

Staff Report
Public Utilities Bureau

October 25, 2021

Subject:

Programs, mechanisms, and policies that could support the deployment of energy storage solutions as required by new Section 16-135 which was added to the Public Utilities Act by PA 102-0662.

Summary:

In PA 102-0662, the General Assembly found there are significant barriers to obtaining the benefits of energy storage systems, and that it was in the public interest to develop a robust competitive market for existing and new providers of energy storage solutions. Section 16-135 further requires the Commission, in consultation with the Illinois Power Agency, to initiate a proceeding to consider the specific programs, mechanisms, and policies that support the deployment of energy storage systems. Staff recommends the Commission direct Staff to conduct a series of information sessions with stakeholders prior to initiating that proceeding, to inform the proceeding. At the conclusion of those sessions, Staff recommends it be directed to file a Staff Report summarizing the information garnered and requesting that the Commission initiate a docketed proceeding for the development of recommendations for additional legislative, regulatory, or executive actions.

Recommended Action:

While Section 16-135 represents a significant step toward advancing energy storage solutions in the State of Illinois, the variety and technical complexity of storage solutions, their application, and their integration into the distribution network is significant. In developing a comprehensive approach to energy solutions as contemplated by Section 16-135, Staff is of the opinion that it is important to provide an opportunity for stakeholder education on the applications and market for and issues about energy storage solutions prior to seeking input from those stakeholders on recommendations for future legislative or regulatory action. Accordingly, Staff recommends the Commission direct Staff to hold information sessions in advance of a formal proceeding.

These sessions will provide a forum for educational presentations and discussions on energy storage, enabling interested stakeholders to learn about various storage options, as well as the legislative and regulatory framework by which energy storage policy might be implemented. Energy storage issues that might be addressed in the sessions include but are not limited to incentives or tax credits for implementation of

energy storage; changes to interconnection standards; storage procurement requirements or portfolio standards; changes to net metering policies; valuation modeling; and cost/benefit analyses. Additionally, and importantly, these sessions will facilitate involvement and input from a broad group of stakeholders, including community groups and individuals who may not have access to legal representation to appear and participate in a formal proceeding.

Staff recommends that these information sessions begin as soon as practical and conclude no later than February 2022. Staff recommends it be directed to file a draft Report at the conclusion of the information sessions, summarizing the information sessions and making preliminary recommendations about the policies and programs Staff and stakeholders recommend the Commission support to advance the deployment of energy storage solutions based on those sessions. Staff further recommends that the draft Report be accompanied by a request for the Commission to initiate a docketed proceeding to consider and finalize the recommendations for legislative, regulatory, or executive actions necessary to support energy storage solutions. Staff anticipates this proceeding will include a schedule for the filing of comments by Stakeholders on the draft Report and that it will conclude in a Final Report which considers and, to the extent practicable, incorporates stakeholder comments. The Final Report should be approved by the Commission on a schedule that enables the Commission to submit the Report to the General Assembly and Governor no later than May 31, 2022, as required by Section 16-135.

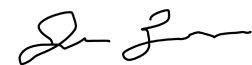
Staff has discussed its recommended approach and shared a draft of this Staff Report with the Illinois Power Agency in advance of filing. Staff understands the Illinois Power Agency to be supportive of the process outlined herein.

Recommended by:



Torsten Clausen
Director
Policy Division

Approved by:



Dr. James Zolnierek
Bureau Chief
Public Utilities Bureau