

The Little State that Could



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October 19, 2023

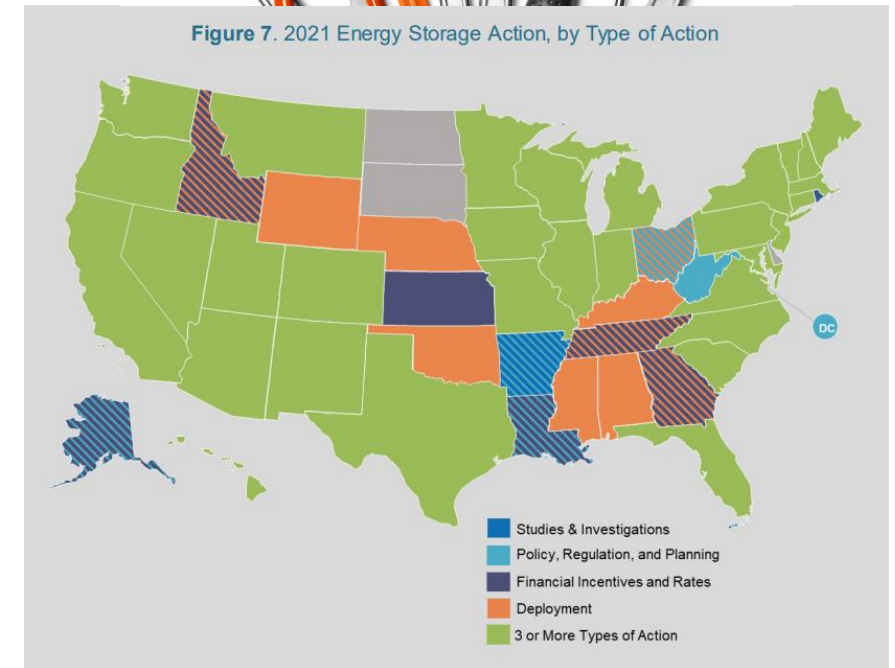


Clean Energy Group (CEG), a national nonprofit organization, works at the forefront of clean energy innovation to enable a just energy transition to address the urgency of the climate crisis.



