Battery Energy Storage System Technology Market Scan

Prepared for:

Liberty Utilities (Granite State Electric) Corp.



New Hampshire Battery Storage Aggregation Program Pilot

Submitted to:

Mr. Peter Eichler
Vice President, Centralized Operations
Peter.Eichler@libertyutilities.com

AND –

Ms. Heather Tebbetts Senior Analyst, Rates & Regulatory Affairs Heather. Tebbetts@libertyutilities.com

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Scott Knapman Vice President, Alectra Energy Solutions Inc. 905.532.4030 scott.knapman@alectrasolutions.com

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Background

Liberty Utilities engaged Alectra Energy Solutions to undertake an environmental market scan of available prominent residential storage technologies that can be located behind the meter and that can be, as grid assets, effectively aggregated and controlled for the purpose of providing a variety of functions. Alectra analyzed integrated battery energy storage systems ("BESS") that integrated components from one or several manufacturers, as well as stand-alone components from different manufacturers that could be combined to make a complete system.

This report provides a general overview of the residential energy storage market through tightly defined product comparison criteria, and provides comparison tables for products/features from various vendors. It also provides pricing information. Tesla's pricing information was provided directly to Liberty Utility by Tesla and is very favorable when compared with other companies providing similar solutions. However, we would expect that if a formal RFP process is pursued, pricing for other companies would improve.

Executive Summary

This report provides a general overview of the residential energy storage market through tightly defined product comparison criteria, and includes comparison tables for products/features from different vendors. Two types of storage systems were explored: integrated systems with components from one or several manufacturers, and stand-alone components from different manufacturers that could be combined to make a complete system.

A combination of public resource desk research and manufacturer outreach was used in order to substantiate the findings. The criteria specific pros and cons of each system/component are summarized, price and energy capacity of products, as available, are noted, and conclusions of the market scan are presented.

Taking into consideration technical merits and warranty conditions, as well as cost and software capabilities, Tesla's Powerwall 2 appears to have the most appropriate solution to meet Liberty Utilities' needs. It is extremely important to note, however, that many of the product's software control capabilities were impossible to evaluate directly, as the aggregation platform (marketed as GridLogic) has yet to become publicly available and is still under development. Also, due to the small volume of deployments, it is uncertain whether or not Tesla has an accurate view of the actual installation costs that are involved with a deployment of this scale. As a result, it is difficult to ascertain the level of confidence with which the initial cost estimates can be interpreted.

Aside from Tesla, and appear to have the most appropriate complete and evolved battery systems for North American needs, as well as a more proven track record of deployments. Their software platforms have also been in production for several years and are currently used to manage a significant asset base.

A more detailed study is required to assess the flexibility level of control features associated with the different products/systems surveyed in order to enable aggregation of resources for utility and/or energy market application needs. Battery Energy Storage System Technology Market Scan Report

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Introduction

Liberty Utilities currently has approximately 43,000 electric customers in New Hampshire, including in

areas that are progressive in renewables such as the southern part of the state and in areas close to

and including Dartmouth College in Hanover and Lebanon.

Liberty Utilities (Granite State Electric) Corp. is desirous to deploy and implement a Battery Storage

Aggregation Program ("BSAP") pilot which will benefit the customers of Liberty Utilities by being able

to act as a local backup power supply, while Liberty Utilities is able to deploy energy stored in

customers' batteries for use cases that are beneficial to the customer base.

Liberty Utilities has held informal discussions with the NH Public Utilities Commission ("NH PUC") and

intends on November 30th, 2017 to submit a rate filing for approval of a pilot program for installation of

5MW of battery storage in 1,000 customer's homes.

Pilot Objective

The BSAP pilot will help Liberty Utilities address rising ISO-New England transmission costs by

allowing the utility to discharge their fleet of batteries during peak periods. Customers will receive the

benefit of Liberty Utilities discharging the batteries during peak periods as to reduce the utility's share

of transmission costs at the peak, which are passed on to all customers. It is envisioned that as the

market and regulations evolve, the total aggregate capacity and capability may be expanded.

