

Battery + Storage Podcast — Go Big and Go BESS**Host: Bill Derasmo****Guest: Chris McKissack****Recorded: 2/18/26****Aired: 3/11/26****Bill Derasmo (00:03):**

Greetings and glad you could join us for another episode of the Troutman Pepper Locke *Battery and Storage* Podcast. I am your host, Bill Derasmo, Partner with Troutman Pepper Locke. Today, my guest is Chris McKissack, the CEO of Fullmark Energy. Welcome to the program, Chris.

Chris McKissack (00:19):

Glad to be here. Thanks for having me.

Bill Derasmo (00:21):

You have been the CEO of Fullmark Energy since August of 2024. You also serve as a member of the board of directors for GlidePath Power Solutions for close to four years. You have an engineering degree and an MBA, but why don't I give you a chance to introduce yourself and tell us a little bit about why you wanted to come on the program and talk about some of the things that are happening with Fullmark Energy?

Chris McKissack (00:44):

Yeah, no, I really appreciate this opportunity. And as you mentioned, I've had a little bit of a stint here in the battery storage industry, and it's something that I've been close to and has been near and dear to me for a long time. When I look back at my career, I realized recently that I was part of a project that was under development that never went anywhere, but entered the interconnection queue in 2011. So I'm coming up on about 15 years of thinking about and developing and operating battery storage projects for a decade and a half. And it's been great. It's been really fascinating to see where things went from just sort of an early Burke mandate that battery storage be treated as an equal partner in the contribution of the grid to really coming around to being financeable as a key participant in keeping the lights on and keeping prices from going up.

(01:41):

So excited to see that happen over what may feel like a long period of time, but it seems short in the spirit of the age of the grid here. At Fullmark Energy, we are a standalone storage developer owner operator and have been focused on doing battery storage here now for a number of years. One of the earlier developers of battery storage in Southern California, that's where a lot of our focus has been to date. And I'm very happy for everybody to know that we've got four

operating battery storage projects right now in California and continue to expand our footprint there and look forward to expanding our footprint nationwide.

Bill Derasmo (02:21):

Excellent. Well, as a standalone storage developer, Fullmark, how do you feel like Fullmark distinguishes itself from other battery storage developers, grid scale storage developers?

Chris McKissack (02:33):

It's really that we participate in the full spectrum of develop, build, own, operate, is one thing that's not ... We're not the only people doing that, but it is a distinguishing factor when you've got a lot of people in the space that are developers only, and then you've got some folks that are asset management only and don't do their own development. One of the ways in which we find ourselves bringing something special to the industry is we've got a team that is really creative, I'll say. The way that we implement creative contracting structures and balance the risk and revenues from merchant and contracted areas of the value stack is really going to come to bear as we go through hard markets and then as we go through uptimes and certain revenue conditions present themselves. So my team is not explicitly a fully contracted, long-dated, high operational risk portfolio, but it isn't a all merchant portfolio either.

(03:40):

We've got contracts in place that have various durations. We have contracts from different counterparties, and we blend that together to make a really risk balanced portfolio of operating assets.

Bill Derasmo (03:53):

So for the uninitiated, I think what you're talking about is you've got a mix of contracted resources where you'll enter into a long-term agreement with an off-taker, and then you've got some of your capacity that you allow to be bid into the market, be entered into the market. And it sounds like you've got your projects mainly in California, so that means the California ISO markets. But I'm also interested in that you are based in Chicago, in the Chicago area. So I don't know if that means that you have an interest in PJM and/or MISO, given your experience with the likes of ComEd and others. So I just was wondering if you could speak to some of those other markets.

Chris McKissack (04:34):

Yeah. And I think that it's really fascinating. Again, I mentioned how long I've been doing battery storage. PGM was one of the earliest locations where battery storage made economic sense. And that was on the back of explicitly a Reg D ancillary service product where a lot of batteries did quite well in that marketplace and some of them still are, but it's a very thin market. And historically, you don't see as much volatility in PGM because of, frankly, the massive amount of reserve capacity that PGM has had. And now everybody wants to talk about PGM because that reserve margin has shown signs of thinning and even disappearing into the future. So it's a little

bit of an all hands-on deck exercise in PGM, which is exciting as a battery storage developer. And we've got projects under development in PJM, we've got projects on our development in MISO, we've got ERCOT, we've got some non- CISO WEC and more CISO.

(05:32):

So we are developing projects across the country. And I think it's important as a developer and as we take that creativity from a commercial perspective into mind that we develop projects that are best fit for what the market is calling for. And PJM right now, it's a capacity play with a little bit of ancillary services, but we know that there's just not enough deed demand to support a massive build out and battery storage. So how do you match projects to where demand is going to show up? How do you make sure you're a strong capacity resource? How do you take into account the fact that there's a lot of turmoil and risk to PJM regulatorily with the potential conflict between data center build out and state agencies and who's bearing those costs, right? So there's a lot of turbulence there. And I think battery storage is just one of those things that can show up to solve a problem that people are currently unsure how to solve.

