Energy Storage Overview

NJ BPU Energy Storage Webinar Series, 1/25/2021

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SNL Outreach to Regulators

Sandia is funded by the Energy Storage Programs Office in the DOE Office of Electricity to provide outreach to regulatory commissions around the U.S.

In collaboration with PNNL and other institutions . . .

Utah Governor's Office of Energy Development Summer Webinar Series, July-Aug. 2020
Maryland PSC Webinar Series, March 2020 / Nevada PUC Workshop, Jan. 2020
Southeastern PUCs – Alabama, Arkansas, Florida, Georgia, Kentucky, Maryland, New Jersey. North Carolina, Virginia, July 2019, Birmingham: Second Southeast Energy Storage Symposium and PUC Workshop (with Southern Research)
New Mexico PRC workshops/webinars, 2019/2020 and ongoing
California Energy Commission (CEC), June 14, 2019, Sacramento: Energy Storage Academy
Hawaii PUC, Dec. 7, 2018, Honolulu: ES Introductory Workshop
NECPUC, New Jersey, Colorado . . . Workshops/webinars are in various stages of planning

The “energy transition” is happening now

If you were in a shipwreck and a piano top came floating by, you might climb up on top of it and use it as a life preserver. But if you were in the business of designing life preservers, you probably would not make one in the shape of a piano top.

Buckminster Fuller, Operating Manual for Spaceship Earth, 1969

Climate crisis

Declining costs for renewables

Public Health

Geopolitics

Ecosystem Health

Energy dynamics are fundamentally different

- Demand is flat or declining -- little demand for new generation
- "Decarbonization" and "electrification" are on the rise
- Coal is phasing out
- PV + storage is supplanting old and new gas peakers
- Curtailment is on the rise
- Wholesale and retail markets are shifting
- 100-year-old electricity business model is history

The job of regulatory commissions is more complicated than it has ever been.

Energy storage (ES) is fundamentally different

Energy storage . . .

- Is both a load and a generation source
- Facilitates demand management
- Defers new generation and transmission infrastructure
- Unleashes the power of renewables
- Provides various services and value streams
- Provides flexibility, resilience, and reliability

ES Terms & Language

- Watt (W) – 1 Joule/second (~4 Joules = 1 calorie, the energy required to raise 1 gm of water 1°C)
- kW, MW, TW – a measure of maximum generation capacity -- POWER
- kWh, MWh, TWh – a measure of capacity * time -- ENERGY
    - A 40 MW, 4 hr battery = 160 MWh
    - A 40 MW, 40 MWh battery = 40MW for an hour, 20 MW for 2 hours, etc.

"Energy" applications >30 min. time scale, long duration of energy

"Power" applications <15 min. time scale, fast control of the electric grid

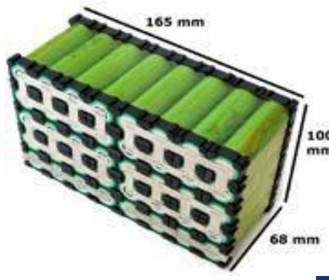
Energy Applications	Power Applications
Arbitrage	Frequency regulation
Renewable energy time shift	Voltage support
Demand charge reduction	Small signal stability
Time-of-use charge reduction	Frequency droop
T&D upgrade deferral	Synthetic inertia
Grid resiliency	Renewable capacity firming

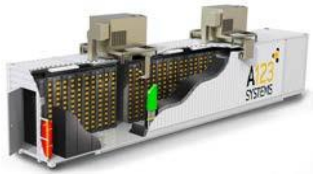
ES Terms & Language, cont'd

ES evaluation focuses on:

Cost, Capacity, Duration, and Lifetime

- **Cost** -- $/kWh, $/kW for cells, packs, systems, installations . . .
- **Capacity -** kWs, MWs, TWs
- **Duration** – 2 hr, 4 hr . . .
- **Cycles** – the number of times a storage device can be charged and discharged
- **Depth of discharge** – the depth to which discharge occurs relative to capacity
- **Parasitic loads** – air conditioning, safety systems . . .
- **Energy density** -- ratio of energy from a battery to battery mass
- **Round trip efficiency** -- energy losses that in each cycle
  - Parasitic loads (air conditioning, safety systems, lighting, offices are often not counted)
- **Curtailment/costing**





U.S. Battery Deployments, 2013 - 2020

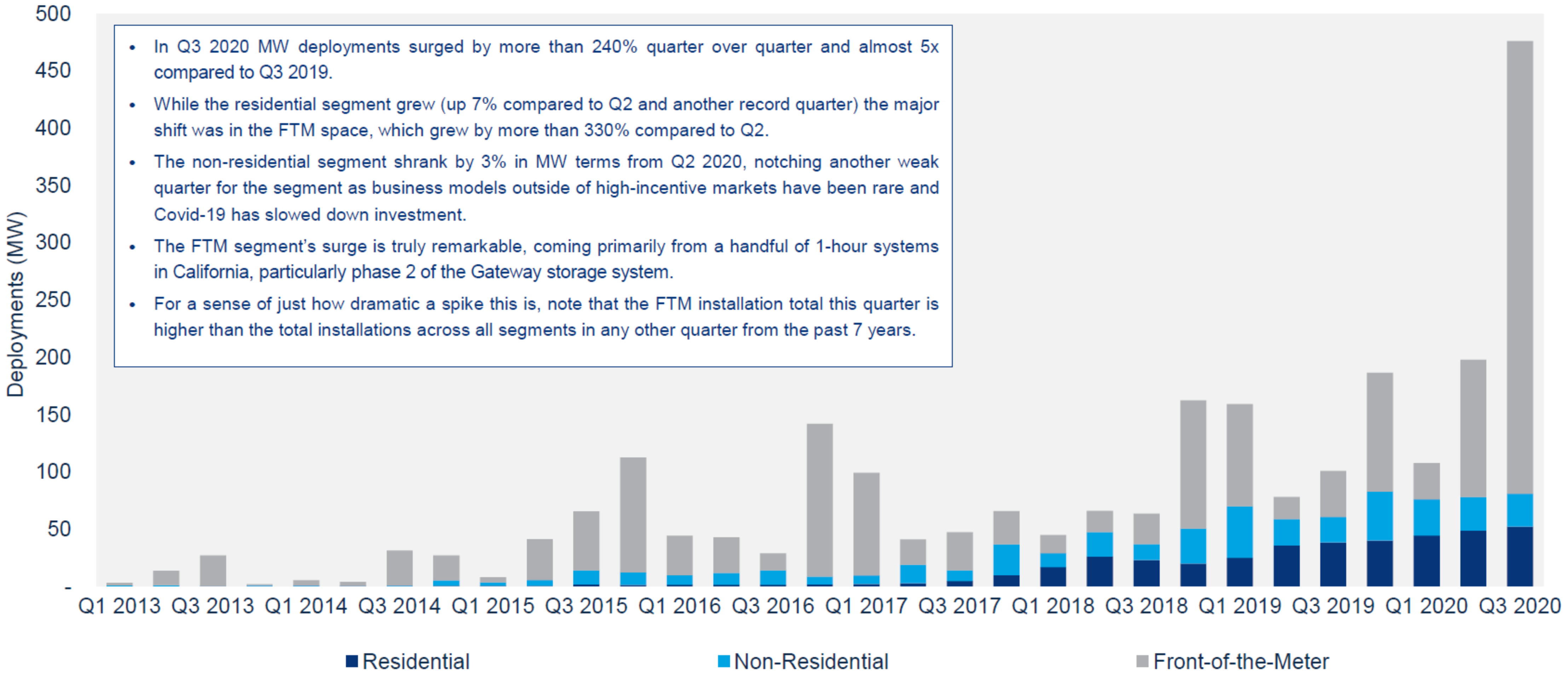
Wood Mackenzie P&R/ESA | U.S. energy storage monitor Q4 2020

woodmac.com

U.S. Q3 2020 deployments reached a staggering 476 MW

Record-shattering deployments in California redefined the market's scale - and required big edits to our Y-axis

- In Q3 2020 MW deployments surged by more than 240% quarter over quarter and almost 5x compared to Q3 2019.
- While the residential segment grew (up 7% compared to Q2 and another record quarter) the major shift was in the FTM space, which grew by more than 330% compared to Q2.
- The non-residential segment shrank by 3% in MW terms from Q2 2020, notching another weak quarter for the segment as business models outside of high-incentive markets have been rare and Covid-19 has slowed down investment.
- The FTM segment's surge is truly remarkable, coming primarily from a handful of 1-hour systems in California, particularly phase 2 of the Gateway storage system.
- For a sense of just how dramatic a spike this is, note that the FTM installation total this quarter is higher than the total installations across all segments in any other quarter from the past 7 years.



NJ leads in FTM deployment . . .

