

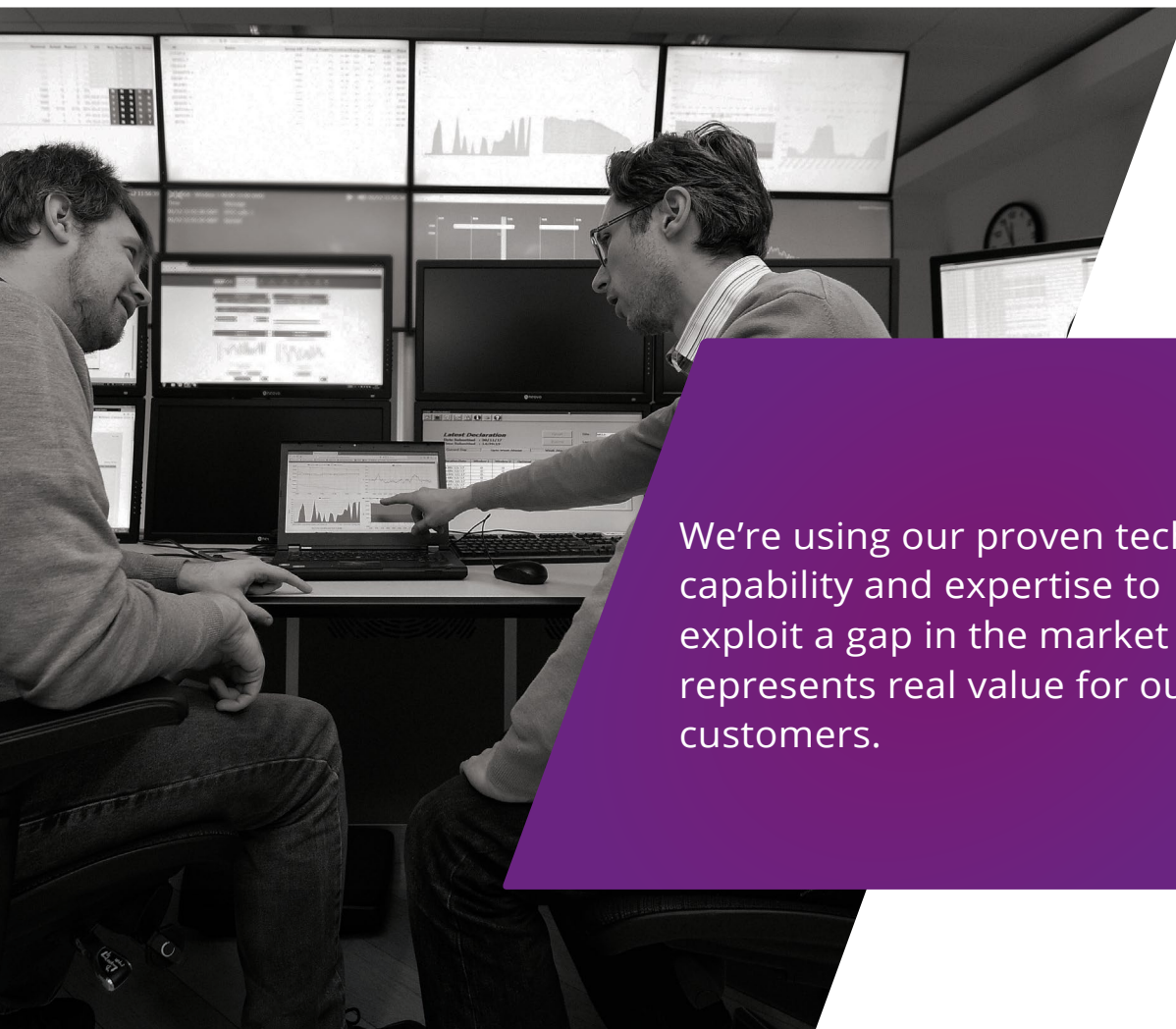
Unlock new revenue. Flexitricity+ Energy Supply.



