



Maine Quarterly Energy Storage Forum

Hosted by the **GOVERNOR'S**
Energy Office

Wednesday, February 15, 2023



Agenda

Energy Storage Outlook – 2023

- 3:00 PM** Welcome and Introductions
- 3:05 PM** Introductory Remarks: Sen. Eloise Vitelli
- 3:15 PM** Presentation: Efficiency Maine Trust
- 3:45 PM** Presentation: NYSERDA
- 4:15 PM** Updates and Upcoming



Energy Storage Policy in Maine

- 129th Maine Legislature established the ***Commission to Study the Economic, Environmental and Energy Benefits of Energy Storage to the Maine Electricity Industry***.
- In June 2021, Governor Mills signed LD 528, ***An Act to Advance Energy Storage in Maine*** which set goals for energy storage in Maine and directed the GEO to conduct an energy storage market assessment.
 - 300 MW deployed by the end of 2025
 - 400 MW deployed by the end of 2030
- In March 2022, the GEO released its ***Energy Storage Market Assessment***.
- In the second session of the 130th Maine Legislature, ***LD 2030*** passed, creating a sales tax reimbursement for battery energy storage systems with a capacity of 50 MW or greater.
- Efficiency Maine Trust is launching two new demand management programs, a demand response initiative and a load shifting initiative, in addition to a pilot project deploying battery storage at critical care facilities.



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Today's Speakers



Senator Eloise Vitelli
Senate Majority Leader
Maine State Legislature
ME Senate District 24



Ian Burnes
Director of Strategic Initiatives
Efficiency Maine Trust



Jesse Remillard
Senior Program Manager
Efficiency Maine Trust



Schuyler Matteson
Senior Advisor
NYSERDA

Updates & Upcoming



Distributed Generation Stakeholder Group Proposed Successor Program - Priorities

Consistent with the directives of LD 936, the successor program is designed to:

- Build low-cost renewable energy to save Maine people money and continue growing Maine's clean energy economy;
- Ensure opportunities for competitive cost-effective distributed renewable energy and storage are captured to benefit Maine ratepayers;
- Maximize the opportunity to direct federal financial incentives to continue deploying cost-effective community-scale renewable energy that delivers tangible benefits to Maine communities;
- Deploy the incremental benefits to Maine community-scale renewable energy to reduce energy burdens faced by low- and moderate-income households; and
- Align community-scale renewable energy deployment with siting incentives funded by the federal government, directing future development to previously disturbed sites including brownfields to minimize impacts.

The Final Report of the Distributed Generation Stakeholder Group is available here:

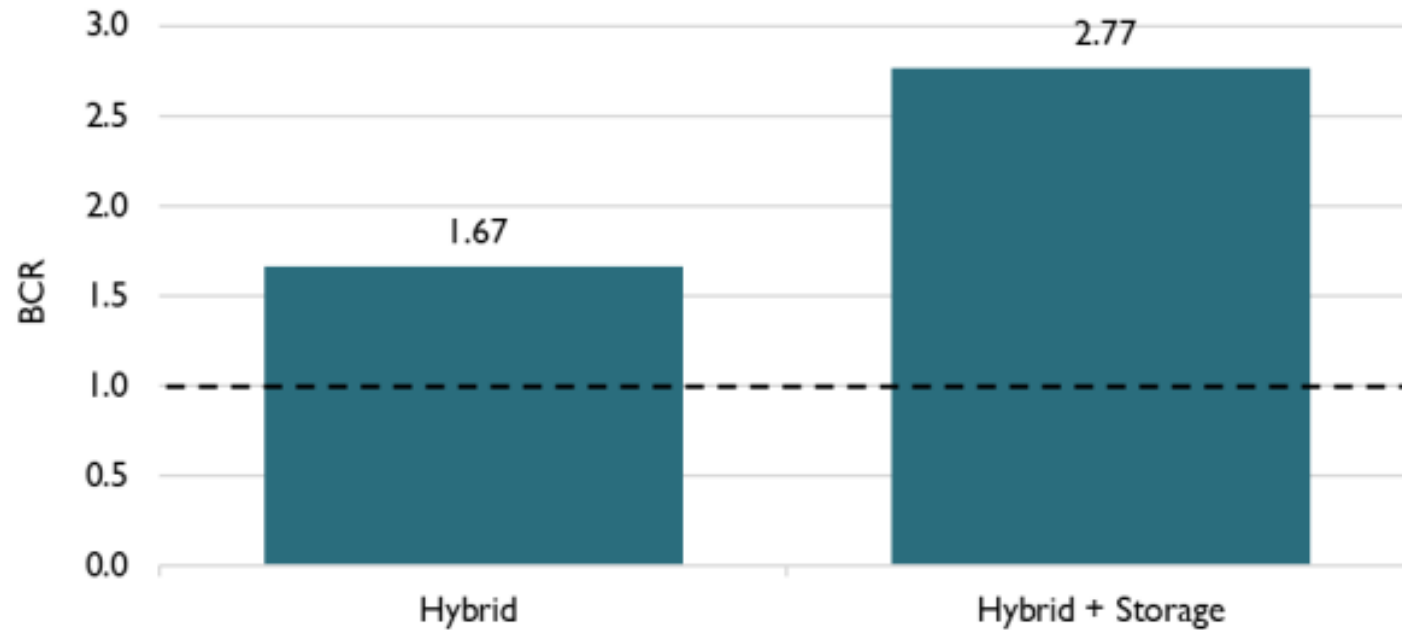
https://www.maine.gov/energy/sites/maine.gov.energy/files/inline-files/Final%20Report%20of%20the%20DG%20Stakeholder%20Group_with%20appendix.pdf

Successor program overview

Program Component	Capacity Allocation	Eligible Projects	Project Selection	Siting	Offtake
Competitive Procurement	Not less than 70% of annual program target.	Distributed generation paired with storage.	Projects submit sealed bids to sell energy and RECs at a fixed price, or fixed price with an annual escalator. Projects are selected beginning with the lowest qualified bids until the total capacity of all selected projects equals at least 70% of the annual program target. Projects are awarded a power purchase agreement no greater than 20 years with the applicable T&D utility at their bid price.	Projects sited on previously disturbed or degraded lands, including brownfields, capped landfills, and gravel pits will be evaluated at 85% of their bid price.	Attributes purchased from all projects would be monetized by the PPA counterparty to maximize value to ratepayers. A portion of the resulting revenue would be allocated to provide a financial benefit to low- and moderate-income ratepayers that complies with forthcoming guidance to obtain an incremental 20% ITC.
Community Access	Up to 30% of annual program target.	Distributed generation paired with storage owned by a municipality, tribe, school or state entity.	Eligible projects may enroll on a first-come, first-served basis with compensation set at the capacity-weighted 50th percentile of selected bids in the competitive procurement. PPA terms are otherwise equivalent to those in the competitive procurement.	Projects sited on previously disturbed or degraded lands, including brownfields, capped landfills, and gravel pits will receive an equivalent price adjustment.	Attributes purchased from all projects would be monetized by the PPA counterparty to maximize value to ratepayers. Revenue realized by the project owner would be available to offset energy bills or provide other public benefit as determined by the project owner.