Wood Mackenzie P&R/ESA | U.S. energy storage monitor Q4 2020

woodmac.com

Top energy storage states, Q3 2020

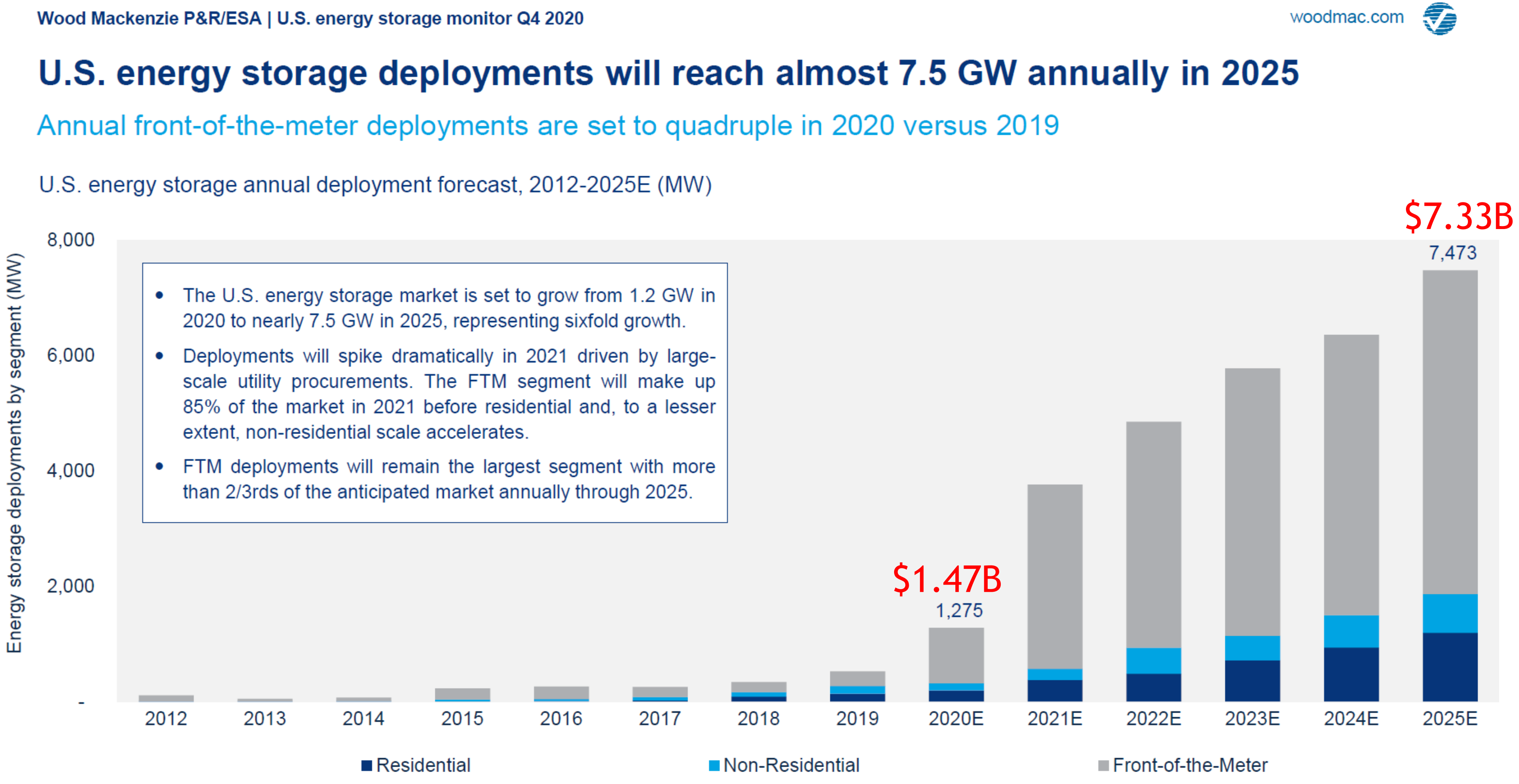
California's FTM deployment total shatters national records by itself

Top three markets by segment in Q3 2020 (energy capacity)

Rank	Residential	Deployments (MWh)	Non-residential	Deployments (MWh)	Front-of-the-meter	Deployments (MWh)
1	California	69	California	39	California	510
2	Hawaii	20	Massachusetts	17	New Jersey	40
3	Arizona	3.4	Hawaii	11	Arkansas	10.5

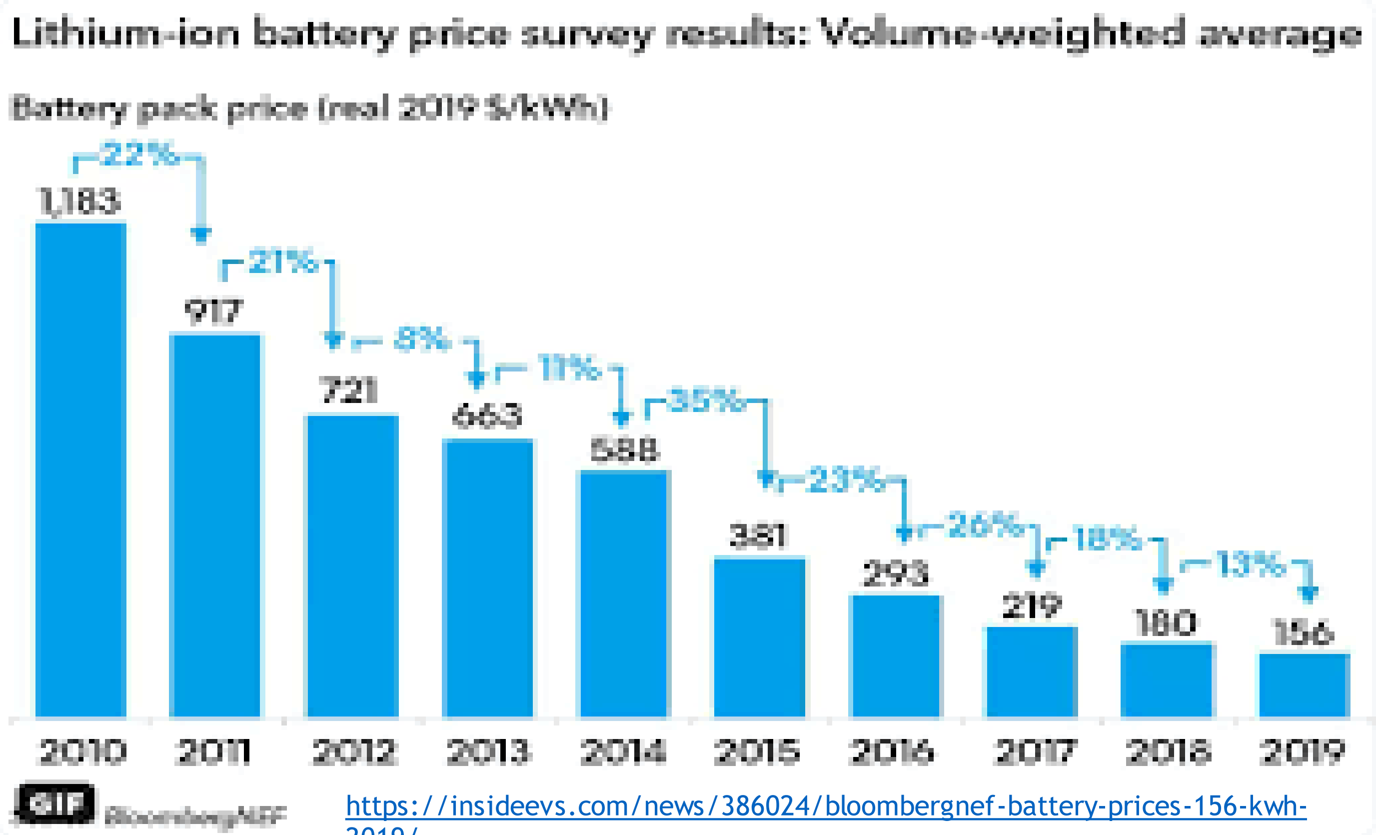
Source: Wood Mackenzie Power & Renewables

ES Projected Growth to 2025

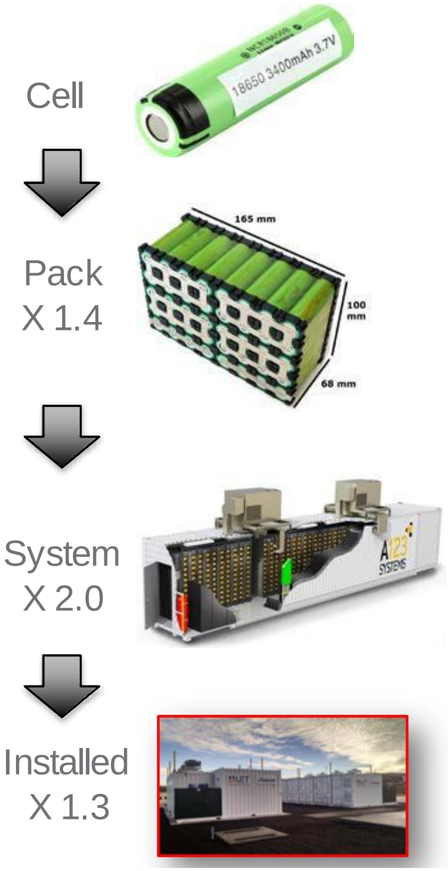


Grid-scale BES (~1.3 GW) is only ~ 0.1% of U.S. grid capacity (1300 GW) USEIA 2020

Battery costs are dropping fast



https://insideevs.com/news/386024/bloombergnef-battery-prices-156-kwh-2019/

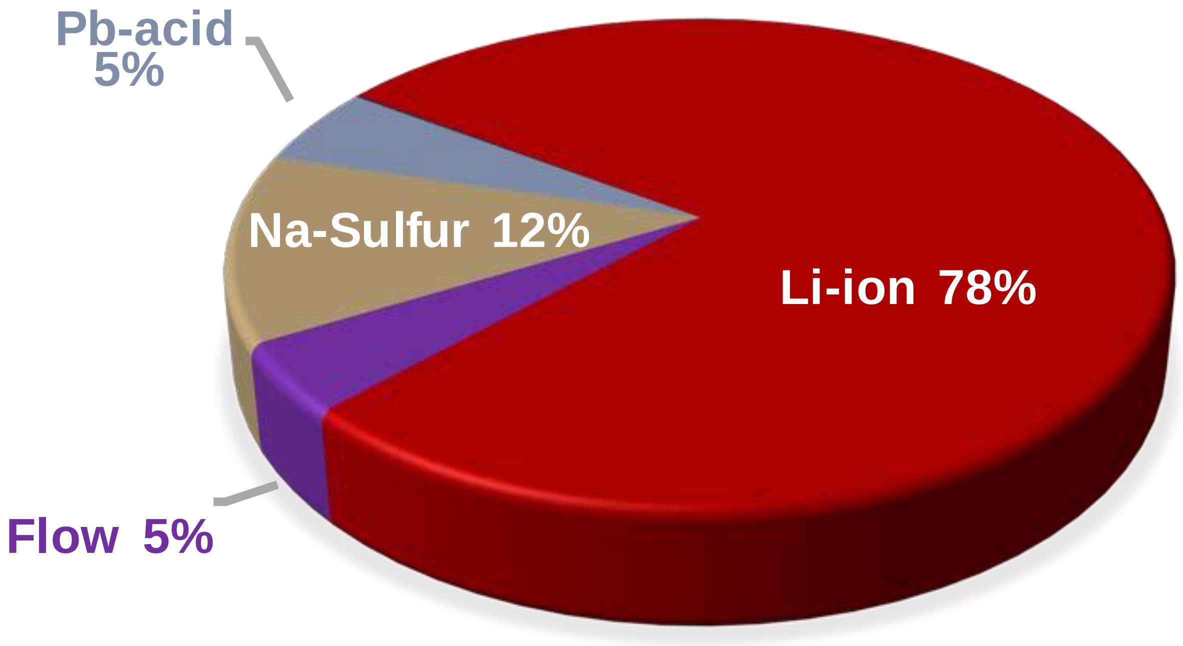


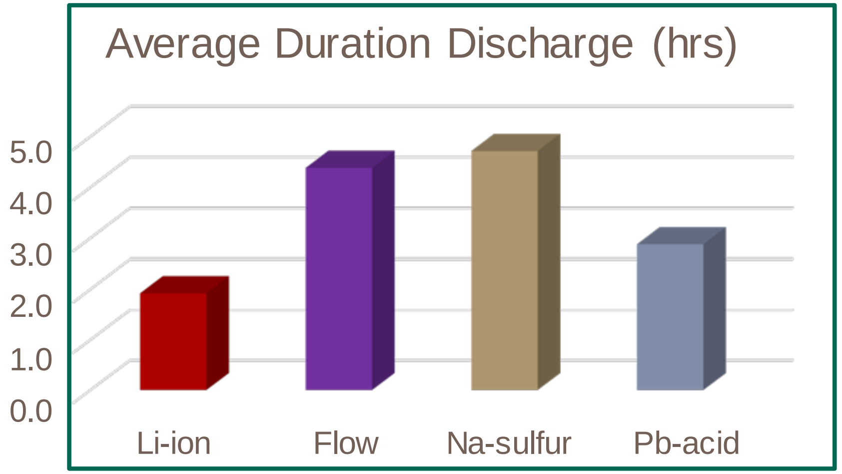
13 kWh Tesla Powerwall now sells for about $481/kWh

$150/kWh cell → **$~750/kWh system**

Big savings now are not in the cells, but in the systems . . .

