



FERC Energy Storage 2018: The Year Storage Stopped Being Wallflower

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Let's face it, energy storage isn't exactly the most glamorous topic at dinner parties... unless you're at an energy wonk's house. But 2018? Oh, 2018 was the year FERC (Federal Energy Regulatory Commission) finally let storage systems dance in electricity markets. If this were Cinderella, storage went from scrubbing floors to owning the ballroom - glass slippers optional.

Why FERC Order 841 Became Storage's Fairy Godmother

Imagine energy markets as an exclusive nightclub. Before 2018, storage technologies stood outside holding a mix tape of their best beats. Then came FERC Order 841 - the velvet rope dropped. This landmark ruling required grid operators to:

- Define storage as a unique market participant (no more squeezing it into "generator" or "load" boxes)
- Allow stacking of multiple revenue streams (storage could now "DJ" while serving drinks)
- Remove arbitrary size restrictions (even your grandma's Powerwall got a seat at the table)

The Texas Tea Party That Changed Everything

Remember when ERCOT (Texas grid operator) tried arguing storage should stay classified as generation? FERC essentially replied "Bless your heart" and rejected their compliance plan in July 2018. This wasn't just bureaucratic slap-fighting - it set the precedent that storage would play by its own rules.

Storage Economics: From Lab Experiment to Balance Sheet Rockstar

2018's numbers told the real story:

- U.S. storage deployments jumped 80% year-over-year (GTM Research)
- Utility-scale system costs fell below \$500/kWh - crossing the "holy grail" threshold
- California's Aliso Canyon project prevented \$3+ billion in potential gas shortages (take that, methane!)

But here's the kicker: Tesla's 80 MWh installation at Moss Landing started construction that year. Little did we know it would become the storage equivalent of the Titanic (minus icebergs) - currently the world's largest lithium battery farm.

The Duck Curve Gets New Feathers

Solar-heavy grids were drowning in the infamous "duck curve" - that midday solar glut followed by evening demand spike. 2018 saw storage become the anti-duck weapon:

Arizona's storage systems began time-shifting solar like college students pulling all-nighters



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Massachusetts' SMART program paired storage with solar, creating what engineers jokingly called "Frankenstein's grid"

Regulatory Hangovers and Innovation Shots

Not everything was champagne and confetti. The industry faced:

- Interconnection queue delays (storage projects waited longer than a DMV line)
- Fire safety debates (after a few "spicy" battery incidents)
- Ongoing turf wars between utilities and third-party providers

Yet innovators pushed through. 2018 saw the first commercial flow battery installations and the debut of virtual power plants - essentially Uber Pool for electrons. As one developer quipped: "We're making Swiss Army knives for the grid."

When Elon Musk Played Chicken With Grid Operators

The South Australia Hornsdale project (completed in 2017) became storage's celebrity couple in 2018. When Musk promised to build it in "100 days or it's free," operators suddenly realized storage could be more than just backup singers. By December 2018, the system had:

- Saved consumers \$40 million in grid costs
- Responded 100x faster than traditional gas peakers
- Inspired countless "Tesla Battery" memes in energy trading chatrooms

The Storage Trifecta: Batteries, Policy, Markets

2018's legacy? It proved storage needed three legs to stand:

- Tech Innovation: Lithium costs kept falling while new chemistries emerged
- Market Rules: FERC Order 841 became the playbook other countries copied
- Business Models: Storage-as-a-Service went from PowerPoint slide to \$100M deals

As we look back, 2018 wasn't just about megawatts and regulations - it was when storage stopped being "that thing Elon does" and became the grid's multitool. Now if you'll excuse me, I need to check if my Powerwall is arbitraging today's electricity prices...

Web: <https://silichibaby.co.za>



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