



Energy Storage Opportunities Opening Up in US and Europe

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SAN FRANCISCO -- According to Marcus Elsässer and other executives at Intersolar North America 2013, Energy Storage + PV is the next big thing and we should all prepare ourselves to see more of it. Three years ago, Intersolar decided to focus a bit on the technology and signed up about 10 battery manufacturers to exhibit at its European show — the largest solar power show in the world. This year, there were more than 200 energy storage companies exhibiting.

Elsässer and representatives from the German solar industry believe the focus on energy storage has come as a result of the declining FIT in Germany and other parts of Europe. Now, instead of selling PV energy to the utility to make money, consumers are looking to save money. By using energy storage consumers can now use the energy they generate themselves instead of having to purchase energy from the grid. Markus Hohner of the International Battery Energy Storage Alliance (IBESA) use the term “Prosumer” to describe this phenomenon of people producing and using their own energy.

Matthius Vetter from the Fraunhofer Institute explained it rather simply. His father, who installed a PV system 10 years ago, sells power to the German utility at 55 eurocents per kWh and purchases it from the grid somewhere in the ballpark of 26 eurocents per kWh. For him, energy storage has no value. Today's FIT rate, however, is just 14 eurocents per kWh so rather than sell your PV energy, why not keep it by using energy storage technology and offset that 26-eurocent per kWh charge.

American energy storage executives agree that storage has great value in the U.S. electricity market but for different reasons. They say that the sweet spot for the U.S. energy storage market is in large commercial installations. These large entities have negotiated contracts with utilities so their electricity rates aren't very high. But their demand charges, the fee that the utility charges them based on their highest peak energy use during a month, have been rising as much as 10-12 percent per year, according to Tom McCalmont of McCalmont Engineering.

By installing an energy storage system alongside a PV system, large commercial end-users of electricity can lessen that peak demand, and thereby lower their demand charges. Further McCalmont believes that in the future utilities are going to realize how this type of storage system actually helps them firm up the grid and he says one day soon, we will start seeing U.S. utilities offering incentives for companies to install energy storage.

Energy storage companies large and small are exhibiting at Intersolar North America this year, hoping to tap into this emerging market. ABB, AEG Power Solutions, Green Charge Networks, MK Battery, Outback Power, Trojan Battery, STEM and more are showing their solution in the Energy Storage Hall at the show. Intersolar's Elsässer said that 40 energy storage companies are exhibiting at the show.¹

¹ The source: <http://www.renewableenergyworld.com>