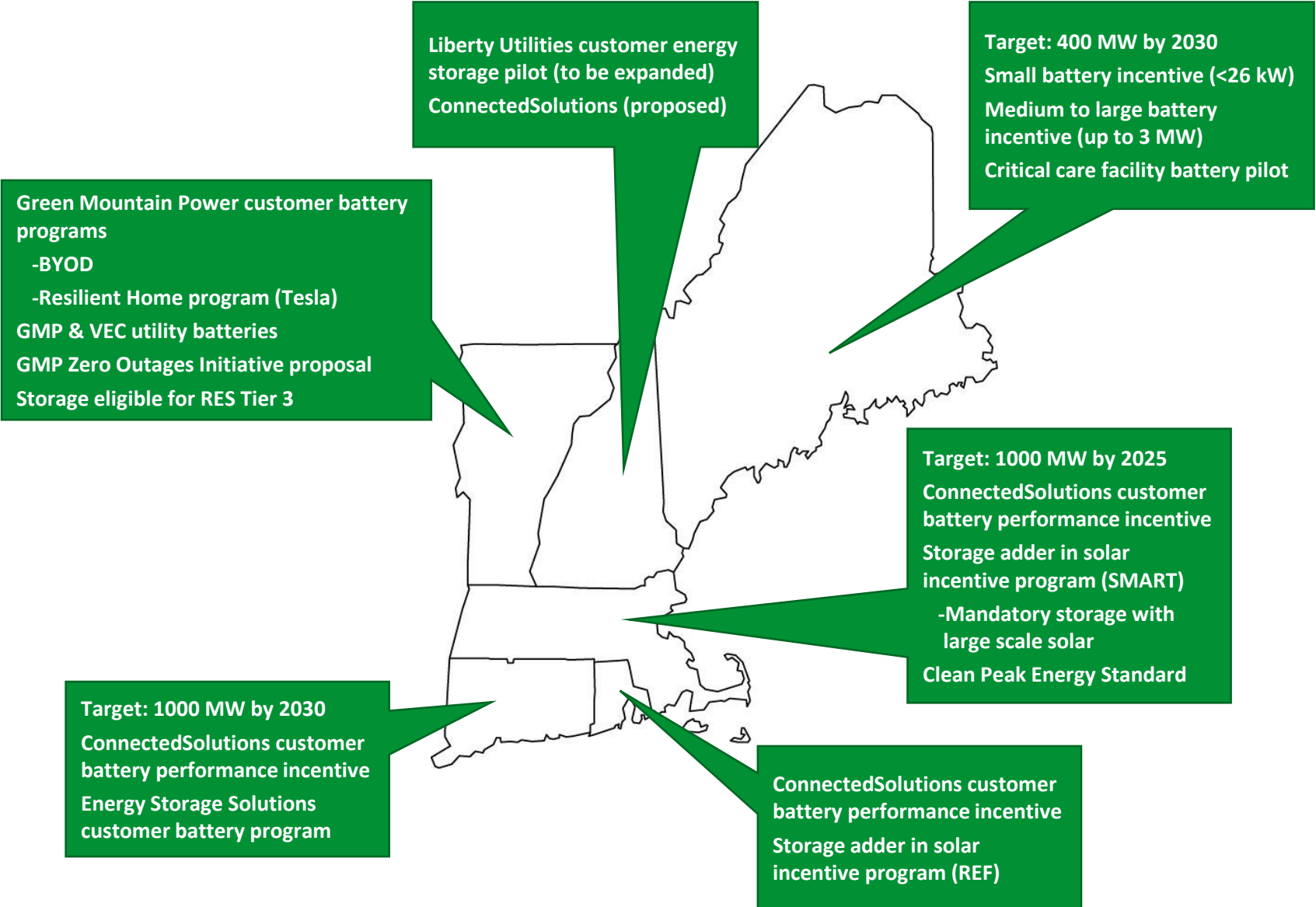
We provide innovative technical, economic and policy solutions to enable communities to participate equitably in the clean energy transition.

1. Studies and planning
2. Grants (demonstration projects and pilots)
3. Longer-term policy and programs
 - a. Utility mandates/procurement targets
 - i. Storage procurement targets
 - ii. Storage in renewable portfolio standards (RPS)
 - iii. Clean peak standards
 - b. Customer incentives (rebates)
 - c. Storage adders in renewable incentive programs
 - d. Storage incentives in energy efficiency programs
 - e. State tax incentives
 - f. Financing/clean energy financial institutions
 - g. Regulatory reform
 - h. Market creation and reform
 - i. Removal of barriers/reduction of soft costs
 - j. Technical assistance and resources

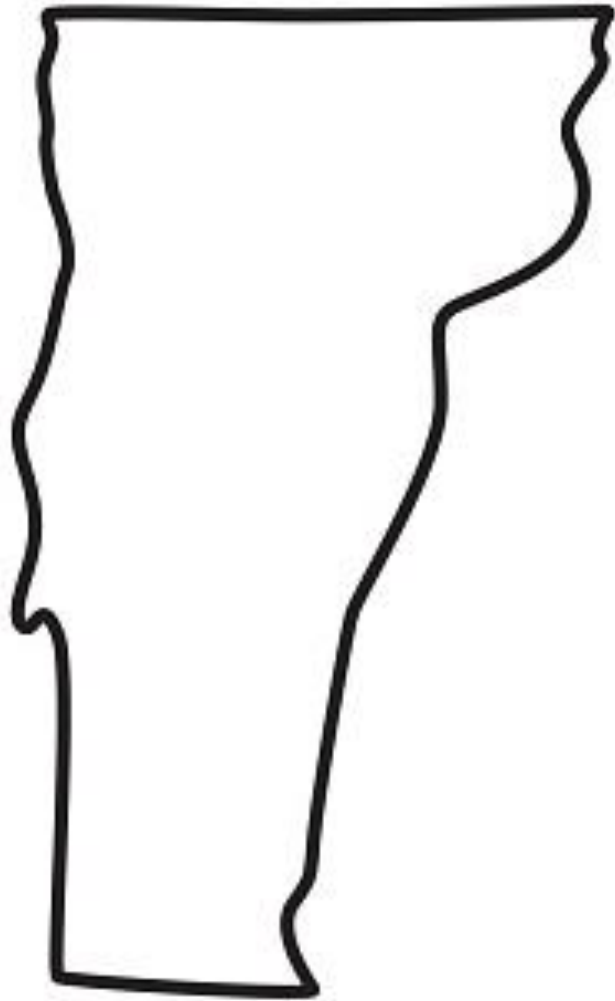


NOTE: State policy TOOLS should support state policy GOALS!