UNIQUE ENERGY SUPPLY CONTRACT WITH
ACCESS TO THE BALANCING MECHANISM


www.flexitricity.com

Flexitricity



We're using our proven technical capability and expertise to exploit a gap in the market that represents real value for our customers.

Flexitricity+



Over a decade ago, Flexitricity pioneered demand response in Britain. By bringing demand side response into the Balancing Mechanism, we've once again transformed how electricity is traded.

In the ten years since we started live demand response operations from our Edinburgh control room, the energy market has changed radically. That's why we've created direct access to electricity and gas markets for our customers by becoming a supplier.

This unlocks more value for our customers, and makes our electricity system more flexible and efficient—hence cheaper, greener and more secure.

Flexitricity+ provides pass-through access to the major wholesale markets for both electricity and gas, so that industrial and commercial energy users can fix their energy costs and revenues at timescales that suit their businesses.

In addition, Flexitricity+ is an opportunity for electricity customers and small generator owners to optimise their flexibility on the day, by trading in National Grid's Balancing Mechanism (BM). For energy users, this is a major new revenue source.

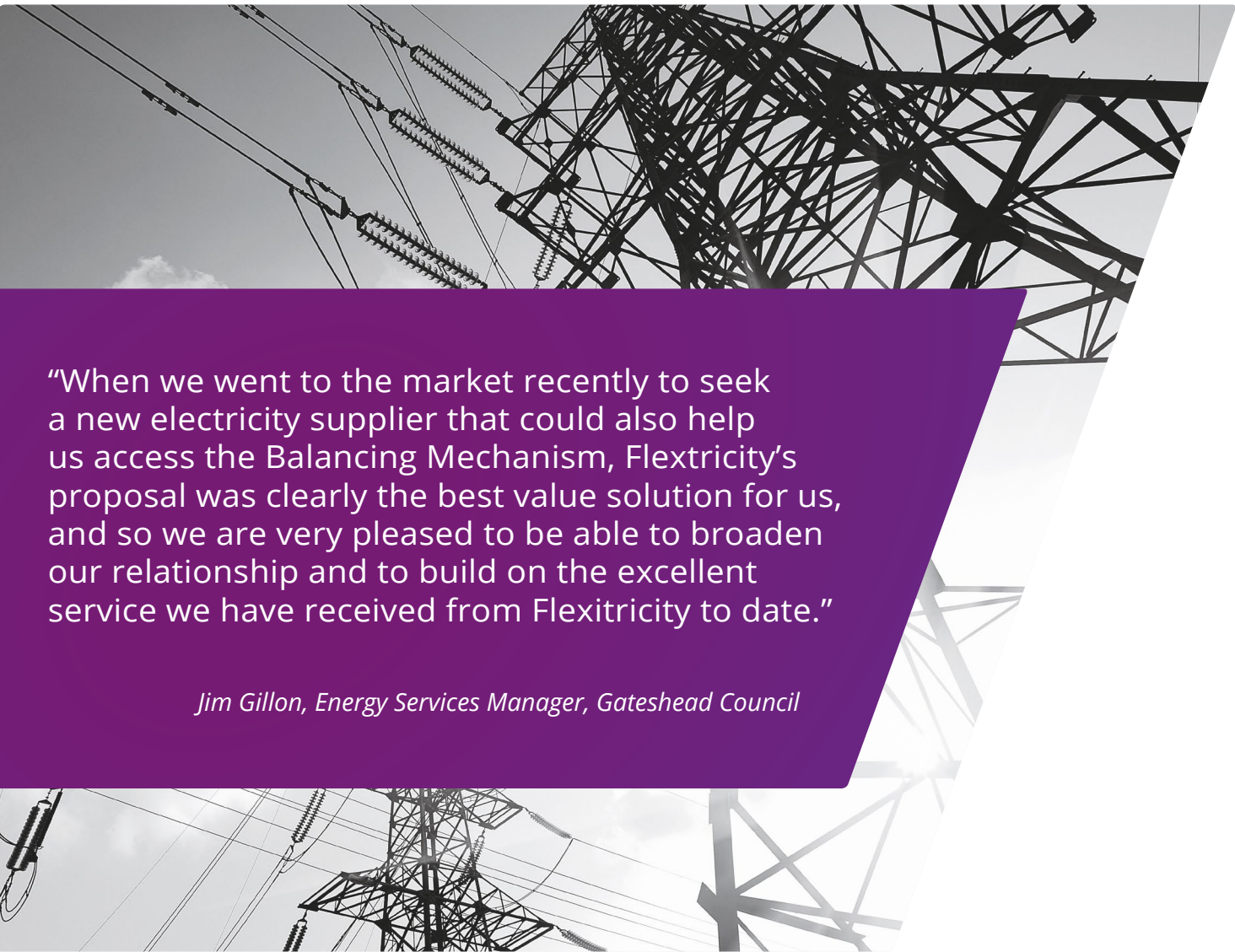
Prices in the BM can reach £2,500/MWh, compared to around £50/MWh in wholesale markets. The market is used around 3,000 times per day at a cost of £350 million per year.

