

Businessweek | Hello World

A New Kind of Power Company Will Put a Battery in Every Home


Base Power, run by Michael Dell's son, is seeking to capitalize on the fragility of Texas' electrical grid.



A Base Power battery storage system. *Photographer: Matthew Johnson for Bloomberg Businessweek*

By [Ashlee Vance](#)

May 7, 2024 at 7:00 AM EDT

 This article is part of the **May 20, 2024 issue** of Businessweek. >

Texas is an obvious place to start a power company. The state began deregulating its energy industry more than 25 years ago and has since emerged as a leader in wind and solar power, as well as in new economic models for selling electricity. At the same time, population growth, industrial expansion and climate change have recently pushed Texas' grid to—and sometimes past—its limit. None of these trends are likely to ease up anytime soon. The stress on Texas' grid will almost certainly worsen with every new electric car that hits the road, every artificial intelligence data center built and every manufacturing hub that gets constructed.

Bloomberg Businessweek

Five Reasons to Be Optimistic About the Entertainment Business

Threats to Local US Election Officials Are Rising, and More Workers Are Quitting

Palantir's CEO and Wall Street Annoy Each Other Straight to the Bank

The Seven New Products to Keep You Fit Once Temperatures Drop

These conditions have given rise to Base Power Inc., a company co-founded last year in Austin by Zach Dell, son of the personal computer billionaire Michael Dell. Base is a home electricity provider

designed for a distressed grid. “We believe the existing power grid is broken,” says Dell, who’s also the company’s chief executive officer. “It’s outdated, severely undersized and poorly maintained. This unfortunately leads to unreliable power and volatile prices for customers.”



Base Power founders Justin Lopas (left) and Zach Dell. *Photographer: Matthew Johnson for Bloomberg Businessweek*

Base will install a battery storage system at customers’ homes for \$2,000 and serve as their energy provider. The battery is meant to help people through power outages and comes at a very large

discount (basically just the installation price) compared with similar systems.

Base is willing to sell batteries so cheaply because of its complicated business model. Its goal is to create a vast network of batteries that it can tap into constantly, then use software to monitor the minute-by-minute fluctuations in energy prices, so it can fill the batteries up when energy is cheap and draw from them when energy is more expensive. Base intends to make money on these supply-and-demand price gyrations. And, ideally, it will pass along some of the savings to consumers.

Whether it's because of the famous Dell name or the novel idea, Base has raised \$68 million from investors including Josh Kushner's Thrive Capital, Valor Equity Partners and Trust Ventures. But like his father before him, Dell has a long list of challenges to overcome for Base to go from a fledgling outfit of 20 people to an energy behemoth.

For one, Base is asking a fair amount of its customers. Homeowners need to find a spot for a big battery at their homes, coordinate the installation with a Base-provided electrician and switch energy providers. The promise for this effort is anywhere from six hours to more than 24 hours of power (depending on the size of the home and its energy demands) to get them through periodic outages. Some people will question whether the effort is worth it.



Installing a Base Power storage system at an Austin residence. *Photographer: Matthew Johnson for Bloomberg Businessweek*

An operation like this also requires a large sales force and a stable of contractors to handle the installations. Over the past year, Dell and his co-founder, Justin Lopas, have been cold pitching customers at their homes. "Going door-to-door is humbling, and, well, in Texas it's a little scary," Dell jokes.

Dell studied the grid issues for years during his time working in private equity at Blackstone Inc. and later as a venture capitalist at Thrive. Through this work he met Lopas, the former head of manufacturing at defense startup Anduril Industries Inc., which also counts Thrive as an investor. The two men hit it off and decided to form Base last summer. They've been operating the company out of a house owned by one of their investors and will soon move into their first proper headquarters. One of their backers, Valor, is a longtime investor in Tesla Inc., which also sells battery and solar systems for the home.

Switching energy providers isn't easy everywhere in Texas, because of some policy caveats in the deregulation process, but blackouts are a real problem throughout the state. Blackouts are also common in California, and many states run at the edge of what their grids can handle. In general, the US has failed to invest in its energy infrastructure in recent decades as its population and industrial demands have grown.

The shift toward alternatives such as wind and solar will likely exacerbate problems nationwide, because they depend on specific conditions (namely wind and sunshine) to work, Base's founders argue. They say this makes the grid less reliable and opens new markets for the company. Creating a network of batteries could provide a stabilizing force for grids across the country. "The big thing we're looking to do is put a lot of batteries on the grid where they're needed most," Lopas says. "Texas makes and consumes more energy than any other state in the US, but this is just a place to start."

Base has recruited a number of prominent employees from Anduril, SpaceX and Tesla. Among them are coders trying to write software capable of managing complex energy swaps while also presenting customers with a simple, modern way to monitor their electricity use and pay bills. The company's investors value the business at \$300 million, according to people familiar with the financing terms who asked not to be identified because the information is private. "As we look ahead to the skyrocketing demands for energy we expect to occur, we are excited by Base's distributed, software-first approach," Kushner wrote in an emailed statement.



A Base Power system will cost a homeowner \$2,000 for equipment and installation. *Photographer: Matthew Johnson for Bloomberg Businessweek*

Initially, Base is buying much of its battery technology and the energy it delivers from suppliers. It is, however, working on a battery storage system in-house that has Apple-esque industrial design and can be installed more quickly. In the years ahead, Base also plans to build its own wind and solar farms to supply power. So far the company has installed systems at a small number of houses and says it has a few hundred people on its waiting list.

Jayson Lowry, an early customer, lives on the outskirts of Austin and has suffered numerous outages over the past few years. He spent several months looking at generators and other options before deciding to try Base. “I definitely had some hesitations and questions around pricing and reliability,” Lowry says. “But I also jump at the opportunity to test out new technology.”

For most startups, expanding from early adopters to the general public is where the journey ends. But testimonials like Lowry’s could go a long way in Texas. In January he was watching the college football championship game when the power at his home flickered for a second. “I wasn’t sure what happened, so I went outside and looked up and down the street, and the whole street was black,” he says. “But I was uninterrupted and just kept watching the game with my wife.” Football. Texas. Power. Just as nature intended.

Read next: [The People in Tech to Watch in 2024](#)

Bloomberg

©2024 Bloomberg L.P. All Rights Reserved.