



## Sustainable Marblehead's Position on Project 2015 A

Sustainable Marblehead recognizes MMWEC's obligation to provide adequate power to meet peak demand. At the same time, the cost and capacity of battery storage has changed dramatically during the six years since the project was first designed in 2015. Batteries now provide electricity for up to six hours of peak demand. The cost of battery storage has dropped dramatically and continues to drop. The federal regulations relating to capacity are also changing, with FERC, the Federal Energy Regulatory Committee, requiring that ISO-New England submit plans by the end of this month as to how it will include battery storage in its capacity market.

As you all know, Massachusetts recently passed a comprehensive climate bill which includes MMLD and other municipal light departments in its emission standards, and Governor Baker signed the Roadmap to 2050 climate bill in March. We cite these to demonstrate that many aspects of energy production, including sources of electricity, regulation and technology, are evolving rapidly.

We request that MMWEC further pause this project and hire an independent, nationally recognized organization, such as NREL (the National Renewable Energy Lab) to study the current status and projected future status of battery storage in capacity markets, and to look at the combined forces of the regulatory environment, the forward capacity market, the rate that renewable energy will come online in Massachusetts, and the role that the Roadmap to 2050 legislation will play. Depending on what this study finds, we ask that Project 2015A be updated to reflect the current market and technology.

The Peabody Peaker Plant is projected to cost more than \$84 million dollars, with Marblehead responsible for 4.4% of the cost, and it is scheduled to run until 2050. We feel that such a significant investment in our future should be carefully considered and should reflect the current technology and legislative and regulatory landscape. For example, a hybrid model that includes battery storage along with the proposed diesel and gas fueled plant, might be a consideration.

We feel that in addition to a third-party analysis, the Marblehead Municipal Light Department and MMWEC should also embark on immediate systematic efforts to reduce peak demand. These efforts will require financial commitments from MMWEC to help customers install smart devices and thermostats, insulate their homes and offices, and supply rebates to consumers who participate. This full-scale effort on the part of a utility is sometimes called a "virtual peaker" because if business and residential electricity use can be controlled during peak events, remotely and at a utility scale, the peak can be significantly reduced.

Sustainable Marblehead remains committed to supporting MMLD and MMWEC in their ongoing efforts to supply reliable, affordable energy while they explore every possible avenue to make that energy as clean as possible.