

# **Energy Vault Holdings, Inc. (NRGV) Q2 2024 Earnings Call Transcript**

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**Body**

Energy Vault Holdings, Inc. (NRGV)

Q2 2024 Earnings Conference Call

August 6, 2024 4:30 PM ET

Company Participants

Michael Beer - Chief Financial Officer

Robert Piconi - Chief Executive Officer

Conference Call Participants

Thomas Boyes - TD Cowen

Stephen Gengaro - Stifel

Noel Parks - Tuohy Brothers

Presentation

Operator

Good day, and welcome to Energy Vault's Second Quarter 2024 Earnings Conference Call. All participants will be in listen-only mode. [Operator Instructions] After today's presentation, there will be an opportunity to ask questions. [Operator Instructions] Please note this event is being recorded.

I would now like to turn the conference over to Michael Beer, Chief Financial Officer for Energy Vault. Please go ahead.

Michael Beer

Thank you. Hello, and welcome to Energy Vault's second quarter 2024 financial results conference call. As a reminder, Energy Vault's second quarter earnings press release and presentation are available now on our investor website and we will be referring to the presentation during this call. A replay of this call will be available later today on the Investor Relations page of our website. This call is now being recorded. If you object in any way, please disconnect now.

Please note that Energy Vault's earnings release and this call contain forward-looking statements that are subject to risks and uncertainties. These forward-looking statements are only estimates and may differ materially from the actual future events or results due to a variety of factors.

Please refer to our 10-Q filing for a list of factors that cause our results to differ from those anticipated in any forward-looking statements. We undertake no obligation to publicly update or revise forward-looking statements except as required by law.

In addition, please note that we will be presenting and discussing certain non-GAAP information. Please refer to the Safe Harbor disclaimer and non-GAAP financial measures presented in our earnings release for more details, including a reconciliation to comparable GAAP measures.

Joining me on the call today is Robert Piconi, our Chairman and Chief Executive Officer.

At this time, I'd like to hand the call over to Robert Piconi.

Robert Piconi

Great. Thank you, Mike. And I also want to officially welcome Michael Beer for the first quarterly earnings that he's taking over for our prior CFO. He joined us in April, as we announced on our last earnings call. So welcome, Michael. Great to have you here.

We're also taking this call from Lugano, Switzerland from our International Headquarters here, where we conducted our Board meeting last week and our management meetings here this week.

During our inaugural Investor and Analyst Day last quarter in May at the New York Stock Exchange, where we updated investors on our vision, strategy and two year financial guidance, we outlined a bold plan with the following three strategic tenets. First, to address the largest and most attractive growth regions for energy storage, very critically addressing them in the business model that is most cash accretive, most profitable and the lowest risk for investors.

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Just to emphasize on this first point, as an example, how we address the storage market, for example, in China versus Australia versus the U.S., three of the largest markets in the world might be different considering the three factors I just mentioned, and allows us to choose from a licensed royalty model, a build and transfer model or a build own and operate model.

Secondly, we outlined a plan to deliver more predictable and recurring revenue streams. Obviously, especially important as a public company, as pure-play integrators, we'll continue to be subject to the EPC build schedules of customers that can move in three to six months increments pending permitting and other external factors that can expose us to lumpy quarters as we are experiencing here this year after the first two years of very strong growth.

Our unique multi-technology and multi-business model approach to the market allows us some degrees of freedom to adapt our solution mix of licensed royalty, build-transfer, and build-operate to best optimize our future cash flow streams.

Thirdly, offer the high growth and profitability potential within the energy storage segment. This really is about how we are optimizing our product mix and business model to drive the high unit economics in our sector, whether from our technology agnostic fit-for-purpose approach to the solutions we develop under the umbrella of our AI-enabled EMS platform, or from the ability to utilize the most attractive commercial structures and business model, including project bonding capacity in excess of $1 billion, we have multiple levers at our disposal that we're using to deliver growth at and above the market growth margins and unit economics we've outlined.

