

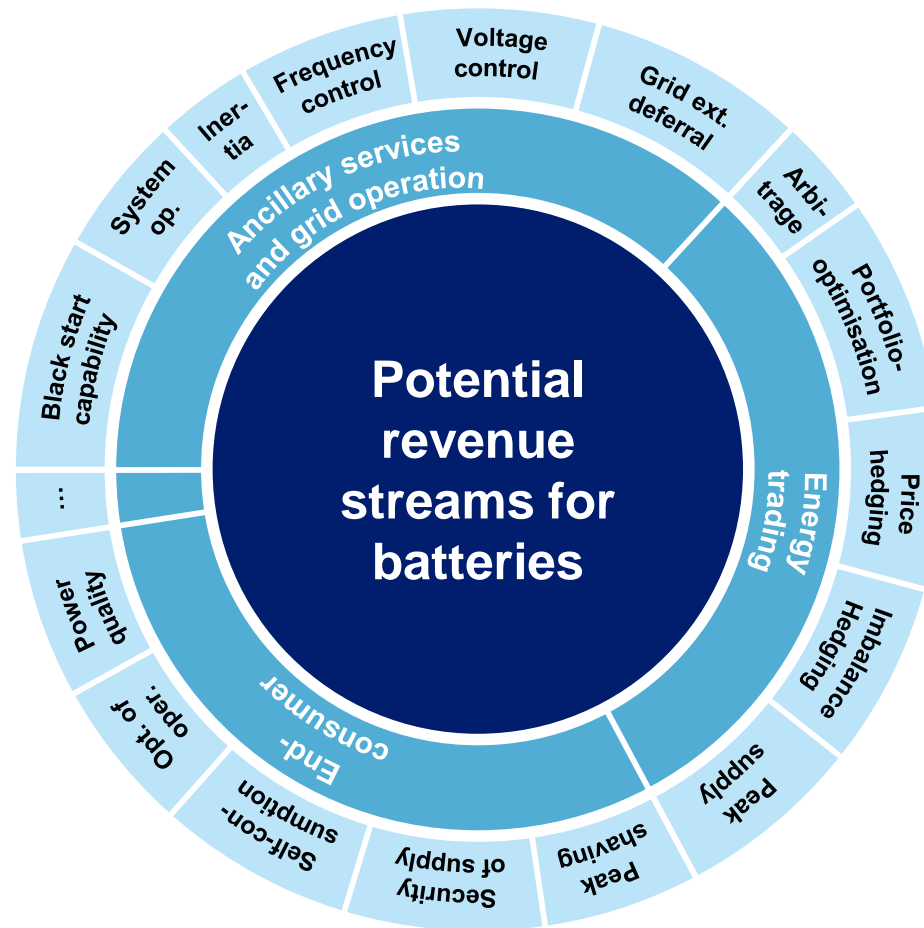
WHO PAYS, WHO WINS? BUSINESS MODEL CONFIGURATIONS

25 January 2016

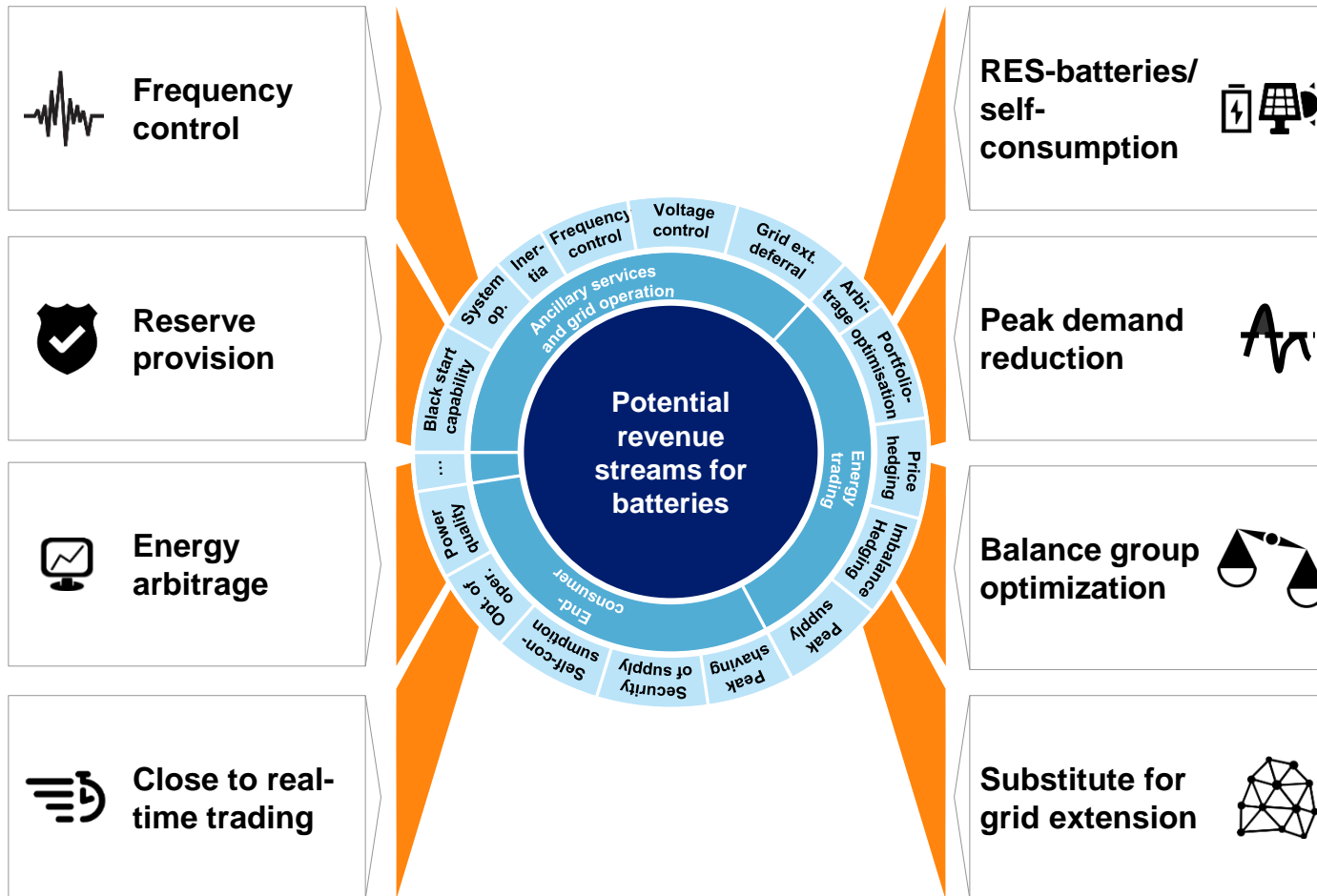
