



October 23, 2023

Via Electronic Filing

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

Re: Policy Proceeding—Utilization of Storage Resources as Electric Distribution Assets  
Docket No. M-2020-3022877

Dear Secretary Chiavetta,

Enclosed for filing in the above-referenced proceeding please find the Comments of the Clean Energy Advocates. As evidenced by the attached Certificate of Service, all parties to the proceeding are being served with a copy of this document via email. Should you have any questions, please do not hesitate to contact me. Thank you.

Sincerely,

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Certificate of Service

Secretary Chiavetta (via electronic filing)

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Policy Proceeding—Utilization of Storage  
Resources as Electric Distribution Assets

Docket No. M-2020-3022877

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**COMMENTS OF THE CLEAN ENERGY ADVOCATES**

## **I. INTRODUCTION**

Vote Solar, Philadelphia Solar Energy Association, Natural Resources Defense Council (“NRDC”), Clean Air Council, and the Pennsylvania Solar & Storage Industries Association (collectively, the “Clean Energy Advocates” or “CEA”), appreciate the opportunity to comment on the Energy Storage Asset Policy Statement (“Policy Statement”) of the Pennsylvania Public Utility Commission (the “Commission”). The Policy Statement represents an important step towards the optimal and equitable development and deployment of storage assets in Pennsylvania’s energy landscape.

However, two critical gaps in the Policy Statement need to be addressed. First, electric distribution companies (“EDCs”) should be required to use an Integrated Distribution Planning (“IDP”) framework to ensure that all cost-effective opportunities for the use of energy storage are appropriately evaluated and implemented. Second, a set of parameters needs to be developed and adopted to ensure that energy storage assets are deployed in ways that are equitable.

## **II. THE NEED FOR INTEGRATED DISTRIBUTION PLANNING**

While the Policy Statement “encourages EDCs to consider electricity-storage assets as part of their system planning,”<sup>1</sup> there is no guidance or detail as to how this can be done effectively and consistently across utility service territories. As stated in CEA’s previous comments, an IDP process that incorporates non-wires solutions is a critical policy mechanism for the implementation of energy storage evaluation parameters.<sup>2</sup> These comments also cited the Office of Consumer Advocate’s (“OCA”) comments demonstrating the need for a new integrated distribution planning framework in Pennsylvania given the state’s current shortcomings with

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<sup>1</sup> Policy Statement at 1, PA PUC Docket No. M-2020-3022877 (Aug. 24, 2023).

<sup>2</sup> Comments of the Clean Energy Advocates at 8, PA PUC Docket No. M-2020-3022877 (Nov. 21, 2021).

distribution planning.<sup>3</sup> To ensure energy storage and other non-wires solutions are properly compared and evaluated against traditional transmission and distribution infrastructure, CEA respectfully requests that the Commission initiate a proceeding to develop an IDP structure that aligns with CEA's prior recommendations in this docket, including providing for non-utility ownership of energy storage and other non-wires solutions. This will help to clarify how EDCs can fulfill the Commission's encouragement to appropriately consider energy storage assets as part of system planning. Without a clear, comprehensive, and transparent process with stringent compliance requirements, the promise of energy storage will not be adequately fulfilled in Pennsylvania.

More broadly, as a result of the climate crisis, national energy policy is accelerating the transition from a fossil fuel-based economy to a clean energy economy. Powerful market forces are rapidly increasing the decarbonization of the electricity, transportation, industrial, and building sectors, which is leading to increased demand for electricity and changes in demand patterns. At the same time, climate change is increasing the frequency and duration of power outages in Pennsylvania and virtually every other state, and energy storage has become critically important to help manage these challenges. Encouragingly, the Inflation Reduction Act of 2022<sup>4</sup> will serve as a key driver for energy storage deployment in the U.S., allowing for standalone storage assets to be eligible for the federal investment tax credit. Beyond increasing the value and utilization of intermittent renewable power, standalone storage can also provide backup power to critical load centers and enhance grid flexibility, reliability and resilience. An IDP process is essential to ensure that the many potential benefits of storage for the grid are fully realized.

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<sup>3</sup> Comments of the OCA at 1, PA PUC Docket No. M-2020-3022877 (Feb. 18, 2021).

<sup>4</sup> Inflation Reduction Act, Pub. L. 117-169.