As part of the pilot, Liberty Utilities will market to customers the opportunity to have these batteries in

their homes to be used as needed up to a predetermined portion of capacity (perhaps 30%), and as

backup generation during power outages. Liberty Utilities will provide the customer with the option to

pay a portion of the battery upfront, or a monthly charge on their bill for a period of years, but the Utility

will maintain ownership of the battery. Liberty will draw on the batteries as needed, and as

compensation to the customer, Liberty will credit the customer the net metering credit applicable for

every kilowatt-hour exported when the Liberty has taken control; customers who pay an upfront

contribution will receive the same credit). Liberty Utilities wants the batteries to be accessible to

customers up to their predetermined capacity allowance at all times, unless there is a predicted peak.

Prior to the peak day, the Company wants to temporarily block the customer's control access to the

battery at a designated time (such as midnight the prior day). The battery would then be charged be

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in preparation for a dispatch command sent at the peak period the following day. Once the peak has occurred, the Company wants to allow the customer control access for the battery again. Customers will always have visibility into the batteries during power outages. Customers in NH will want access to their batteries as often as possible, as will the NH PUC.

System Topologies

There are different topologies for battery energy storage systems (BESS) which can be implemented based on customer and/or grid needs and conditions.

Integrated Model

BESS' come in a variety of designs, chemistries and form factors. The focus here is on Li-Ion systems. The key pieces are the

- 1. Battery Modules: this houses the Li-Ion cells together with the battery management system (BMS)
- 2. Power Conversion System (PCS): This converts AC power to DC power in order to charge the battery and converts DC power from the batteries to AC power to feed the grid/on-site loads.
- Local controller/edge device: A system (usually a hardened computer) that controls all
 the components on site and is responsible for both the optimization of local operation,
 responding to external commands as well as ensuring that the BESS operates within its
 operational envelope
- 4. Enclosure and Balance of System (BOS): The enclosure both protects the system from external damage as well as insulated the home from the BESS. It also houses thermal management equipment and serves to anchor the BESS to the floor or wall. In addition, other equipment like disconnect switches and protection devices may also be required.

Optional equipment such as a DC charge controller may be added. This device allows direct connection of DC solar panels to the BESS. In a DC-coupled solar battery system the solar PV and the battery energy storage are coupled on the DC side. The PCS can use this energy to charge the batteries or the inverter inside the PCS can convert this to AC power that can be used to off-set onside loads or can be sold to the utility grid for a bill credit. A hybrid inverter equipped PCS has the ability to isolate from the main grid and still power up house loads.

Figure 1 shows the block diagram of a hybrid inverter/charger. The PV or/and the battery energy storage can feed the DC input. Critical loads are connected to the output of this hybrid inverter/charger and will be continuously supplied in either the grid-connected mode or stand- alone mode. The nonessential loads are only connected to the main electrical panel in the house and will not be supplied when the grid is disconnected. In addition, there are two inputs which come from

the grid and an auxiliary AC generator. Some hybrid inverter/charger products do not have the second AC input for the auxiliary AC generator. This auxiliary AC input can charge the battery and supply the critical loads when the grid is disconnected and the PV cannot generate the rated power (due to cloudy weather). Figure 2 illustrates the single line diagram of a DC-coupled solar/battery system. The hybrid inverter/charger block in this figure is the same as Figure 1. The controls of the hybrid inverter/charger system allow operation in two modes explained below:

Utility Grid Connected Mode or PQ Mode

This is the active and reactive power (PQ) operation mode of the system with the utility grid connected. In this mode, the utility grid is operational while the critical loads can be supplied by both the grid and the PV/battery based on the EMS program.

Islanded Mode or Vf Mode

In this mode, both the voltage and frequency are regulated by the hybrid inverter/charger. When the utility grid is disconnected, the internal transfer controls sense the outage and the transfer switch will operate. In this condition, the switch for utility grid input will open and critical loads are supported just by PV/battery.

