



October 23, 2023

VIA ELECTRONIC FILING

Rosemary Chiavetta
Commission Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building, 2nd Floor
400 North St.
Harrisburg, PA 17120

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

Dear Secretary Chiavetta:

Advanced Energy United submits for filing these comments in response to the Public Utility Commission's proposed Energy Storage Asset Policy Statement in Docket Number M-2020-3022877.

Respectfully submitted,

/s/ Nicholas Bibby

Nicholas Bibby
Policy Principal and Pennsylvania State Lead
Advanced Energy United

**COMMONWEALTH OF PENNSYLVANIA
PUBLIC UTILITY COMMISSION**

**Proceeding on Utilization of Storage)
Resources As Electric Distribution Assets) Docket No. M-2020-3022877**

October 23, 2023

**Comments of Advanced Energy United on the Commission’s Proposed Policy
Statement on Energy Storage Resources as Electric Distribution Assets**

Introduction

Advanced Energy United (‘United’) is a business association representing the full spectrum of advanced energy companies, including wind, solar, energy efficiency, energy storage, electric vehicles, transmission, and more. United works to educate, engage, and advocate for policies in Pennsylvania and nationwide that allow our member companies to compete to repower our economy with 100% clean energy. The businesses we represent are lowering consumer costs, creating tens of thousands of new jobs, and providing the full range of clean, efficient, and reliable energy and transportation solutions. Advanced Energy Institute works to help people understand the benefits and opportunities of transition to 100% clean energy through research, education, and engagement with decision makers who are positioned to affect real progress today. We envision consumers who are empowered through this transition and an economy that is powered by American-made clean energy.

United appreciates the opportunity to provide comments on this matter relating to the proposed policy statement on the utilization of electricity storage resources. The advanced energy community looks forward to continuing to work with the Commission to advance the storage market in a way that realizes the multiple benefits that storage provides and leverages competitive market solutions.

Definition of Non-Wires Solution

United believes that customers and third parties will play a critical role in the advancement of battery storage and other non-wires solutions, and that the Commission



should thus amend its definition of “Non-Wires Solution” to avoid any suggestion that electric distribution companies (EDCs) should unilaterally and in every circumstance be the owners and operators of non-wires solutions. In 1996, Pennsylvania passed the Electricity Generation Customer Choice and Competition Act, which deregulated the Commonwealth’s energy market, allowing for competitive suppliers to offer generation services to Pennsylvania electric consumers. This law further prohibited EDCs from owning or generating electric energy. In keeping with the spirit of that law, United believes that Pennsylvania’s EDCs should not have an assumed exclusivity in this application, as is suggested in the proposed definition of “Non-Wires Solution”. Utility ownership and operation of energy storage raises questions of energy arbitrage, and therefore market power. United would therefore like to see the Commission amend this definition to encourage an approach to non-wires solutions that encourages private sector investment and utility procurement of grid services from those competitively sourced solutions.

Electricity Storage as a Distribution System Asset

United believes that electricity storage assets can serve as an important component for ensuring reliability in Pennsylvania. That being said, §69.XXX2 lacks clarity on how utilities should be engaging with electricity storage as distribution system assets. United believes that this section, as current worded, is not wholly consistent with the restructured nature of Pennsylvania’s energy market, and recommends that the Commission provide a framework in this policy statement for how EDCs should be engaging with and procuring grid services from customers and energy storage providers. We also recommend that the Commission remove the word “engineered” from the first sentence of this section of the policy statement, as it is unnecessarily limiting.

To effectively deploy electricity storage resources as distribution system assets in Pennsylvania, United proposes adding an additional section to the Commission’s proposed policy statement, “§ 69.XXX3 ‘Framework for Pursuing Electricity Storage Solutions’”, which would emphasize that this policy statement is in keeping with the restructured competitive electricity market in Pennsylvania. Specifically, United recommends that this section support



leveraging competitive market solutions as they relate to non-wire solutions and utility involvement with storage. Doing so would enable private capital to supplement, at least in part, the efforts Pennsylvania will make to meet evolving system needs, alleviating ratepayer burden. We firmly believe that in order to most effectively deploy storage for the benefit of Pennsylvania consumers, the Commission should amend this policy statement to encourage private sector investment via competitive market solutions.

California's active Distribution Investment Deferral Framework (DIDF) program is an example of the kind of program Pennsylvania could adopt, in which utilities identify specific distribution deferral opportunities in annual filings and solicit competitively-sourced solutions. It will be important that planning utilize a sufficient timeframe to capture significant opportunities, and the Commission should work with the utility and stakeholders to refine appropriate technical criteria to use in identifying opportunities.

Conclusion

Advanced Energy United appreciates the Commission's attention to this important matter regarding the Commission's proposed policy statement on electricity storage in Pennsylvania. We respectfully request the Commission consider our comments and recommendations when developing its final policy statement.

