BLOCKCHAIN ENERGIZER – VOLUME 15

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Energy Alert

There is a lot of buzz around blockchain technology and its potential to revolutionize a wide range of industries from finance and health care to real estate and supply chain management. Reports estimate that over $1.4 billion was invested in blockchain startups in 2016 alone, and many institutions and companies are forming partnerships to explore how blockchain ledgers and smart contracts can be deployed to manage and share data, create transactional efficiencies, and reduce costs.

While virtual currencies and blockchain technology in the financial services industry have been the subject of significant debate and discussion, blockchain applications that could transform the energy industry have received comparatively less attention. Every other week, K&L Gates Blockchain Energizer will highlight emerging issues or stories relating to the use of blockchain technology in the energy space. To subscribe to the Blockchain Energizer newsletter, please click here.

GRID+ AND TOKYO ELECTRIC POWER COMPANY TO EXPLORE BLOCKCHAIN FOR PEER-TO-PEER ENERGY TRANSACTIONS

- Grid+ and Tokyo Electric Power Company (TEPCO) recently signed a memorandum of understanding to explore "how blockchains could power peer-to-peer transactions for alternative energy sources." Grid+ recently held a token pre-sale for its plans to build a transactional infrastructure for electric retail operations.
- This is not TEPCO's first or only foray into developing and investing in blockchain applications for the energy industry. In May, TEPCO joined the Energy Web Foundation, which we have covered in prior issues, and in July, TEPCO announced an investment in a Germany-based startup that is developing peer-to-peer energy markets powered by blockchain technology.
- In a recent interview, Jeffrey Char, director of TEPCO's venture capital arm, explained that the interest in blockchain investments is driven by the need to find innovative solutions to support an energy future based on distributed energy resources, especially after the nuclear meltdown of its Fukushima Daiichi power plant left Japan more reliant on centralized gas, oil, and coal facilities.

SEVERAL BLOCKCHAIN PILOTS ON DISPLAY AT EUROPEAN UTILITY WEEK CONFERENCE

- Several blockchain projects in the energy industry were on display at European Utility Week in Amsterdam earlier this month. In particular, the attendees saw the first public gas and electricity trades via the Enerchain blockchain that is operated by Ponton.
- The Energy Web Foundation, also mentioned above, officially launched its test network for the public, open-source blockchain network it is developing. The Energy Web Foundation also announced that the

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source code will be available to the public beginning November 1, 2017, with continuous enhancements to be developed.

NEW SPANISH BLOCKCHAIN CONSORTIUM INCLUDES ELECTRIC AND GAS UTILITIES

- Alastria, a new multi-sector blockchain consortium, was announced earlier this week in Spain. The consortium will provide a semi-public, permissioned blockchain infrastructure and will be lead by finance, telecommunications, and energy industry experts. In addition to leading banks and electric and gas utilities in Spain, the consortium's partners include various technology companies and universities.
- Companies looking to explore and develop blockchain applications have been joining consortia, many of which have been focused on the financial services industry. Consortia offer the potential to capitalize on the network effects of blockchain technology.
- For the energy industry, in particular, blockchain consortia will need the support and involvement of regulators and system operators in order to implement and scale applications for new energy sales platforms and applications that could have operational impacts for the energy grid.

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