



Newsletter, December 2002

Washington Mini-Meeting: Standard Market Design

We held a short meeting on Tuesday November 19th during a pause in the proceedings for the DOE Energy Storage Systems Research Annual Peer Review Meeting. Both meetings attracted many of you – it was good to see old friends again as well as many new faces.

Our guest speaker for the mini meeting was Rusi Patel. Rusi is based in Burlington, Massachusetts, and works with Xenergy / KEMA Consulting. He chose for his topic “Standard Market Design and its impacts on electricity storage.”

Rusi took us through the background to Standard Market Design (SMD) - the proposal by FERC for reform of the wholesale power market in the USA. These changes are intended to improve competition and prevent re-occurrences of market failings such as occurred recently in California. FERC wants to see more choices and improved services made available to all wholesale market participants, lower costs to customers, improved reliability and greater certainty of market rules and cost recovery for investor confidence. Electricity Storage has a number of value propositions in the power network. At the generation level storage can raise the value of power sales, provide load following services and spinning reserves. Storage can defer upgrades in transmission and distribution as well as increase transfer capabilities in congested areas. At the retail level, storage is a demand response tool, a component of UPS as well as an agent to deliver improved power quality. Finally, renewables and storage provide guaranteed power delivery of a non-continuous resource.

The debate then moved to the subject of the independent transmission providers and the potential ownership of storage devices. This point

was debated by all meeting participants and we concluded that the ESA should consider this issue and raise the matter of ownership in a response to FERC.

Moving on, the roles of storage in abating the effects of congestion and in mitigating the effects of market power were discussed, as was the need to identify regions where storage can participate in the market in a cost effective manner. Storage should be explicitly included in the resource adequacy requirements.

Rusi suggested the following action items for us:

- To consider whether we should respond to FEC with comments on the SMD
- To make sure that storage is explicitly mentioned in the SMD
- To track the progress of the SMD and further the ES agenda as it relates to energy policy.

We have formed a small group to look at these issues. Dr William Hassenzahl, one of our board members, leads the group assisted by Dr Robert Schainker of EPRI, Joe Hoagland of TVA and Mark Kuntz of Innogy. If you would like to join this group please let Bill Hassenzahl know (E-mail: W.Hassenzahl@electricitystorage.org). (If you think that you have already given us your name, please let Bill know again in case we have missed it!)

Our thanks to Rusi for his most informative and interesting talk. You can download a copy of the presentation slides from the ESA website. You can contact Rusi Patel by E-mail to rpatel@xenergy.com

The Milwaukee meeting

CD ROM s containing the proceedings of October's ESA Meeting held in Milwaukee were mailed to all members and attendees during the last two weeks of November.

Copies of proceedings of our meetings are available to members only, so if you want to know what was presented at the meetings you will need to join the ESA as a member.

Toronto 2003 "Electricity Storage and Restructuring"

Our meeting for next year will be held in Toronto, Canada on Wednesday and Thursday 21, 22 May. Kinectrics (formerly part of Ontario Hydro) have kindly offered us support with hospitality and administration for the meeting.

The meeting venue is the Westin Harbour Castle, One Harbour Square, Toronto, which is on the shore of Lake Ontario, near to the CN Tower and conveniently placed for downtown. We will be offering special rates for conference attendees. Please book using the "ESA Meeting" rate as it helps us negotiate favorable terms for the meeting facilities.

We invite members to offer presentations for the meeting schedule. Details of the call for presentations will soon be available on our website.

The theme for the meeting will be: "Electricity storage and restructuring" and we hope that this will

encourage discussion of a number of topics such as "Storage as an aid to transmission", "Storage and ancillary services", "Do renewables need storage in a restructured market". The program is being organized by Dr William Hassenzahl of Advanced Energy Analysis. Please let him know if you can offer any help for the meeting. If you wish to submit a presentation for the meeting please E-mail your presentation title, an abstract (about 100 to 200 words) outlining your topic to W.Hassenzahl@electricitystorage.org We encourage presentations to be topical and newsworthy. Full written papers are not required. Commercial and strategic presentations are welcome as well as technical explanations.

There will be tours arranged to local facilities of interest to our members. Because of traveling time constraints, some tours may be offered on Friday 23 May. Members may wish to make this a three - day trip and include visits to Niagara Falls.

What is the difference between EESAT and the ESA?

We are often asked about the difference between EESAT and ESA so please allow us the chance to try and explain. The ESA is a membership organization formed of developers, providers of technical services, users and other interested in promoting the use of electricity storage on power networks. The ESA spreads its message in several ways, through its website, through its own meetings, and with joint meetings with other groups who have complementary aims. The meetings of the ESA give an opportunity for topical exchange of ideas, with an emphasis on current developments and trends and the inclusion of visits to relevant facilities of interest to the storage community.

The EESAT (Electrical Energy Storage Applications and Technologies) Conference is held every 18 months or two years, and provides an opportunity for papers of a more academic nature to be considered and discussed. EESAT is organized by a committee and is sponsored by the US Department of Energy, Sandia National Laboratories and the ESA.