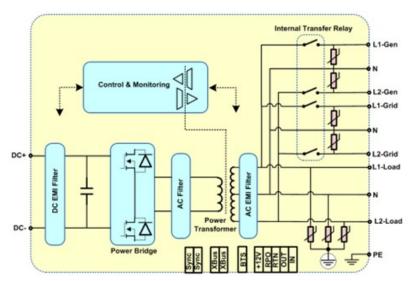


Figure 1 : Block diagram of a typical hybrid inverter/charger (Conext XW+ hybrid inverter / charger Owners' Guide)

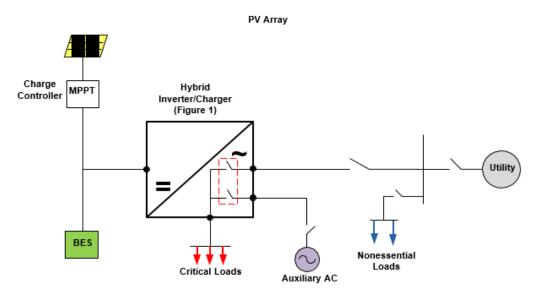


Figure 2 : Single line diagram of a DC-coupled solar/battery system

Separate Connection

In the topology shown in Figure 3, the solar PV and the energy storage are connected to separate inverters and then are coupled to feed the residential loads or, in case of surplus power, to sell the power to the utility. This topology is more suited for existing applications of PV roof-top installations and, in addition, has the potential to provide higher reliability by decoupling energy storage from solar PV. The operation of this topology is as follows:

- In the utility grid connected mode, switch S1 is connected to switch S2, switch S3 is connected to the hybrid inverter/charger bus corresponding to the islanded mode.
- When the utility grid supply is lost, S2 disconnects from S1 and establishes connection with S3. The critical loads are supplied by the solar PV and battery energy storage system. The hybrid inverter/charger of the BESS also senses the loss of the utility grid supply, its controller switches from the utility grid connected mode to the islanded mode regulating both the voltage and frequency.

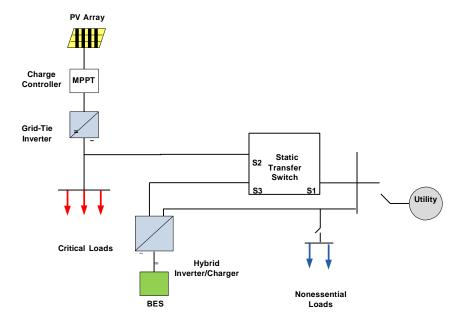


Figure 3: Topology of a typical AC-coupled system

Many developments in inverter technology and control as well as battery energy storage systems have occurred in the past couple of years with respect to their applications in the residential sector. Therefore, it is important to comprehensively study and compare the available technologies in the market.

Criteria for Market Scan

Manufacturers have begun to offer a diverse range of products in the field of residential battery systems. Some of them offer integrated systems as a packaged solution while others produce certain components such as battery energy storage, grid-tied inverters or hybrid inverter/chargers. Products offered by both types of companies are explored and quotes were requested in order to have the information needed for the study. Requests for quotes were sent to suppliers around the world and suppliers responded to the request.

In order to compare the various options in the market, Alectra jointly defined a set of criteria with Liberty Utilities that represent the most important functionality that such systems would be expected to provide. The following tables present standard definitions for these criteria, which are classified into hardware, software, operational, and standard.

Table 1: Hardware Criteria

Criteria	Definition	
Grid Interactivity	The ability of the system in presence of battery storage to feed the essential loads while the main grid is down	
Battery Voltage < 600 VDC	Battery storage voltage	
Ability to Bypass	Allowing the load to be connected to the main supply without power interruption. It can be performed manually in case of maintenance and service or be automatically due to overload or internal failure.	
Seamless Islanding	Avoiding power outages when the operational mode has a transition from grid- connected to islanded (IEEE 1547)	
PCS 3KVA+	Power conditioning system (PCS) converts the energy storage medium from DC to AC or vice versa. It also regulates, stabilizes, and controls the power flow and improves the power quality	
Energy Capacity	The amount of electric charge that can be delivered at the rated voltage	
NEMA 3R Enclosure	A type of NEMA enclosures with specific degrees of protections which is appropriate for housing power distribution and can be used for either indoors or outdoors (https://www.nemaenclosures.com/enclosure-ratings/nema-rated-enclosures/nema-3r-enclosures.html)	
Modularity/Scalability	Defined as the ability to modularly increase system size without upgrading the associated power electronics or system topology.	
Form Factor	The needed footprint for installation of the system	