(06:36):

There's a lot of different ways in which you can do that. Obviously, MISO presents very similar characteristics, but it is spread over a larger geography with, I think, a little bit more regional specificity to it.

Bill Derasmo (06:47):

Yeah. I mean, the difference between PJM and MISO, right? In MISO, you could more easily enter into that bilateral contract and just trade the ZRCs, right, zonal resource credit. So for the audience, we're just discussing the difference in the structures between the two capacity markets. PGM is more of really an auction type of a market, right? So you have to offer in and you have to commit for a period of time. And so for PJM and storage, does that mean that you need to look at at least a four-hour ability? So your unit releases for four hours. I'm just checking on where that capacity accreditation debate is in PJM.

Chris McKissack (07:30):

Yeah. And the term ELCC has become a term of art across a few different ISOs. And yeah, I think because the value in PDM really lies in capacity these days, you really ought to be looking at at least a four-hour energy storage resource to capture as much of that capacity credit as possible and to maintain it for as long as possible. I think there will be a time and place for longer duration than even four hours. And it always comes down to the math, right? What is the long view of capacity pricing going to look like? Is it make sense to do a six-hour or eight-hour longer duration system? And the idea of skate to where the puck's going to be, or where is it going to be when it's time to build the project?

Bill Derasmo (08:12):

Well, and with the duration, a lot of times we talk about what your mousetrap looks like and what your battery chemistry is. And so to the extent you can share, if you could just discuss a little bit about how Fullmark has developed their mousetrap and what kind of battery chemistry they use and what is the optimization of that battery chemistry in terms of a time duration.

Chris McKissack (08:36):

I'll start by saying that we are technology agnostic at the core. That being said, there are certain preferences and as an operator who has experience with various offerings from different OEMs, and certainly my experience goes back since before my time here at Filmwork, you get to see that there are better performing assets and worse performing assets throughout the grid. And sometimes that's dependent on chemistry, sometimes that's dependent on OEMs, but really the control systems end up being the differentiator, how you set up your controllers, how the controllers talk to one another on site, and then the architecture of and the topology of the system, do you use central inverters or string inverters? Or the inverters can be more efficient if they're larger, but also if they're larger inverters, then they're more likely to take down a large chunk of the sites and have a more impactful outage.

(09:33):

So there's a balance there that we like to weigh out and helps us make our decision on how much overbuilds to install on day one. Historically, we've been exclusively lithium-ion LFP, battery, chemistry, and everything that we've deployed. We are very open to and working with some vendors on alternative technologies as well, because I think that the balance there is how much pushback do you get from local stakeholders on the various risks that different chemistries present, what is the footprints that you can build out, what is the duration you're looking to achieve? And other chemistries, noted other technologies are really starting to come forward as financial bankable tier one, and they've been raising their profile over the last number of years that we think is starting to look a lot more attractive. So we are exploring non-lithium-ion, non-LFP technology as well right now. Yeah,

Bill Derasmo (10:35):

That's a really interesting potential inflection point for the sector because we have guest after guests, and some of them will talk about different battery chemistries like zinc or iron, phosphate, different things. It sounds like you're reaching a point where people are taking a harder look at using potentially different chemistries aside from lithium ion. So that's an interesting development. Let's say for FullMark, the Fullmark stays in the project. In other words, you guys are happy to own and operate the project in the market, not just develop it. So maybe you could just speak to that business model.

Chris McKissack (11:14):

Yeah. And I think that's key to us that EBITDA is important to having a going concerned business, that if you are only in the development business, the risk you run is that markets move

from seller-friendly to buyer-friendly regularly. For those of us that have been in the development space for decades now, you can really see that the in which you can achieve in selling a project will vary quite a bit by market conditions, not just quality of development as an owner-operator. And we will transact on projects either in development or in operations as well. And we will try to optimize for our own business cases what we want to sell or buy or own and operate long-term. But for us, establishing a strong business that is centered on a operating cash flows that not only cover our costs, but help us grow the business is the way we want to approach this and the sort of cornerstone for our business, that the development side of the business is there to really help have a growth engine for underlying operational cash flows.

Bill Derasmo (12:27):

It's just interesting to hear you walk through that and because it really is a different model because we've had others on the program that are really, they'll build the project, but it's usually a build transfer scenario. They build it, turn the keys over, somebody else owns it and operates it going forward. So in terms of business challenges for you, how does that look in terms of you have to go out and raise equity or you have to go out and take on debt? So how has that environment been in recent years and what role do you personally play in making those decisions or making those interactions where you have to go out and procure the capital?