Simon Bradbury



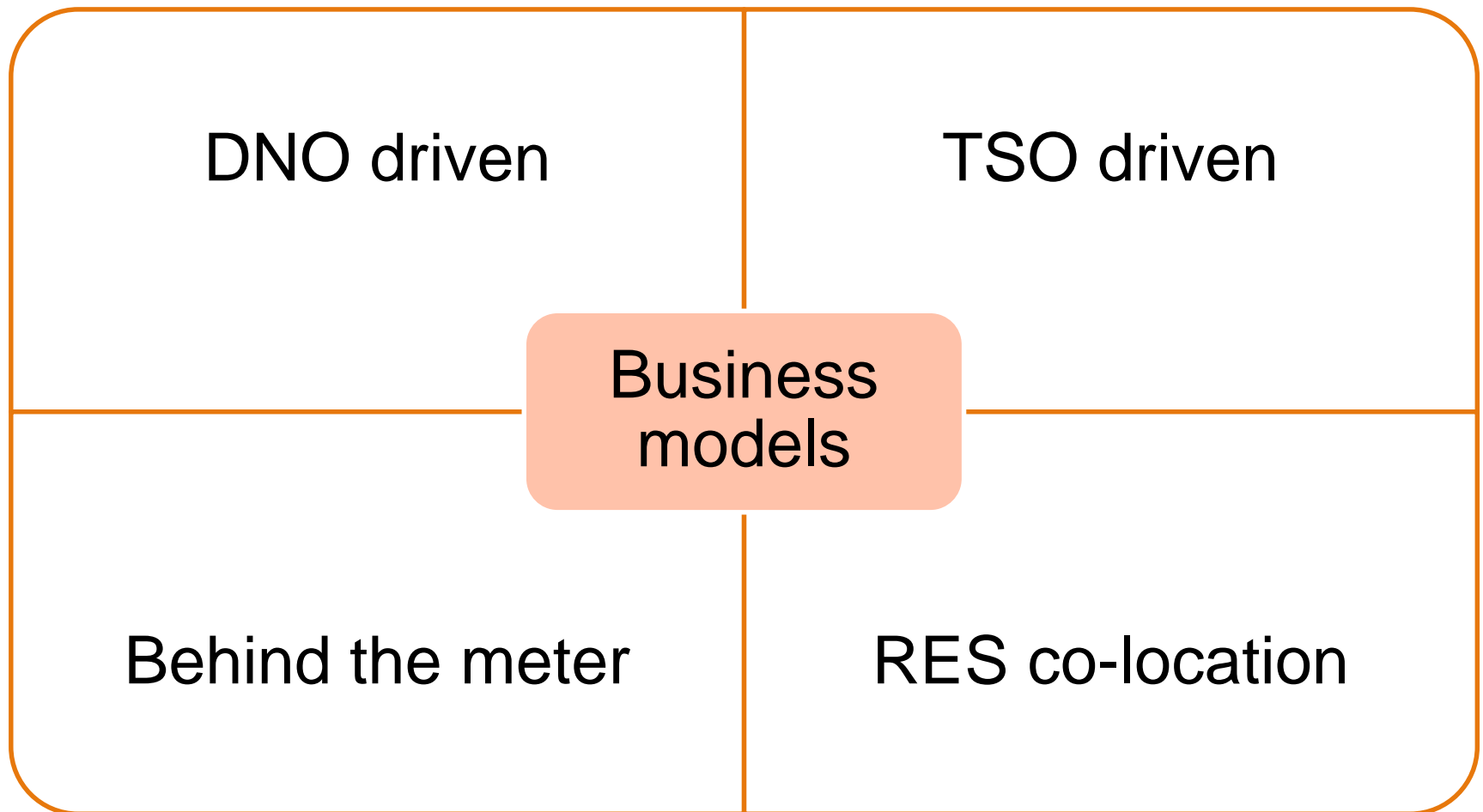
DIVERSITY OF STORAGE TECHNOLOGIES AND CAPABILITIES CREATE EXTENSIVE RANGE OF POSSIBLE APPLICATIONS



