

The rise of renewable energy has a surprising effect on Jacksonville's APR Energy — more business

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John Campion, APR Energy chairman, discussed the company's expansion.

Earlier this month, Jacksonville-based [APR Energy won a contract to install nine mobile gas turbines in South Australia](#), providing more than 200 megawatts of emergency back-up power to the blackout-prone region.

South Australia is a new kind of market for the company, Chairman [John Campion](#) told the Business Journal. Unlike the markets of the past, which were either natural disaster ravaged areas getting their grids back on their feet or developing countries with fledgling grids, South Australia struggles from an over-reliance on renewable energy, Campion said.

"When (renewables) get up to a certain percentage of your grid... as the wind is ebbing and the sun is going down, that puts a lot of strain on grids," said Campion.

This unintended consequence of implementing renewable energy offers [APR Energy](#) a wealth of new opportunities. Portugal, France and Germany are among the nations that are scaling up renewables while taking coal and other non-renewables offline.

To address power outages, grids can use spinning reserve or cold reserve, according to Campion. Spinning reserve is expensive but can provide power instantly. Cold reserve is less expensive but takes a while to start generating power.

This is where [APR Energy](#) has an advantage, Campion said, by having batteries connected to the grid alongside the company's turbines. The batteries provide the instant back-up power of spinning reserve at a fraction of the cost, while the turbines start generating power before the batteries die.

"You got a bunch of batteries sitting there so there's instant power, so you've effectively got spinning reserve for your customer," said Campion. "Yet you're not using engines, you're not doing anything. They're ready to go."

The batteries in the South Australia contract were provided by Tesla, something Campion hopes to address in future projects.

"I see energy storage as a big part of what we're going to do," he said. "If we had energy storage as part of our portfolio, it would have been a very easy conversation with Australia because they wouldn't have had to go buy \$100 million of batteries from [Elon Musk](#)."

Campion sees other opportunities for growth in domestic power transmission. He noted that while power generation and consumption has changed, transmission has not.

"It's dumb as dirt," he said. "It's never changed."

As utilities implement smart meters and start working from more accurate, real-time consumption data, they can transform their grid into a more on-demand service and adjust power demands accordingly. That lends itself to the fast-start power generation services [APR Energy](#) provides.

[APR Energy's](#) expansion into new markets has brought a healthy diversity to its portfolio, the importance of which it learned in Libya.

"We were long in Libya, had a lot of equipment in Libya," said Campion. "Libya went certainly sour."

The company has since extracted itself from the country and changed from public to private ownership.

Now that [APR Energy](#) has tapped into a new market type, it must continually position itself to capture markets that are transitioning to renewable energies, Campion said.

"We need to be on the cutting-edge," he said. "We need to be on the front-end of that. We need to be providing solutions to customers' needs and anticipating what customers are going to want."