As we turn to our second quarter results, we demonstrated progress across all three dimensions of our strategy and in line with our latest 2024 guidance and ramping revenue later in the year due to the timing on new project starts and the then large concurrent 2025 deployments.

Firstly, relative to growth in the largest and most attractive regions, we announced newly booked deals, as noted in the press release, with two projects with ACEN in Australia, a large and important growth region with more coming, and uniquely as a region with the local industrial presence of investors like Korea Zinc and BHP, two of the largest mining companies in the world in their respective sectors.

I'll be announcing another new regional expansion for our gravity technology in just a few minutes that has not been previously announced. Secondly, relative to more predictable and recurring revenue streams, we have strong execution progress on the two projects that we will own and operate.

First, the largest green hydrogen storage project in the United States in Calistoga, California, for Pacific Gas and Electric, California's largest public utility, and the Cross Trails battery project in Snyder, Texas, both of which we chose to maintain on our balance sheet given the long-term IRR attractiveness of recurring high-margin revenue streams, which will smooth the top-line volatility over time.

While these choices reduce revenue recognition this year in 2024, they will offer Energy Vault and investors additional high-margin contribution and revenue predictability going forward. As we're in the process of implementing project financing on these projects, we are expecting to return more than $40 million to the balance sheet in the Q4 of this year while increasing the IRRs on these projects in the process. These projects are expected to be online in Q3 2024, within this quarter, and Q2 2025, respectively, and projected to add $8 million to $10 million in recurring EBITDA profit streams annually over the next 10-plus years.

And thirdly, relative to growth and profitability, we reported strong unit economics at 27.8% growth margins despite the lower revenue due to the mix of the projects, improving adjusted EBITDA up 12% year-over-year, which was also positively impacted due to lower cash operating expense, which was reduced by 23% over the prior year due to proactive measures taken by the company in Q4 2023 and continued vigilance and cost containment, operating efficiency, and continuing to tune our business model for product and solution realization.

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I want to give a little more color on some of the commercial highlights from our release, and then we'll turn it back to Michael, our CFO, to review the detailed financials and get to some questions.

Regarding the overall sales funnel, we ended the quarter with a solid contribution of new commercial opportunities, aided significantly by the prior second-half 2023 and early 2024 successful completion of large-scale battery storage projects at Nevada Energy, just outside of Las Vegas, Wellhead in Southern California, Jupiter Power in Texas, and the recently announced NRQ2 expansion into the Australian market with the two projects with ACEN totaling 400 megawatt-hour.

In line with our growing -- our global presence, we have also taken steps to deepen our leadership bench and our investment in our commercial teams, and thus very pleased to welcome Wes Fuller, as our new Global Head of Sales. Wes has built a successful career, joining Energy Vault most recently from Powin, where he delivered on large growth initiatives in North America, building upon prior leadership roles of increasing responsibility at Sunfolding, Schneider Electric, and Siemens.

I know I speak on behalf of our leadership and those employees that have had initial exposure with Wes, but it has been a pleasure to get to know him better as he has ramped up here the last month. He clearly brings a significant track record of delivering results in large-scale, dynamic, and high-growth environments, but perhaps more importantly for us, a cultural fit and alignment with our values, how we collaborate, and a shared passion to accelerate the world's clean energy transition.

Getting back to the numbers, in total, the company ended the quarter with a developed pipeline of $2.8 billion, of which over half is associated with projects being developed by either existing customers or strategic partners and investors, which obviously gives us a lot of confidence on conversion of that funnel into contract bookings.

This figure rose about $100 million from our Investor and Analyst Day in early May. Meanwhile, our backlog of $264 million now reflects the projects with ACEN in Australia, as well as new long-term service agreements at Nevada Energy, increasing roughly 17% since our Analyst Day. While we expect a substantial portion of the project-related work to be recorded over the next 18 months, as we have seen, the actual percentage of completion accounting can create lumpiness from 1 quarter to the next.

