

## Energy Storage USA 2015

7-8 July | Hilton San Diego Mission Valley | San Diego, CA

PANC recently sponsored the Energy Storage USA conference in San Diego. Unlike many other conferences, this is one of the few events that focuses exclusively on the commercialization of energy storage. As many can attest, energy conferences give attendees the opportunity to network with utilities, legislators, financiers, developers and companies that are promoting their products. In addition to networking, this conference differentiated itself by creating an environment to discuss major issues, such as overcoming barriers to entry. The conference brought in people who had differing viewpoints and in turn engaged in interesting discussions on how to overcome these types of challenges.

The event was moderated by Event Chairman, Robert Edwards, Kilpatrick Townsend & Stockton LLP, and his team of Mark Riedy and Susanna Kass. The moderators did an excellent job at keeping the conference flowing and stimulating by asking thought-provoking questions of the guest speakers.

### **Why is this conference different and why was it worth my time?**

During the two-day conference, there was a variety of panels that offered insight into a number of topics. While I cannot summarize everything the conference covered (nor the opinions of others), below are a few takeaways I came away with:

Policy Makers/Financing -- Energy storage is in its infant stages. Other than the California mandate for its three large IOUs, financing through the Department of Energy (DOE) is available, but it is very expensive and not affordable for small companies. DOE claims to fund projects that cannot obtain private financing due to technology risk, but the initial application fee is \$50,000 and the remaining fee is \$350,000 for loans up to \$150,000,000. In essence, DOE is only financing large scale projects. Project financing was briefly discussed but this topic is one that I expect will be discussed in many conferences to come.

Utilities -- PG&E reviewed their recent results in the storage RFO. They had over 5,000 MW of proposed projects and 74 MW of projects were shortlisted (the other utilities had similar results). Based on the discussion, I was not convinced I should pursue the utility market in the future. Besides economics, the utilities have attempted to establish a decision criteria and metrics. Unfortunately, I'm not sure the utilities were asking the right questions. In fact, each utility appeared to have a consistent approach, but the metrics used were not clear. I came away wanting to learn more about how utilities value the different features of storage facilities. Hopefully conversations like these will continue to bring light to potential problems such as this.

Commercialization – Besides the utility market, where is the target market for storage? One area identified was data centers. Dr. Nicola Peill-Moelter, Senior Director of Environmental Sustainability, Akamai stated, “the cloud is growing six percent per year. Data centers are inefficient. Barriers to this market are people, institutional and cultural”. Companies rely on their information systems to run their operations and provide a reliable infrastructure for IT operations, in order to minimize any chance of disruption. Information security is also a concern, and for this reason a data center must offer a secure environment which minimizes the chances of a security breach. A data center must therefore keep high standards for assuring the integrity and functionality of its hosted computer environment. A perfect application for energy storage!

If you are looking to learn more about the fast growing energy storage market in the United States and meet some of the biggest players in the industry, this conference is an excellent option. It highlighted some of the tough questions I've always wanted to ask and got the audience thinking about additional questions we'll want to discuss in the future.

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