Flexitricity is the first supplier in Britain to provide full, active participation in the BM for DSR customers. With the competition in reserve and response services increasing rapidly, trading is the key opportunity to future-proof your revenue and ensure you're making the most of your assets.

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“When we went to the market recently to seek a new electricity supplier that could also help us access the Balancing Mechanism, Flextricity’s proposal was clearly the best value solution for us, and so we are very pleased to be able to broaden our relationship and to build on the excellent service we have received from Flextricity to date.”

Jim Gillon, Energy Services Manager, Gateshead Council



Strong foundation for success

Over 10 years of excellence

Flexitricity is Britain's leading demand response aggregator and we've always led the field in innovation. We worked hard for and are proud of our strong reputation and the broad suite of services we've developed.

Becoming (and operating as) an energy supplier is a complex process, which is

why only a few attempt it. However, for Flexitricity, it was a natural evolution of our business model —managing complexity is what we do. Our track record of innovation, strength of existing operations and technical expertise created a firm foundation for us to pioneer this type of energy supply proposition in GB.

Our achievements include...

Flexitricity has the longest sequence of Capacity Market contracts in the industry—from 2016 to 2036.

Our 100% triad management record over ten years is unmatched in the industry.

We were responsible for the creation of the first negative reserve service in GB.

Some of our customers...

University of Edinburgh

NHS

Norish Cold Storage

Rainbow Growers

Gateshead Council (award-winning district energy project)

Key strengths...

Flexitricity created and now operates the first and most advanced demand response portfolio in GB.

Unmatched experience in operating a 24/7, fully supervised monitoring and despatch service.

Flexitricity's approach is always grounded in reality—we only promise what can be delivered.

We're backed by parent company Alpiq, a major European utility with extensive experience in energy trading and flexible operation.

Key partnerships...

We're working with market-leading service providers Quorum, ENSEK and Jules Energy.

Full member of the Association for Decentralised Energy (ADE).

Our market-leading reputation and track record have helped us build credibility with National Grid, Government and Ofgem.

Flexitricity is part of Alpiq Digital Technologies and Innovation (DTI) — www.alpiq.com/dti

Digital and artificial intelligence steers the energy business towards the future and the international energy markets are becoming increasingly more digital and connected. Alpiq DTI's digital knowledge and industrial expertise helps us transform technology and innovation into value for our customers and partners.

A black and white photograph of darts on a dartboard, with a purple geometric overlay containing the text 'Targeted offering'.

Targeted offering

Sectors ideally suited to Flexitricity+

Our approach to electricity and gas supply is a little different to the norm.


Flexitricity's supply service is "pass through"—customers can see all energy costs and revenues explicitly, so that they can control them. Our supply customers are able to make long-term trades if they wish to, based on prices available in the market at the time. But we don't offer traditional all-in fixed prices. Naturally, this won't suit all customers.

