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K&L Gates Blockchain Energizer – Volume 31

A biweekly update on applications of blockchain technology in the energy industry

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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. 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, the 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](#).

New Era Energy is Preparing to Launch a Blockchain-based Carbon Credit Market Pilot Program.

- [New Era Energy](#) is currently [developing](#) the “[Carbon Grid Protocol](#),” a blockchain-based voluntary carbon credit market that will allow blockchain companies to buy and sell carbon credits on a per transaction basis. The platform will operate initially on top of the [Ethereum](#) blockchain and will use a “Proof of Authority” consensus protocol to verify transactions. New Era Energy will also use oracles to provide accurate data. Ultimately, New Era Energy believes that participating companies and networks will build the cost of carbon offsets into the price of their digital tokens and transaction fees. The pilot is planned for the fourth quarter of 2018.
- [According](#) to New Era Energy, the current carbon credit market, while substantial in size, is opaque and difficult to access due to the significant role that brokers play. Moreover, New Era Energy believes that the current market fails to provide sufficient mechanisms to trace carbon credits and offsets, thereby limiting marketplace transparency. A blockchain-based carbon credit market place, however, would expand access to carbon credits, particularly within the blockchain industry, and could reduce the need for brokers serving as intermediaries. Such a platform could also increase transparency because each transaction would be recorded, immutable, and distributed to all participants, which would reduce the time needed for verification. New Era Energy has recently joined the [Climate Chain Coalition](#), which is an initiative by dozens of blockchain companies striving to decarbonize the blockchain industry. The coalition is supported by the [United Nation’s Framework Convention on Climate Change](#).

WePower Unveils “Alpha” Version of its Clean Energy Financing and Trading Platform.

- On July 5, [WePower](#) launched an [alpha version](#) of its blockchain-based renewable energy financing and trading platform. The alpha version lists six solar power projects developed by Conquista Solar in which investors will eventually be able to invest and from which end-users can purchase power. While investors and end-users cannot yet invest in or purchase energy from the listed projects, they can review these projects and indicate their interest in participating in future auctions of the energy to be sold. Each of the six projects will produce 50 megawatts (“MW”), amounting to 300 MW of total nameplate capacity. Over the next few months, WePower and Conquista Solar plan to increase the platform’s supply to 1 gigawatt.
- Once finalized, the platform will expand beyond solar power to offer a variety of clean energy investment opportunities and power purchase agreements. The platform will facilitate and record investment in clean energy producers and allow for power purchase agreements between producers and end-users. Participants will purchase energy or invest in projects using digital token native to the platform and use smart contracts to automate transactions. By using blockchain and smart contracts, WePower aims to provide a liquid, traceable, and accessible market for renewable energy.

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