

What a canceled battery project in Tewksbury says about New England's aging power grid

By Miriam Wasser
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A rendering of the proposed battery project in Tewksbury. (Courtesy of East Point Energy)

The company behind a large and controversial proposed battery project in Tewksbury pulled the plug on the development this week after learning it would have to pay \$65 million to connect to the electric grid. That's more than three times what the company, East Point Energy, had expected to pay to bring its project online.

While the decision was celebrated by many residents who oppose the project, state officials and climate advocates say the cancellation highlights a steep barrier Massachusetts faces in building more clean energy: the often exorbitant cost of connecting projects to an aging grid.

In a filing submitted to the state this week, East Point Energy said its plans for the Tewksbury battery energy storage system, known as the Hillman Energy Center, no longer penciled out. "Unfortunately, rising interconnection costs have made it cost-prohibitive to complete the project, and East Point Energy is discontinuing its development," Maggie Howe, the company's vice president of project development, wrote in an email.

Grid-scale battery energy storage systems like the one proposed in Tewksbury are designed to absorb and store excess — and relatively cheap — electricity from the grid, and then release it when demand or prices spike.

If built, the Tewksbury project would have housed 134 lithium-ion batteries, each about the size of a tractor trailer. The batteries were going to be placed on a former industrial site by an existing National Grid substation, and near a residential community. They'd have a collective capacity of 125 megawatts — enough energy to power 125,000 homes for four hours — making it a prime example of the sort of battery park the state has made a big push to build in recent years.

"The deployment of storage resources is central to Massachusetts' affordability, reliability, and clean energy strategy," state Energy and Environmental Affairs Secretary Rebecca Tepper wrote in a letter to the head of ISO New England, the regional grid operator, earlier this summer. "Storing electricity when it is abundant and delivering it when needed helps lower costs for consumers, strengthens grid reliability during peak electricity demand, and enables greater integration of clean energy resources like solar and wind."

There are a handful of operating grid-scale battery projects in Massachusetts, though the state wants many more in the coming years. Earlier this year, Gov. Maura Healey set a goal of getting 5,000 megawatts of new energy storage online or in development by 2035. The Healey administration declined to comment on the cancellation of the Tewksbury project, but in her letter to the head of ISO New England, Tepper expressed concerns about high interconnection costs, especially for batteries. These costs, along with long development timelines for grid upgrades, could have "a significant chilling effect on investment in Massachusetts and across the New England region for years to come," she wrote.



The proposed battery project in Tewksbury would have been built on a former industrial site. (Screenshot/Google Earth) (Note the proximity of Emerald Court in the upper right.)

When East Point Energy first proposed the Tewksbury project last March, the developer knew it would have to pay several million dollars to connect to the grid — money that would go to cover the cost of improving a nearby substation and upgrading other grid infrastructure. But last month, ISO New England notified the company it would have to pay \$65 million. This extra — and unexpected — cost rendered the project "economically unviable," according to the company.

"This isn't going to affect just the Tewksbury project. It's going to affect projects across the Commonwealth because ISO New England has put these connection costs in that are far in excess of what anybody anticipated," said Tewksbury Town Manager John Curran.

New England's energy grid is old and congested, and needs upgrades to allow more projects like this one to come online. Amy Boyd Rabin, vice president of policy at the Environmental League of Massachusetts, said the region should seek better strategies for funding those improvements.

"We need to change how we're allocating the costs of doing those upgrades and making the grid that we need into a reality because, as it stands, we're crushing projects that could bring benefits to ratepayers," she said.

Matt Kakely, a spokesperson for ISO New England, declined to comment specifically on the Tewksbury project, but said that its interconnection fee was actually on the low side. Of the 23 projects the organization looked at in its most recent interconnection study — 18 of which were battery projects — the average interconnection fee was \$178 million, he said.

"ISO New England's role is to study projects looking to connect to the system," Kakley wrote in an email. "During our years of performing this role, we've seen thousands of megawatts of resources successfully come online, and thousands of [megawatts] of resources withdraw before commercial operations for a variety of reasons, including interconnection costs, financing, local opposition, and other issues."

In Tewksbury, opponents of the project cheered its cancellation.

Christine Chesbrough, a Tewksbury resident who lives about a mile from where the storage facility would have been built, said she was pleasantly surprised when she heard East Point Energy was spiking the project. Chesbrough was part of a group of local residents who mounted a vocal campaign against the project online and at public meetings, largely over concerns about public safety.

"We're very happy," she said. "This has been a huge, long fight. The majority of the residents that I've spoken to don't want this here."