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Judith Judson, Chair Energy Efficiency Advisory Council
Commissioner, Department of Energy Resources
100 Cambridge Street, Suite 1020
Boston, MA 02114

July 27, 2018

Re: Three-Year Energy Efficiency Investment Plans, Years 2019 through 2021

Dear Commissioner Judson, Energy Efficiency Advisory Council, Investor Owned Utilities, and Department of Public Utilities:

Thank you for your work to develop and expand nation-leading energy efficiency programs in Massachusetts. **Heywood Healthcare encourages you to allocate significant resources via the 2019-2021 Three-Year Energy Efficiency Plan for behind-the-meter energy storage.** Investment in storage will help achieve the Commonwealth's energy efficiency goals; it reduces the high cost of peak power, shifts demand, integrates distributed renewables and improves the resilience of critical facilities, such as hospitals, clinics, cooling centers, key businesses, and municipal facilities.

Since energy storage is a commercially available, viable technology that fits into the Active Demand Management portion of the energy efficiency plans, **we need to improve the current draft to greatly expand the proposed very small residential storage program, and add substantial commercial and low income energy storage, precisely where it's most needed and will provide the most benefits.**

Energy storage has been shown to be cost-effective in the low-income and commercial categories. A recent analysis by the Applied Economics Clinic shows that using the Program Administrators' own methodology, battery storage scores **2.9 in the low-income category** and **3.4 in the commercial category**. Storage should be supported in a substantial way in all three EE categories.

As the state found in the State of Charge report, peak demand hours are disproportionately costly and polluting. For commercial customers such as multifamily affordable housing facilities, municipal facilities, and critical facilities like hospitals, storage helps manage demand charges, which can account for more than 50% of their total energy bill.

Currently, Massachusetts has no behind-the-meter energy storage rebate. Including a meaningful storage incentive in the Three-Year Plan currently being developed would fill this gap. Without a storage incentive, Massachusetts ratepayers will have no dedicated support for investments in a technology that can lower their electric bills, enhance resiliency, and improve the efficient operation of the electric grid.

It's important to make distinctions between the SMART program, which has a storage adder, and providing strong incentives for storage in the Three-Year Plan. While it is a good option for some customers, SMART only incentivizes storage co-located with new solar PV – but many facilities that need storage for cost savings and resiliency cannot install solar. And because SMART only funds new solar systems, it would only support storage installed in concert with new solar – which means there is no opportunity to support storage retrofits to existing solar systems. SMART also does not include a resiliency adder. Given these gaps, it is imperative that the state provide a stand-alone storage rebate, as recommended in the State of Charge report. Including energy storage in the EE plan would meet this need.

In summary, the EEAC should require PAs to include commercial and low income energy storage programs, as well as more robust support for residential storage, in the next round of draft plans – and to devote significant levels of resources to this important new technology.

Thank you for considering this request.

Respectfully,

A handwritten signature in cursive script that reads "Win Brown". The signature is written in black ink and has a long, sweeping horizontal line extending to the right.

Win Brown, FACHE
President & CEO
Heywood Healthcare