

April 3, 2017

The Honorable Mitch McConnell
317 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Paul Ryan
1233 Longworth House Office Building
Washington, D.C. 20515

The Honorable Chuck Schumer
322 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Nancy Pelosi
233 Cannon House Office Building
Washington, D.C. 20515

Dear Senate Majority Leader McConnell, Senate Minority Leader Schumer, Speaker Ryan and House Minority Leader Pelosi;

As you consider bipartisan and bicameral policy priorities in the coming months, we, the undersigned, encourage that any focus on infrastructure—a priority that President Trump has made clear is one of his goals—include modernization and innovation of the electric grid. Energy storage systems are critical to ensuring a resilient, reliable, cost-effective, and sustainable grid. In fact, the National Governors Association recently issued a paper spelling out the multiple benefits of energy storage to save states money while enhancing grid reliability.¹ Energy storage systems are also fuel neutral and help any generation resource connected to the grid – whether fossil or renewable – become more efficient, productive, and competitive.

The U.S. is a leader in energy storage system innovation and production, deploying 141 megawatts (MW) in the fourth quarter of 2016 alone. GTM Research expects the U.S. energy storage market to grow by a factor of 10 over the next several years, from just over 200 MW in 2016 to over 2,000 MW by 2021. Battery energy storage technologies are declining rapidly in cost: on average 12 to 15 percent every year, and expected to continue at this rate through 2020.² U.S. innovators are also developing new forms of thermal and mechanical energy storage. With appropriate public policy in place, the U.S. could continue to grow this nascent industry and lead the globe on research and development, manufacturing, integration and deployment of the hardware and software necessary for intelligent energy storage-based solutions.

¹ National Governors Association, *State Strategies for Advancing the Use of Energy Storage*, October 2016, available at <https://www.nga.org/files/live/sites/NGA/files/pdf/2016/1610StateStrategiesEnergyStorage.pdf>

² See, for example:

- IHS, *Future of Grid Connected Energy Storage*, Nov 2015, available at <https://technology.ihs.com/512285/grid-connected-energy-storage-report-2015>
- UBS, *US Battery Storage: Upstream Supply Chain Biggest Winner of EVs*, Oct 2016, available at <https://neo.ubs.com/shared/d1Wg6h8EJsbg/>
- McKinsey & Bloomberg New Energy Finance, *An Integrated Perspective on the Future of Mobility*, Nov 2016, available at https://www.bbhub.io/bnef/sites/4/2016/10/BNEF_McKinsey_The-Future-of-Mobility_11-10-16.pdf
- GTM Research, *Grid-Scale Energy Storage Balance of Systems 2015-2020*, Jan 2016, available at <https://www.greentechmedia.com/research/report/grid-scale-energy-storage-balance-of-systems-2015-2020>

The U.S. electric sector has recently begun examining advanced energy storage as an innovative infrastructure component. For example, utilities in Texas, Utah, and New York have proposed energy storage as a smart, cost-effective complement to their wires and substations. Utilities in Hawaii and Arizona are piloting storage deployments as part of grid infrastructure to enable more distributed generation. Policymakers in New Jersey and Massachusetts are experimenting with strategic storage deployments for greater grid resiliency. Utilities in California recently deployed 90 MW of energy storage in just six months to overcome an emergency failure of conventional natural gas infrastructure.

Despite these initial forays, most states, utilities, and co-ops face barriers to using energy storage as innovative grid infrastructure. Congress and the Administration could significantly assist states with resources to include storage in energy infrastructure planning and procurement, which the National Governors Association (NGA) identifies as a key goal. Congress could also assist states in meeting other goals identified by the NGA, such as reducing interconnection and permitting barriers, including storage in energy assurance activities, or incentivizing early innovative deployments. And, of course, storage can be an integral part of greater grid modernization efforts that Congress seeks to promote.

We represent a diverse group of businesses and organizations that support a wide range of energy storage technologies. Our products and services continue to strengthen our grid infrastructure and will lead to additional domestic manufacturing and job growth in the electricity sector. We encourage you to support energy storage planning and project development, related grid equipment, battery manufacturing, civil and electrical engineering services, and innovative energy management systems as you develop public policy for infrastructure.

Sincerely,

24m Technologies
Advanced Energy Economy (AEE)
AES Energy Storage
Alevo U.S.A., Inc.
Ambri
Ameresco
California Energy Storage Alliance (CESA)
CLEAResult
Demand Energy Networks, Inc.
Direct Energy
Eaton
EDF Renewable Energy
Edison Energy, LLC
Enel Green Power North America
Energy Storage Association (ESA)
EnerNOC
G&W Electric
Green Charge Networks
Greensmith Energy Management Systems

GridWise Alliance
Highview Power Storage
Hubbell Power Systems, Inc.
Hydrostor, Inc.
Ingersoll Rand
Invenergy, LLC
IPKeys Power Partners
IPKeys Technologies
Johnson Controls, Inc.
LG Chem
Lockheed Martin
Longitude 122 West
New England Clean Energy Council
(NECEC)
National Electrical Contractors Association
(NECA)
National Electrical Manufacturers
Association (NEMA)

New York Battery and Energy Storage
Technology Consortium (NY-BEST)
Panasonic Corporation of North America
Parker Hannifin
Safe Hydrogen, LLC
S&C Electric Company
Siemens
Southwire
Steffes
Stem, Inc.

Sterling Municipal Light Department
Sunrun, Inc.
Sunverge Energy
The Stella Group, Inc.
Trane
UL, LLC
Viridity Energy Solutions, Inc.
Vizn Energy Systems
Younicos Inc.

CC: The Honorable Lisa Murkowski
The Honorable Maria Cantwell
The Honorable Greg Walden
The Honorable Frank Pallone, Jr.