Battery energy storage deployments

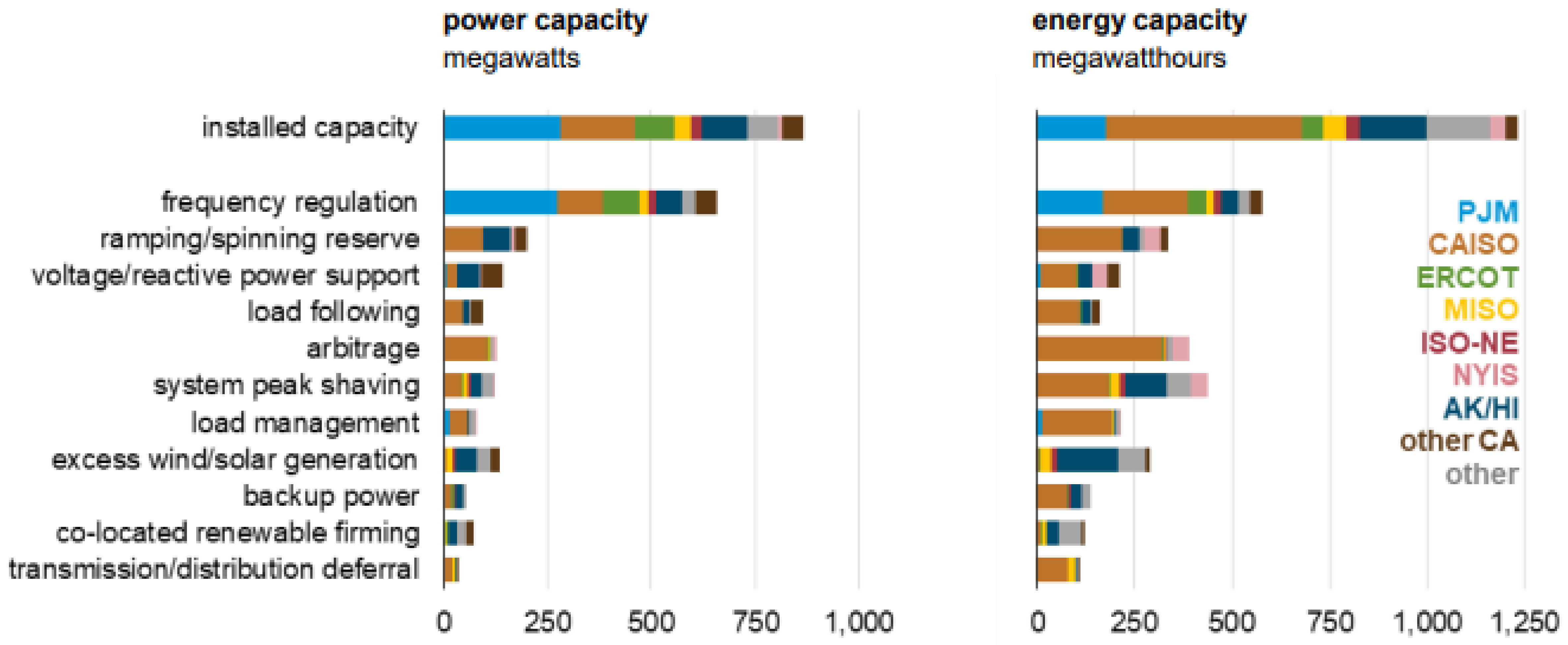




**Operational as of Nov. 2017 – being updated for 2018*

Source: *DOE Global Energy Storage Database http://www.energystorageexchange.org/, Nov. 2017*

Applications Served by U.S. Large Scale BESSs (2018)

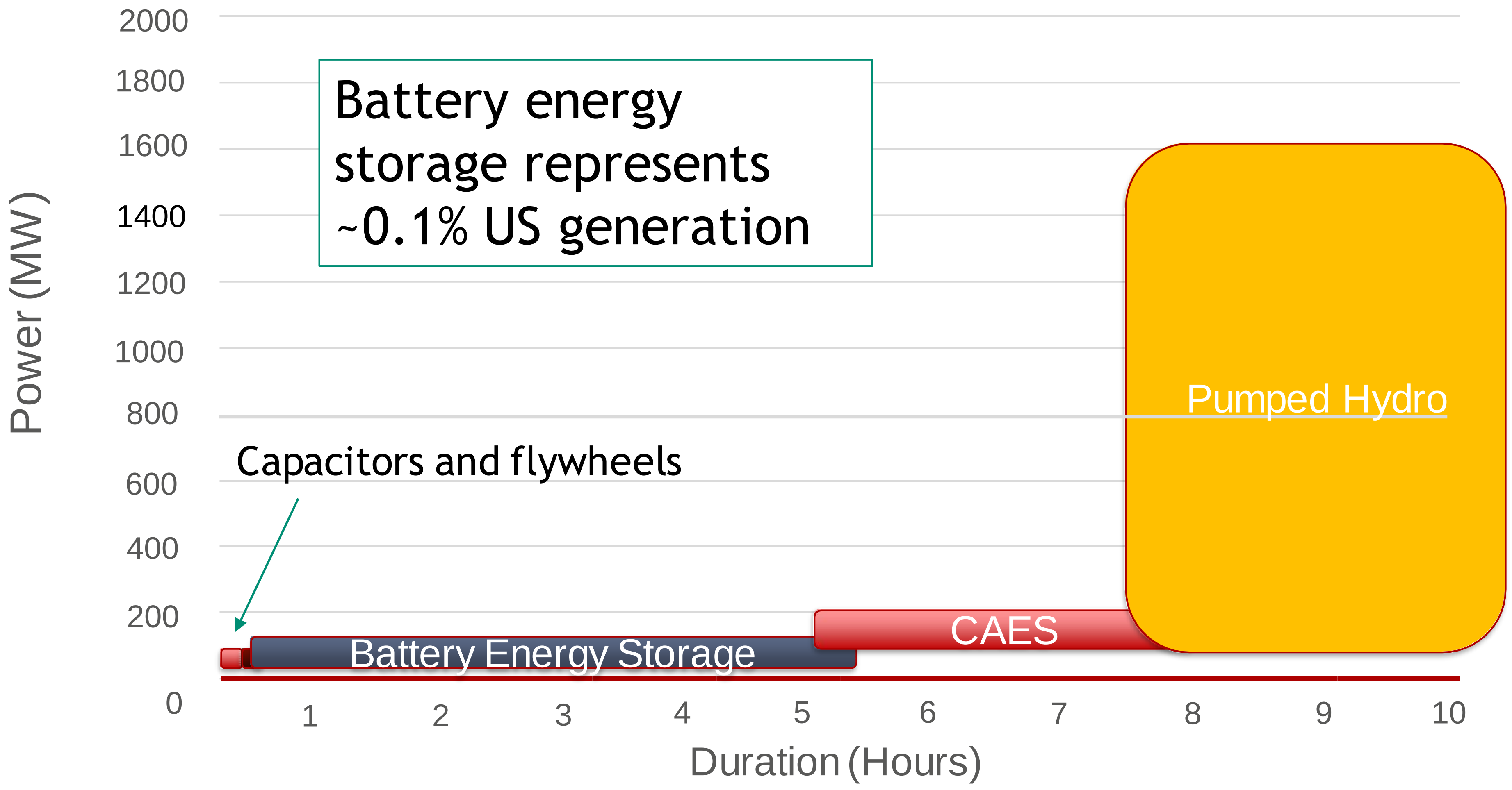


Source: U.S. Energy Information Administration, Form EIA-860, *Annual Electric Generator Report*

USEIA, U.S. Battery Storage Market Trends, 2020

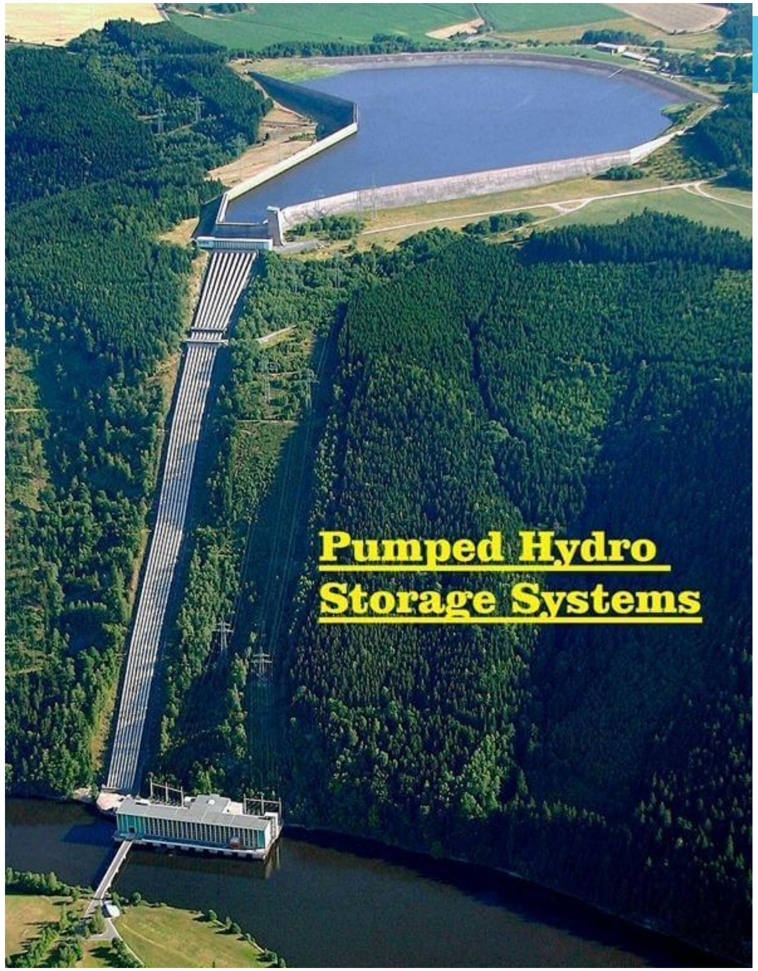
Electromechanical, Capacitor, Thermal, and Gravitational Technologies

