



## Legislation Text

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### Approval to Accept Energy Storage Grant from Texas Commission on Environmental Quality - P Muhoro

Submitted By: Peter Muhoro

Department: Chief Strategy Office

**Financial Impact and Cost/Benefit Considerations:**

The awarded grant is \$1.5 million with PEC responsible for the remaining cost, not to exceed \$1.65 million as discussed in executive session. Prior to project execution, economic analysis, feasibility and benefit studies will be evaluated with the most recent information available.

The Board of Directors may consider approving the feasibility to accept the award of the New Technologies Implementation Grant from the Texas Commission on Environmental Quality. The grant is to offset the incremental cost of the implementation of a battery project within PEC territory. The Pedernales Energy Storage Automation & Management with Solar (PESAMS) project will help the cooperative achieve a diverse energy portfolio by implementing technology to reduce the emission of pollutants, consistent with the objectives of the NTIG program. In addition, PESAMS will help in reducing energy and transmission costs as well as some transmission and distribution assets upgrades. The PESAMS project integrates the most economically and technically viable blend of energy storage using a 2 MW - 4 MWh lithium-ion battery energy storage system in conjunction with an existing distribution-tied solar array. The innovative business model utilized by PESAMS incorporates multiple storage services for integrating renewable resources to achieve maximum emission reduction, while providing the greatest economic and operational benefits to PEC, its members, and the ERCOT grid. This resolution will evaluate the feasibility of this project, as studied previously showing that costs of batteries are feasibly and have benefits if discounted by 50%. The project, in addition to providing potential revenue streams and grid benefits, the learning opportunity on advanced technologies for PEC employees is key in the advancement of the cooperative. Furthermore, the lessons learned can help in writing regulations on how such new technologies integrate in the market.

**BE IT RESOLVED BY THE BOARD OF DIRECTORS** that the Board approves and accepts the energy storage grant from the Texas Commission on Environmental Quality as presented to the Board this day; and

**BE IT FURTHER RESOLVED** that the Chief Executive Officer, or designee, is authorized to take all actions necessary to implement the project and otherwise implement this resolution.