New Jersey Board of Public Utilities
Virtual Stakeholder Meeting

November 20, 2024

Thank you for the opportunity to speak before the staff of the New Jersey Board of Public Utilities on the New Jersey Energy Storage Incentive Program. My name is Diane Cherry, and I am the Deputy Director of MAREC Action also known informally as the Mid-Atlantic Renewable Energy Coalition. We are an industry organization of more than 50 utility-scale solar, wind, and battery storage developers, wind turbine and solar panel manufacturers, dedicated to promoting the growth and development of renewable energy in the Mid-Atlantic region.

We appreciate the BPU's work to finalize an energy storage program. Our members are eager to build and deploy projects that will contribute to the reliability and efficiency of New Jersey's electricity supply. There are many aspects of the program we support: launching the Grid Supply Segment in early 2025 with a competitive solicitation program and the establishment of a program administrator at the BPU who would oversee the program.

We urge the BPU to consider the implementation of a long-term contracting mechanism to facilitate the development of grid supply energy storage systems. Long-term contracted revenues are critical for cost-effective financing of projects. A long-term fixed-price contract between energy storage device owners and the state-chosen entity for 15-20 years has been a proven and tested contract type across technologies and markets such as New York, Arizona, and California. New Jersey could consider either fully contracted revenues or partially contracted revenues, with fully contracted revenues providing lower finance costs to save consumers money while partially contracted revenues expose ratepayers to less risk. We have members that have various business models - most of our members support fully contracted revenues, but we also have members that prefer partially contracted revenues and/or a fixed fee payment.

There is roughly 3,700 MW of energy storage projects in New Jersey's PJM queue and this program's inclusion of grid supply incentives will be critical for those projects to materialize to the benefit of New Jersey consumers. That number would achieve New Jersey's goal of 2,000 MW by 2030 without the state seeking any additional investment. We can meet and exceed this goal with the appropriate regulatory direction.

Finally, we urge the BPU to more explicitly outline what is comprised in terms of grid services and how that is valued to make the price and value in the market transparent. And, we would like to see the 550 day deadline for commercial operation once there is an award by the BPU be extended. Grid supply projects take at least three years before commercial operation.

Thank you for letting us offer these comments.