If a Flexitricity energy supply contract isn't the right fit for a customer, or the customer is happy with the supplier they have, we will continue to be the market-leading choice for balancing, capacity and peaking revenue sources. We run Britain's longest established and most advanced demand response service, and we're going to keep doing that.

However, many of our existing and potential customers can earn more revenue with our approach to energy supply. That's why we've opened up the most important market in flexible energy for them, to ensure that they can maximise the value from their assets.

Flexitricity's energy supply proposition suits many sectors:

- Combined heat and power (CHP) operators, including those with private wire networks and district heating projects.
- Flexible consumers in sectors such as cold storage, water and chemicals.
- Developers of batteries, hybrid resources and peaking or backup plants, whether behind the meter or not.
- Controllable renewable resources, such as hydro, biogas, biomass or batteries co-located on wind or solar farms.



Balancing supply and demand

Balancing Mechanism

The BM is one of the most important tools which National Grid uses to balance electricity supply and demand in real-time.

When electricity generation and consumption are not in balance, National Grid uses the BM to purchase changes in generation and consumption to correct the mismatch. Unlike balancing services such as STOR, the BM is an ad-hoc market, with no forward commitments, and highly dynamic prices.

Energy customers and small generators cannot access the BM directly; they have to go through licensed suppliers. However, existing suppliers, many of whom own their own fleets of flexible generators, are conflicted: they have an incentive to trade their own capacity first. Flexitricity does not own any generating assets, which means we always put our customers first.

But a supply licence is not enough. It's also essential to have the correct communications systems and a 24-hour control room. This is why Flexitricity is ideally placed to trade its customers' capacity in the BM.

Any licensed generator or licensed supplier can post prices and capabilities for varying their consumption or generation after "gate closure", that is, 60 to 90 minutes before real time. Prices are either bids (to consume more, or generate less) or offers (to consume less, or generate more). After the "gate closure" National Grid is the only counterparty who can accept these bids and offers—the market is closed for other buyers.

The BM is a major market opportunity for flexible capacity. By bringing its customers into the BM, Flexitricity is unlocking new revenue for those customers by trading their flexibility, as and when it's available.



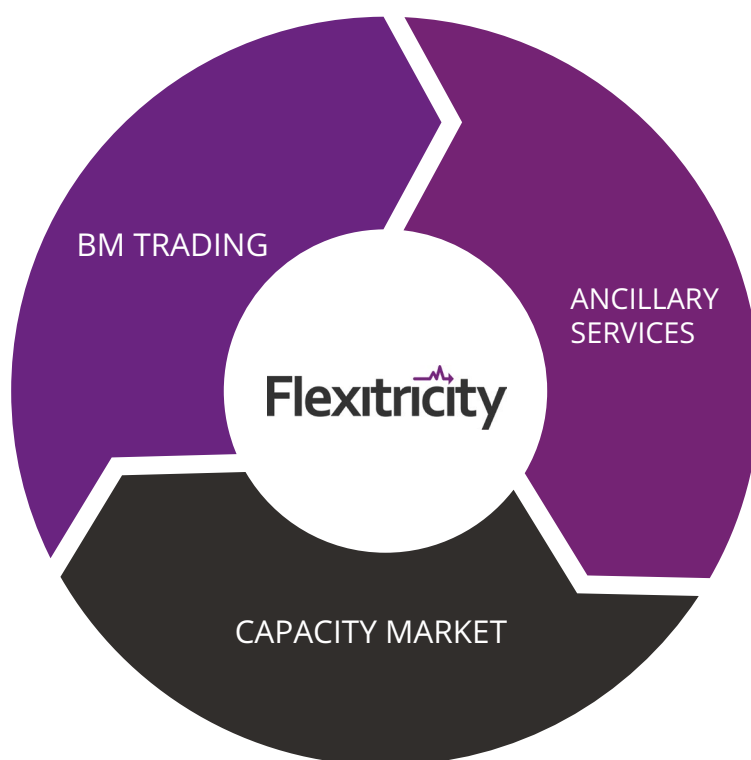
Following the money

Revenue earning potential

Since Flexitricity is both a DSR aggregator and an energy supplier, we're able to evaluate opportunities from all sides and optimise your revenue.

