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Clean Energy Group Proposes Collaboration on Distributed Energy Storage Policies

Clean Energy Group (CEG) has released a new report calling for more collaboration on policies to promote emerging distributed energy storage technologies. In <u>Distributed Energy Storage: A Case</u> <u>for National and International Collaboration</u>, CEG proposes the creation of both national and international networks of industry, policy makers and NGOS to advance new and effective policies for distributed energy storage technologies.

Distributed energy storage systems are advancing quickly and show great promise for a wide variety of applications and markets. But the markets are at an early stage, and policy makers have only begun to develop programs to help advance the technologies. A few states like California have developed targeted energy storage policies, but many states are likely to create policy programs. This early stage of the policy development on energy storage is the right time for more collaborative discussions on the best policy approaches to drive the technologies to scale.

Getting energy storage policies right is important for many reasons. Distributed energy storage is the clean, efficient, fast-scaling solution to a myriad of problems:

- It can help to integrate renewables by providing fast ramping for variable generation resources and prevent overbuilding of fossil fuel peaker plants.
- It can reduce energy costs when paired with solar PV, through load shifting and the reduction of demand charges.
- It also can provide resilient power to keep the lights on when the grid goes down. It can help to avoid expensive grid investments.
- And it can allow small distributed generators to access markets that would otherwise be inaccessible to them.

Distributed energy storage is the key enabling technology for renewables such as solar PV, and it is the key to grid modernization.

Distributed energy storage technologies have arrived but financing, markets, policies and regulations to support these technologies have not. CEG sees an opportunity for national and international networks to share knowledge and experience, accelerate the development of needed policies, and stimulate markets. Cooperation and collaboration can help us avoid the kinds of patchwork-quilt policies that have kept other promising new energy technologies from reaching scale quickly and efficiently.

These national and international collaboration networks would shape policy, advocate for regulatory advances, and aid the industry in accessing markets and financing.

As a first step, Clean Energy Group proposes the following specific efforts:

- A Technology Exchange, to help participants keep abreast of advances in battery chemistries and inverters;
- A Policy Exchange, to allow policymakers to share ideas and experience across state and national borders;
- A Markets Watch, to keep participants up to date on the evolution of electricity pricing, ancillary services markets, installed systems costs, and related market developments;
- Standards and Testing Protocols, to promote the development of a unified set of performance and safety standards, testing protocols, and other standards;
- An International Program Database, to track distributed energy storage programs and deployment globally;
- An International Industry Database, to list companies in the distributed storage and related industries;
- A Distributed Storage Newsletter, to keep readers up to date on industry developments around the globe.

The full report is available at <u>http://www.cleanegroup.org/assets/Uploads/Distributed-Energy-Storage-Concept-Paper-Feb2015.pdf</u>.

About Clean Energy Group

Clean Energy Group (CEG) is a national, nonprofit organization that promotes effective clean energy policies, develops low-carbon technology innovation strategies, and works on new financial tools to advance clean energy markets. CEG works at the state, national, and international levels with stakeholders from government, the private sector, and nonprofit organizations. CEG promotes clean energy technologies in several different market segments, including resilient power, energy storage, solar, and offshore wind. Above all, CEG also works to create comprehensive policy and finance strategies to scale up clean energy technologies through smart market mechanisms, commercialization pathways, and financial engineering. CEG created and now manages a sister organization, the Clean Energy States Alliance, a national nonprofit coalition of public agencies and organizations working together to advance clean energy through public funding initiatives. For more information, visit <u>www.cleanegroup.org</u> and <u>www.resilient-power.org</u>.