

SB 77: Electric Energy Storage Tax Credit

BACKGROUND

As stated in their Integrated Resource Plan (2019), Rocky Mountain Power/Pacificorp hopes to develop “a cost-conscious plan to transition to a cleaner energy future with near-term investments in both existing and new renewable resources, new transmission infrastructure, and energy efficiency programs.”

The market is changing and the deployment of intermittent large-scale renewables like wind & solar is accelerating. As such, there is a growing need for fast response resources to keep the electrical grid stable.

BENEFITS

The integration of energy storage systems (batteries) in our energy mix will help reduce emissions, provide a deferment of transmission and distribution upgrades for our utility providers, and increase efficiency and reliability.

As more renewables are integrated and allocated to perform peak saving, the need for inefficient (and expensive) peaker plants would be relieved – which will lead to a reduction in peak pricing for consumers.

For commercial and industrial energy consumers, it also has the potential to save money through decreased and shorter outages.

WHY IS SB 77 NECESSARY?

In addition to being good for energy consumers, energy storage will play a crucial role in helping Rocky Mountain Power improve efficiency of existing generators, increase the amount of renewable energy sources into the grid – especially at the distribution level, and enhance the overall reliability and resiliency of the electrical grid.

PURPOSE

The goal is to stop energy waste, promote clean energy, and build a smart energy grid that's more resilient and secure.

SB77 would encourage individuals, property owners, and large institutions to make investments in on-site battery storage. Doing so will:

- Enhance Power Reliability by providing consistent, reliable power to consumers
- Provide power & enhanced availability during peak demand
- Smooth output variability as increasing amounts of renewables come online

TAX CREDIT BREAKDOWN

There is a refundable income tax credit for individual, commercial, and industrial users:

- For individuals, the rebate would be 25% of the cost, or \$5,000, whichever is lower
- For commercial/industrial, the rebate would be 10% of the cost, or \$100,000, whichever is lower.
- For commercial and industrial energy consumers, it also has the potential to save money through decreased and shorter outages.