Chris McKissack (13:07):

Yeah. Raising capital is always a challenge and is even more challenging when you have, I would say, a dynamic regulatory environment. So we've certainly seen easier and harder times in the life of our business, the kind of capital you can raise, the cost of that capital, the Ts and Cs that you can achieve in the details of the documentation and the commercial terms. I won't say that it's ever an easy market to raise capital in. Last year was particularly challenging to raise capital in, and I think we are starting to see signs of easing in the ability to raise capital, whether it's debt, whether it's equity, topco, hold code, devco, operational. So I think things are coming back in our favor right now. And as things have settled down on the terrace front, as the implementation of the Reconciliation Act comes to bear, as people realize that load growth is here to stay and the debate around load growth is really how much load growth, not whether or not it'll appear.

(14:17):

And I think in all reasonable states of the world where you're trying to predict the future here, the projected load growth far outpaces what the grid has seen for the last two decades. And so that fundamental underlying need for more energy, more flexibility and more reliability exists no matter what's going on with the administration. And I think that lenders and capital providers are starting to see that. My role as a CEO is to clearly provide a strategy and direction for the organization and to help everybody maintain focus on what our priorities are and to make sure that for all of our various efforts of the organization, that they don't conflict with one another, that everybody's well-informed of what each other arm of the business is doing. I find myself pretty deeply involved in the capital raising part of the business.

Bill Derasmo (15:17):

Thank you for walking through all that. Right now, you've got a situation where interest rates have moderated, and we don't know for sure where they're going, but it seems like they've moderated, come down some. You've got, like you said, it seems like the tariff issue has calmed down as well. Maybe say the tariff issue has moderated, and I think you do have this overarching acceptance that regardless of anything else, we're going to be in a load growth environment going forward. We've got this AI data center build out that doesn't seem to be slowing down at all. It's the hyperscalers. All of that development activity seems to be accelerating if anything else. You have building electrification, other factors, electric cars, different things, which, well, the electric cars may have slowed down a little bit, but the point is you have all this momentum towards load growth.

(16:07):

So if you are in the power generation business or power storage business, energy storage business, you're going to be in an environment where you're going to be in demand. You're going to have that tailwind at your back. So all of those things seem positive, and then it's just a matter of, I guess, breaking through with your product. And so in terms of that issue, how much do you really have to engage in marketing activities? How much do you have to be out there to tell people your story and tell people why they should buy your product as opposed to all your other competitors?

Chris McKissack (16:42):

Well, when I think about marketing and the various stakeholders, there's sources of capital, there's regulators, there's permitting agencies, and then there's ultimately off-takers, people that are buying the services from our facilities. And it's interesting because the dynamic is nuanced between each one of those groups. One of the things that I really need to stay in front of and that our team does a good job of advocating for is a lot of decision makers will fall into recency bias. And so you have markets like ERCOT and markets like CAISO where you have outlier years, banner years, high revenue years, high volatility years, and then you have years that are more stagnant, more tepid, and that whatever you have had in the last 12 months tends to be what people believe in the projections of the future. We happen to be sitting here in 2026 on the tail of a couple of tepid years in those key markets like ERCOT and CAISO, and forecasters are adjusting their forward views downward, downward, downward because lenders and equity providers, capital providers in total are having trouble believing that markets will ever rebound.

(18:11):

And so the marketing job that we have to do is to understand what are the fundamental drivers of revenue for energy storage? How do those get built up? What is the case to building those revenue pieces up? And how do we make sure that we're building a case that is not just looking through the world with gross colored glasses, but also not just taking the last two years, drawing a straight line and seeing doom and gloom that nothing will ever rebound, right? Markets not rebounding isn't consistent with the load growth story.

Bill Derasmo (18:44):

Right. That's what I was thinking as you were walking through that. The macro story here is that you're in a load growth environment and will be for the foreseeable future. And that is a fundamental difference in this country for the last, I don't know, how many, 20 years or so, maybe longer, where you just had this flat or even declining in some cases, some regions load growth. And you had, as you alluded to earlier, at least in PJM, you had kind of fat capacity margins. So it was a tough environment. And then you had things like renewable mandates, et cetera, that sort of prop things up. But now you don't need any of that really. I mean, honestly, you just need to be there and with a credible product. But like I said, the load growth story is not going away. Anything that I hear or see actually in my practice, it's just continuing on and accelerating.

(19:34):

I think you're not the first person that I've heard that from though, the recency bias issue in terms of where the financial community sees certain regions, and it's probably a little bit frustrating, but if the capacity margins in so many of these regions are just getting thinner, thinner and thinner, you've had some scary situations in some of these regions where like in the Northeast in June, it wasn't talked about a whole lot, but things got really tight. New England and New York, again, really wasn't discussed much. And then you just had this winter storm fern where you had all this flurry of the 202C orders coming out. Well, why were they coming out? Well, because I think the Department of Energy was hearing from the market operators like, "Hey, things are getting a little dicey here. We might need to run some of these units that have restrictions." And so there's a lot of anecdotal evidence to go along with what I think some of the very credible reports that have been put out by some of the regions.