Energy Storage Technologies



Pumped Hydro

- Largest global and US ES capacity (95%)
- Potentially long duration (6h to 22h)
- High power capacity (GWs)
- Mature technology
- 70-80% round trip efficiency
- Long Life (40 years)
- Broad applications
- Low energy density
- Slower response (seconds to minutes)
- High initial and ongoing costs (~$1600/kW at 100 MW*)
- Tough to site new projects in the US

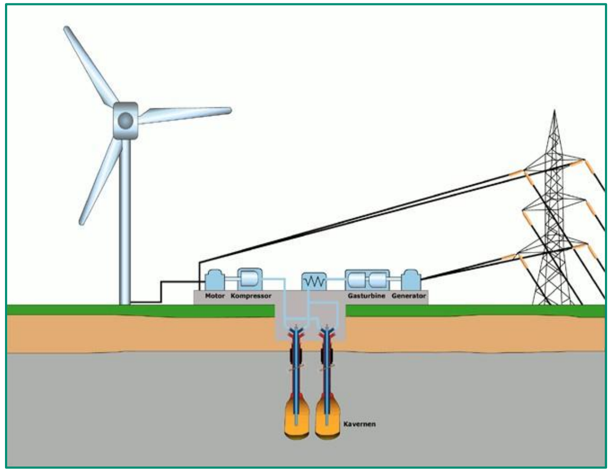


https://www.windpowerengineering.com/pumped-hydro-storage-market-to-surpass-350-billion-by-2024/

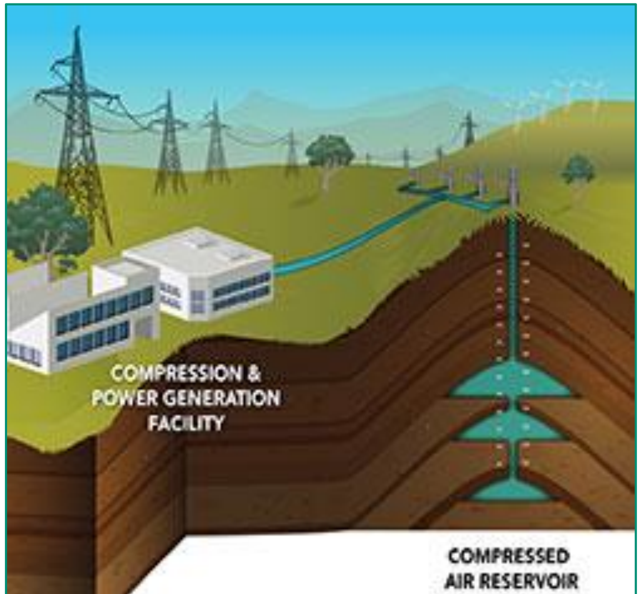
*Costs and some other data source: R. Baxter, 1019. 2018 Energy Storage Pricing Survey. Sandia Report SAND2019-14896.

Compressed Air (CAES)

- Only 3 large-scale in the world – Germany (1) & U.S. (2)
- Potentially long duration (2h – 30h)
- High power capacity (100s MW)
- Long life (40 years)
- Many efforts at small scale applications
- Broad applications
- Low roundtrip efficiency (50 -- 80%)
- Low energy density
- Slower response (seconds)
- High initial and ongoing costs (~$1600/kW at 100 MW)
- Must be sited above geological repository (e.g., deep salt caverns)



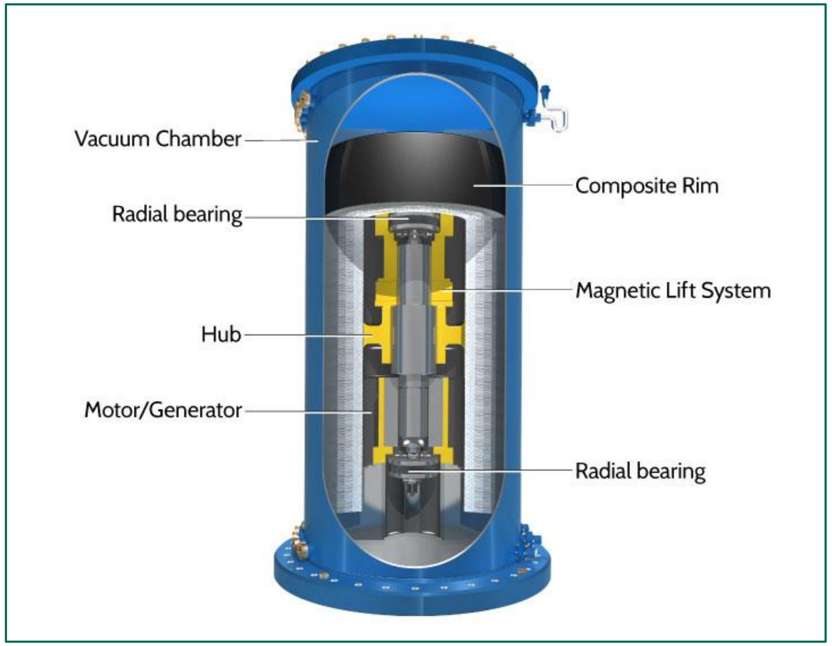
https://www.uigmbh.de/images/referenzen/CAES_animiert.gif



https://caes.pnnl.gov/

Flywheels

- High power capacity (MWs with banks of flywheels)
- High cycle life (millions)
- Very fast response (milliseconds)
- 80% round trip efficiency
- Broadly applied at many scales (potters wheels, steam engines, cars, large scale ES)
- Short term storage with limited grid applications (frequency and voltage regulation, transient stability, stopping and starting electric trains)
- Relatively expensive (~$600/kWh at 10 MW)



https://beaconpower.com/carbon-fiber-flywheels/

20 MW Frequency Regulation Plant, Hazle, PA
https://beaconpower.com/hazle-township-pennsylvania/

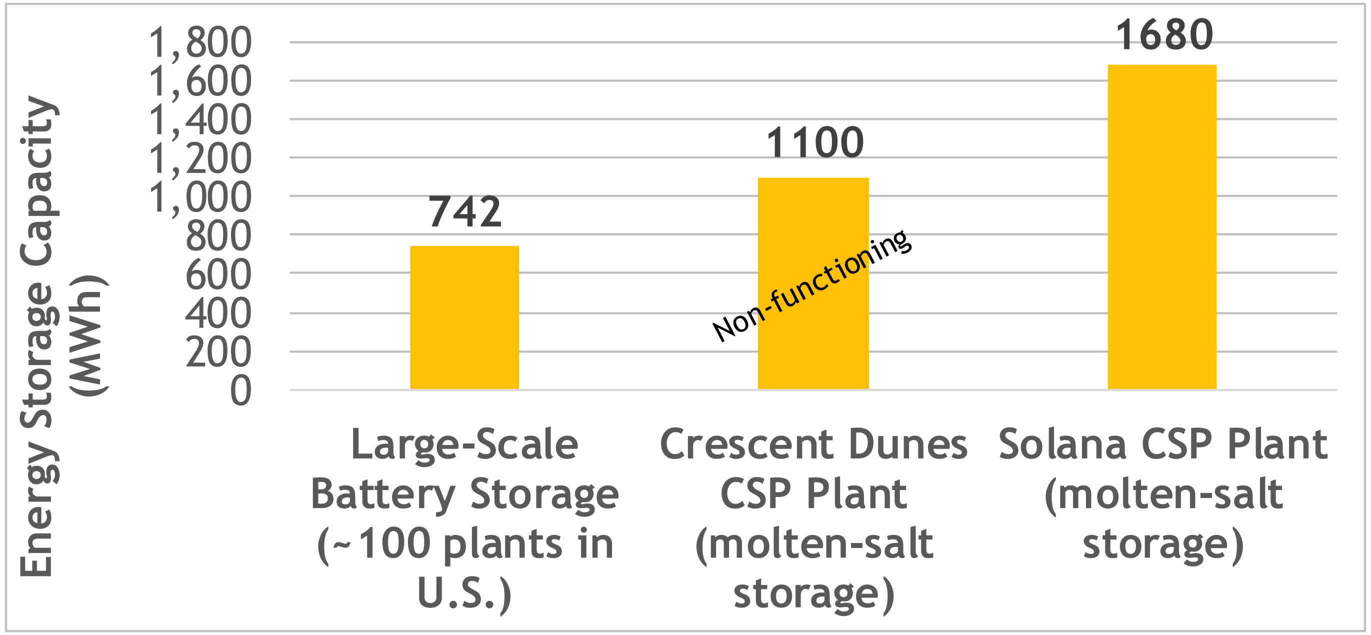
Super Capacitors

- Electrochemical . . .
- Long life (5-10 years)
- High cycle life (thousands to millions)
- Fast discharge (milliseconds)
- High round trip efficiency (95%)
- Broad applications – regenerative braking, laptops, photographic flashes cordless tools, defibrillators . . .
- No heavy metals
- Potential to replace Li-ion
- High cost
- Low energy density
- Limited grid applications (power quality, frequency regulation)

Ultra capacitor module, designed for vehicle applications (e.g., buses, trains)

Concentrated Solar Power & Thermal Energy Storage

- Mirrors concentrate the sun's energy onto a receiver to provide heat to spin a turbine/generator and produce electricity
- Hot fluid can be stored as thermal energy efficiently and inexpensively for on-demand electricity production when the sun is not shining