Table 2: Software Criteria

Criteria	Definition
Communication through Home Internet	The ability of battery management system to communicate and be
nome internet	controlled and monitored through homeowner internet
Built-in Security	Avoiding additional software or tools to protect the data, programs, and performances
Virtual Power Plant (VPP)	The ability to communicate and be connected with other units and also to the central controller which dispatches all of them

Table 3: Operational Criteria

Criteria	Definition
Dynamic P Set-point	Changing the active power set-point dynamically for different reasons such as smoothing of fluctuations
PV Smoothing	Reducing the variability or fluctuations of PV output power by using battery storage which may be caused by changing weather
Peak Shaving	Reducing the amount of purchased energy from the main grid (for the customer) or wholesale markets (for the utility) during the peak demand
Reactive Power/Power Factor Set-point	Determining a set-point for reactive power or power factor

Table 4: Standards Criteria

Criteria	Definition
	UL 1741: Standard for Inverters, Converters, Controllers and Interconnection System Equipment for Use With Distributed Energy Resources IEEE 1547: Standard for Interconnecting Distributed Resources with Electric
	Power Systems

Market Scan Results

In this section the assessment results from suppliers are presented. As mentioned earlier, two types of systems have been explored, (a) complete systems with components from one or several manufacturers, and (b) components from different manufacturers that could be combined to make complete systems. The results of the two key components, the battery and hybrid inverter/charger, are presented. Finally, some emerging devices in the market are introduced.

Integrated Systems

In integrated storage systems, all of the needed components are factory integrated and can be bought from a single supplier. This greatly simplifies the ease and efficiency of installation. Moreover, it can be ensured that compatible components are selected and connected and reduces integration risk. Tables 5 to 7 compare the criteria among available suppliers offering integrated battery systems. The datasheet for each supplier can be found in Appendix A.

Table 5: Hardware Criteria Comparison for Complete Systems

Comparison Criteria				Tesla Powerwall 2
Grid Interactivity	✓	✓	✓	✓
Battery Voltage < 600 VDC	✓	✓	✓	√
Ability to Bypass		I		?
Seamless Islanding	✓	✓	√	√
PCS > 3kVA				5.8 kVA
Energy Capacity > 6kWh				14 kwh
DC Integrated Solar				AC-coupled
NEMA 3R Enclosure				NEMA 3R – Indoor/outdoor
Battery Modularity				√
Battery Scalability				14 kwh up to 140
Form Factor (WxHxD)			±	45.3″x29.7″x6.1″

Table 6: Software Criteria Comparison for Integrated Systems

Comparison Criteria				Tesla Powerwall 2
Communication through Home Internet	✓	√	√	✓
Cloud Data Storage				√
Built-in Security			I	√
Real Time EMS				,
Virtual Power Plant (VPP)				Yes, integrated with EMS

Table 7: Cost Comparison

	Tesla Powerwall 2			
Battery Capacity (kwh)	13.5			
Battery + PCS Cost				
Installation (battery system alone)				
Software License				
Total	\$7,400			
Storage Cost /kwh (installed)	\$548	\$1,217	\$1,698	\$1,945
Total warranted kWh (1 cycle per day)	49,275	36,500	33,872	36,500
Storage Cost per Total warranted kWh (1 cycle per day)	\$0.01	\$0.03	\$0.05	\$0.05
# Systems Installed	N/A			