### III. THE NEED FOR EQUITY PARAMETERS

As noted in CEA’s November 2021 comments, equity should be a foundational consideration for energy storage program design<sup>5</sup> because equity is essential to the just and reasonable rates required by the Public Utility Code.<sup>6</sup> Equity considerations should be integrated into all stages of decision-making, planning, and implementation of energy storage projects. This ensures that all Pennsylvanians fairly and equitably benefit from this promising new technology, particularly with regard to reliability, resilience and affordability.

Depending on how they are deployed, energy storage assets have the potential to benefit, as well as to undermine, the environmental, health, and economic needs of Pennsylvanians. Notably, energy storage that is appropriately deployed and utilized as a distribution asset to help meet local demand peaks can cost-effectively avoid the need to dispatch highly polluting peaker plants. Five of the twelve peaker plants in the Philadelphia metropolitan area (Chester Generating Station, Delaware Combustion Turbine, Richmond Combustion Turbine, Schuylkill Combustion Turbine, and Southwark) are oil peakers and have very high NOx emissions.<sup>7</sup> These highly-polluting peakers impact 220,000 people living within one mile of a peaker, and 1.5 million people living within 3 miles.<sup>8</sup> However, these plants have a utilization rate of 0.27%, indicating that they are “low-hanging fruit” for replacement with energy storage assets.<sup>9</sup>

It is important that improving reliability and resilience for one segment of ratepayers in a particular geography or from a specific demographic group does not end up harming other more

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<sup>5</sup> Comments of the Clean Energy Advocates at 9, PA PUC Docket No. M-2020-3022877 (Nov. 21, 2021).

<sup>6</sup> 66 Pa. Stat. and Cons. Stat. § 1301 et seq.

<sup>7</sup> Clean Energy Group and Straten, *The Peaker Problem* at 29 (July 2022), <https://www.cleaneenergy.org/publication/peaker-problem/>.

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

vulnerable households. Low-income neighborhoods are often subject to more frequent power outages and greater burdens from highly polluting power plants sited in or near those neighborhoods.<sup>10</sup> And yet, depending on how an energy storage asset is sited and deployed, it is possible that it could increase pollution and emissions in these same vulnerable communities, compromising community health.<sup>11</sup> As researchers have noted, “[i]f the output from a high carbon source (such as coal or gas) is increased to charge storage, and the output from a lower carbon source is reduced as a consequence of the storage discharging, then net emissions are increased as a result.”<sup>12</sup>

To avoid these potential pitfalls, and ensure procedural and distributional equity, CEA respectfully requests that the Commission initiate additional proceedings (including outreach to environmental justice and low-income communities) to codify specific equity requirements, metrics, and incentives for energy storage deployment as a distribution asset. More broadly, the Commission should require that all IDP planning processes include input from environmental justice and low-income communities.

### **III. CONCLUSION**

The Clean Energy Advocates appreciate the opportunity to provide comments for the Energy Storage Asset Policy Statement and look forward to working with the Commission to ensure that energy storage serves the needs of all Pennsylvania residents. To summarize, we recommend that the Commission:

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<sup>10</sup> McNamara, W., Passell, H., Montes, M., Jeffers, R., Gyuk, I. (2022). *Seeking energy equity through energy storage*. The Electricity Journal. <https://doi.org/10.1016/j.tej.2021.107063>.

<sup>11</sup> Craig, M. T., Jaramillo, P., & Hodge, B.-M. (2018). *Carbon dioxide emissions effects of grid-scale electricity storage in a decarbonizing power system*. Environmental Research Letters. <http://iopscience.iop.org/article/10.1088/1748-9326/aa9a78>.

<sup>12</sup> Pimm, A., Palczewski, J., Barbour, E., Cockerill, T. (2021). *Using electricity storage to reduce greenhouse gas emissions*. Applied Energy. <https://doi.org/10.1016/j.apenergy.2020.116199>.

- Initiate proceedings to develop a mandatory Integrated Distribution Planning process for EDCs that aligns with the CEA's and OCA's prior recommendations in this docket; and
- Initiate proceedings to develop and incorporate clear equity requirements, metrics, and incentives into the Commission's policy framework for EDCs' deployment of energy storage as a distribution asset.

October 23, 2023

Respectfully submitted,

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**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a true copy of this electronically-filed document upon the parties, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

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