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May 20, 2015

Senator Lee Beyer, Chair, Senate Committee on Business and Transportation,  
Senator Fred Girod, Vice Chair, Senate Committee on Business and Transportation, and Members of the  
Committee

RE: support for HB 2193

Dear Senator Beyer:

SolarCity appreciates the opportunity to offer this testimony in support HB 2193, which establishes a good starting point in accelerating the adoption of energy storage technologies and services in Oregon. SolarCity operates a warehouse in Portland that has created more than 50 local jobs and has installed nearly 24 MWs of residential and commercial solar PV across the State of Oregon. SolarCity seeks to meet the growing customer demand for solar PV systems, as well as energy storage systems, in continuing to deploy clean energy.

Energy storage has the potential to provide considerable benefits to Oregon's utilities and ratepayers by enhancing system reliability, facilitating grid-integration of increasing amounts of renewable energy, allowing the deferral of other potentially expensive grid upgrades, and permitting customers and utilities alike to better manage peak electricity demands. HB 2193, as currently written, is a step in realizing the benefits of energy storage; however, we believe that it could be improved with several changes, as follows:

- Re-orient the focus to establish a secure place for customer-sited storage installations. This will ensure that these small disbursed systems will provide economic benefits for those ratepayers who adopt storage in consideration of the benefit that will be provided to the grid as a whole. The prospects for customer-sited storage under the bill are at best uncertain with the current language, and we feel may preclude the participation of distributed storage that could directly benefit consumers.
- Portions of the bill should be modified to accommodate a workable market structure for customer-sited storage. The existing language may be practical for larger-scale storage installations, but could render projects involving an aggregated collection of smaller scale installations unlikely.
- While we do not believe it is necessary at this time to subject consumer-owned utilities to the requirements of the bill, we do believe that it is in the interest of ratepayers for consumer-owned utilities to be directed to consider the benefits of energy storage technologies when making decisions on future resource needs and investments.

In closing, we applaud the Legislature and this committee for engaging at the forefront of an emerging energy technology and policy issue by considering this bill. While we are supportive of the bill on a broad conceptual level, we urge the committee to consider changes to HB 2193 to ensure that all potential storage options and technologies, from large to small, have the opportunity to be included and considered in utility proposals. We urge the committee to allow enough flexibility in procurement protocols and standards to accommodate the unique market needs, and unique benefits, of distributed energy storage systems.

Thank you, Meredith Roberts.  
Deputy Director, Policy and Electricity Markets, and  
Deputy Regulatory Counsel