As I highlighted earlier, with increased contribution from newly owned and operated assets, and a higher mix of software sales and long-term service agreements, we expect to improve this visibility while reducing volatility over the medium to long-term, the end result being a more profitable sales mix for the company.

From a balance sheet and liquidity perspective, we remain in great shape, as Michael will cover more in detail, with over $110 million in cash and no debt. And as mentioned earlier, looking at attractive project financing structures for our own projects, which will add cash back for a balance sheet while improving IRRs on these projects.

From speaking recently to many of our investors, they have appreciated our stewardship of their investment and our management of our cost structure and cash in what remains a very dynamic and ever-changing market environment, and thus avoiding any cost-convertible debt or other dilutive financing structures, and we will continue to do so.

While we expect capital markets, as well as energy storage trends will remain dynamic to the least, we remain highly encouraged by the structural and secular trends across the energy storage industry, particularly related to the massive uptick in pure power demand from generative AI and data centers, and thus downstream requirements for renewable energy storage and backup storage solutions.

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The demand now for economical 24/7 renewable solutions has been accelerated 5 to 10 years, in my opinion, as the world cannot meet the current and upcoming power demand renewably. That demand for 24/7 renewables is here today, yet no economical solutions to implement exist. This not only represents a tremendous opportunity, but is really core to our mission and founding of the company, but it is also an imperative, really a moral imperative for our planet and a massive inflection point for renewables and storage as the world seeks to turn back to all forms of power generation, fossil, small modular reactor, et cetera.

Increasingly, as these new chips heat up the data centers, these same data centers will be heating up the world at an accelerated rate, enter, therefore, innovation in what Energy Vault and many companies like us are focusing on. It is our mission as a company and the passion of our people that will solve it through teamwork, innovation, courage, fortitude, and pure will and execution despite the obstacles thrown in front of us.

As we look toward the balance of 2024 and 2025, we will continue to make progress on our core objectives, leveraging our unique technology and solution-based approach across all durations and targeted geographies to create real and sustainable competitive advantage in an otherwise highly commoditized space in conventional batteries. As demand for long and ultra-long duration storage continues to grow, Energy Vault is and will continue to be uniquely positioned to capture a growing market share.

I would like to finish to touch upon what we announced yesterday and a new announcement and regional expansion with our gravity energy storage that has not yet been previously announced. As some of you may have seen, we announced yesterday with site and concession owner Carbosulcis, a new 100-megawatt hybrid gravity and lithium-ion energy storage project on the island of Sardinia at the location of the largest former operating coal plant and mining site in Italy and one of the largest bi-subterraneous coal reserve sites in Europe.

Beginning with a courageous vision of Francesco Lippi, CEO of Carbosulcis, to transform the coal site to a carbon-free technology hub, while preserving jobs for the local community. Energy Vault is entering now to accelerate its vision with a new hybrid energy storage system approach to address the unique topology, which includes 500-meter depth mining shafts.

This unique solution leverages Energy Vault's new modular pumped hydro gravity energy storage technology called the EV0, the zero, by the way, because we are returning to some of the original incarnations of our technology using water reservoirs. The first full commercial scale EV0 units will be delivered to the site in Sardinia in the next 60 days, and then installation, testing, commissioning, and operation will commence and be completed in 2025.

The gravity system will be complemented by a lithium-ion battery array with all power charging, discharging, asset management, and economic dispatch orchestrated by Energy Vault's VaultOS Energy Management Software Platform, or EMS. This first-of-a-kind hybrid system represents a unique solution to a very specific and unique need to capture energy storage leveraging existing infrastructure, in this case, mine shafts, and gravity, which is the basis of 90% of all energy storage in the form of pumped hydroelectric dams today.

And finally, before I turn it back to Michael, it gives me great pleasure to announce that we are again expanding our regional presence with our first EVx gravity energy storage system in Brazil, with Brazil's state-owned oil and gas conglomerate Petrobras. Petrobras is committed to a clean energy transition in Brazil, and we are happy to support their efforts with our gravity energy storage systems to be co-located at one of their refining sites. We will be sharing more details on this exciting relationship and regional expansion in the coming months.

