

NATIONAL ASSOCIATION OF STATE UTILITY CONSUMER ADVOCATES

Resolution 2020-02

URGING THE CREATION OF EDUCATIONAL FORUMS TO DISCUSS STATE GOALS AND PRIORITIES RELATED TO EVALUATING ENERGY STORAGE

Whereas, the National Association of State Utility Consumer Advocates (“NASUCA”) has a long-standing interest in the integrity and effectiveness of grid infrastructure upgrades as a means of keeping utility service accessible and affordable; and

Whereas, States have an obligation to ensure that electric customers in their State receive safe and reliable electricity service with just and reasonable rates; and

Whereas, the core responsibilities of any public utility remain the same with the addition of any shifts in load on a distribution and transmission system, which are to maintain the safety, reliability, and affordability of the electric system for the benefit of its ratepayers; and

Whereas, the level of interest from utility- and non-utility distributed energy resources for residential/non-residential purposes, is increasing; and

Whereas, the level of interest on utility scale distribution and transmission system enhancements for the purposes of providing increased reliability and system optimization is increasing; and

Whereas, states are taking action to increase and encourage the deployment of energy storage; and

Whereas, electric utilities across the country are beginning to incorporate energy storage technologies in their annual long-term resource planning tools; and

Whereas, the National Association of Regulatory Utility Commissioners (NARUC) during its 2020 Winter Policy Summit passed a resolution recommending state commissions to convene proceedings that engage stakeholders on the topics of Distributed Energy Resources and make evidence-based decisions to adopt the current IEEE 1547; and

Whereas, the purchase and installment of energy storage equipment may impact utilities’ future decisions regarding distribution and transmission system investments and operations, and therefore may impact the electric rates paid by electric users of the grid; and

Whereas, many states have not specifically defined energy storage technologies and how the application of cost allocation to new and existing DER projects should be determined which makes it difficult to evaluate costs and benefits of energy storage; and

Whereas, energy storage technologies have the ability to impact overall electric load needs across a utility’s service territory, and, when coupled with effective consumer education, incentives, and rate design, might serve to mitigate load impacts of the electric grid through peak shaving and shifting available capacity to times when capacity is needed; and

Now, therefore, be it resolved, that NASUCA encourages states to continue to evaluate and analyze energy storage adoption issues with a specific focus on:

1. The methods to determine the actual costs and benefits between participant and non-participant;
2. The equitable sharing of any costs and benefits between participant and non-participant;
3. The types of energy storage resources available to the state's region;
4. The state's current energy goals and priorities with respect to reliability, grid support, resiliency, and environmental impacts;
5. The efficient integration of energy storage infrastructure into their systems, the avoidance of adverse impacts on the system from energy storage integration and/or use;
6. The appropriateness of the development of alternative rate designs; and
7. The adaptation of distribution planning to minimize system risks and provide the opportunity for longer term system and cost benefits for their ratepayers;

Be it further resolved, that NASUCA encourages each state to develop a forum for the sole purpose of education for regulators and other stakeholders on the topic of energy storage applications, operations, best practices, and other pertinent energy storage topics at the individual state-level; and

Be it further resolved, that NASUCA encourages dialogue between neighboring states, with overlapping electric utilities among stakeholders with the goal of developing consensus policy solutions for energy storage that protects the interests of all ratepayers; and

Be it further resolved, that NASUCA recommends neighboring states to work jointly together on developing compatible regional policies while clearly defining energy storage technologies in order to perform an accurate cost/benefit analysis of those policies; and

Be it further resolved, that while policy design may differ between states, NASUCA maintains that managing the demand of energy storage owners for electricity with the goal of creating a more efficient, reliable, equitable, environmentally responsible, and least cost electric system should be at the center of all policy discussions; and

And, be it further resolved, that NASUCA authorizes its Executive Committee to develop specific positions and to take appropriate actions, including litigation, consistent with the terms of this resolution. The Executive Committee shall advise the membership of any proposed action prior to taking such action, if possible. In any event, the Executive Committee shall notify the membership of any action taken pursuant to the resolution.

Submitted by the Distributed Energy Resources Committee

Approved: November 12, 2020

2020 NASUCA Annual Meeting

Abstained:

TURN - California

Tennessee Attorney General

North Carolina Attorney General