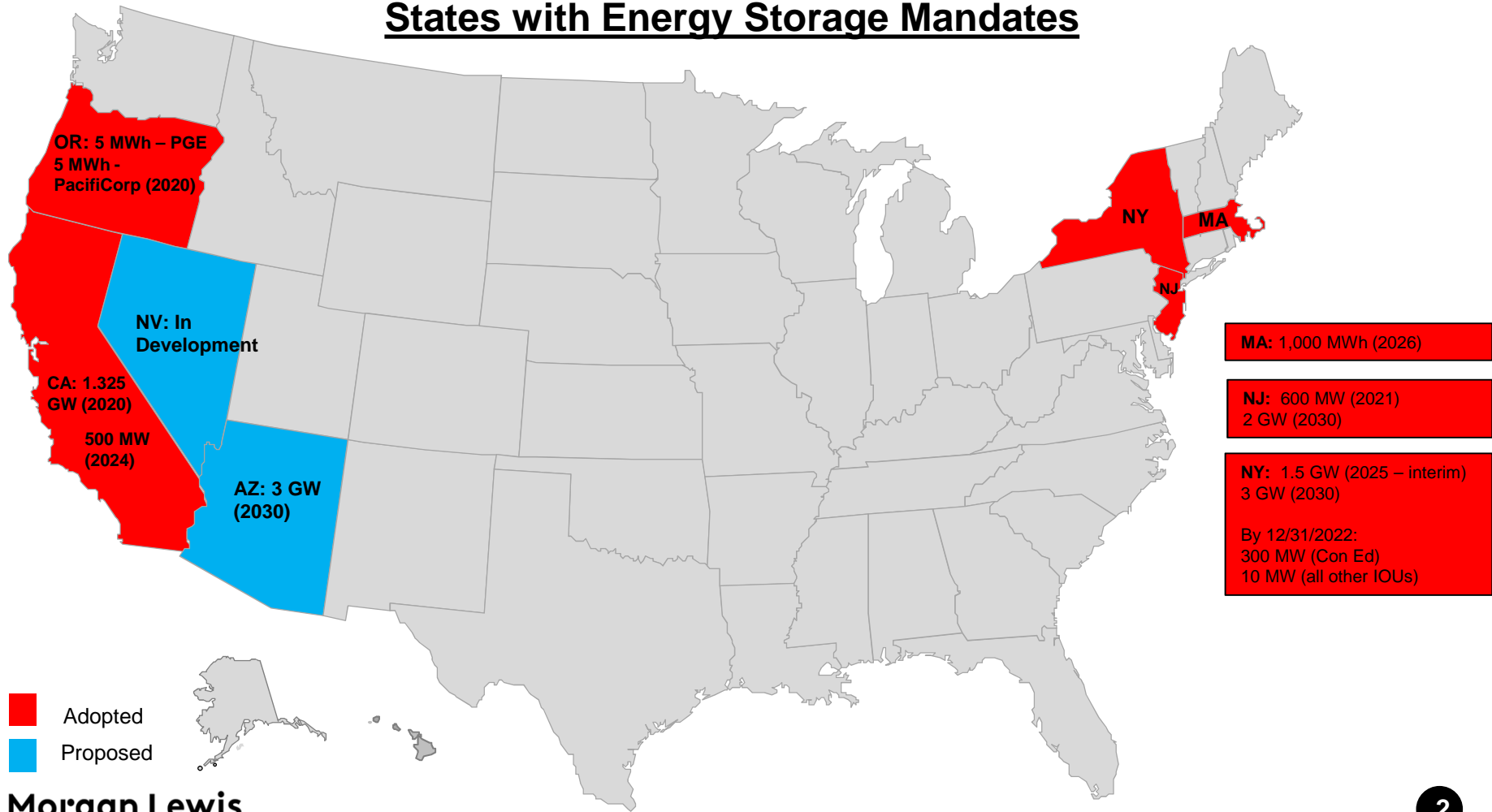


Morgan Lewis

# ENERGY STORAGE PROCUREMENT TRACKER

June 2019

# States with Energy Storage Mandates



# Current 2019 Utility Solicitations

State	Utility	Description	Issuance Date	Response Deadline
AZ	APS	<a href="#">RFP</a> for approximately 60 MW of battery storage capacity at APS-owned solar plants to be in service no later than June 1, 2021.	4/03/2019	5/31/2019
OR	PGE	<a href="#">Draft RFP</a> for the Coffee Creek substation and Port Westward generation ESSs approved in <a href="#">Order No. 18-290</a> .	5/01/2019	5/31/2019 (Comments to RFP)
OR	PGE	<a href="#">Amended Draft RFP</a> for an ESS behind a municipal customer's meter at its office building in Beaverton as part of a microgrid project that includes 320 kW of solar PV and a diesel generator.	5/03/2019	6/02/2019 (Comments to RFP)
NY	Con Ed/Orange & Rockland Utilities, Inc. (O&R)	<a href="#">Draft RFP</a> for scheduling and dispatch rights for at least 300 MW (Con Ed) and 10 MW (O&R) of new energy storage systems for up to seven years.	5/31/2019	6/14/2019 (Comments to RFP)  10/01/2019 (Bids)

# Energy Storage Procurement Mandates and Targets

## California

- In [Decision 13-10-040](#), the California Public Utilities Commission (CPUC) set an energy storage procurement framework with a 1,325 MW IOU storage target by 2020 as required by [Assembly Bill \(AB\) 2514](#) (2010). This decision also set the energy storage procurement target for each electric service provider and community choice aggregator at 1% of its 2020 annual peak load.
- As of early August 2018, California's three largest investor-owned utilities (IOUs) – San Diego Gas & Electric (SDG&E), Pacific Gas & Electric (PG&E), and Southern California Edison (SCE) – have procured or are seeking approval to procure by 2024 almost 1,500 MW of energy storage related to AB 2514. See [California Energy Commission Energy Storage Tracking Report \(Aug. 28, 2018\)](#).
- [AB 2868](#) (2016) requires California's three major IOUs to propose programs and investments for up to an aggregate 500 MW (166.6 MW each) of distributed energy storage systems, above and beyond the 1.3 GW target for energy storage generally. It also authorizes the CPUC to double collections from utility customers for energy storage and renewable generation incentives.
