

Corporate VPPs – Going beyond the meter with battery storage



Clean Energy Council Small-scale energy storage forum
Presented by Byron Serjeantson, Regional Manager, NSW and QLD, Flow
Power



Flow Power is a licensed electricity retailer that focuses on inventive solutions to make electricity better for Australian businesses.

Renewables and
technology are rapidly
reshaping our energy
market



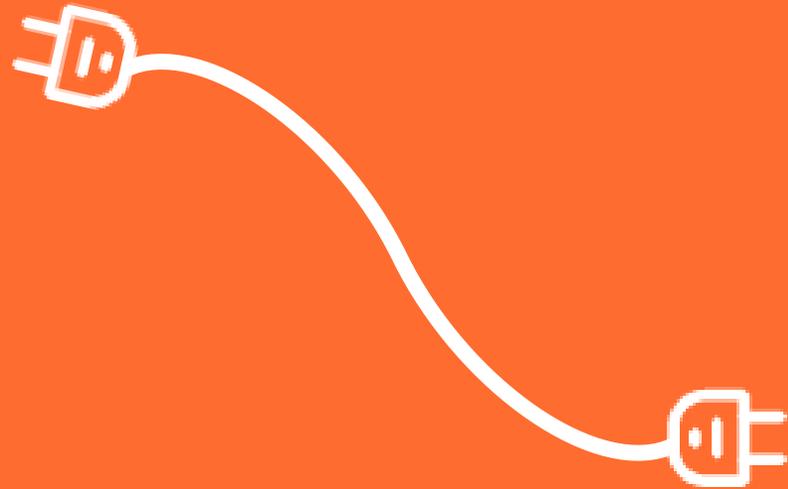
Businesses are moving to new energy solutions



⚡ Direct PPAs or Virtual Generation Agreements (VGAs)