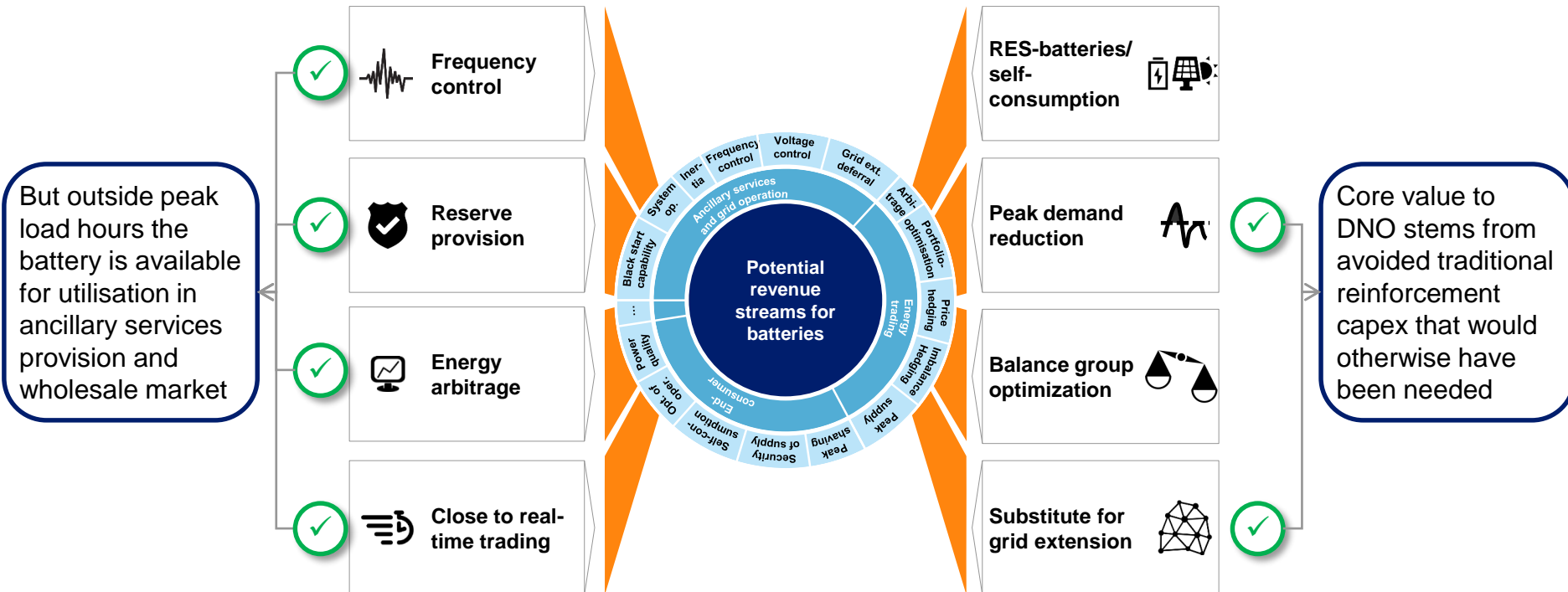
DIVERSITY OF STORAGE TECHNOLOGIES AND CAPABILITIES CREATE EXTENSIVE RANGE OF POSSIBLE APPLICATIONS