Battery data from USEIA, 2018

CSP data from Cliff Ho, Sandia National Labs

Thermal Energy Storage for Cooling Buildings

- Freeze water at night when energy prices are low
- Use ice to cool air in HVAC system when energy prices are high

CALMAC

http://www.calmac.com/thermal-battery-systems#main

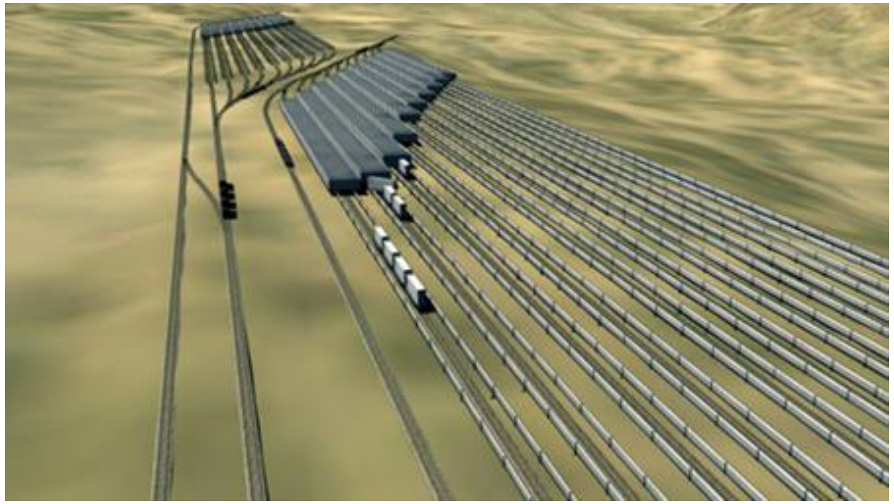
Gravity energy storage

- Long duration storage
- High capital costs
- Long cycle life
  - High maintenance costs

Vault Energy Storage

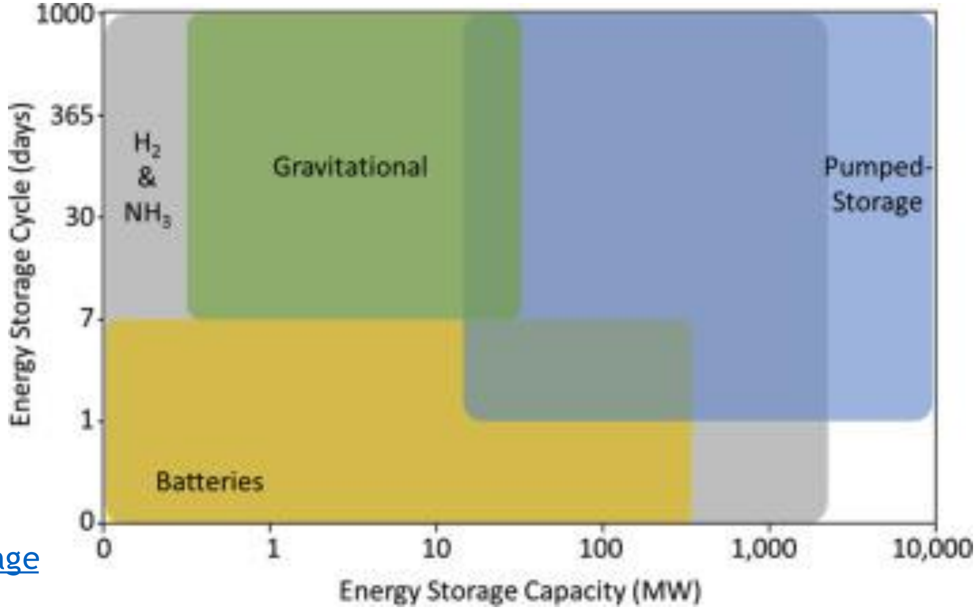
Energy Vault

Rail Energy Storage



https://www.aresnorthamerica.com/grid-scale-energy-storage

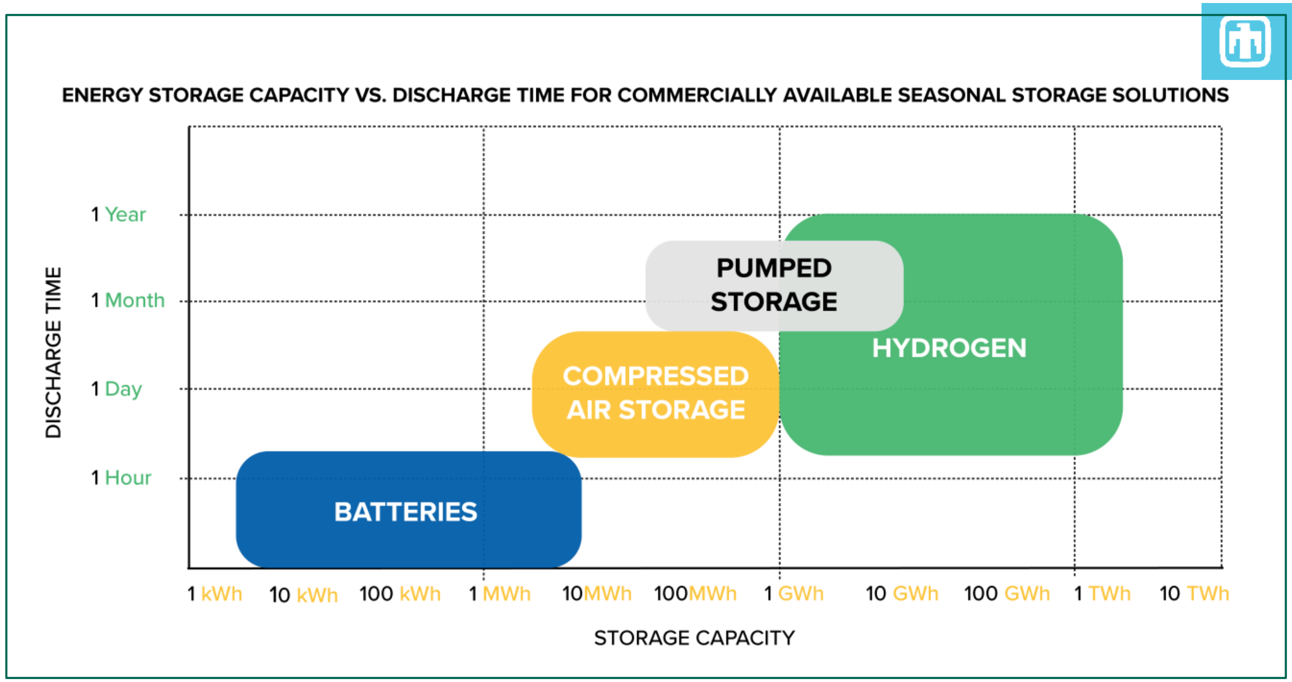
Mountain Gravity Energy Storage



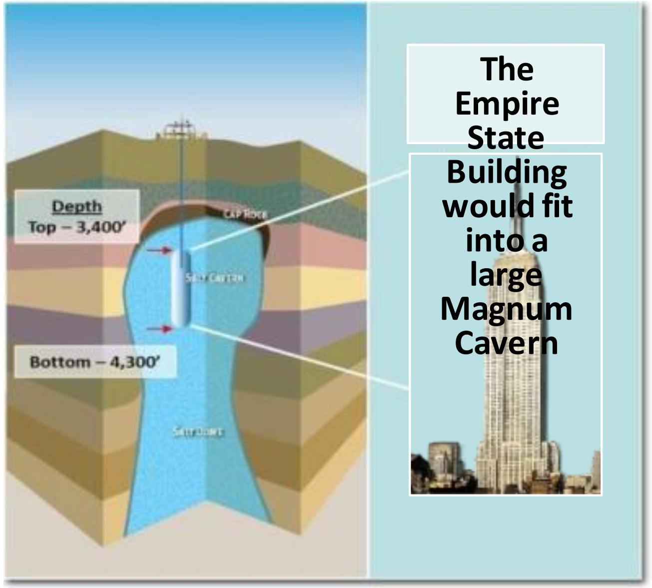
Hunt et al., Energy, https://doi.org/10.1016/j.energy.2019.116419

Green Hydrogen

- Use curtailed wind or PV to separate H_2 and O by hydrolysis
- Store H_2 under pressure underground or in tanks
- Burn with natural gas in combined cycle gas turbines
- Intermountain Power Plant, Utah, plans 100% conversion



All images courtesy of Dr. Laura Nelson, Exec. Dir. of the Green Hydrogen Coalition
lnelson@ghcoalition.org



Battery Technologies

How a battery works

- Redox (reduction – oxidation) chemistry drives all biological metabolism

$CO_2 + H_2O \xrightarrow{\text{Sunlight}} CH_2O + O_2$ (Oxidized carbon) (Reduced carbon)

Electrons move from oxygen to carbon

$CH_2O + O_2 \xrightarrow{\text{Enzymes}} CO_2 + H_2O +$ **ENERGY** (Reduced carbon) (Oxidized carbon)

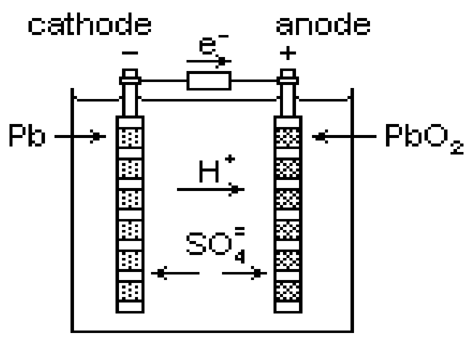
Electrons move from carbon to oxygen

- The same redox chemistry drives battery power

$Pb(s) + PbO_2(s) + 2H_2SO_4(aq) \rightarrow 2PbSO_4(s) + 2H_2O(l)$ • OCV ~ 2.0 V

Reduced lead in the presence of oxidized lead, and in a sulfuric acid electrolyte, results in lead sulfate and water, and electrons move with a force of 2 V.

Oxidation is defined as removal of electrons from an atom leading to an increase in its positive charge, and reduction as addition of electrons resulting in a decrease (reduction) in positive charge.