Table 8: Comparison of Pros and Cons of Available Integrated Systems

Product	Positive Points	Negative Points
	 High quality battery Established market player with very responsive support Track record of success in Very good value for money Scalable 	 Heavy, difficult to maneuver, making installation difficult and limiting locations No No No proven long term reliability Pay premium for battery quality
	 High quality and with long cycle life Very mature technology and EMS Volumes of field data make O&M and system support/configuration extremely predictable Support is very well respected in the industry 	 Low output power Not designed as a utility owned product Limited track record in Support evaluation based on industry reputation, not firsthand experience Expensive Indoor install only
Tesla Powerwall 2	 High marketing value. Highly scalable and modular Compact and lightweight, making installation flexible and cost effective Extremely low cost Turnkey service – installation, tier 2 support and warranty all provided by certified technicians 	 Unproven technology with minimal points of reference for actual grid integration (originally designed as a behind the meter product) While cost is attractive, it may be understated. Limited install experience may have Tesla underestimating complexity, which may result in overruns by the time commissioning is complete. Software is largely unproven and SCADA integration unknown.
	year Warranty on all components High brand name value Easy install, modular configuration. Good track record in and established installation practices Strong technical design team potential for major cost down	 Low power output compared to other lithium batteries Warranty only covers Limited thermal tolerance requires indoor install Battery degradation potential issue

Component Systems

There are many manufacturers producing residential battery energy storage systems across the world. This has resulted in a high level of competition within the market and placed severe pressure on manufacturers to reduce price while improving efficiency, reliability, capacity, and other important features. In this analysis, 8 batteries were investigated and their relative advantages and disadvantages were identified. Table 9 indicates a summary of these points. The detailed information related to these products is presented in Appendix B. Moreover, the price of each battery and price per kWh are tabulated in Table 10. All costs are presented in US dollars.

Table 9: Comparison of Pros and Cons of Available Energy Storage Systems

Product	Positive Points	Negative Points
	 High quality made Complete off-grid management Grid-tied battery backup Peak shaving configuration Time of use management Grid export Peak demand response high continuous discharge power 	 Supported by a limited number of inverter manufacturers Must be installed indoors
	High cycle life High power output The safest lithium chemistry Integrated BMS	 Must be installed indoors R equirement for a separate charge controller High power output is limited by Large physical footprint
	 Simple installation process 	 No backup power capability Additional component required for setup and monitoring Low power output per module Must be installed indoors High price per kWh of storage
	• Integrated charger •	Low cycle life Supported by a limited number of inverter manufacturers
	made high qualityFast charging within 1 hour	 Supported by a limited number of inverter manufacturers Must be installed indoor

Product	Positive Points	Negative Points
	 Can be used in both off-grid and hybrid setups Compact size It can be mounted inside or outside 	complicates the installation procedure increasing both component and installation costs.
	 Safest Lithium Chemistry Integrated BMS Good cost-per-kWh 	 Only year warranty Supported by a limited number of inverter manufacturers No off-grid capability Must be installed indoor
	 Very high cycle life Safe, stable battery chemistry Can be used in both off-grid and hybrid setups year warranty Very high efficiency and cycle life BMS integrated into each battery Peak shaving 	 Must be installed indoors Relatively expensive

Table 10: Price Comparison of Available Battery Energy Storage Solutions

Usable Capacity (kWh)	Price (USD)	Price/kWh (USD)	Available in North America
		928	Yes
		738	No
		1,250	No
		473	No
		1,296	No
		716	Yes
		594	No
		1,305	Yes

Conclusion

Based on the analysis performed and the requirements set forth by Liberty Utilities, Alectra Energy Solutions has reached the following conclusions:

- Integrated systems or all-in-one unit systems are the preferred technology options due to ease of installation and ongoing support compared to stand alone or component systems.
- Due to its nascent nature, understanding the capabilities of individual suppliers is difficult in this market, and requires a certain level of confidence in the integrity of the manufacturer as well as their experience level in practical deployments. As such our recommendations are predicated on the ability of Liberty Utilities to independently verify the costing and software functionality of any vendor that is ultimately selected for the pilot project.
- Based on reported pricing and software capabilities, it would appear that Tesla's Powerwall 2 product is the ideal technology for the BSAP program. It is advisable that Liberty Utilities ensure the following conditions are met prior to final vendor selection:
 - 1. A detailed bill of materials is provided for all installation components.
 - A thorough review of the GridLogic software control platform is performed to ensure it meets the required functional capabilities necessary for Liberty Utilities to derive expected benefits.
 - 3. IT/OT integration analysis is performed to ensure the operations team at Liberty Utilities will have the tools and visibility required to adequately control and monitor the systems, and that adequate automation is built into the software such that dispatching assets is not overly burdensome.
 - 4. Installation criteria must be explicitly defined in advance in order to ensure installation volumes are met. This will prevent selective exclusion of residents by Tesla in order to meet their aggressive installation pricing targets.
 - o Both and and offer comparable alternatives to Tesla, and should be carefully considered should any of the above conditions not be met.