TAKING A SIMPLISTIC VIEW, STORAGE BUSINESS MODELS CAN BE CLUSTERED INTO CATEGORIES, SUCH AS THOSE BELOW

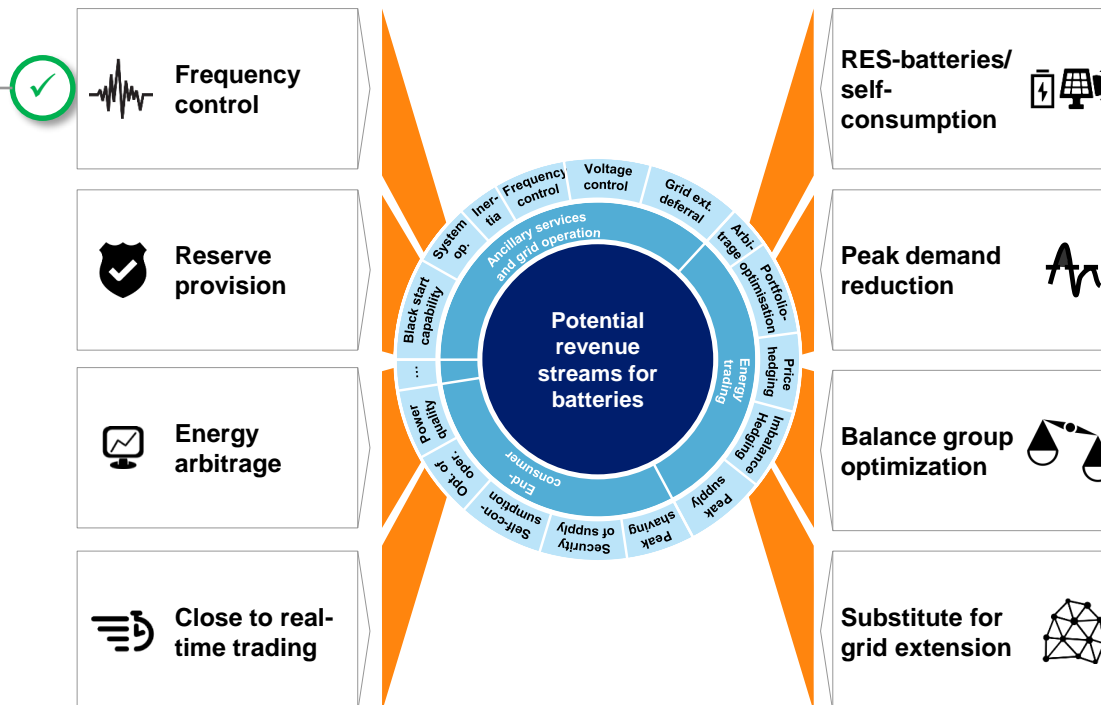


CORE VALUE TO DISTRIBUTION BUSINESS FROM AVOIDED CAPEX, PLUS REVENUES FROM COMMERCIAL SOURCES



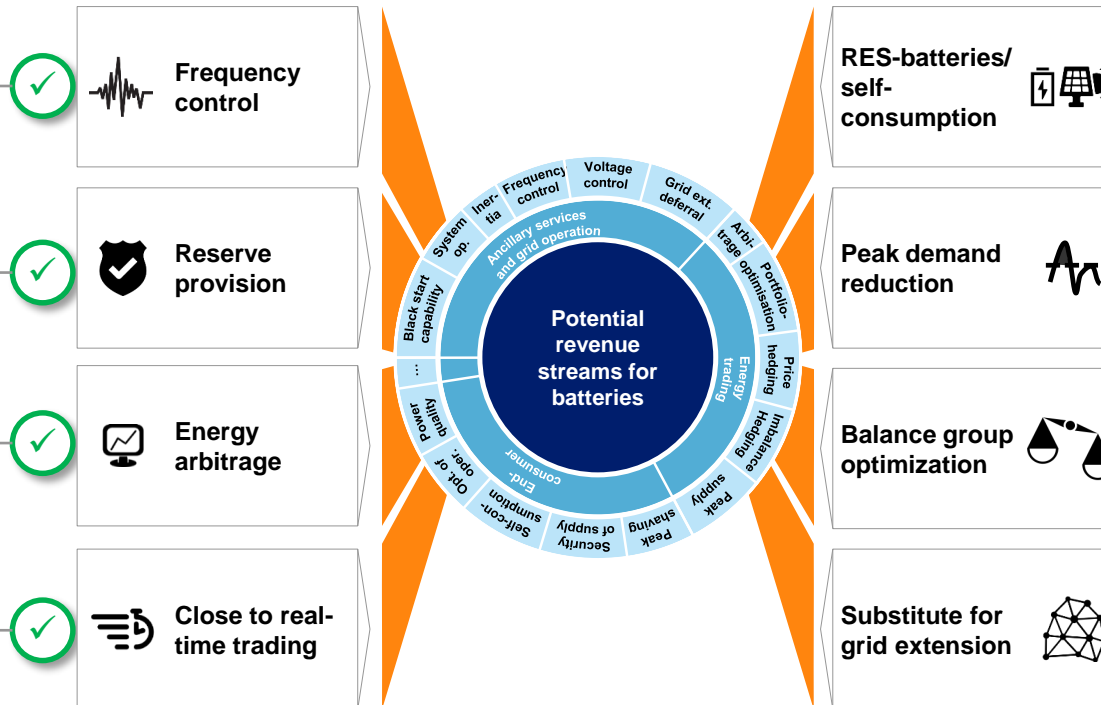
EFR CONTRACTS ARE AN EXAMPLE OF A DIRECT RESPONSE TO TSO REQUIREMENTS

Provision of Enhanced Frequency Response under a 4 year contract at price between £7/MW/h and £12/MW/h



