

ARIZONA CORPORATION COMMISSION

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Workshop Explores Battery Storage Technologies

(Phoenix) The Arizona Corporation Commission recently held a public workshop on battery storage technologies that are being developed by Tesla Inc. which could impact the growth of solar in the state and around the world.

Commissioners heard from Arch Padmanabhan, the Senior Manager at Tesla Energy Products and Analytics. Mr. Padmanabhan highlighted the technology in the company's Powerwall batteries, which offer enough energy to power a two-bedroom home for a full day. Tesla is a leader in the development of electric vehicles and recently bought Solar City. The company is now one of several in the industry providing and working on advancements for large scale and residential scale battery storage technology.

"Battery storage opens the door to further expansion of renewable energy such as solar," said Chairman Tom Forese. "I appreciate the efforts of companies like Tesla that are advancing this technology. It is exciting to see where such innovations could lead the future of energy both at home and abroad."

"Load shifting using storage allows customers to time-shift usage which results in less stress on base load and peaking resources throughout the day," said Commissioner Doug Little. "Storage also gives customers the ability to reduce their electricity bill by storing energy and using it during peak hours when electricity is most expensive. Storage has great promise, but the key to long term success will be continued developments in technology and reductions in cost by industry leaders like Tesla."

"We need to be proactive in recognizing and encouraging the utilization of advancements in technology to the benefit of Arizona's ratepayers now and in the future," said Commissioner Bob Burns.

"There are many companies worldwide working on this kind of technology, the key is who gets there first," said Commissioner Boyd Dunn. "The goal is to create a landscape where there is value for the customer to use battery storage at home."

"This Commission has shown it is passionate about this particular topic," said Commissioner Andy Tobin. "In just the past year we have approved many programs and pilot programs with the utilities on a large scale that will forward the next phases for how this technology can be used on the residential level."

In May of last year, the Corporation Commission approved Tucson Electric Power (TEP) to enter into long-term agreements with E.On Climate and Renewables and NextEra Energy resources for the construction of two large energy systems using lithium-ion battery technologies. In July, the Commission ordered APS and TEP to develop residential battery storage programs and a programs to facilitate energy storage technologies through demand response or load management to help customers lower their energy use during peak demand. In October, the Commission approved plans by APS to develop an energy storage pilot project aimed at the residential sector.

