SPONSOR: Sen. Hansen & Rep. Burns
Sens. Hoffner, Huxtable, Lockman, Pettyjohn, Richardson, Seigfried, Sokola, Walsh, Wilson; Reps. Lambert, Morrison, Neal, Snyder-Hall

DELAWARE STATE SENATE
153rd GENERAL ASSEMBLY

SENATE JOINT RESOLUTION NO. 3
AS AMENDED BY
SENATE AMENDMENT NO. 2

DIRECTING ALL ELECTRIC PUBLIC UTILITIES IN DELAWARE TO PARTICIPATE IN A STUDY TO BE UNDERTAKEN BY THE DELAWARE SUSTAINABLE ENERGY UTILITY TO ASSESS AND ANALYZE THE COSTS AND BENEFITS OF THE ADOPTION OF ENERGY STORAGE SYSTEMS IN DELAWARE, AND DIRECTING THE DELAWARE SUSTAINABLE ENERGY UTILITY TO CONDUCT A PILOT PROGRAM WITH THE PARTICIPATION AND COOPERATION OF CERTAIN ELECTRIC UTILITIES TO DEVELOP AND DEPLOY PILOT PROJECTS INVOLVING BATTERY STORAGE SYSTEMS IN DELAWARE.

WHEREAS, an Energy Storage System is a technological device or group of devices that store energy generated from various sources, like solar or wind power, so it can be used later when needed, essentially acting as a buffer to balance electricity supply and demand by storing excess energy during peak production periods and releasing it during high demand times; and

WHEREAS, Energy Storage Systems provide several benefits for electric grids, including: grid stabilization by managing peak demand, providing backup power during outages, reducing electricity costs by storing energy during low demand periods, and overall enhancing grid resilience, allowing for more efficient and reliable power delivery by adjusting supply to meet demand fluctuations, and enabling the grid to withstand periodic shocks and stressors; and

WHEREAS, Energy Storage Systems can provide substantial cost-savings to commercial and industrial electricity customers who can deploy on-site energy storage to reduce their electricity demand and associated demand charges, which are generally based on their highest observed levels of electricity consumption during peak demand periods; and

WHEREAS, Energy Storage Systems result in savings to residential electricity customers by flattening electricity demand and thereby reducing peak electricity demand charges, in addition to benefitting the supply of electricity in the PJM transmission region, to which Delaware belongs; and

WHEREAS, localized pockets of increasing electricity demand sometimes require electric utilities to upgrade existing or build new, expensive substations, and power transmission and distribution lines. Energy Storage Systems at strategic locations on the grid can help utilities to manage growing electricity demand at lower cost than upgrading or expanding electric grid infrastructure, resulting in savings to electricity customers; and

SD : FJM : ALW : 2711530018
DLS : HVW : CBM : 5081530041
Released: 07/01/2025 12:25 AM

WHEREAS, Energy Storage Systems provide greater and more effective use of intermittent solar and wind energy resources. Pairing or co-locating an on-grid Energy Storage System with solar and wind energy power generators allow them to respond to supply requests from electric grid operators when direct generation from solar and wind resources is not available or limited. Alternatively, an Energy Storage System can help solar and wind power plants avoid reducing or curtailing generation when the availability of those resources exceeds electricity demand or power transmission line capacity or as required by grid operators; and

WHEREAS, Energy Storage Systems commonly involve the use of batteries, and, more recently, hydrogen, but can also involve technologies like compressed air or pumped hydro storage; and

WHEREAS, utility-scale battery energy storage systems have been growing quickly as a source of electric power capacity in the United States in recent years. In the first seven months of 2024, operators added 5 gigawatts (GW) of capacity to the U.S. electric power grid. In 2010, only 4 megawatts (MW) of utility scale battery energy storage were added in the United States. In July 2024, more than 20.7 GW of battery storage capacity was available in the United States; and

WHEREAS, the construction of Energy Storage Systems in Delaware will promote economic development by providing a safer and more reliable electricity supply to Delaware businesses and residents, thereby increasing economic growth and spurring job creation.

