

### Canon Marketing Japan Signs MOU With Global Battery Energy Storage System Pioneer Lightergy on Domestic Business Development

Initiative aims to shape a carbon neutral and resilient society through the stable supply of electricity

Canon Marketing Japan Inc. (President: Masachika Adachi; "Canon MJ") has signed a Memorandum of Understanding (MOU) with global battery energy storage system pioneer Lightergy (Headquartered in New Jersey, United States; CEO: Michael Epstein, together with its wholly owned subsidiary Lightning Grid Québec referred to as "Lightergy") regarding business expansion in Japan. The MOU aims to bring about a carbon neutral and resilient society in Japan through the stable supply of electricity from storage batteries.



Signing ceremony held at the Canadian Embassy  
Lightergy CEO and President Michael Epstein (left) /  
Canon MJ Executive Officer and Group Executive of Corporate Planning Headquarters Takuya Joshin



#### ■ The Environment Surrounding Electric Power Energy in Japan

In response to pressures on electricity supply in the wake of the Great East Japan Earthquake, energy management has become increasingly important in Japan, not only in terms of how to conserve energy, but in consideration of its demand supply balance. In addition to being an earthquake-prone country, the increase in recent abnormal weather events driven by climate change have posed a constant threat to power plants and other energy infrastructure. To enhance the stable supply and resilience (ability to recover or resist) of electric power, it is essential to achieve distributed energy management that includes the utilization of renewable energy and electricity storage technologies rather than the current centralized power supply structure reliant on large-scale power plants.

Given this landscape, by 2030 the Japanese market is expected to see five-fold growth in grid-based storage battery installations (storage batteries directly connected to power plants and other infrastructure) and more than three-fold growth in household, commercial and industrial storage battery adoption\*<sup>1</sup>.

\*1: Source: From "Sector-specific Investment Strategies" for Specifying Investment Promotion Measures for the Realization of GX, Sector-Specific Investment Strategy (Batteries), published by the Ministry of Economy, Trade and Industry in December 2023.

## ■ Overview of Lightergy and Initiatives with the Canadian Government

Established in 2002, Lightergy is a company that manufactures and sells storage batteries. Starting with a contract with the US Department of Defense in 2007, it has since focused on the North American market, primarily serving US government agencies and public institutions in Canada as its customers. Lightergy possesses advanced technological capabilities in lithium iron phosphate (LFP) batteries that do not use rare metals, and its products are characterized by their low cost energy storage performance due to highly durability and high energy density. Having been used among customers and sectors that demand high quality over the long-term, these storage batteries have also earned a strong reputation for safety. Additionally, as Lightergy has built a value chain for advanced LFP manufacturing that keeps everything from material procurement, development and production through to recycling within North America, going forward it is expected to play an even more important role in the storage battery market, which is otherwise susceptible to rare metal export restrictions.

Lightergy has also built a strong cooperative relationship within the circular lithium economy established by Québec Province and the Canadian Government, and is launching a new giga-scale manufacturing plant in Québec, Canada. With the support of the Canadian Government, Lightergy has also been actively working to expand overseas, a part of which led to the signing of this agreement with Canon MJ.

## ■ The Society Envisioned in the Basic Agreement

Canon MJ maintains various assets including the marketing capabilities through the Canon products and IT solutions business it operates, and its customer base. Beyond simply introducing Lightergy products to the Japanese market, the agreement will leverage Canon MJ's strengths to pursue a business collaboration with Lightergy. In the future, the two companies will build an ecosystem through collaboration with other companies and groups, with the aim of shaping a carbon neutral, resilient society by achieving stability in the supply of electricity while developing efficiency-improving virtual power plant (VPP) and microgrid businesses in Japan.

Going forward, Canon MJ will continue with its efforts to create new value by promoting worldwide open innovation with like-minded startup companies, educational institutions and governments that possess cutting-edge technologies and business ideas.

## ■ What is a Virtual Power Plant (VPP) Business?

This is a mechanism that manages distributed energy resources such as storage batteries and photovoltaic power generation over a network to perform electric power supply demand adjustments. Canon MJ aims to go beyond the provision of storage batteries, and in the medium- to long-term to play the role of a business operator engaging in resource control, entering into direct agreements for VPP services with electricity consumers as a resource aggregator<sup>\*2</sup>. Moreover, as an aggregation coordinator<sup>\*3</sup>, Canon MJ aims to achieve more efficient energy usage through controlled electric power transactions.

<sup>\*2</sup>: A business operator that controls resources by directly entering into VPP service agreements with electricity users.

<sup>\*3</sup>: A business operator that bundles the amount of electricity controlled by resource aggregators and engages in direct electricity transactions with general transmission/distribution business operators and electricity retailers.

## ■ What is a Microgrid Business?

This is a system that supplies energy on a regional basis independently, achieving rapid restoration during disasters and other times of emergency.

Through collaboration with local governments, Canon MJ aims to promote the "local production for local consumption" of energy to improve the resilience of local communities. In doing so, Canon MJ will help facilitate the stable supply of energy and help build a sustainable society.

## ■ Overview of Lightergy

Company name	Lightergy
Established	2002
Location	New Jersey, USA
Representative	Michael Epstein
Description of business	<p>Lightergy provides a highly scalable battery energy storage system, spanning from home-scale units of kilowatt hours (kWh) up to large gridscale applications of multiple megawatt hours (MWh). These advanced systems perform with long cycle life (10,000 to 20,000 cycles), superior rate performance (chargeable in 3-5 minutes), excellent power and energy, and unmatched field serviceability and expandability.</p> <p>In addition, Lightergy systems offer excellent safety and security, and enable virtual networking and optimal space utilization. Lightergy's production processes reduce capital costs of manufacturing by up to 50%, supporting customers and markets seeking to combine superior performance, economics and versatility.</p>
URL	<a href="http://www.lightergy.com">www.lightergy.com</a>

### Website

[canon.jp/rb-en](http://canon.jp/rb-en)

### Inquiries

<https://forum1.canon.jp/public/application/add/9858> (Inquiry form)