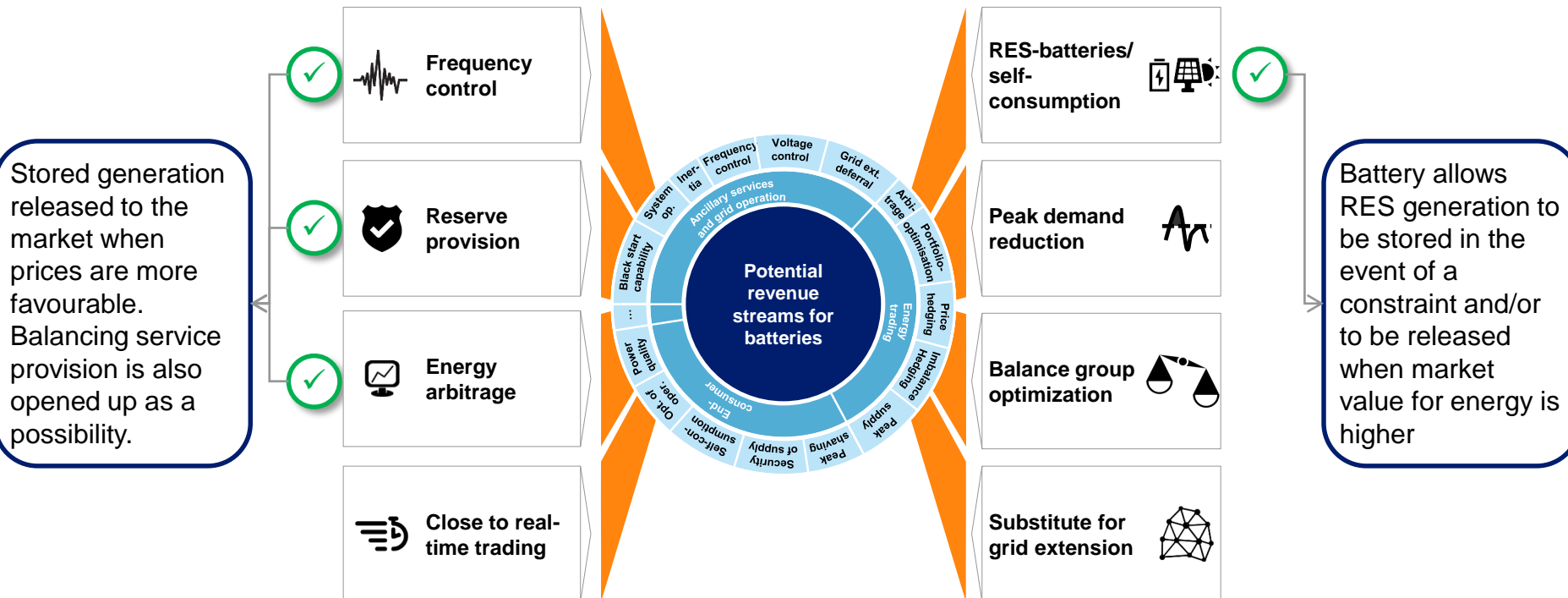
BEHIND THE METER OFFERS BENEFITS TO INDIVIDUAL, PLUS OPTIONS FOR AGGREGATION

If multiple behind the meter assets are aggregated, the resource can be offered into balancing services markets and/or the wholesale market