With that, I'll turn it back to Michael Beer, who will show more financial details for the quarter. Michael?

Michael Beer

Thanks, Rob. During the second quarter, the company reported revenue of $3.8 million, reflecting the successful completion of battery projects in the U.S., along with contribution from software and long-term service agreements. Consistent with our full year guidance, revenue was down versus prior year due to the timing of project and percentage of completion accounting.

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The company did announce a new battery storage project in Australia with ACEN during the period, but we expect most of that revenue to be recognized later this year and next, as part of our $264 million revenue backlog. Including our new gravity license in Southern Africa with GESSOL, we expect to recognize later this year, along with one to two new battery storage projects expected to commence construction before year-end. We are reaffirming our full-year revenue guidance of $50 million to $100 million.

Our gross margin was 27.8% for the second quarter, up from 9.8% a year ago, reflecting favorable revenue mix as projects were completed. Through the first-half, the gross margin is tracking at 27%, above the guided range of 15% to 25% for the full-year of 2024.

From an adjusted EBITDA perspective, during the second quarter, our adjusted EBITDA was negative $15.8 million, which improved 12%, or $2.3 million year-over-year. Adjusted operating expenses declined to 23% in the quarter on a year-over-year basis, to $16.9 million.

GAAP results included a $1.7 million restructuring charge associated with reorganizational and realignment, as well as other cost-side measures discussed earlier this year and during the company's Investor and Analyst Day on May 9. Along with the $600 million [Technical Difficulty] impairment associated with the company's move to a corporate office in Westlake Village, California.

As a result, the company expects adjusted OpEx to be reduced by $3 million to $4 million in the second half, or $6 to $8 million on an annualized basis, and be around $15 million per quarter in the second-half of 2024.

The other key non-cash items added back in Q2 were $9.5 million of stock-based compensation expense and $1.7 million in net interest income. Management continues to expect adjusted EBITDA within the range of negative $45 million to negative $60 million for the full-year.

From a cash perspective, as of June 30, 2024, the company had $113 million in cash, cash equivalents, and restricted cash, leaving us well-positioned to continue our growth strategy and execute on our projects. Our primary uses of cash, our cash operating expenses and working capital needs associated with equipment purchases for our energy storage projects and expenditures for those projects we have chosen to own and operate, which will be largely offset by anticipated project finance and the monetization of tax credits.

Restricted cash remains very manageable at just $6.1 million, a slight increase from the prior quarter, reflecting cash back letters of credit for new project awards. But this is well below the $35.6 million at year-end 2023.

As Rob mentioned, we maintain bonding capacity in excess of $1 billion to facilitate additional growth projects as we desire. Management still expects our year-end cash balance to be within the range of $75 million to $125 million.

With that, I'll hand the call back to Rob.

Robert Piconi

Great. Thank you, Michael. Just in closing here, as I normally do, I want to start by thanking all of our employees in the company for their dedication to the mission and working through what remains a volatile, dynamic environment, both for energy storage, geopolitically, and with all the many distractions we have, their focus on our customers in the end and delivering for our customers.

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Also, official welcome, again, to Michael Beer and joining our leadership team, as well as Wes Fuller, most recently in his global sales role.

With that, operator, we will turn it back to you and be ready to answer some questions.

Question-and-Answer Session

Operator

We will now begin the question-and-answer session. [Operator Instructions] The first question comes from Thomas Boyes with TD Cowen. Please go ahead.

Thomas Boyes

Appreciate you taking the questions. First one from me, just given the focus on owning and operating specific projects following the Investor Day, are there specific applications of your technology where you're more likely to own and operate? When looking at kind of the gravity portfolio, you have an EVx system up and running in China. You just had announced the EVx system where you'll also be an owner and operator. You should be -- you kind of expect more attention for those systems and maybe an EVy than, say, additional EVx projects. How do you think about that split?