⚡ Wholesale market access

⚡ Participation in demand management programs

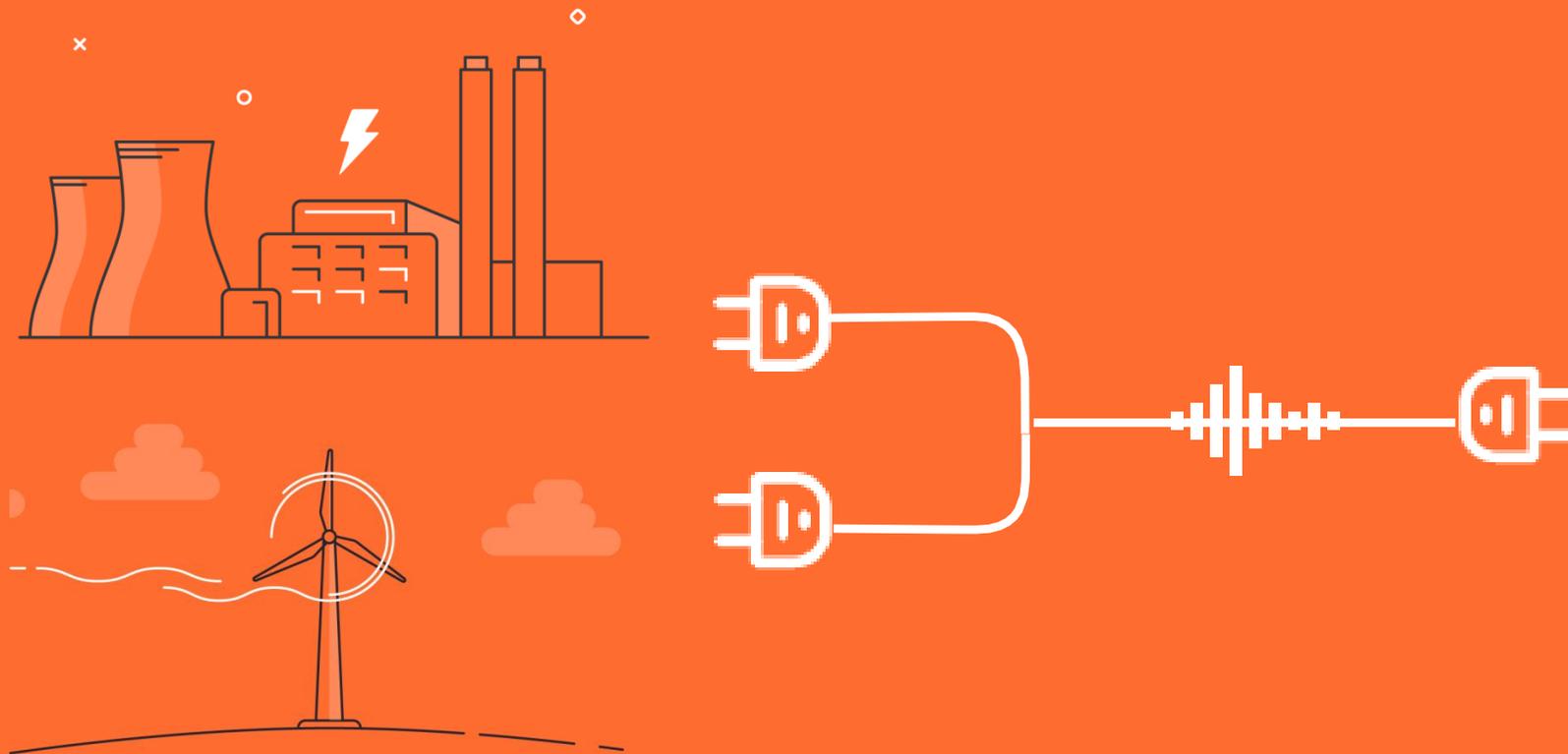


⚡ Adopting market-ready tech solutions for energy management

⚡ Understanding of market prices and variability



VPPs – The opportunities for corporates



⚡ VPP Participants

⚡ VPP Off-takers

+ Physical and market risk management tool

+ Integrated with on-site monitoring and control systems and generation

+ Holistic strategies for RE100s

Current barriers and how this is changing

What are we hearing from customers...

- + Investment costs
- + Declining battery storage costs
- + What is the revenue stack
- + Business case and project finance



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But there are factors moving the dial

- + Government grant programs
- + Technology platforms
- + Understanding of markets and revenues
- + Increasing energy literacy and management
- + Non financial benefits



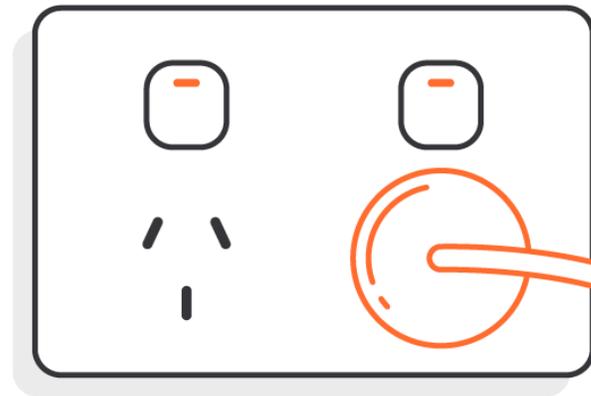
Supporting the grid and firming renewables

VPPs offer potential for market services

- + Non-market and off-market services
- + Contracted with AEMO or specific DNSPs
- + DR programs

Firming renewables

- + Improved load matching and load following for off-site renewables
- + Opportunity to firm on-site renewables.
- + Part of holistic renewables contracting strategy



PPAs and VPPs: what is the value stack

Who:

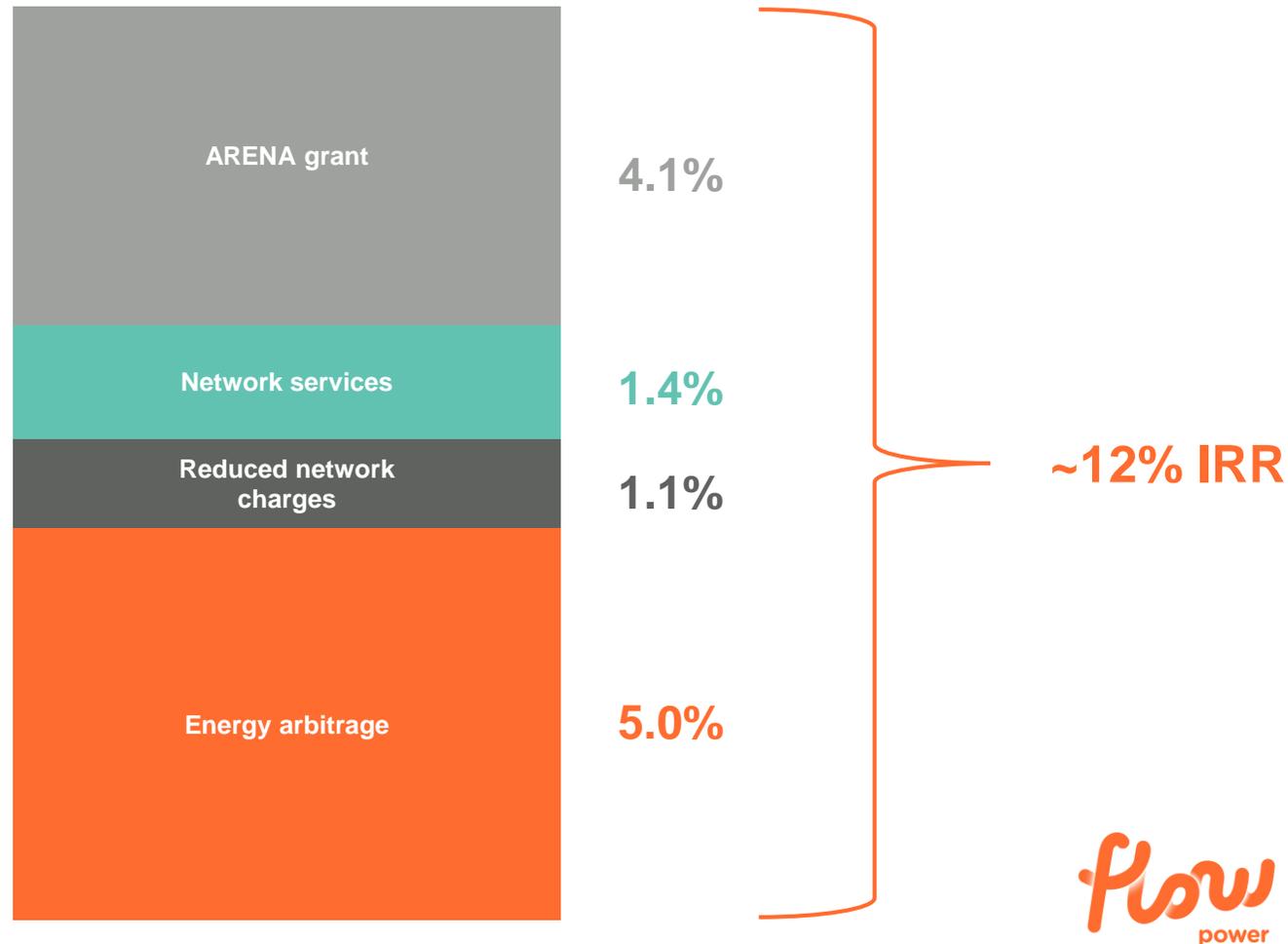
A Victorian wine maker

What:

VGA + WMS + VPP ~(2MW | 4MWh)