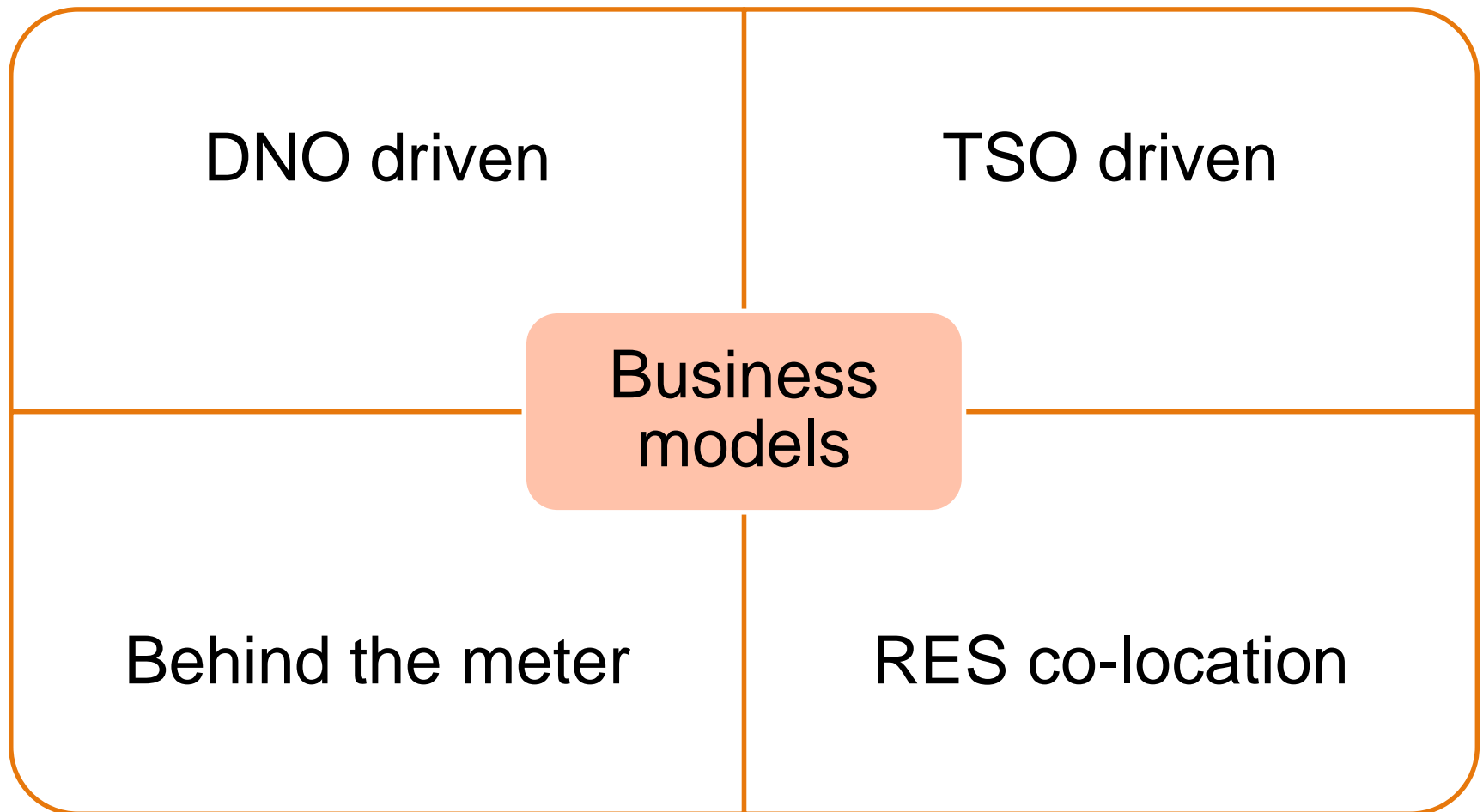


Industrial site or consumer can use battery, in combination with onsite generation, to support self-sufficiency and/or to limit offtake at peak times

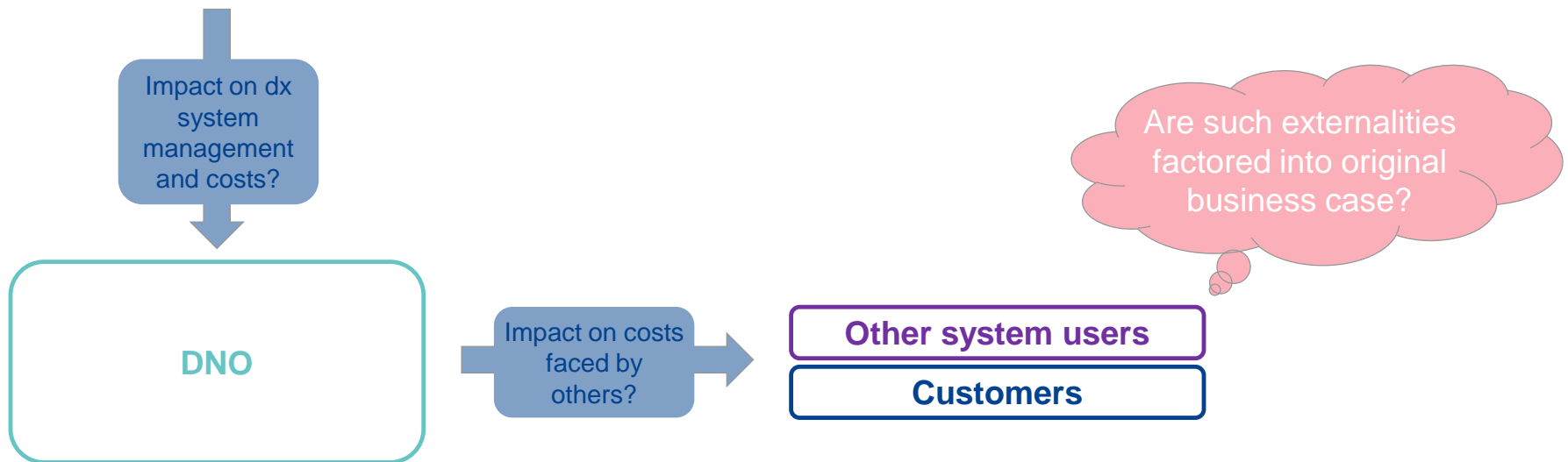
LINKING RES GENERATION WITH STORAGE PROVIDES OPPORTUNITIES FOR HIGHER VALUE CAPTURE