(20:32):

So I think it's a good environment moving forward and I think that supplying energy should be a sort of easy story to tell.

Chris McKissack (20:41):

Yeah, I obviously believe so too. And I think that it's really on us to put out a consistent story that is built off the fundamental building blocks that we were just talking about, that the load growth is there, the reserve margins are decreasing, reliability is as ever important as everybody moves towards more electrification and just make sure that we're not buying a curve produced by some consultants that we don't understand and we can't articulate. We also believe this is an exciting time and that all of the fundamentals are there and it's pretty consistent across the US with nuances on what to build and where to build it.

Bill Derasmo (21:21):

One issue we hadn't hit was the so-called One Big Beautiful Bill. The energy storage credits survived, right? There were other things that did not survive, like for instance, the electric car \$7,500 tax credit went away as of September last year. There were hits to the ITC and PTC.

And so if you could just speak a minute about how storage is distinguishable from those other items.

Chris McKissack (21:49):

It's a great story with an asterisk that the ITC for energy storage survives the OBBA, but the asterisk is around FIAC and FIOC is becoming more and more clear. The concerns around FIAC, the regulations around FIAC have become more and more clear over time. And it's an important thing and it has been an important thing for our business to focus on domestic supply of materials over time. And what PDAC introduces is an acceleration to that and more competition for the resources that are being built in the US and built domestically, or at least in non-FIAC regions, it cuts both ways in some ways because with the fallout in the electric vehicle space, you can see a little bit more supply come online for battery storage. And you see lines switching from electric vehicle battery production to stationary storage production. And they're not exactly the same.

(22:53):

And obviously there's differences in how the cells and modules are produced, but there's enough overlap and enough consistency in the process where we've always been the beneficiaries of the EV industry in that if you look at how many battery cells, lithium-ion battery cells are being produced for electric vehicles versus stationary storage, we were by far consuming a minority of that product being produced, but we're benefiting from all the research and development and the standards and the safety efforts and all of the technological advancements that were being made to support the electric vehicle industry, we as a stationary storage industry, we're reaping the benefits from. Now that electric vehicles, demand is going to decrease by way of the regulations changing and the incentives changing, my desire and what we're starting to see is that the supply chain is reacting so that we can continue to support our projects as a stationary storage projects while bringing more content from the US and more non-Fiat or Fiat compliant products to bear, which is something that we were focusing on pursuing domestic content in our projects before the OBBA came out.

Bill Derasmo (24:13):

Yeah, because the Inflation Reduction Act also had some advantages, right? So the momentum was already building, but for the audience, FIOC is just the foreign entity ownership concern. The thrust of both the Inflation Reduction Act and then the One Big Beautiful Bill Act was to encourage the use of domestic products and content when you build out these projects. And so you've had this big push now in the renewable space and in the storage space to domesticate production of the various items in the supply chain, including the lithium. And so, and that's really interesting because you're the first guest we've had on to reflect on the fact that a portion maybe of the battery production for cars is now being repurposed to stationary usage because both the auto OEMs and the developers of battery energy storage projects for the grid both still tend to use mostly lithium ion.

(25:14):

We did talk about earlier in the program some different ideas and different developments with things like zinc and other products. But yeah, that's an interesting development. You're the first person who's mentioned that, so they're going to keep an eye on that as a factor. Well, I really appreciate you being on the program today. I think we got into a lot of interesting areas. If folks are interested in doing business with Fullmark, you should go to fullmarkenergy.com. If you want to just talk about how they can get in touch with you and pursue a project, I will give you that opportunity.

Chris McKissack (25:47):

Yeah. So as you mentioned, our website is fullmarkenergy.com. We have a location on the website where you can reach out to us either directly through the website or through an email and someone in our team will get back to you. As a developer, builder, owner, operator, we are always interested in relationship building, whether that's through M&A to talk to buyers and/or sellers. We're interested in relationships with large loads that we've been talking to. And you never know where those kind of relationships can come from. And we've got a few working right now that have come from interesting connections with our team and within the industry that I think will bear some fruit and is another subset of the industry that I think is underserved. And we've got a few potential clients where we can provide a pretty unique solution for them to provide both reliability and some cost savings.

(26:43):

And we're really interested in anything, standalone storage.

Bill Derasmo (26:47):

Sounds really good and it sounds like exciting times for you as you go forward. Well, we really appreciate you being on the program today. It was a good conversation, I think. Maybe we'll have you on again in a couple years or so or maybe less just to see how things are going.

Chris McKissack (27:02):

Likewise, Bill, I enjoyed it. Thank you.

Bill Derasmo (27:04):

Thank you

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