NOW, THEREFORE:

BE IT RESOLVED by the Senate and the House of Representatives of the 153rd General Assembly of the State of Delaware, with the approval of the Governor, that the Delaware Sustainable Energy Utility ("DESEU") is directed to initiate and undertake a study to assess and analyze the costs and benefits of the adoption of Energy Storage Systems, both in front of and behind the meter. All electric public utilities in Delaware shall participate in and cooperate with the DESEU study.

BE IT FURTHER RESOLVED that in the design and execution of the Energy Storage System study, the DESEU will work with the State Energy Office, the Delaware Public Service Commission, the Division of the Public Advocate, experts at the University of Delaware, the electric public utilities in Delaware, including the Delaware Municipal Electric Corporation and the Delaware Electric Cooperative, and other interested stakeholders.

BE IT FURTHER RESOLVED that the feasibility study shall include, but is not limited to: regulatory issues, the potential value of battery storage for demand reduction, the use of battery storage to avoid or defer investments in distribution and transmission infrastructure, and the incremental benefits of storage when paired with renewable energy systems. The study shall also identify grid service value streams provided by battery storage systems, including local peak demand reduction, resilience, and voltage stabilization, with transparent methodologies for quantification. The DESEU

study shall also explore, among other related topics, the following: a) the use of energy storage, both in front of and behind the meter, b) the value of storage to the electric grid, c) where storage may best be placed, for example at transmission or distribution points, d) any land use, environmental, and community impact considerations associated with Energy Storage Systems, e) the legal issues that may need to be addressed in accommodating Energy Storage Systems in communities, f) making the best use of energy storage, g) competitive procurement under different ownership frameworks, h) energy storage credits, i) market-based incentives and mechanisms to assure broad participation of all demographic and income groups, and j) any other mechanism that the DESEU determines is appropriate to study the adoption of beneficial, cost-effective Energy Storage Systems in the State.

BE IT FURTHER RESOLVED that each of the electric utilities engaged in the DESEU study are encouraged to develop and implement a customer outreach program to raise awareness of battery storage benefits and incentives.

BE IT FURTHER RESOLVED that the DESEU shall work with Delmarva Power & Light Company, the Delaware Municipal Electric Corporation, the Delaware Electric Cooperative, and one independent power producer to conduct a pilot program whereby each of these entities develop and deploy at least one pilot project involving battery storage systems.

BE IT FURTHER RESOLVED that the DESEU will provide guidance and a level of funding, in an amount to be determined by the DESEU in its discretion, to Delmarva Power & Light Company, the Delaware Municipal Electric Corporation, and the Delaware Electric Cooperative, to develop and deploy each of the projects involving battery storage systems. Pilot projects should prioritize addressing specific grid challenges, such as peak load reduction, resilience, and hosting capacity improvements. Delmarva Power & Light Company will develop its battery storage pilot project within the scope of the funding received from the DESEU and any available grant funding. Reporting timelines shall allow sufficient time for meaningful data collection to inform future program designs. The battery storage pilot projects may include those already under design, construction, or operation, provided that the funding may only be applied to costs yet to be incurred by the utility.

BE IT FURTHER RESOLVED that, in the study, the DESEU shall evaluate and report on the feasibility of constructing additional energy storage projects in Delaware and the projected amount of megawatts of energy storage that might be constructed by December 31, 2030, or the end of some other delivery year that can reasonably be projected to allow for adequate analysis of pilot project outcomes and stakeholder engagement. The study shall focus on foundational issues, including the identification and quantification of value streams and a cost-benefit analysis of storage deployment.

BE IT FURTHER RESOLVED that, on or before December 31, 2025, the DESEU shall submit a preliminary status report about the progress of the study and pilot program to the Governor and all members of the General Assembly,

with copies to the Director and the Librarian of the Division of Research of Legislative Council, and the Delaware Public Archives.

BE IT FURTHER RESOLVED that, on or before June 1, 2026, the DESEU shall submit a comprehensive report detailing the findings from the battery storage pilot program and the cost-benefit study and analysis of Energy Storage Systems in Delaware to the Governor and all members of the General Assembly, with copies to the Director and the Librarian of the Division of Research of Legislative Council, and the Delaware Public Archives.