

United States Senate

WASHINGTON, DC 20510

June 18, 2019

The Honorable Neil Chatterjee
Chairman
Federal Energy Regulatory Commission
888 First Street NE
Washington, DC 20426

Dear Chairman Chatterjee:

In February 2018, FERC required Regional Transmission Organizations and Independent System Operators (RTOs/ISOs) to reform their market rules to better accommodate energy storage resources (Order No. 841). We write today about developments since the Commission unanimously finalized this order.


In December 2018, grid operators were required to file proposed compliance plans to implement Order No. 841. In April, FERC staff issued deficiency letters to all the RTOs/ISOs. The deficiency letters seek additional information on energy storage definitions, tariff structures, and storage interconnection. The RTOs/ISOs have until December to fix their draft plans and implement their new rules. We are also aware of concerns raised by numerous stakeholders regarding whether several RTO/ISO plans fully and faithfully comply with Order No. 841. FERC's deficiency letters show it is taking seriously its responsibility to adjudicate these concerns, and we encourage FERC to retain its critical view of RTO/ISO rules that might otherwise prevent storage from contributing fully to meeting the energy and capacity needs of the bulk power system.


Promising new developments show how ratepayers and system reliability will benefit from allowing market competition for a broad set of resources. For example, ISO New England (ISO-NE) in February announced the first-ever integration of a distributed solar and energy storage resource into a wholesale capacity market in its 13th Forward Capacity Market auction. This development signals the latest evolution of the U.S. distributed generation market and stands to further decarbonize the grid and lower ratepayers' electric bills. ISO-NE should be commended for adopting FCM participation rules that enabled and should serve as an example to other ISOs.

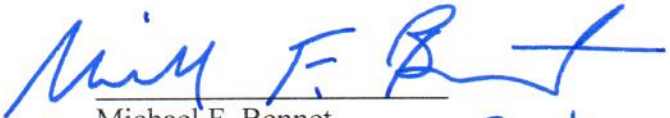
Order No. 841 is fostering productive market changes across the country. To its credit, FERC has rebuffed efforts to weaken the rule. Your Commission recently denied requests to include a broad state "opt-out" for behind the meter storage, which would have fragmented markets and stifled innovation. States retain broad authority and have numerous tools available within their jurisdiction to ensure reliability of the electric distribution system.

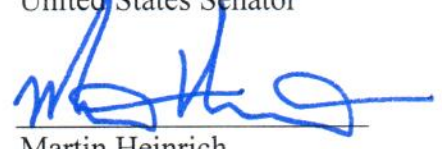
We urge FERC to reject similar efforts to limit the scope of market competition as it negotiates compliance plans with RTOs/ISOs. To that end, we encourage FERC continue to coordinate with the RTOs/ISOs to ensure full implementation of updated storage rules by the regulatory deadline.

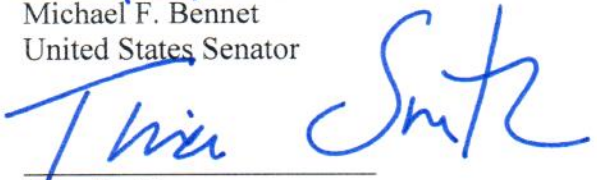
Sincerely,


Sheldon Whitehouse
United States Senator

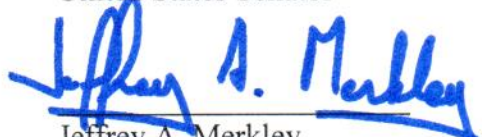

Edward J. Markey
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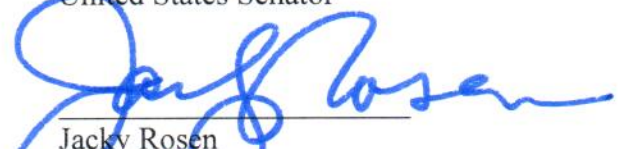

Martin Heinrich
United States Senator

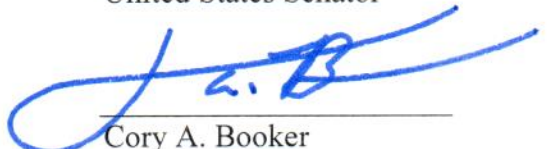

Tina Smith
United States Senator

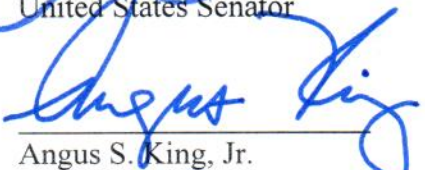

Richard Blumenthal
United States Senator



Jeffrey A. Merkley
United States Senator

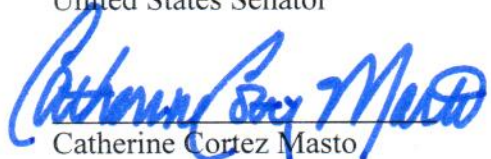

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