Robert Piconi

Great, thank you Thomas, good to hear you. Yes, there is no specific technology that's a focus relative to own and operate. And I think if you look at the first two that we're already developing on our balance sheet, the Calistoga project, which is a combination green hydrogen, so ultra-long duration with lithium-ion there, and then the second one is a pure battery energy storage in Texas. So we're going to look at that based on the economics of the project, the fit for us. Also, project financing becomes important. That's one of the verticals in the financial markets that's remained quite robust and attractive.

So we look at that and really not as specific to the technology, but more to the attractiveness of the project. So to be clear, you can expect that you may see combinations of gravity and lithium-ion, like we just announced for Sardinia, for example. And we announced that we're planning to own and operate that site. We've already announced the green hydrogen lithium-ion and the pure play lithium-ion.

So the main focus there is going to be across our portfolios. We evolve it in looking at some of the pure build and transfer models and looking at some of what we call EEQ projects, where we're just delivering equipment and not having the exposure on the EPC side, where we take risk on construction and some of the other supplier sides. So we're going to balance that and I think have a portfolio that can, we believe, optimize both our cash, cash returns as well as the longer-term profitability and fundamental unit economics of the business.

Thomas Boyes

Appreciate it. That's very helpful. And then for the follow-up, I'm just hoping we get a bit more, maybe a performance update for Rudong and how that EDx is performing, anything you could share as far as just round trip efficiency or maybe other kind of performance metrics to let us know how that system's operating.

Robert Piconi

Sure. Yes, we're just awaiting the final approval to operate fully to the grid. As we announced before, we're already charging and discharging to the grid, and there's been announcements locally in China that our partner did. The last ones we saw were June 19. They hosted a media day where they demonstrated the project to a host of both local media and media from other provinces. So we are still just awaiting the final approval there locally on full charge and discharge for the asset. We actually have a team there even on the ground.

One of our technical teams and support teams are there with CNTY here as we speak, actually this week. So we're awaiting that and part of their visit there is to also take the initial performance measurements on a multi-site basis there. So we're expecting something shortly, Thomas, and we'll be announcing those performance metrics as we get that from the site.

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Thomas Boyes

Excellent. Thanks so much. I'll hop back into the queue.

Robert Piconi

Thank you.

Operator

Please go ahead. The next question is from Stephen Gengaro with Stifel.

Stephen Gengaro

Good evening, I guess there. So a couple of things, I think first for me, when we think about your sort of two-year revenue guidance, and I sort of -- I see some of the project announcements you've made in your backlog, but when we -- as we sort of try to evaluate that and we think about what awards you need, can you just maybe talk a little bit about sort of the pipeline of opportunities and what we should be looking for to kind of increase the confidence in the revenue guidance for the next sort of the aggregate two-year period?

Robert Piconi

Sure. I think some of the milestones you should look for over the, let's say, the rest of the year since we're into about four, 4.5 months left are specific conversions of projects from that developed pipeline category into actual bookings. So I think that's going to be important. We, at the Investor Day, Stephen, you'll recall, we actually highlighted some very large projects there and did not name it. In some cases, we didn't yet have the approval yet to name the customer.

So I think you should look for conversion of some of those to awards and bookings that then would fill in what we've announced over the next -- our two-year revenue that we announced essentially, which was the $500 million to the $700 million. So obviously, from where we sit today and given the nature of some of the larger projects in our portfolio, you would need to see some of those convert here in the coming in the second half of the year, let's say.

The other thing I reference, as I mentioned in my upfront portion, is that a lot of those deals in that developed pipeline are also with strategic investors or, in some cases, partner companies in the sense that they're -- people that are known to us. They aren't new customers. They may be even customers, as I mentioned earlier, that we've already done projects with or completed projects with. So that obviously gives us and gave us a high level of confidence to be able to project that two-year revenue.