New England is a leader in energy storage policy



... Especially in the area of behind-the-meter customer-sited batteries forming virtual power plants!



- Vermont does not have a statewide storage target, incentive program or market-based program
- Yet, Vermont is a leader in storage deployment, virtual power plants, and resilient microgrids!
(And with the new GMP proposal, perhaps storage-based resilience and equity!)



So... is Vermont a leader in energy storage?

- **Vermont leads** in innovative utility programs and deployment
- **Other states lead** in developing statewide energy storage policy and programs

What is going on here?

Vermont has mostly relied on one forward-looking utility to advance energy storage.

What are the limitations of this approach?

- Not every Vermonter is a GMP customer
- GMP storage programs may or may not be supporting Vermont's clean energy goals:
 - Decarbonization goals
 - Renewable energy goals
 - Energy efficiency goals
 - Clean transportation goals

Incentivizing storage *deployment* is not enough; incentives should direct storage *use* to support state policy goals

Examples

- California SGIP storage incentive requires discharge at peak emission hours – supports state decarbonization goals
- Massachusetts ConnectedSolutions incentive requires discharge at demand peak hours – supports state peak demand management goals
- Connecticut Energy Storage Solutions incorporates a Justice40 component, with incentive adders for income-eligible customers – supports state equity goals

Another issue: how diverse is our energy storage market?

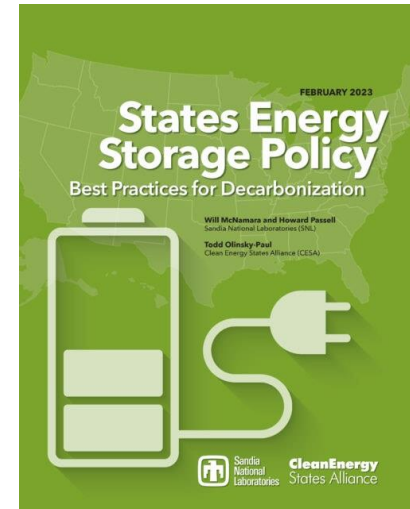
Caveats:

1. No state should develop energy storage just for the sake of energy storage.
2. State energy storage programs should:
 - Support state policy goals
 - Make economic sense
 - Confer real benefits to ratepayers
3. This is not a criticism of GMP, the Department of Public Service, or the PUC!



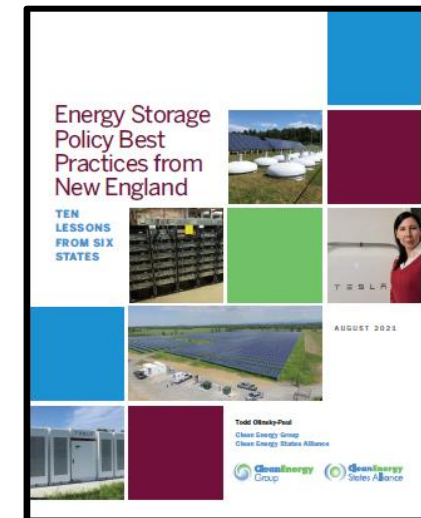
States Energy Storage Policy: Best Practices for Decarbonization (2023)

<https://www.cesa.org/resource-library/resource/states-energy-storage-policy-best-practices-for-decarbonization/>



Energy Storage Policy Best Practices from New England: Ten Lessons from Six States (2021)

<https://www.cesa.org/resource-library/resource/energy-storage-policy-best-practices-from-new-england/>



Many more reports available at <https://www.cleangroup.org/publications-library/>

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