Lead Acid Cell

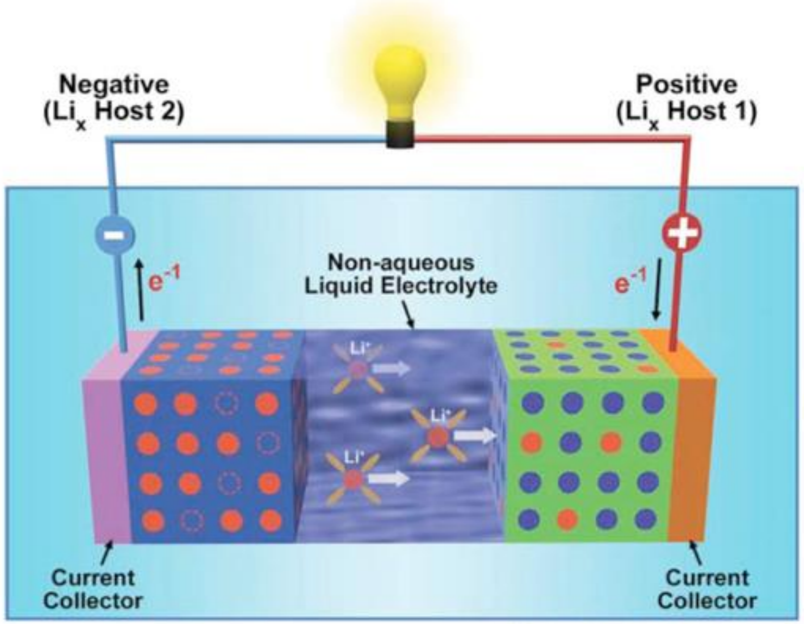
Li-Ion Batteries

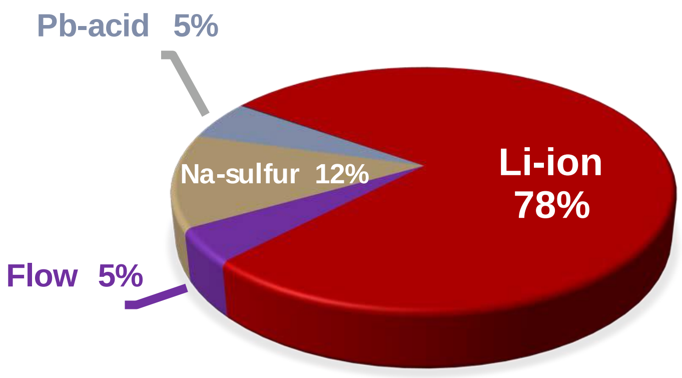
- High energy density
- High cycle life -- 5000-10,000 cycles at 100% DOD
- Stationary ES follows on coattails of EV battery development
- Ubiquitous – multiple vendors
- Fast response (milliseconds)
- Broad applications
- Round trip efficiency ~85-90%
- Lifespan ~10 yrs
- Safety continues to be a significant concern
- Limited recycling is only recently available
- Uses non-domestic rare earth metals
- ~$400-$450/kWh at 100 MW)

SCE/Tesla 20MW - 80MWh Mira Loma Battery Facility

18650 cell format used in 85 kWh Tesla battery

Li-ion Batteries





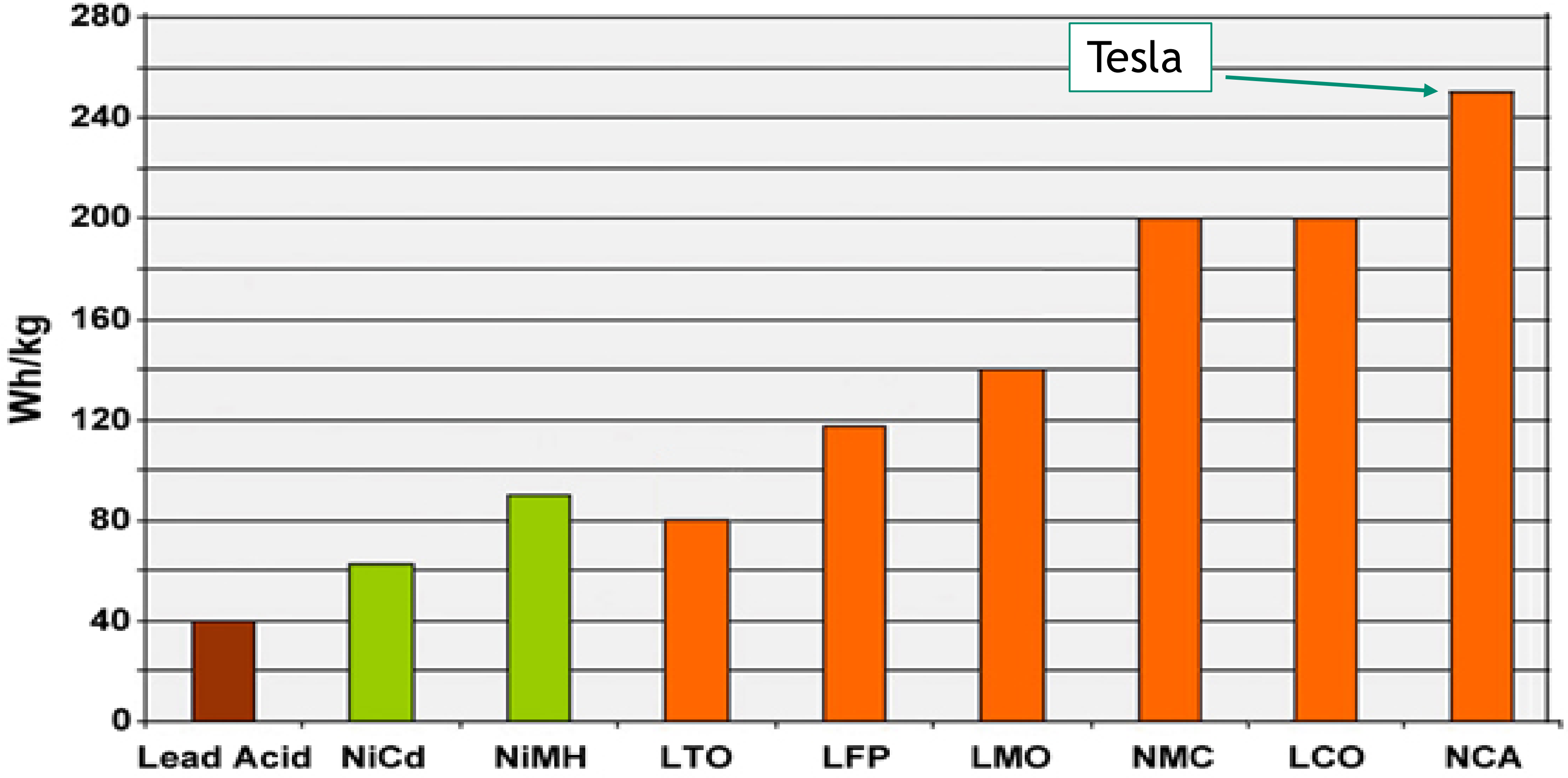
Chemistries	
$LiCoO2$	iphone
$LiNiO_2$	
$LiNi_xCo_yMn_zO_2$	Volt
$LiNi_xCo_yAl_zO_2$	Tesla
$LiMn_2O_4$	
$LiMn_{1.5}Ni_{0.5}O_4$	
$LiFePO_4$	
$LiMnPO_4$	
$LiNiPO_4$	
$LiCoPO_4$	

Cathode: $Li_{1-x}CoO_2 + xLi^+ + xe^- \xrightarrow{discharge} LiCoO_2$

Anode: $Li_xC_6 \xrightarrow{discharge} xLi^+ + xe^- + C_6$

Z. Yang JOM September 2010, Volume 62, Issue 9, pp 14-23

Li-ion chemistry energy density



Li-Al Oxide (NCA) enjoys the highest specific energy; however, Li-Mn Oxide (NMC) and Li-phosphate (LFP) are superior in terms of specific power and thermal stability. Li-titanate, LTO) has the best life span.

https://batteryuniversity.com/learn/article/types_of_lithium_ion

Tesla and the 18650 Li-ion cell

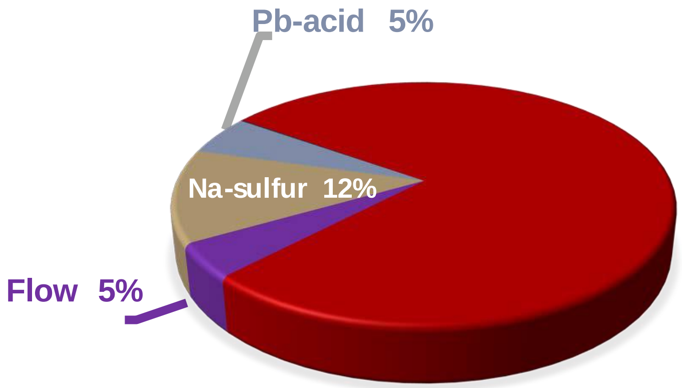
Tesla Model S Battery Pack

7104 cells

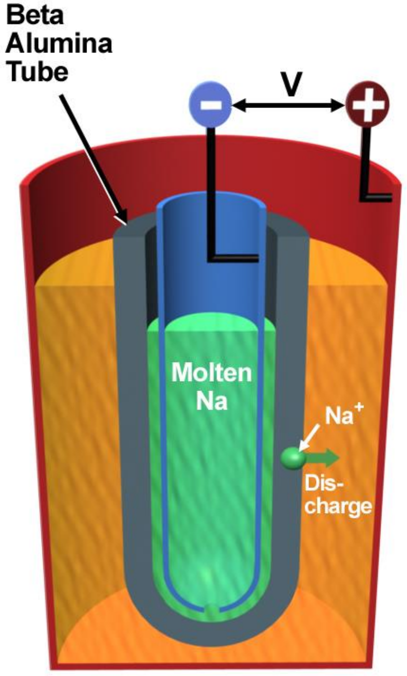
18650 cell format used in 85 kWh Tesla battery

An ESS like the 20 mW – 80 mWh Mira Loma System would require 6.7 million of the 18650 cells