So I would say those markers are going to be important. I think some of the things we announced, and I'll give a little bit more color on that regionally. So I think Australia is going to continue to play a large role as we've announced the first project that's underway with ACEN. ACEN is quite a large player in Southeast Asia, and having the storage portion in part owner of one of the largest solar sites, 720 megawatts in Australia.

I think as you're aware, and as I mentioned in my remarks, we have strategic investors in Australia and Korea Zinc and BHP, and they're obviously investing in some of their own green energy transition and things that they've made public. So I would say some of those, I would look for those milestones over the coming three to four months, and you really need to see those, right, because for us to convert and get to the revenue levels, we projected, you're going to need to see some larger project announcements.

Stephen Gengaro

Got it, okay, now that's very helpful. And then the other one, just quickly, when you think about build and transfer, own, operate, et cetera, are you -- is that completely customer-driven for some of this stuff that you truly want to own and operate because of the long-term returns and recurring revenue? How do you balance that?

Robert Piconi

By the way, it is a balance, but it's more the latter on how we think about portfolio. And as we look at the profit pools in our energy storage ecosystem, and that's from sort of the supply and equipment side all the way up through the integrator side of the house into services and software, but also into an independent power and the power ownership and provision back to utilities or to end users.

So when you look at that ecosystem, we've done a lot of work in looking at where those profit pools are. But as well, and as you well know, as a public company, if we were to just play, for example, which we don't today, we're a little more diversified than that, but if we were just to play in the integrator space, you're subject to the lumpiness that we see. And even in our large growth, the first two years, our first year, $148 million, our second year, $345 plus million, we had quarters that were very lumpy, and being no stranger to public companies, as you know, Stephen, it's tough to maintain that type of quarterly cadence.

And thus both for profitability, for cash. And as we look at attractiveness and diversity in our portfolio, we believe this is a strong strategic move for us to make for investors and from just a pure cash and return perspective, what we think over the mid to long-term, there's really not a public corollary to a portfolio like we've developed and including a strong portfolio as a storage IPP, where you've got long-term contracts, you have EBITDA streams of 75% profit plus.

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And again, with assumptions in and around the type of project financing, we believe we can get. And when you have a player like us that has the team that's experienced in a way in terms of building projects, commissioning them, and understanding how to service them over time, you leverage that experience set into operating and delivering over time, and it gives you the ability to leverage and understand supply chain operation, where to take money out of the system, where to optimize costs, and no secret, lithium-ion batteries have come down in price so much.

And all of a sudden, these other components, the balance of plant, become a larger percentage of project and we've got tremendous expertise, probably some of the best in the world in civil and structural engineering, the material science around looking at taking both costs out, but also optimizing construction sequencing, taking time out of the sequences it takes to actually build.

And therefore, the overall labor cost and provisioning of materials at sites. These are all things that when you get into margins, like we're talking about, which as we've reported here, even into the 15%, 20%, 25%, if we want to push those even higher, we really are pulling apart that cost equation. And we're taking out, in some sense, some of the profit pools that you would typically pay others to in moving to that own and operate model as well.

So I think it's more, to close on your question, the latter part, less customer-driven in the sense of we do have customers in the case of Calistoga, PG&E, that first one where that was an RFP that was designed as a PPA or a tolling type of an agreement, so that one was something customer driven, but was something that earlier on, we've had a lot of interest in that project and we could have sold that project.

We had interest and continue to have interest. However, it's something given the returns we've looked at in this business model, for the reasons I've mentioned, I think make a lot of sense for us to retain that.

Stephen Gengaro

Great. That's a great color. Thank you.

Robert Piconi

Thank you, Stephen.

Operator

[Operator Instructions] The next question is from Noel Parks with Tuohy Brothers. Please go ahead.

