

September 8, 2023

Tom Ferguson
Energy Storage Programs Manager
Department of Energy Resources

Dear Mr. Ferguson,

ECA Solar appreciates the opportunity to provide these comments to the Department of Energy Resources and E3 as they continue to gather information to prepare the Energy Storage Study for the Commonwealth of Massachusetts. The Commonwealth has long been a leader in energy storage policy and we are optimistic that the recommendations from this Energy Storage Study will continue advancing practical and innovative approaches to the deployment of energy storage. The pathway to our 2030 and 2050 Climate Goals is not complete without energy storage to help decarbonize the grid and move toward Net Zero.

ECA Solar develops, engineers, installs, and operates large scale solar facilities across the US. ECA Solar takes an institutional approach to the solar energy industry. Our goal is to deploy the highest quality of solar power and energy storage projects to diversify the electric grid, while remaining risk averse and prioritizing safety. We value diversity and creativity to achieve the common goal of making solar energy more accessible to everyone. We're proud to have developed hundreds of acres of ground - mounted solar and over 6 million square feet of rooftop solar in 7 states. We thank you for your consideration of these comments.

Market Revenues Alone Cannot Support Storage, Additional Program Support is Critical

Energy storage is a critical puzzle piece to our clean energy future, and most importantly, to the grid of our future. However at this point in time, energy storage is not financeable in most cases on merchant revenues alone- there must be an additional revenue stream. Massachusetts has established two such additional revenue streams- the energy storage adder through the SMART program and Clean Peak Certificates from the Clean Peak Standard. However, even though Clean Peak Certificates are a critical part, many projects are not truly financeable without the Distribution Circuit multiplier that has been proposed by the Department of Energy Resources, but has not yet been finalized. Massachusetts is not alone in struggling to determine the best way to help make storage financeable. ECA Solar is supportive of the existing incentive programs, and urges the DOER to finalize the Distribution Circuit multiplier as soon as possible. Without the revenue from the combination of these programs- SMART and Clean Peak, it is not

possible to build storage at scale. The financing challenges are one of the biggest obstacles to the growth of the storage market in the state.

Flexible Interconnection Should Be Implemented, and Storage Should Not be Treated Solely as a Generator in Utility Studies

The second challenge, which is much larger and more complicated, is related to the ongoing interconnection challenges facing all distributed energy resources in Commonwealth. The recent Electric Sector Modernization Plans filings by the Electric Distribution Companies with the Grid Modernization Advisory Council are ambitious and robust. They demonstrate just how much work has to be completed on our grid infrastructure before we can more seamlessly build and interconnect resources such as distributed solar and storage. However, even though the physical limitations of the grid present a challenge, storage can also help to get more distributed resources online while that work is ongoing. Flexible interconnection can help to manage the growth of DER, and energy storage can be used as a significant resource in a flexible interconnection policy. However, the Electric Distribution Utilities must not study the interconnection of energy storage as a simple generation asset- because it is not. Energy storage can be both generation and load, depending on how it is deployed. The simplistic approach to studying energy storage by electric distribution companies is stymieing both the growth of the energy storage market, but also the distributed solar market. We must figure out how to maximize the benefits of energy storage in a cost-effective way in order to hit the targets we have established.

Thank you for your consideration of these comments as you continue your work on this study. We sincerely appreciate all your hard work in developing this critical report, and in providing recommendations to improve our pathway to Net Zero in the Commonwealth.

If you have any questions for me, you may reach me at ko@ecasolar.com

Sincerely,

/s/ Kaitlin Kelly O'Neill

Kaitlin Kelly O'Neill

Director of Policy

ECA Solar