Sodium-Sulfur (Na-S) Batteries

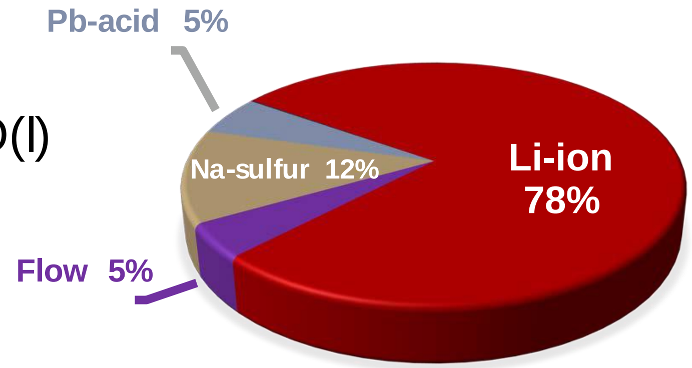


- High energy density
- Life cycles
  - 2500 at 100% DOD
  - 4500 at 80% DOD
- Lifespan ~ 15 years
- Fast response (milliseconds)
- 75% round trip efficiencies
- Must be kept hot!
  - 300 - 350^{o} C
  - Stand by losses are high, battery has to keep running or be heated up
- Longer term -- 4-6 hours
- Broad applications
- Low production volumes prevent economies of scale
- ~$380/kWh at 100MW

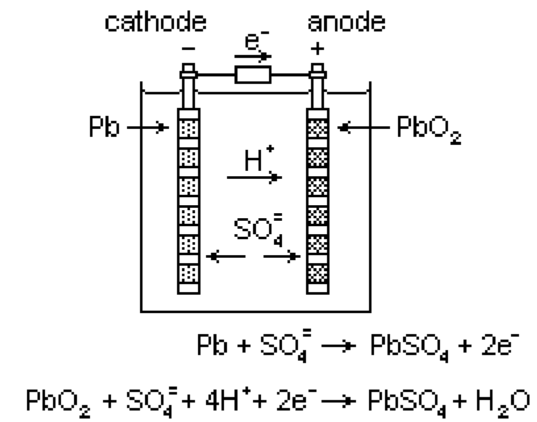


Lead Acid Batteries

$$Pb(s) + PbO_2(s) + 2H2SO_4(aq) \rightarrow 2PbSO_4(s) + 2H_2O(l)$$

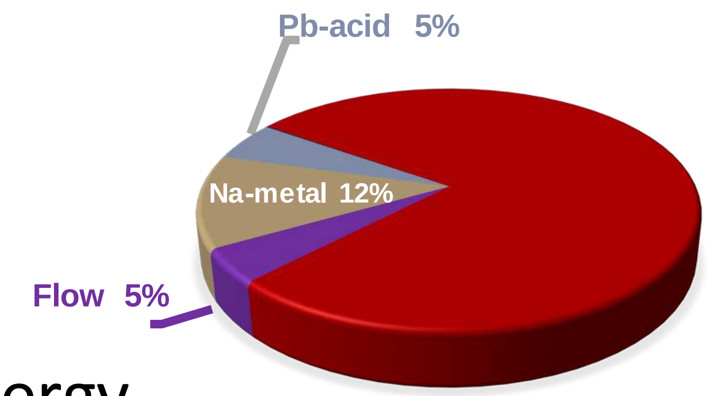


- The most common batteries worldwide
- Life time ~5 yrs
- Limited cycle life --500~1000 cycles
- Round trip efficiency ~80%
- Degradation w/ deep discharge (>50% DOD)
- Low energy density (30-50 Wh/kg)
- Overcharging leads to H_2 evolution
- Sulfation occurs with prolonged storage
- Recyclable
- New lead-carbon systems ("advanced lead acid") can exceed 5,000 cycles
- ~$400/kWh at 1 MW

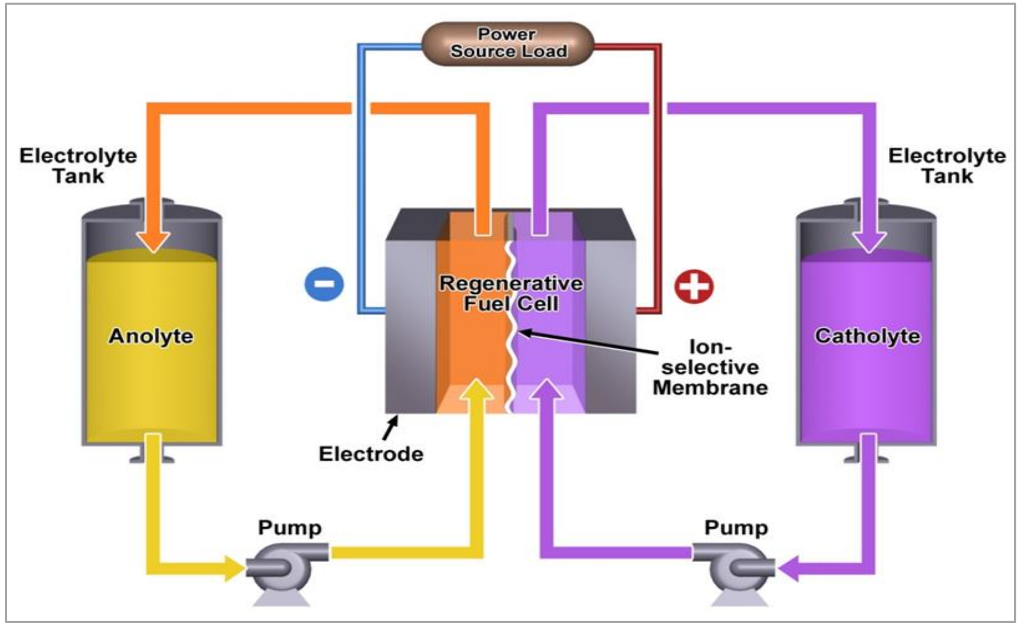


Lead-Acid Storage Cell

Flow Batteries



- Wide range of chemistries available – Vanadium, zinc bromine, iron chromium
- Flexible -- increase volume of tanks to increase energy (no new racks, no new controllers)
- Suitable for wide range of applications, 5 kW to 10s MW
- Tens of thousands of cycles, and high duration (10 hours)*
- Low energy density
- Lower round trip energy efficiency (70 – 80%)
- ~$410/kWh at 100 MW



*Vionxenergy.com

$Zn\text{-}MnO_2$ Alkaline Batteries

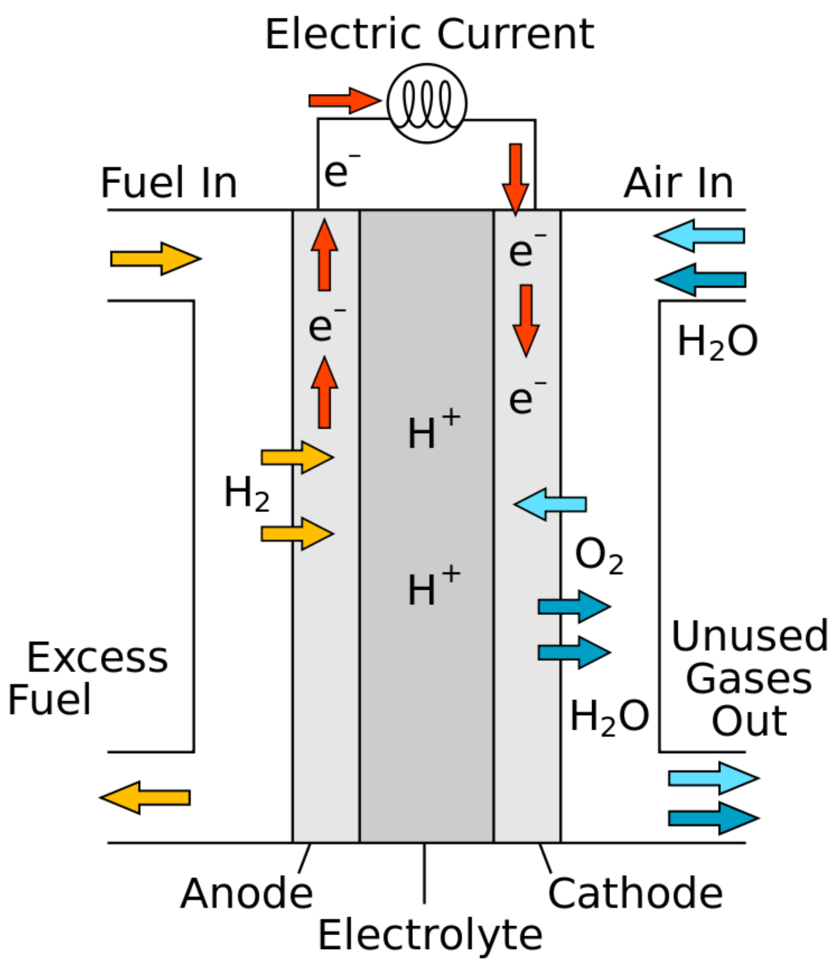
- Traditionally primary batteries, and ubiquitous
- Lowest bill of materials costs and manufacturing capital expenses
- Established supply chain for high volume
- Readily be produced in larger form factors for grid applications
- No temperature limitations of Li-ion or Pb-acid
- Round trip efficiency ~ 75%, lifespan ~10 years
- Environmentally benign -- EPA certified for landfill disposal
- ~$250/kWH at 100MW --- but projected delivered costs at $50/kWh
- Reversibility has been challenging
- Cycle life must be improved

URBAN ELECTRIC POWER

Hydrogen Storage

- Electricity splits H_20 into H_2 and O
- H_2 is stored in above-ground steel tanks, with engines, or in underground caverns
- Fuel cell uses redox chemistry to produce electricity
- Waste product is H_20
- About as efficient as ICE
- Many applications

Hydrogen Fuel Cell

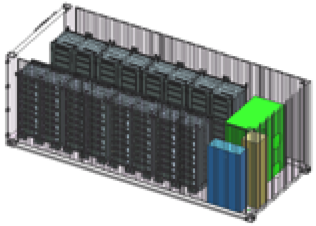


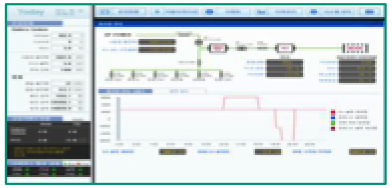
By R.Dervisoglu - Own work, based on http://en.wikipedia.org/wiki/File:Solid_oxide_fuel_cell.svg, Public Domain, https://commons.wikimedia.org/w/index.php?curid=19314043

Battery Energy Storage Systems (BESSs)

BESS elements

Battery Storage	Battery Management System (BMS)	Power Conversion System (PCS)	Energy Management System (EMS)	Site Management System (SMS)	Balance of Plant
• Batteries • Racks	• Mgmt. of the battery --Efficiency --Depth of Discharge (DOD) --Cycle life	• DC to AC, AC to DC --Bi-directional Inverter --Transformer, switchgear	• Optimal monitoring and dispatch for different purposes --Charge/discharge --Load management --Ramp rate control --Ancillary services • Coordinates multiple systems	• Distributed Energy Resources (DER) control • Interconnection with grid • Islanding and microgrid control	• Housing • HVAC • Wiring • Climate control • Fire protection • Permits • Personnel

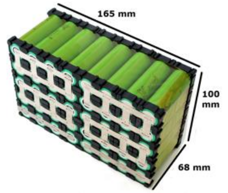




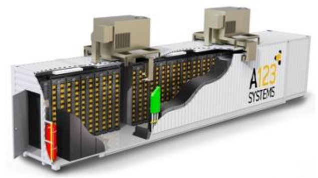
NOTE: Important to have single entity responsible for the ESS integration.

