

News & Intelligence

INTERVIEW: Energy storage project finance opportunities set to proliferate market amid VC surge

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Energy storage start-ups are set to usher in third-party project financing opportunities in the years to come, according to [Florian Mayr](#), a partner at global financial adviser [Apricum - The Cleantech Advisory](#).

While the UK's own storage market continues to advance in leaps and bounds, with the technology featuring for the first time in the government's latest winter capacity auction, it is in the US where a proliferation of energy storage players continue to seek capital to take their product to commercialisation.

The amount of VC/PE financing in the energy storage in 2016 has substantially surged to approximately \$849 million so far this year, according to the CEP's figures, while energy storage project financing figures stand at \$2.57 billion.

The German-headquartered firm has helped push through several large-scale energy storage deals throughout 2016, and for Mayr, who is responsible for Apricum's energy storage division, this trend is set to be further consolidated on the corporate financing side.

"There are a lot of smaller companies [in the US], a lot of start-ups," Mayr explained.

"The nice thing about the US is that there are a lot of energy storage companies that are still in the start-up phase, running their series C, series D or series F financing rounds. There is a lot of money being raised in the need to get their products into the commercial stage.

"We have a couple of mandates to help on the fundraising side but here we are in ongoing discussions, all in the energy storage sector.

"On the investor side, [we were] helping a Middle Eastern VC fund to do a detailed assessment of the technology market and the commercial liabilities of two US energy storage technology companies."

The most recent firm in the market to secure a strategic investment was Convergent Energy + Power from Statoil Energy Ventures, a deal that was finalised last week with Apricum advising the US energy storage asset developer. Apricum was also able to help secure project financing from SUSI Energy Storage Fund I for two of Convergent's energy storage projects in Ontario earlier in October.

Also last year, Apricum worked with Eos Energy Storage LLC, a New York-based grid-scale developer and manufacturer of battery systems, to raise \$23 million of Series C financing, which included international backing from South Korean investor OCI, according to Mayr.

The Apricum partner added that any such energy storage investments carries a different risk-return profile compared to financing typical renewable energy projects/companies because of the wide variety of applications that energy storage is becoming a part of.

"At the moment, there are far less mandates we are taking from solar companies in fundraising [as] there is less interest here," Mayr said.

"With fundraising, I think we will definitely do the most with energy storage, [conversely] on the project financing side we are very active in the solar space, and to a certain extent also in wind.

"Project finance will increasingly gain traction with more and more third-party finance projects coming up, and then there is still a big need for start-ups that are needing capital to reach the commercial stage for their products in 2017 and 2018."

Organisation:

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