**FOR IMMEDIATE RELEASE**
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# *Battery Storage Now Eligible for Energy Efficiency Funding: Massachusetts Creates Nationwide Precedent to Reduce Storage Costs*

*Clean Energy Group report explains how Massachusetts will use energy efficiency funds to support battery storage and reduce costly peak demand, makes recommendations for other states to implement similar policies*

***Montpelier, VT*** – Batteries are now eligible for state energy efficiency incentives in Massachusetts, and this first-in-the-nation policy should be considered by other states, according to a new report published today by Clean Energy Group (CEG).

The report details how Massachusetts, a national leader in energy efficiency, recently became the first state to formally incorporate energy storage as an active demand reduction measure in its energy efficiency funding program, and it explains the simple steps other states can take to do the same.

The state's January 2019 action was supported with original economic analysis provided by CEG.

The report, "Energy Storage: The New Efficiency — How States Can Use Efficiency Funds to Support Battery Storage and Flatten Costly Demand Peaks," explains the steps Massachusetts took to become the first state to integrate energy storage technologies into its energy efficiency plan, including 1) expanding the goals and definition of energy efficiency to include peak demand reduction, and 2) showing that customer-sited battery storage can pass the required cost-effectiveness test. It also concludes that battery storage would have been found to be even more cost-effective had the non-energy benefits of batteries been included in the calculations.

Appended to the report are three original economics white papers developed by Applied Economics Clinic (AEC) under contract to CEG. Two of the white papers detail how battery storage meets the cost/benefit tests that most states use to fund energy efficiency technologies; the third defines non-energy benefits for storage, such as resiliency, reduced impacts from power outages, increased property values, job creation, and reduced land use, and for the first time assigns a monetary value to those benefits.

If adopted by other states, policies making battery storage eligible for energy efficiency funding could reduce the up-front capital costs of storage, and greatly expand the market for this new, peak reducing technology.

"One of the key findings of this report is that the old definition of efficiency needs to be updated," says report author Todd Olinsky-Paul, a project director with Clean Energy Group. "As more renewable energy is deployed, reducing peak demand becomes more important. Battery storage can do this, while traditional efficiency measures can't. States need to expand

their efficiency plans to embrace peak demand reduction and the new technologies, like battery storage, that can accomplish it."

"Energy efficiency programs always have included new energy technologies," said Lewis Milford, president of CEG who has been involved with energy programs for over thirty years. "Storage is now a technology that deserves early stage funding support, a trend that other states should follow to bring down their energy costs and bring more customers into this emerging storage market."

The report provides insights for policy makers in other states who are interested in expanding the definition of energy efficiency to include the benefits of behind-the-meter energy storage. Most states have energy efficiency programs, which collectively represent an investment of nearly $9 billion annually. Qualifying energy storage as an efficiency measure would enable the technology greater access to incentives.

The report, made possible by the generous support from Barr Foundation and the Merck Family Fund, is available on Clean Energy Group's website at: www.cleanegroup.org/ceg-resources/resource/energy-storage-the-new-efficiency. A two-page Executive Summary detailing the key findings and recommendations from the report is also available at this link.

Clean Energy Group will be hosting a webinar with report authors Liz Stanton of Applied Economics Clinic and Todd Olinsky-Paul of Clean Energy Group on Thursday, April 4 at 1pm ET. For more information on this free webinar and to register, visit www.cleanegroup.org/webinar/energy-storage-in-state-energy-efficiency-plans-lessons-from-massachusetts/.

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**About Clean Energy Group**

Clean Energy Group is a leading national, nonprofit advocacy organization working on innovative technology, finance, and policy programs in the areas of clean energy and climate change. Clean Energy Group also manages the Clean Energy States Alliance (CESA), a coalition of state and municipal clean energy funds. For more information, visit www.cleanegroup.org and www.cleanegroup.org/ceg-projects/energy-storage-policy.

**CONTACT:**
Samantha Donalds
Communications Coordinator
Clean Energy Group
Phone: 802-223-2554 x204
Samantha@cleanegroup.org

Todd Olinsky-Paul
Project Director
Clean Energy Group
Phone: 802-223-2554 x207
Cell: 845-625-8807
Todd@cleanegroup.org