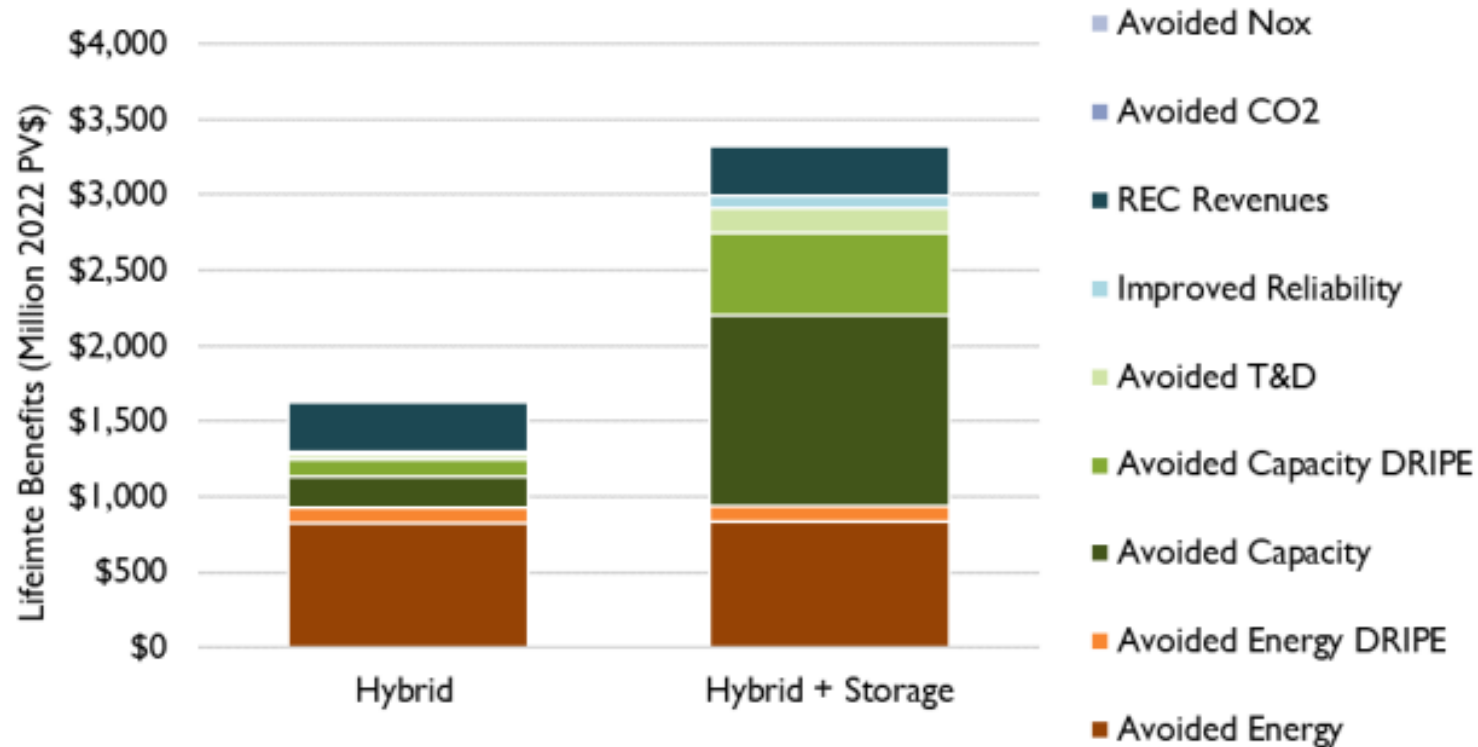
Successor program analysis: final program options

Using the same benefit-cost testing approach, Synapse evaluated the overall cost-effectiveness of two final successor program options. The “Hybrid + Storage” option illustrated below is the proposed successor program. The benefit-cost ratio of 2.77 indicates each \$1 of cost will yield an estimated \$2.77 of benefits.