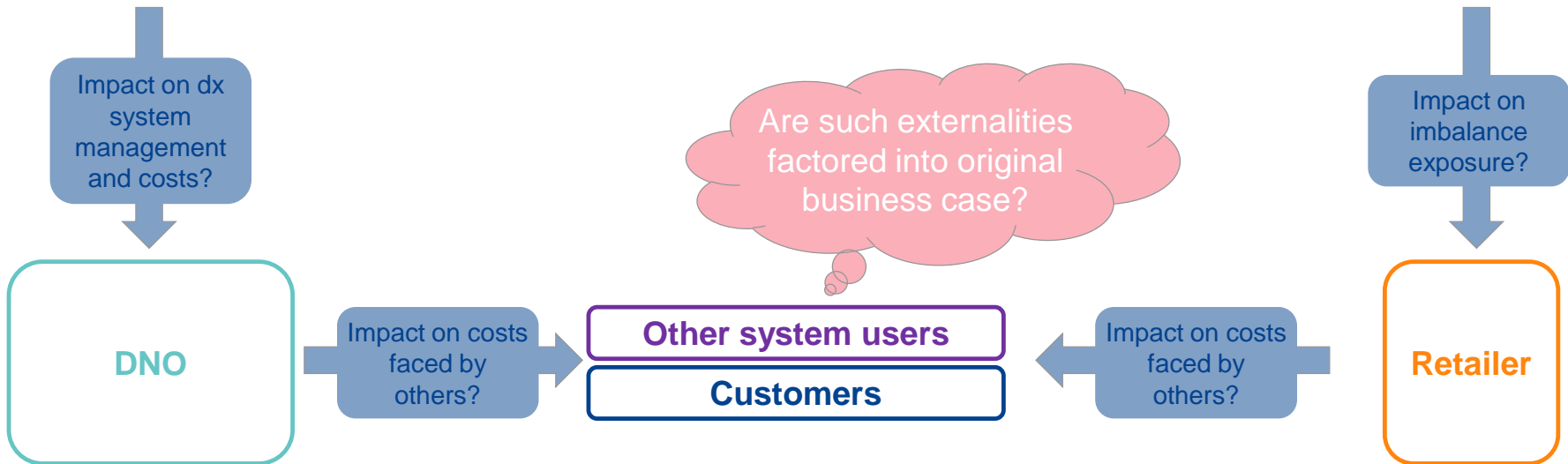
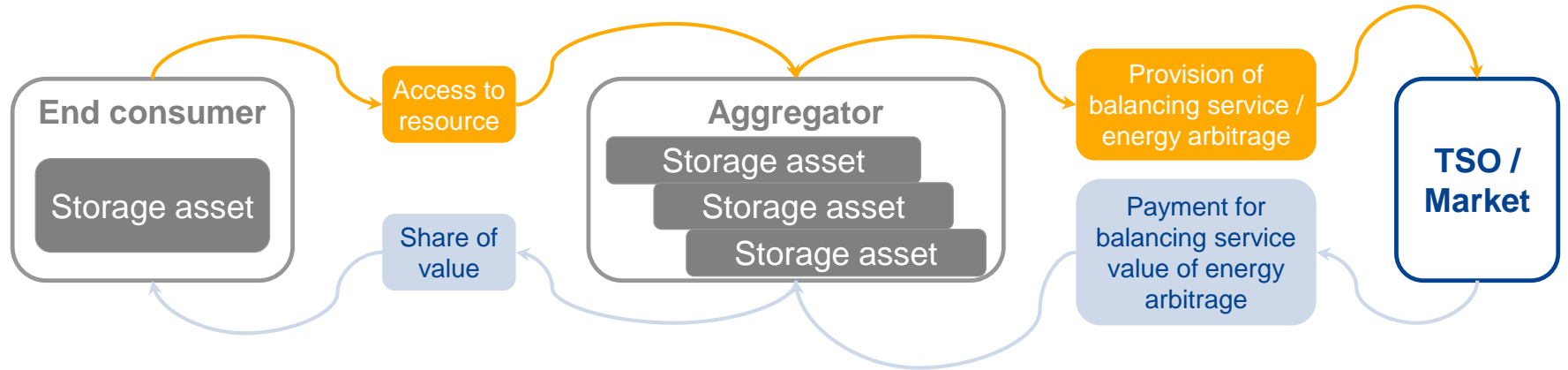
SO THESE STORAGE BUSINESS MODELS CAN PROVIDE BENEFITS TO THOSE DIRECTLY INVOLVED, BUT WHAT ARE THE IMPLICATIONS FOR OTHER PARTIES?



