

**Statement of Ranking Member Rep. Frank Pallone, Jr.  
House Energy & Commerce Committee  
Subcommittee on Energy  
Hearing on “Powering America: The Role of Energy Storage  
in the Nation’s Electricity System”**

*July 18, 2018*

Electricity storage is one of the most exciting topics in energy today and I’m glad the Subcommittee is exploring it. Under the leadership of Governor Phil Murphy, my home state of New Jersey recently set an aggressive target to add 2,000 megawatts by 2030, including 600 MW in the next three years.

Energy storage provides flexibility and key reliability services to the electricity grid. It can also be an essential compliment to renewable generation resources like solar and wind by storing excess power generated on a sunny or windy day. That stored power can then be quickly dispatched to the grid as needed when the sun isn’t shining or the wind stops blowing.

Grid-level energy storage comes in many different forms, from various types of batteries to molten salt storage. Our committee and the House of Representatives took an important step to promote another type of energy storage late last year when we overwhelmingly passed legislation to expedite closed-loop pumped storage hydroelectric project licensing.

Recently, the Federal Energy Regulatory Commission (FERC) issued an order that attempts to remove barriers to storage in U.S. wholesale energy markets. I applaud FERC for moving to place storage on an equal footing with generators and other grid resources. While FERC’s Order 841 is not perfect, it is an important first step, and it could help promote deployment of an additional seven gigawatts of storage across the country.

I already mentioned New Jersey’s energy storage efforts, but the fact is that states and utilities around the country are

moving to incorporate storage into the grid. There are many reasons that new storage projects are being planned or coming on line. In addition to providing reserve capacity, a number of these projects will also provide frequency regulation and voltage support that will make the grid more dependable.

One of the main reasons we're seeing more of these storage projects pop up is the rapidly falling price for incorporating storage into the grid. Storage has become increasingly competitive with generation technologies for managing peak load. In fact, Pacific Gas and Electric just requested approval to replace three natural gas peaking plants with battery storage.

Meanwhile, a Tucson, Arizona utility reportedly contracted for 100 megawatts of solar electricity coupled with 30 megawatts of storage for less than \$45 per megawatt hour -- a price that's fully competitive with a new natural gas plant.

So, what we are beginning to see is the potential for a truly transformative technology to take hold, one that can work with all types of generation. Combined with renewable energy, storage could help us meet our climate goals while also creating new American jobs. Storage is already employing thousands of people in the United States and has the potential to employ many more, while adding billions to our economy and saving money for millions of electric consumers across the country.

That should be something both sides of the aisle can easily agree on.