Noel Parks

Hello. I had a couple of questions. I was wondering if you could give some perspective. Now with the announcement about the project in Italy, the former mine site, just as far as implementation timeframe for an EVx system moving from China, where things stood at the point that that project got kicked off, to Schneider, and now to this project in Italy. I just wondered what's maybe likely to go faster with the subsequent project and whether there's anything that might go slower, just, I don't know, supply chain or other issues?

Robert Piconi

Yes. It's a great question, especially as you refer to the project in Sardinia, where, as I mentioned, we're actually going to have the full-scale EV0, which are essentially these special vessels that are made out of fabric. And we -- for a lot of competitive reasons and confidentiality, we haven't shared a lot with the market about it. I think sharing the fact that we're actually delivering full-scale fabric vessels that I'm referring to here on the call, since you asked for the first time, we are moving very quickly because in this case.

If you look at this, what we're referring to as a modular pumped hydro system, we have IT around an ultra-low-cost way to hold liquid, in this case water, and all the other components in our modular pumped hydro system for Sardinia, where we're going deep into mine shafts, are from existing infrastructure that's utilized in pumped hydro.

So, penstocks, a turbine, so, these are things that have been used with pumped hydroelectric for 100 years. So, as a result, to your question on speed, and since we've done testing on this solution for the last 18 months, so this has all been done under the radar, we've been testing this new modular pumped hydro system and circulating it. That's actually now been under accelerated life testing over 10-years of time. This is a system that's going to move very quickly, and we'll have applications not only going below ground. So, that is something new. That's a new segment that I think we haven't referred to really yet of the market. There's other sort of fledgling and early seed stage type of gravity companies that started to target that market.

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We're doing it at scale now, and in addition, this same modular pumped hydro system can be utilized leveraging slopes and mountainsides. So, it was actually designed, and this is public. I'll reference it, but we received an award from ACWA Power, which is half owned by the public fund, the PIF, in Saudi Arabia. So, they're a large Middle East EPC. They're also one of the largest operators of the desalination plants through the region, and they work in places in Africa. So, they awarded us, over 20 other companies, a technology award with this new EV0 concept, and now we're working in South Africa on the first site and implementation above ground.

So, to close on your question, the EV0 and this technology and something that's been in development will move quite quickly, I think, relative to EVx, for example, that I think you're referencing, because that's a project that has been in the 18-month plus in the first large-scale system in China, and as I just announced, in Brazil, we're going to have a first system with the largest oil and gas player there.

So, we've been working on various iterations of our gravity technology. That is one of them. Always great to talk about new products, not just with a product, but talk about it in the scope of customers, and I think the ACWA Power announcement that was done back in February and March that's public, as well as what we just announced today with Petrobras in Brazil, it's exciting. They're new projects, and then I think Sardinia, with the new modular pumped hydro is going to be a nice reference point and proof point for the technology, as we announce within 2025.

Noel Parks

Okay, great. And then -- I was thinking back to, actually, the introduction of EVx Energy Vault Solutions, and the vision set forth then about integration of sort of full energy management system level functions, and now with these different variations, even on deployment of gravity storage, it sort of seems that that software layer is going to become even more critical, and I guess I'm just wondering, at this point, is the development of the software, is it at a point that it's sort of productized, where it's sort of standalone value can be assessed or looked at, or does it need to be viewed more as just kind of the customization of a particular project, every project somewhat bespoke in how it's going to be implemented?

Robert Piconi

Sure. By the way, great question. So, first of all, it's absolutely productized. We've delivered and we are operating over a gigawatt hour. The project that we've ramped up since over a year ago, starting with Wellhead in June, was the first battery project there that we ramped up the software with, and it's been operating there for over a year there. We ramped up Nevada Energy and then Jupiter, so we got quickly to the gigawatt hour and about to make that 1.3 gigawatt hour as Calistoga will be orchestrated and operated across the green hydrogen solution with lithium-ion together, so that's a hybrid system.

By the way, just to share, the fuel cells just arrived today on the site in Calistoga, and I'm so excited about that. We have the large tank is arriving Friday, and so we're getting that project here all sewn up. But in any event, to the first part of your question, it's not only productized today, but it's been the last year, and that's been the basis of what's been operating these systems.