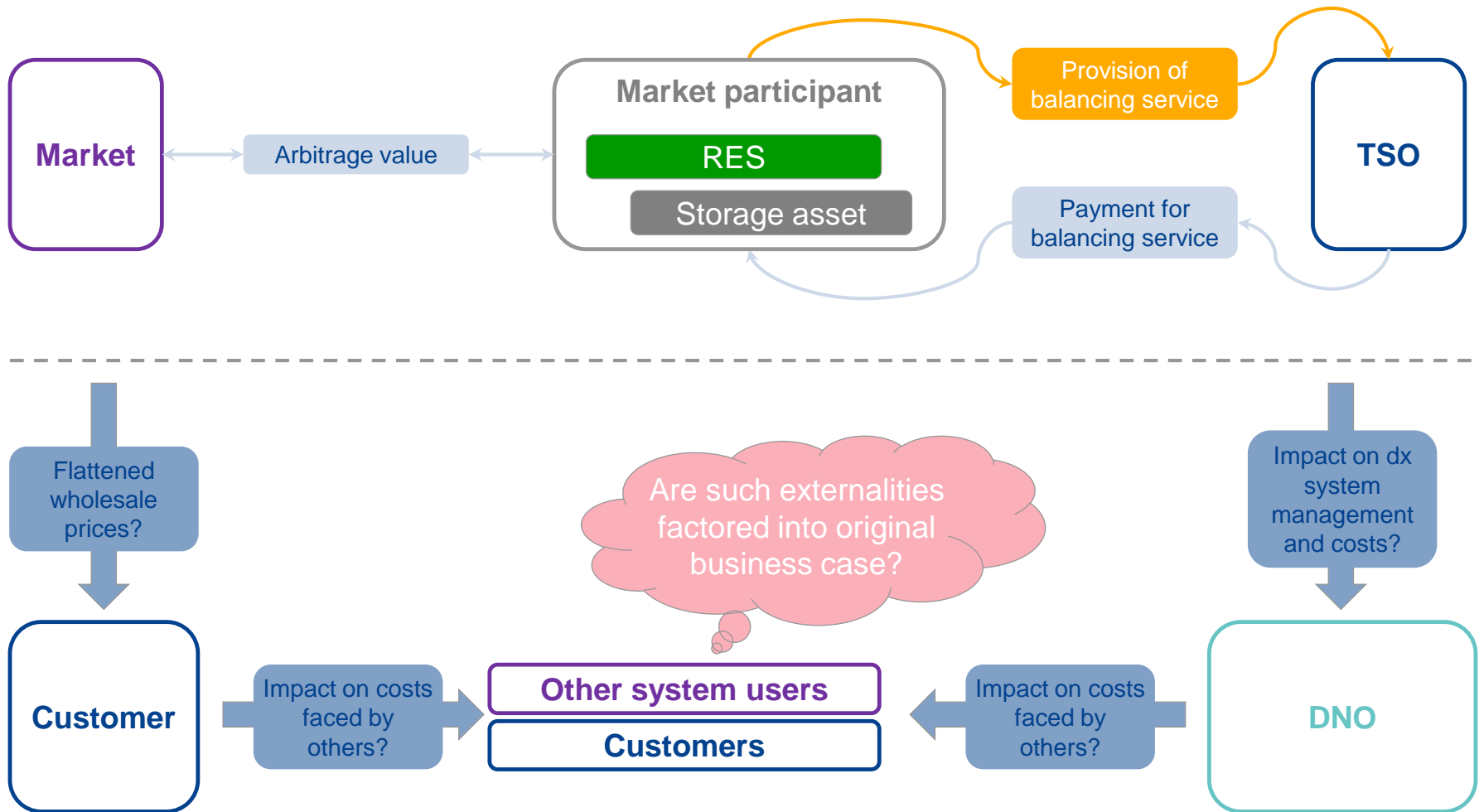
CASE OF A DISTRIBUTION CONNECTED ASSET PROVIDING EFR



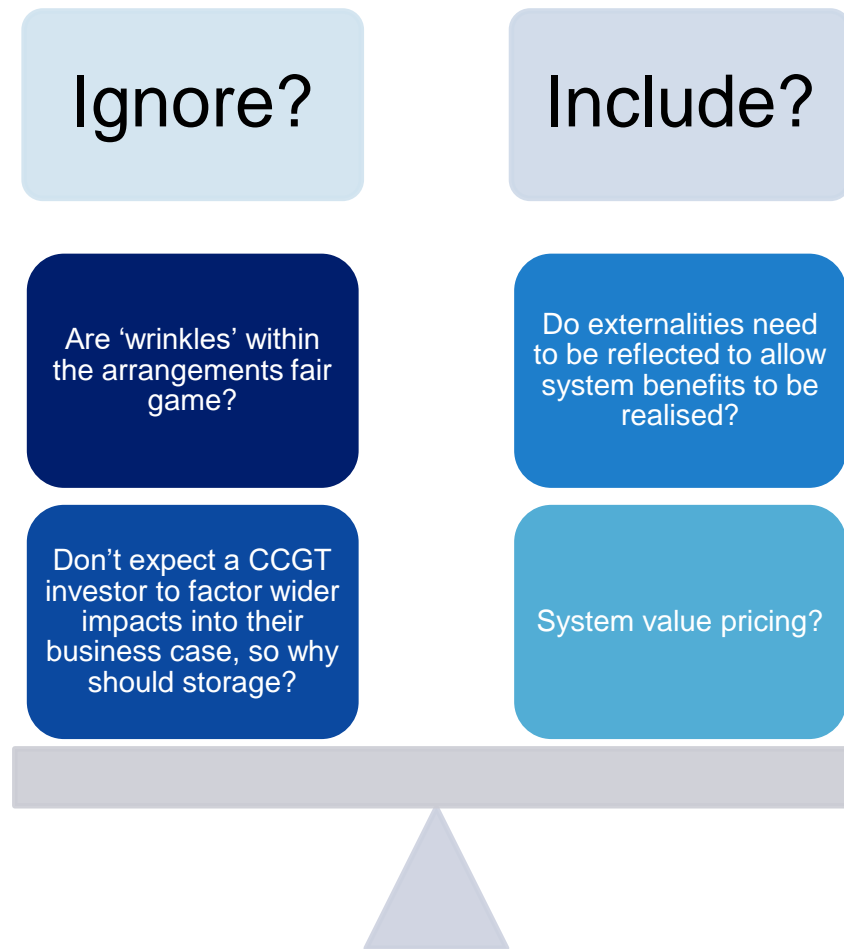
CASE OF AGGREGATED BEHIND THE METER ASSETS



CASE OF RES AND STORAGE CO-LOCATION



SO EXTERNALITIES EXIST...SO WHAT?





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