

Energy storage projects are difficult to make money





Overview

Why do energy storage projects need project financing?

The rapid growth in the energy storage market is similarly driving demand for project financing. The general principles of project finance that apply to the financing of solar and wind projects also apply to energy storage projects.

What technology risks are associated with energy storage systems?

Technology Risks Lithium-ion batteries remain the most widespread technology used in energy storage systems, but energy storage systems also use hydrogen, compressed air, and other battery technologies. Project finance lenders view all of these newer technologies as having increased risk due to a lack of historical data.

Why is energy storage a problem?

The lack of direct support for energy storage from governments, the non-announcement of confirmed needs for storage through official government sources, and the existence of incomplete and unclear processes in licensing also hurt attracting investors in the field of storage (Ugarte et al.).

Who should invest in energy storage systems?

To generate investment in energy storage systems, extensive cooperation between facility and technology owners, utilities, investors, project developers, and insurers is required. However, each of these stakeholders has different views and concerns regarding investment (U.S. Department of Energy, 2019).



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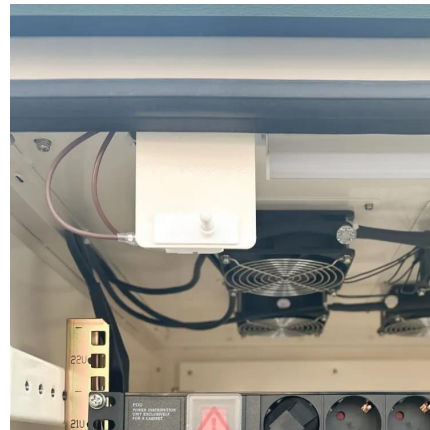


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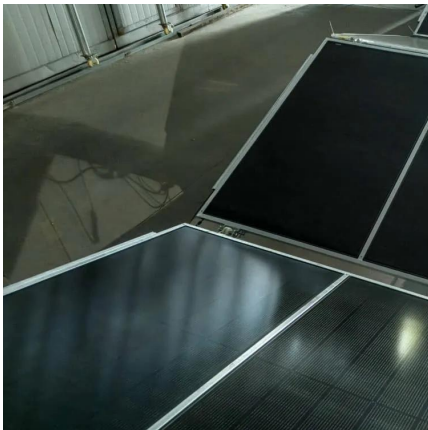
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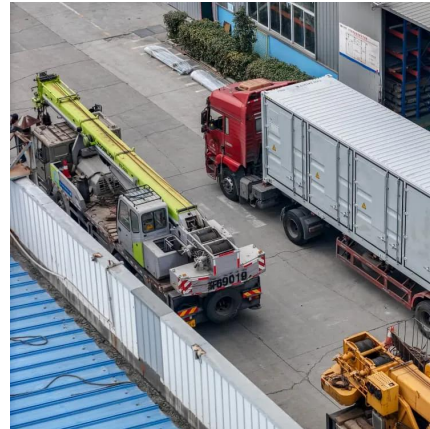
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