- In response, in April 2017 ([D.17-04-017](#)), the CPUC increased the Self-Generation Incentive Program (SGIP) funding from \$83 million to \$166 million and allocated about 80% of the funding to storage incentives.
- [Senate Bill \(SB\) 801](#) (2017) requires SCE to deploy 20 MW energy storage to the extent that it is cost-effective and needed to meet energy reliability requirements in the greater Los Angeles area associated with the Aliso Canyon gas explosion. On May 31, 2018, SCE issued a [Request for Offers \(RFO\)](#) in response to SB 801, with a target date of April 2019 for an Advice Letter filing (has not been filed as of May 2019).

# Energy Storage Procurement Mandates and Targets (Cont.)

## Massachusetts

- [House Bill 4857](#) (2018) establishes a 1,000 MWh energy storage deployment target to be achieved by 2026.

## New Jersey

- [Assembly Bill No. 3723](#) (2018) establishes the following storage goals: 600 MW by 2021; 2 GW by 2030.

## New York

- [Assembly Bill 6571](#) (2017) directs the New York Public Service Commission (NYPSC) to investigate and set an energy storage target for 2030.
- On June 21, 2018, the Department of Public Service (DPS) and the New York State Energy Research and Development Authority (NYSERDA) filed the “New York State Energy Storage Roadmap and DPS/NYSERDA Staff Recommendations” (the [Roadmap](#)).
- On December 31, 2018, the NYPSC entered an [Order](#) in Case 18-E-0130, which adopts an aspirational statewide energy storage goal of installing up to 3 GW of storage by 2030 and an interim objective of 1,500 MW by 2025. The NYPSC also recognized storage will play a key component in utility Non-Wires Alternatives (NWAs). The order directed each IOU to examine potential utility-scale storage opportunities and issue a request for proposal (RFP) in 2019 for storage opportunities over a seven-year term. Each IOU is required to procure at least 10 MW of storage by December 31, 2022, with the exception of Consolidated Edison Company of New York, Inc. (Con Ed), which was directed to procure at least 300 MW based on the significant opportunities for storage within its service territory. The order did not provide details on how the utility-specific procurement mandates were derived from the Roadmap.

