

## **STORAGE PROCUREMENT TARGETS PROPOSAL**

Joint Grid Modernization and Distributed Generation & Storage Technical Advisory Committees  
June 28, 2016

### **THE CASE FOR ENERGY STORAGE PROCUREMENT TARGETS POLICY**

- Energy storage on the electric grid can increase grid efficiency, integrate renewable energy, reduce greenhouse gas emissions, offset the need for costly grid investments, improve grid resiliency, and increase energy independence.
- However, significant barriers to deploying energy storage exist in the many legacy grid procedures and tariffs that do not contemplate the use of energy storage on the electric grid. Specifically, utility planning, valuation, operations, procurement, interconnection, and rate design do not systematically incorporate energy storage.
- The best way to update grid processes and unlock opportunities for the state to benefit from storage is to learn by doing. By demonstrating a commitment to utilize energy storage, storage procurement targets will shape grid processes that fully incorporate energy storage and thus will allow the state to uncover where storage is a more cost-effective investment than traditional grid infrastructure.

### **STORAGE PROCUREMENT TARGETS SPECIFICS**

- Storage procurement targets for utilities should be set for each point of the grid – transmission, distribution, and customer-located – to ensure that utility processes impacting each point of the grid are updated to include storage.
- Procurement targets should increase over time to allow for lessons learned to inform future procurement. For example, a small amount of storage procurement should occur by 2019, a larger amount by 2021, and a substantial amount by 2023.
- The Public Utilities Commission should oversee the utilities’ storage procurement activities, including reviewing biannual compliance reports to be filed by utilities on their progress towards achieving their storage procurement targets.

### **COST OF STORAGE PROCUREMENT TARGETS**

No additional costs would be incurred by Nevadans as a result of the state adopting storage procurement targets. The bill should propose the procurement of *cost-effective* energy storage so that there is only upside for Nevadans. If, after thorough investigation including a request for offers, utilities cannot find cost-effective opportunities for energy storage on its grid, then utilities could defer their storage procurement to a future period.

### **DRAFT MOTION TO RECOMMEND A STORAGE PROCUREMENT BILL**

The Grid Modernization and Distributed Generation & Storage Technical Advisory Committees recommend that the 2017 Legislature consider a bill to update NRS Chapter 704 to include energy storage procurement targets for the state’s utilities so that Nevada may unlock opportunities to utilize cost-effective energy storage on the electric grid. The bill would include targets for storage interconnected to each point of the grid – customer-connected, distribution-connected, and transmission-connected. Further, storage procurement targets should increase over time with targets set for 2019, 2021, and 2023, as to ensure that lessons learned from earlier procurement inform subsequent procurement.