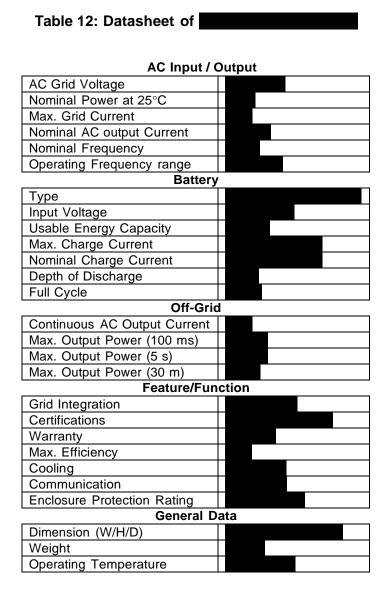
Appendices

This part presents the datasheets of the systems and components that are investigated in the report.

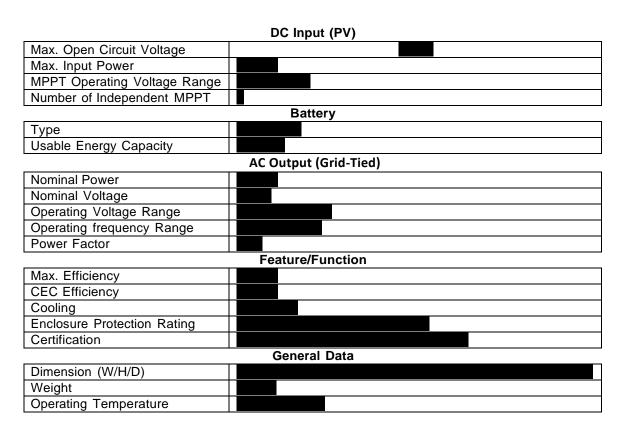
Appendix A

In this section, the datasheet of the complete solar battery systems can be found.

Table 11: Datasheet of **AC Input Output** Nominal Frequency Continuous Output Power Max. Output Power AC Input Voltage Operating Output Voltage Range Recommended AC Breaker Size Total Harmonic Distortion Automatic Transfer Relay Rating/Typical Transfer Time Max. Efficiency CEC Efficiency DC Input (PV with MPPT 80 600) SCC Operating Range Maximum PV Open Circuit Voltage Maximum PV Short Circuit Battery Type Nominal Voltage **Energy Capacity** Feature/Function Certifications **Enclosure Protection Rating** Communication Cooling **General Data** Operating Temperature Range Dimension (W/H/D) Weight







Warranty
Communication
Scalability

Weight

Dimension (W/H/D)

Appendix B

The detail information of the battery energy storages are given here.

Type **Energy Capacity** Usable Energy Capacity Nominal Voltage Voltage Range Max. Charge Current Max. Discharge Current Max. Discharge Power Efficiency Depth of Discharge Full Cycles Built-in Inverter Off-Grid Capability Operating Temperature Self-Discharge **Enclosure Protection Rating**

Table 14: Datasheet of

Table 15: Datasheet of

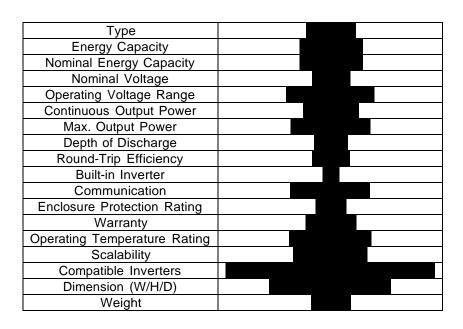


Table 16: Datasheet of

Туре				
AC Output				
Nominal Voltage				
Max. Output Voltage				
Voltage Range				
Continuous Output Power				
Duration of Discharge at Rated Power				
Nominal Frequency				
Frequency Range				
Power Factor				
Max. Efficiency				
CEC Efficiency				
Battery				
Energy Capacity				
Usable Energy Capacity				
Nominal Voltage				
Depth of Discharge				
Round-Trip Efficiency				
Full Cycle				
Built-in Inverter				
Off-Grid Capability				
Operating Temperature Range				
General Data				
Enclosure Protection rating				
Scalability				
Communication				
Certification				
Warranty				
Dimension (W/H/D)				
Weight				