Whole system installation can increase costs by 2-5x over cost of a cell.

Cell



Pack -- X 1.4



Management Systems -- X 2.0

Balance of Plant – X 1.3

And there are many other topics . . .

- Policy shapes the landscape
  - Procurement targets, incentives, RPSs, interconnection standards, etc.
- Economics
  - Energy storage applications & revenue streams
  - Stacking benefits
  - Modeling
- Finance
- Design and commissioning
- Safety
- Decommissioning/end of life

Many resources are available

DOE Energy Storage Systems Website
https://www.sandia.gov/ess-ssl/

DOE Global Energy Storage Database
https://www.energystorageexchange.org/

Clean Energy States Alliance (CESA) https://www.CESA.org

Energy Storage Technology Advancement Partnership
https://www.cesa.org/projects/energy-storage-technology-advancement-partnership/ AND https://www.cesa.org/webinars/

Clean Energy Group Webinars
https://www.cleanegroup.org/webinars/

Utility Dive
https://www.utilitydive.com/

Energy Storage Association
https://energystorage.org/

The Energy Transition Show
https://xenetwork.org/ets/

Summary points

- Battery technology is improving, spreading, getting cheaper, getting safer, and is expected to boom
- MUCH more battery capacity with longer durations is required to meet 100% carbon free goals and across the country
- Supply chain, toxicity, waste, end of life issues, recycling, cradle to cradle design, all still nascent
- Li-ion overwhelms the market, but many other chemistries and technologies are in development
- Batteries can provide important services to the grid, and many of value streams, but some of those values are hard to quantify, and markets don’t exist
- PV + batteries is already outcompeting new and existing gas peaker plants

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U.S. DEPARTMENT OF ENERGY

National Nuclear Security Administration

Additional Slides

SCE Tehachapi Plant, 8MW—32MWh

Optimal PV, wind, and ES capacity requirement for PNM to meet 100% carbon free goal

	Now	Needed[4]
Energy Storage	3.75 MW[1] (0.00375 GW or 0.08%)	5 GW/25 GWh
Solar PV	818 MW[2] (0.818 GW or 8%)	10 GW
Wind	1,953 MW[3] (1.953 GW or 40%)	5 GW

[1] Global Energy Storage Database 2019; [2] Solar Energy Industries Association 2019

[3] American Wind Energy Assoc. 2019; [4] Copp et al., in press

Optimal Sizing of Distributed Energy Resources for 100% Renewable Planning

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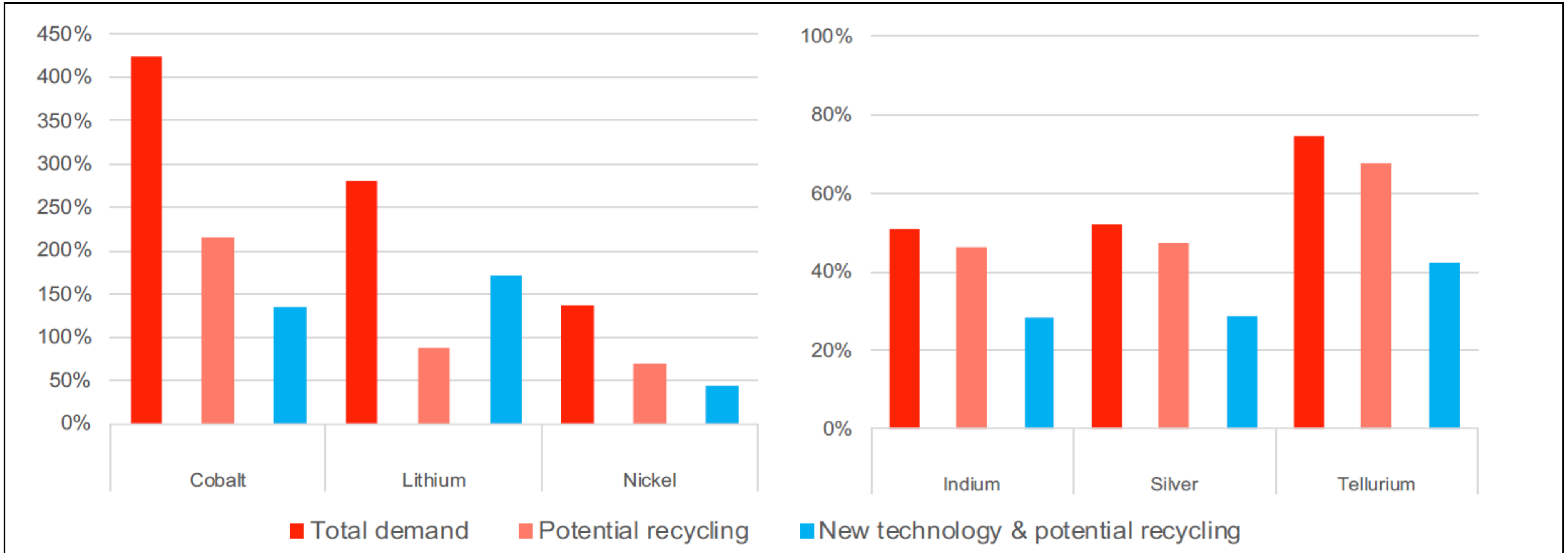
RE & ES Challenges



Cumulative demand from renewable energy and storage by 2050 relative to reserves for selected battery metals (left) and solar PV metals (right).

Dominish, E., Floin, N., and Teske, S., 2019. Responsible Minerals Sourcing for Renewable Energy. Institute for Sustainable Futures, University of Technology Sydney.

-- Toxic mining
-- Toxic waste
-- Insufficient LCA

-- Child labor
-- Inadequate recycling
-- Inadequate substitutes
-- Short duration

-- Inadequate cradle-to-cradle design (circular economy)

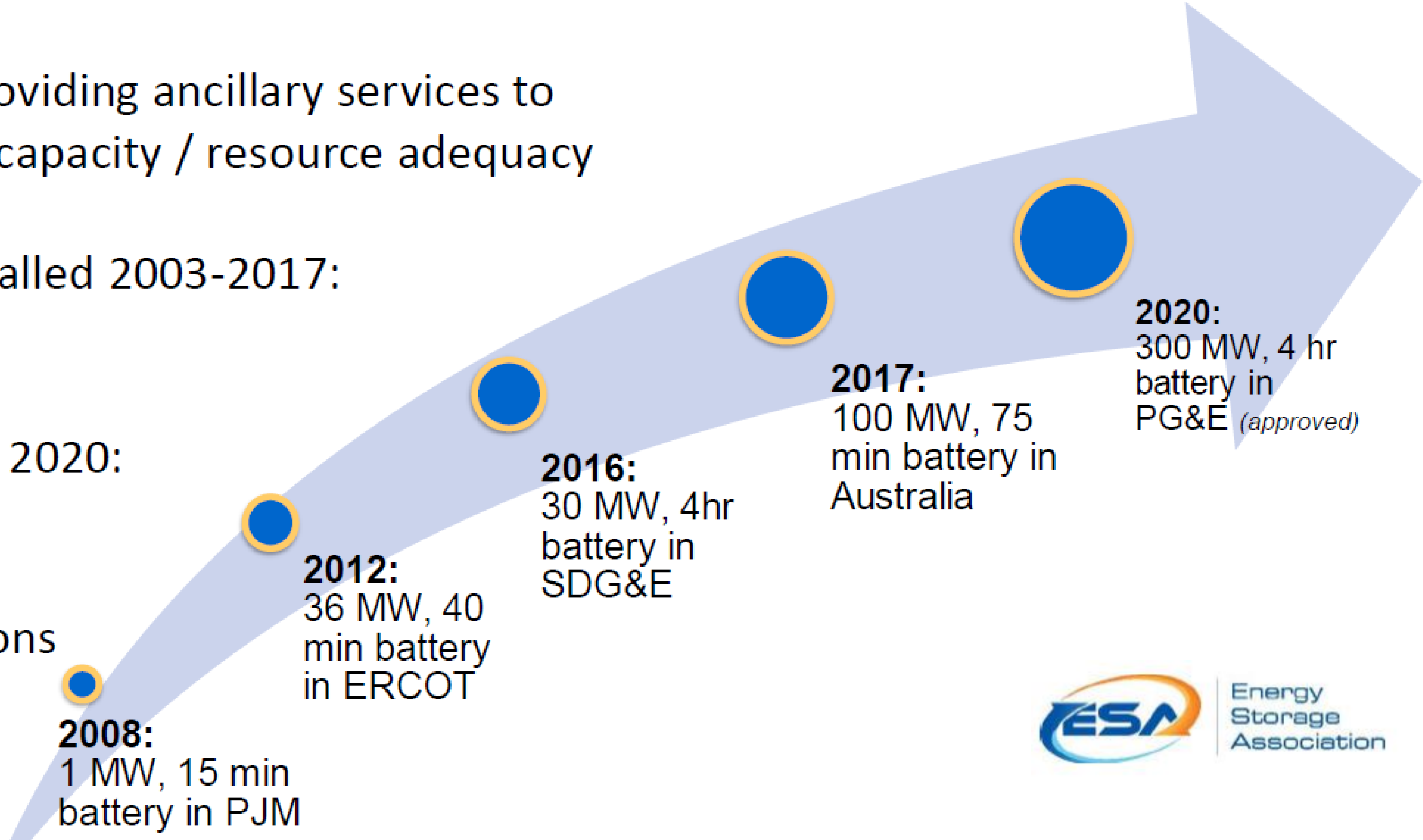
As costs go down, size and duration go up

Shift from primarily providing ancillary services to increasingly providing capacity / resource adequacy

All battery storage installed 2003-2017:
800 MW / 1200 MWh

Single PG&E battery in 2020:
300 MW / 1200 MWh

DER storage aggregations to follow (largest today ~20 MW)



Energy Storage Association