

Baker-Polito Administration Announces \$10 Million Energy Storage Initiative

BOSTON – May 28, 2015 – The Baker-Polito Administration today announced the launch of a new \$10 million initiative aimed at making Massachusetts a national leader in energy storage.

[The Energy Storage Initiative \(ESI\)](#) includes a \$10 million commitment from the Department of Energy Resources (DOER) and a two-part study from DOER and the Massachusetts Clean Energy Center (MassCEC) to analyze opportunities to support Commonwealth storage companies, as well as develop policy options to encourage energy storage deployment.

“The Commonwealth’s plans for energy storage will allow the state to move toward establishing a mature local market for these technologies that will, in turn, benefit ratepayers and the local economy,” **said Governor Charlie Baker.** “Massachusetts has an exciting opportunity to provide a comprehensive approach to support a growing energy storage industry with this initiative’s analysis, policy and program development.”

“Massachusetts is nationally recognized for energy efficiency and clean energy job growth,” **said EEA Secretary Matthew Beaton.** “This Energy Storage Initiative will ensure the Commonwealth continues to be on the forefront of advancing innovative clean technology. Through this initial \$10 million announcement and the subsequent studies, Massachusetts is primed to leverage the expertise of the storage industry to reduce barriers to project implementation, and ultimately advancing a crucial component of modernizing our electric grid.”

DOER Commissioner Judith Judson, a nationally-recognized expert on energy storage, announced the new initiative today at the Energy Storage Association’s 25th Annual Conference on “New Market Structures and Policy Enabling Storage.”

“Our Energy Storage Initiative will lay the ground work, through a holistic approach of analysis, assessment and demonstration projects, so that Massachusetts can confidently move forward with policies and regulations that will ensure Massachusetts becomes a national leader in the deployment and cost-effective use of energy storage” **said DOER Commissioner Judith Judson.**

“Massachusetts’ \$10 billion clean energy industry already supports a promising energy storage cluster,” **said MassCEC CEO Alicia Barton.** “By launching the Energy Storage Initiative and fostering this sector at home, Massachusetts will position itself to grab a disproportionate share of the economic opportunities arising out of the fast growing global markets for storage technology.”

The worldwide market for grid-scale energy storage alone is estimated to reach \$114 billion by 2017, according to an analysis by Lux Research. Common methods of energy storage include

batteries, flywheels, compressed air energy storage, pumped storage, hydrogen storage and thermal energy storage.

The [two-part study](#) will start by analyzing the industry landscape, economic development and market opportunities for energy storage, while also examining potential policies and programs that could be implemented to better support energy storage deployment in Massachusetts. The second part of the study will provide policy and regulatory recommendations along with cost-benefit analysis for state policy makers.

In parallel, DOER will leverage \$10 million in Alternative Compliance Payments (ACP) to establish and support the Commonwealth's energy storage market. DOER will work to identify and evaluate the appropriate value of the services energy storage can provide to ratepayers and the grid through a market signals assessment, while funding demonstration projects from the utility to residential scales. DOER will work with MassCEC and key market players, in-state and across the country, to assist in the development of innovative projects in the Commonwealth. Through this initiative, Energy and Environmental Affairs will hold several forums to engage experts and industry in storage policy opportunities in the coming months.

"Massachusetts continues to play a leading role in creating solutions for a more flexible and resilient grid," **said Matt Roberts, Executive Director of the Energy Storage Association.** "These investments in studying the positive impact that energy storage will have and funding new projects will undoubtedly spur continued advancement in the industry."

"Energy storage is an essential component of the Commonwealth's transition to a 21st century electricity system, which can provide customers more affordable, efficient, resilient and cleaner energy," **said NECEC President Peter Rothstein.** "With numerous Massachusetts-made energy storage companies already developing technologies, the energy storage sector has great potential to provide economic development opportunities here, while keeping the state competitive in the rapidly evolving global energy economy."

The ESI will build upon existing state support for energy storage projects, including \$13 million in projects featuring an energy storage component through DOER's [Community Clean Energy Resiliency Initiative](#).