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February 2, 2018

Senator Stephen Fenberg  
200 East Colfax  
Denver, CO 80203  
United States

Senator Kevin Priola  
200 East Colfax  
Denver, CO 80203  
United States

Dear Senators Fenberg and Priola:

The Energy Storage Association (“ESA”) appreciates the opportunity to submit these comments in support of Senate Bill (“SB”) 18-009, a bill concerning the right of consumers of electricity to interconnection electricity storage systems for use on their property in the State of Colorado. ESA’s membership comprises over 150 electric utilities, project developers, technology manufacturers, components suppliers, and other companies directly involved in energy storage. Several of ESA’s members do business in the State of Colorado. ESA strongly believes that energy storage can open a path to a more reliable, more affordable, and cleaner electric system for Colorado.

In simplest terms, energy storage enables electricity that is generated to be used at a later time, “warehousing” it for when it is most needed—batteries being the most common technology deployed today. By adding this flexibility to the grid, energy storage can reduce peak electricity demand, offset costly infrastructure investments, supply back-up power, integrate variable wind and solar power, and improve the resiliency of the grid.

However, there are still barriers to the widespread deployment of energy storage on the electric grid. Energy storage is unlike any other resource and does not fit existing electric system constructs—sometimes it acts like supply, sometimes it acts like demand, sometimes it acts like infrastructure, and it can switch between these roles at will. That multi-service flexibility is what makes storage so valuable. But it’s very different than the technologies utilities and customers are used to. The greatest barrier is a lack of understanding of how to value and plan for energy storage on the electric grid, given that it is a very different technology than what has been on the grid in the past.

Electric grid planning, valuation, interconnection, procurement, and rate design processes should be updated to fully consider energy storage as an alternative to traditional grid solutions. One of the best ways to begin overcoming this barrier is to learn-by-doing. Deploying energy storage systems on the grid will provide opportunities for utilities, regulators, third-party developers, and customers to understand how best to integrate and utilize this new versatile resource. And customer-sited energy storage is



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particularly relevant to learn from, as households and businesses meeting their own needs can also provide benefits to the rest of the grid. For example, electric customers using energy storage deployments to control their bills or self-consume rooftop solar power would also reduce grid stress during peak periods of demand, both on the system as a whole and on the local circuit or substation.

SB 18-009 would provide an important signal to the emerging energy storage industry in Colorado that the State is committed to addressing the barriers facing the industry. These can include updates to electric grid planning, valuation, interconnection, and rate design processes to enable energy storage. This in turn will ensure storage is on the menu of options that Colorado regulators and utilities may use to save ratepayers money, increase grid resiliency, and integrate more renewable and distributed resources.

Colorado can be a leader among states by adopting this legislation to accelerate the deployment of innovative energy storage systems. ESA supports SB 18-009 as a step toward bringing energy storage into the Colorado electric system. We thank you for your leadership and looks forward to working with you on opening up the energy storage market in the State of Colorado.



Nitzan Goldberger  
State Policy Director  
Energy Storage Association