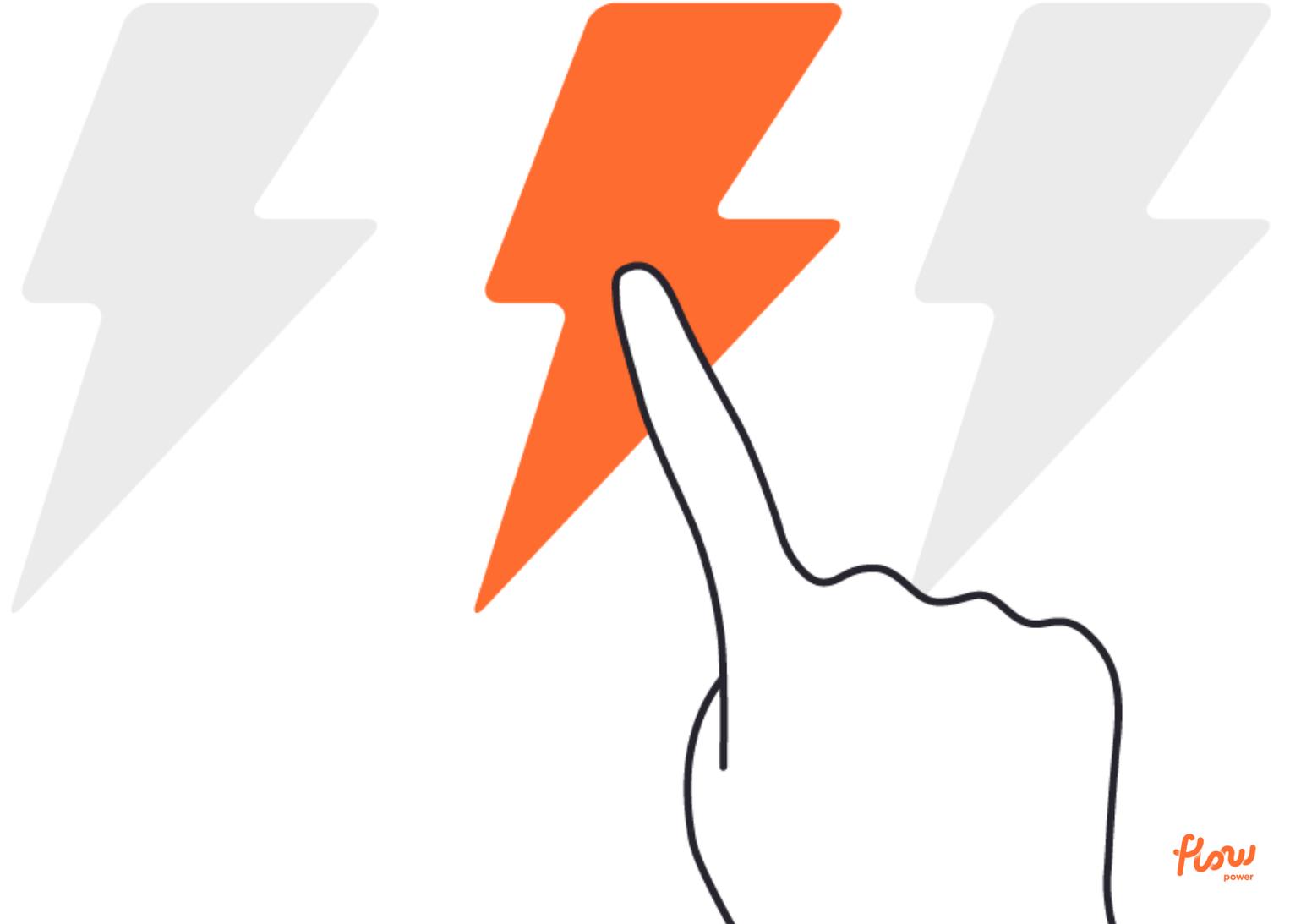
Results:

VPP value stack



VPPs and demand response

- + VPPs are an enabler of demand response
- + Applications to emergency demand response programs like RERT
- + The key is in market and incentives
- + Evolution of VPP trials and market rules



So, what's next?

We expect that corporate VPPs will emerge as a similar market to PPAs, unlocking value by:

- + Improve profile-matching for PPAs and make storage technologies more accessible
- + Supporting renewable transition, complementing other storage technologies
- + Provide a hedge product for WSM businesses
- + Participate in market services and DR

And how do we get there

- + Evolution of technology and market creation/access
- + Understanding of business case and short-to-medium term incentives for participants
- + Support for trials and firms looking to unlock this market