Should I attend the ESA, EESAT or both? If you have an interest in electricity storage you will gain from the network of contacts and exchange of information at either event. Joining the ESA will give you regular access to information from the ESA, and the benefits of joining a membership organization. Many ESA members also attend EESAT to enhance and update their technical knowledge, but you need to take account of the longer time intervals between EESAT conferences. The next EESAT conference will be in San Francisco from October 27-29, 2003

Registration fees, dues and subscriptions

We try to keep the arrangements for membership fees, dues and subscriptions as simple as possible. If you come to an annual ESA meeting, your registration fee also counts as your subscription for the year. As a not-for-profit organization, relying mainly on voluntary help, it helps us if you can pay your subscription as early in the year as possible.

If your company wishes to send additional staff to the meeting, we ask for an additional registration fee. You can pay your subscription for 2003 through our secure server on the website using a credit card. We hope that you will also consider becoming a sponsor. Your additional support of \$1000 entitles you to place your logo on the home page of our website and also gives you the opportunity to display materials at our meetings, as well as being acknowledged as a sponsor in other appropriate publicity.

Member news

Evidence continues to arrive showing that there is plenty happening in the electricity storage world. AEP held a ribbon cutting ceremony in September for their new NAS battery, supplied by NGK. Ureco has recently delivered flywheel systems to the New York PTA.

SAFT reports that everything is on track in the construction of the Golden Valley BESS in Fairbanks, Alaska. Work on the building itself is just about complete. The converter modules and much of the other ABB equipment is in place, and the first Saft nickel-cadmium battery modules will arrive in early December. Commissioning will begin in April and the system should be online at reduced capacity (with two battery strings) in July 2003. The remaining two strings will be operational by December 2003.

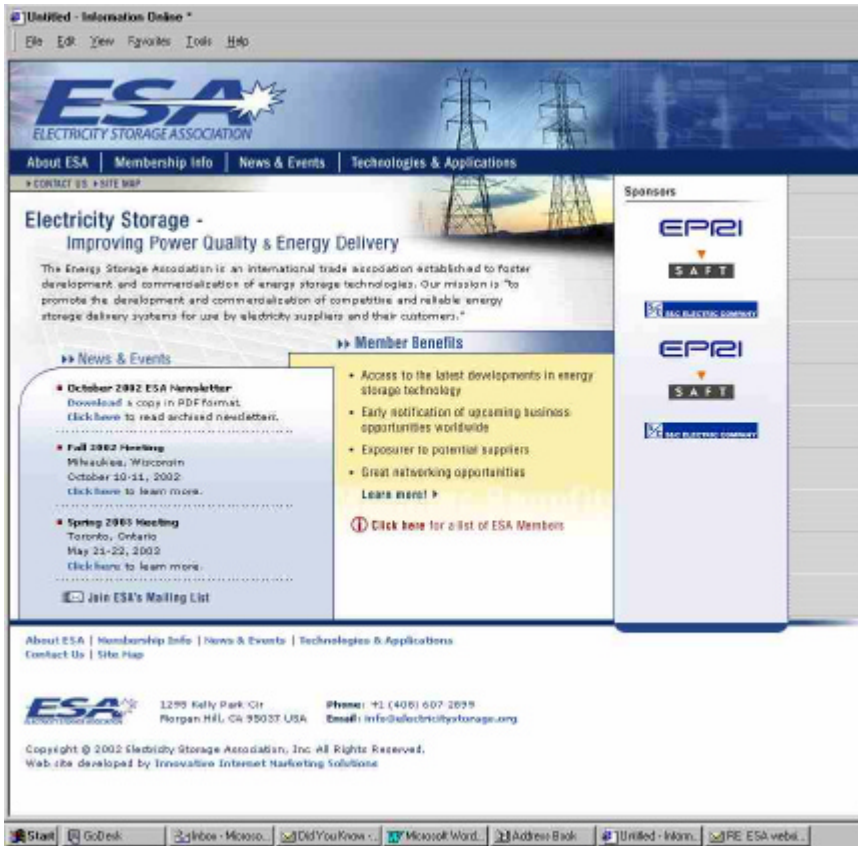


Inside the “battery store” at Golden Valley, November 2002. (Photograph by SAFT)

The ESA Website

We were very pleased to be able to show some images from the new version of the ESA website at the meeting in Milwaukee. We must apologise that launching the new website has taken us rather longer than we had thought. In consequence there are some additional apologies to be made – as there have been instances of out of date information appearing and names of new members not being

published as promised. We will try to rectify matters as soon as we can. We will of course let you know when the website is up and running. If you have any concerns about this, please contact us. E- mail is preferred, please send to info@electricitystorage.org



A preview of our new home page.

We are always happy to include some short items from members for this newsletter. If you have information about projects, products or other news that you would like published in this format please send them to newsletter@electricitystorage.org

ESA website www.electricitystorage.org



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