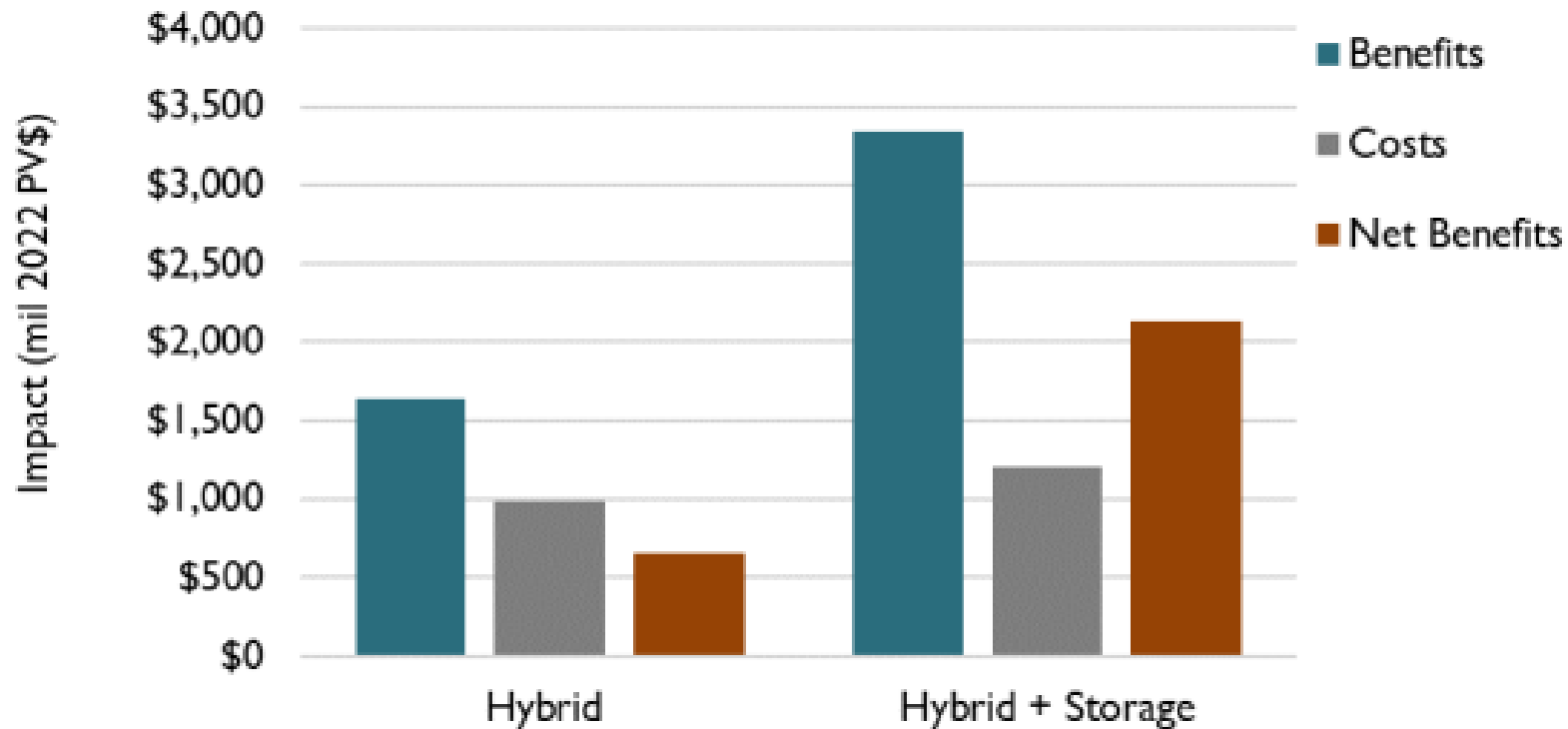
Estimated total lifetime benefits for the successor program

The Synapse analysis found the successor program (“Hybrid + Storage” below) would result in a range of benefits, with substantial additional avoided capacity and avoided T&D benefits associated with the inclusion of energy storage.