Table 17: Datasheet of

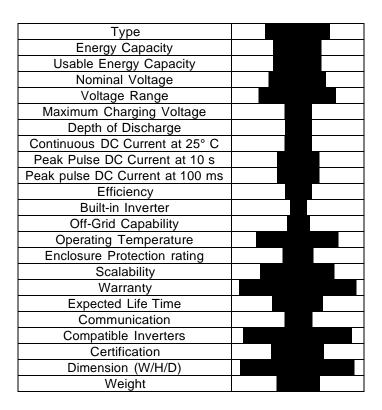


Table 18: Datasheet of

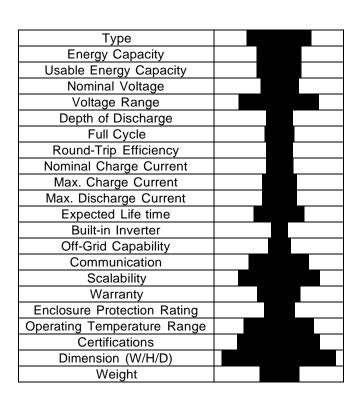


Table 19: Datasheet of

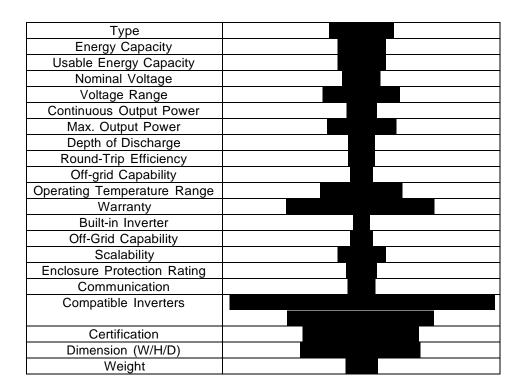


Table 20: Datasheet of

Туре	
Energy Capacity	
Usable Energy Capacity	
Nominal Voltage	
Voltage Range	
Continuous Output Power	
Peak Charge Power	
Peak Discharge Power	
Expected Life Time	
Communication	
Depth of Discharge	
Full Cycles	
Enclosure Protection Rating	
Warranty	
Built-in Inverter	
Off-Grid Capability	
Communication	
Operating Temperature Range	
Certification	
Dimension (W/H/D)	
Weight	

Table 21: Datasheet of

Type	
Energy Capacity	
Usable Energy Capacity	
Nominal Voltage	
DC Voltage Range	
Max. Charge Current	
Depth of Discharge	
Full Cycles	
Max. Efficiency	
Self-Discharge Rate	
Operating Temperature Range	
Warranty	
Scalability	
Compatible Inverter	
Built-in Inverter	
Off-Grid Capability	
Dimension (W/H/D)	
Weight	

Table 22: Datasheet of Tesla Powerwall 2

Type	Lithium-ion			
Battery				
Energy Capacity	14 kWh			
Usable Energy Capacity	13.5 kWh			
Nominal Voltage	50 V			
Continuous Output Power	5 kW			
Max. Output Power	7 kW, 10 sec			
Round-Trip Efficiency	90%			
AC Output				
Nominal Voltage	120/240 V			
Nominal Frequency	60 Hz			
Continuous Output Power	5.8 kVA			
Max. Output Power	7.2 kVA, 10 sec			
General Data				
Warranty	10 years			
Scalability	Up to 10 units			
Certification	UL 1642, UL 1741, UL 1973			
Operating Temperature Range	-20°C to 50°C			
Enclosure Protection Rating	IP 67/ NEMA 3R			
Built-in Inverter	Yes			
Off-Grid Capability	Yes			
Dimension (W/H/D)	755 / 1150 / 155			
Weight	125 kg			