And I'll also share before I get to the second part of your question that, if you were to ask any of our customers where we've deployed that first gigawatt hour about what they thought were some of the strengths about our performance and our execution, I think uniformly they would all reference the performance of that software and the commissioning speed that we were able to bring that up, and that's a reflection of the people that built that system, the experience set that we built, the talent of the team we built to bring that up, Akshay Ladwa and his team, Shaheen, who leads some of the software development, Brad Israel.

And I could go on with other names, but the people that have really built that up and built that up in a way that allowed it to operate immediately without any significant hiccups is really unprecedented. There wasn't a company that announced and delivered within 12-months a gigawatt hour ever at the very beginning in their first year, and we're building upon that.

Now, Calistoga coming online, we have these follow-on projects, not only in Australia, but some in the U.S. and others now that are going to be coming up, and it is orchestrating across multiple technologies, and that's exciting. This same platform, by the way, can also orchestrate across generation technologies and not just renewable, so wind, solar, but any fossil-based, so it really brings that asset management component and a lot of the predictive analytics and a lot of the AI capability that gets into the economic dispatching capabilities.

And then to the second part of your question, which is absolutely fair around is this something that could be sold standalone? Well, absolutely, since it's productized, and if you look at customer sets that are looking to optimize how they're going to manage the coexistence of generation, the coexistence of different storage technologies, so very interestingly, up to this point, unless there's a new company announcement today I haven't seen, we're the only energy storage company that's delivering on multiple duration, multiple technology today under a single platform, and it puts us in a position to solve problems and respond to RFPs with solutions that people weren't even contemplating, and I mention that because of Pacific Gas & Electric was expecting a natural gas solution to solve this problem for the replacing diesel gen in that in the town of Calistoga, and we responded with something that was actually sustainable.

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No one else did, and much lower cost than what they were looking at, and that capability is something that we want to leverage not only for new storage solutions, but you can imagine customer sets that have to manage this coexistence of storage, multiple storage technologies that they may be buying piecemeal because they're trying to solve different problems, different applications.

There is no single bullet, or sorry, silver bullet in storage because the nature of what we're solving for is different by customer, by application, and use case, so there's always going to be different and optimal technologies to solve different problems, and I think uniquely we've got a lot of the capabilities to solve that.

So we are in discussions with customers who are looking at leveraging our software to help them solve their existing infrastructure needs. We do demonstrations. We have customer sets that allow us to visit their sites that are operating today from the ones we've delivered, and obviously there's no better way and proof point to a new customer than having them talk to an existing one and have them see things operating in real time.

Noel Parks

And just to clarify, if you had a customer who did elect to install the platform more or less standalone, would a customer like that be sort of pretty willing to be announced as opposed to some of your large industrial customers that want to wait?

Robert Piconi

Yes, every customer's a little bit different in the timing of when they want to announce something. Some are comfortable with earlier announcements. Others want to wait until something's operating, and some of them just will not announce really anything except acknowledge that a system is operating, so it really just depends, but I think as we get into standalone software sales, you'll be hearing more about that, and I think those customers, depending on if it's a utility or IPP or -- in this case, there's a lot of industrial customers that are managing their own electrification or clean energy transition where they don't have the competence or the prior experience as managing electrons.

I guess I'll say, because where they're buying infrastructure in renewable and then need to couple storage, they really need that across their asset base. So, I expect you'll see announcements about that, and we'll try to share as much as we can as we develop those solutions.

Operator

This concludes the question-and-answer session. I would like to turn the conference back over to Robert Piconi for any closing remarks.

Robert Piconi

Thank you, operator. Again, I just want to thank everybody who joined the call here and all of our investors that support the company, and we'll look forward to be sharing further updates in the future. Thank you very much.

Operator

The conference is now concluded. Thank you for attending today's presentation. You may now disconnect.

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