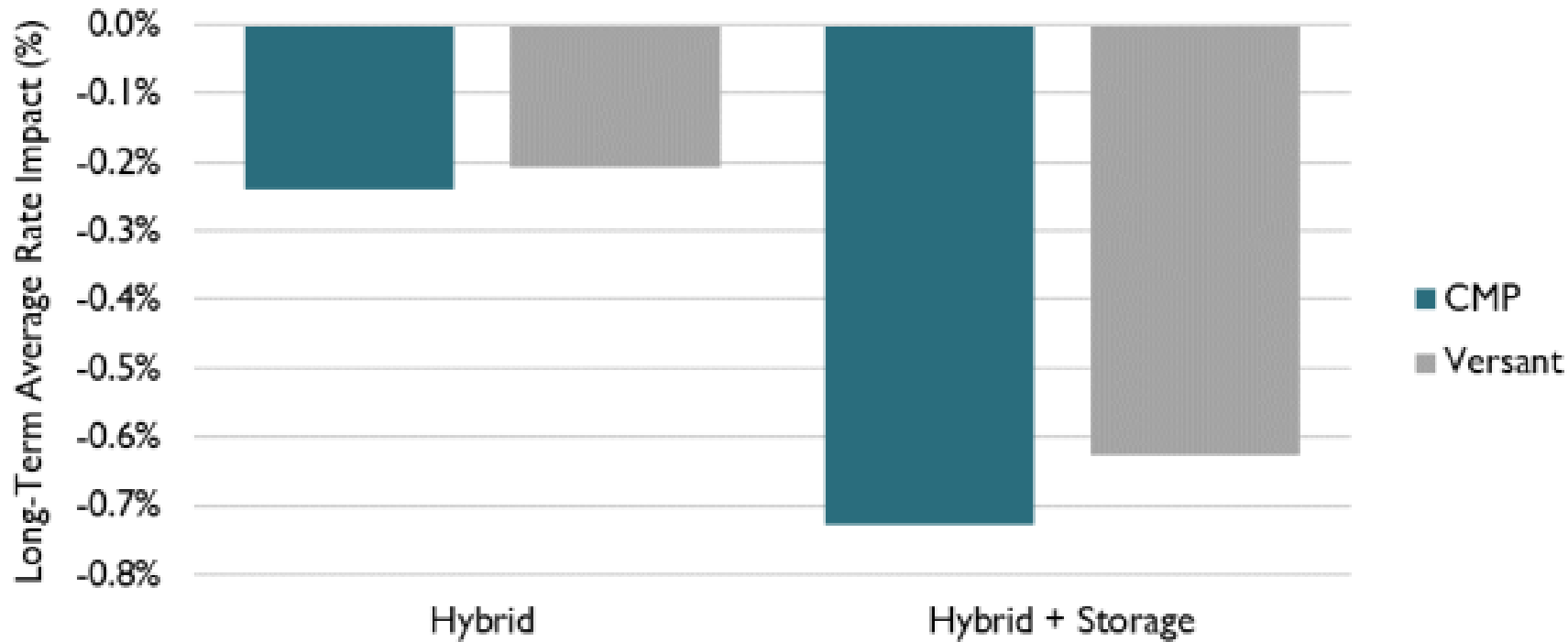
Successor program benefit-cost results

The Synapse analysis found the successor program (“Hybrid + Storage” below) would result in approximately \$2.1 billion in net benefits over the life of the program.



Successor program rate impact analysis results

The Synapse analysis found the successor program (“Hybrid + Storage” below) would result in a long-term average rate decrease of approximately 0.65%.



L.D. 2030 Report

In the 130th Maine Legislature, a refund of sales and use tax was established on the purchase of qualifying battery energy storage systems with passage of L.D. 2030. Pursuant to the law, battery energy storage systems with a capacity of 50 megawatts or greater purchased between January 1, 2023 and December 31, 2025 will be eligible to submit a claim for tax reimbursement beginning July 1, 2023.

This legislation additionally requires the Governor's Energy Office to examine the role of existing and potential tax incentives in achieving the state's energy storage goals as established in the Maine Revised Statutes, Title 35-A, section 3145 and to provide a report on these matters to the Joint Standing Committee on Energy, Utilities and Technology. This report will include a review of tax incentives for energy storage available from the Federal Government and in other states.

Report to be delivered to the Legislature by March 15, 2023.

Upcoming Request for Comment

The GEO is requesting input from any interested parties on the topics of this report. A draft will be made available for review and comment on the GEO website soon. Comments will be accepted by email to Caroline.Colan@maine.gov.

Thank you!

For more information, please visit
www.maine.gov/energy/quarterlystorageforum

or contact:

Caroline.Colan@maine.gov