# Energy Storage Procurement Mandates and Targets (Cont.)

## Oregon

- At the end of 2016, the Oregon Public Utility Commission (OPUC) issued guidelines under HB 2193 (2016) that require Portland General Electric (PGE) and PacifiCorp to each have a minimum of 5 MWh of energy storage in service by January 2020.
- On August 13, 2018, the [OPUC approved five pilot projects for PGE](#) with a capped revenue requirement of \$71 million: (1) residential storage units as a dispatchable resource providing grid services; (2) 2-5 microgrids; (3) 17-20 MW energy storage system (ESS) at PGE's Coffee Creek substation; (4) 2 MW ESS mid-feeder at an existing solar facility; and (5) ESS at PGE's Port Westward generation facility.
- On September 4, 2018, the OPUC entered [Order No. 18-327](#) and approved two pilot projects with an aggregate capacity of 7 MWh. Under the first project, PacifiCorp will partner with a single customer to study distributed storage applications alongside a blend of renewable and conventional generation, subject to a \$4.5 million cost cap. The second project will provide financial assistance for up to four ESSs that will seek to support community resiliency. PacifiCorp has not yet released its RFPs for the approved pilots.

# Proposed Energy Storage Targets

## Arizona

- The Arizona Corporation Commission (ACC) initiated a [new rulemaking proceeding](#) in August 2018 to evaluate the [Arizona Energy Modernization Plan](#) (AEMP) and associated Clean Resource Energy Standard and Tariff (CREST) proposed by Commissioner Andy Tobin earlier in 2018. The CREST includes a 3 GW storage procurement target and 15% clean peak standard by 2030.
- In [Decision No. 76632](#) (Mar. 2018), the ACC rejected the integrated resource plans (IRPs) filed by the state's three IOUs and instituted a nine-month moratorium on new gas plants larger than 150 MW, which was extended through August 1, 2019 in [Decision No. 77086](#). The ACC directed utilities to consider more clean resources and to specifically analyze a portfolio that includes the lesser of 1,000 MW of energy storage capacity or an amount of energy storage capacity equivalent to 20% of system demand in their next IRPs.
- Following that ruling, Arizona Public Service (APS) issued a request for proposals (RFP) for up to 106 MW of energy storage capacity to allow its existing solar facilities to meet evening demand as part of a plan to add 500 MW of storage to its system over the next 15 years.
- In February 2019, Pinnacle West Capital Corp. announced plans to add 850 MW of battery storage and at least 100 MW of new solar by 2025 in response to the new-build gas moratorium.

# Proposed Energy Storage Targets (Cont.)

## Nevada

- [SB 204](#) (2017) directs the Public Utilities Commission of Nevada (PUCN) to study the cost-effectiveness of an energy storage mandate for utilities by October 1, 2018 and implement biennial energy storage procurement targets if the study shows that energy storage is a cost-effective improvement.
- In response to SB 204, the Nevada Governor's Office of Energy commissioned the Brattle Group (Brattle) to study the potential economic value of storage for Nevada to assist the PUCN in evaluating whether energy storage procurement targets should be set and, if so, at what levels.
- Brattle filed its report titled "[The Economic Potential For Energy Storage in Nevada](#)" on October 2, 2018. The PUCN accepted Brattle's report in [Order No. 34974](#) (Dec. 2018) and determined that it is in the public interest to proceed with a rulemaking to establish energy storage procurement targets.