Flexitricity integrates energy trading with participation in ancillary and capacity services. Each customer site is recommended a bespoke package of services in order to optimise value from their available assets. Flexitricity+ is another piece of the puzzle and helps us build an ideal revenue stack for each customer. Just as in ecosystems, diversity is the key to resilience.

For certain types of assets, during certain periods, it might make more sense to commit to delivering, for example, frequency response. At other times it might make more sense to trade your flexibility into the BM. Flexitricity monitors the markets and your sites continuously from our 24/7 control room to pinpoint the best opportunities at the time. Should the revenue opportunities shift, we're ready to shift with them.




Working together



Our account managers and engineers take the time to get to know your unique requirements in order to recommend the best solution for your assets and guide you through the process, every step of the way. We aim to make your life as easy as possible whilst ensuring that you retain complete control.

We work in partnership with our customers—our Energy Partners—rather than just selling a piece of software or equipment. Our approach is based on a revenue share model, and Flexitricity's philosophy has always been “win as a team, lose as a team”. We have never lost.

There are several sources of revenue for flexible consumers and small generators, and the most lucrative options change from time to time between capacity, ancillary services and the BM. However, the growth in renewable generation and the decline in fossil fuels means that the value of flexibility is growing. The challenge is to make the most of the opportunities for the site concerned. That's not easy—flexibility is complexity. For those new to the world of demand response, that can be intimidating. To navigate these complex waters, you need the right kind of expertise, knowledge and experience. That is what Flexitricity provides—clarity amidst complexity, and an assurance of delivery backed by our unbeatable track record in the industry.



We help you manage all the pieces of the energy puzzle and optimise value through continuous analysis fed by up-to-the-second measurement of your site's capabilities and needs.

1

CHOICE OF ACTIVITY

Your account manager will discuss your site's needs and capabilities with you, determining the possible options available to you in the energy market.

This will result in early choices between trading opportunities and participation in ancillary services such as STOR, frequency response and triad management. (Participation in some ancillary services will restrict trading availability.)

2

FORWARD PLANNING

You can fix your base energy costs and revenues at longer timescales that suit your business, through Flexitricity's custom market access platform. We understand that each business is different—one company might wish to commit a large portion of its energy consumption and generation a season or even a year ahead, whereas another might want to leave most of their decisions to the day-ahead stage.

In parallel, Flexitricity will tender for ancillary services where these are appropriate, and will also enter all qualifying capacity into the Capacity Market.

3

OPTIMISING FLEXIBILITY

Flexitricity will continuously and automatically evaluate the remaining availability you have for short-notice and real-time variations in your site's consumption or generation. Flexitricity will trade that flexibility in intraday markets and, most importantly, in the Balancing Mechanism.

4

DELIVERY

Flexitricity will use its 24-hour staffed control room and automated systems to ensure on-time delivery. We will provide a single financial statement covering energy costs and revenues, ancillary services revenue, Capacity Market revenue, embedded benefits and non-energy costs.



Strength in
diversity

Energy ecosystems and fairer economy



We're increasing the opportunities for business energy users to green up the grid.

Flexitricity is here to generate revenue for our customers. But we've always had a mission beyond that—to help reduce emissions, secure energy supplies and help all consumers across the UK to save money.

We've already demonstrated that small, distributed flexible resources can dramatically increase the efficiency of the grid and make it much friendlier to renewable energy. Flexitricity+ follows over a decade's worth of effort to "green up the grid". It is the natural next step in progression towards a user-led decentralised energy system, supported by customer-side flexibility, fair competition and innovation.

The Clean Growth Strategy (CGS), published by the Government in October 2017, sets out a clear path for the UK to meet its Fourth and Fifth Carbon Budgets. Flexitricity+ Energy Supply and Flexitricity's overall strategy is fully aligned with this policy.

Flexitricity contributes to the UK's decarbonisation, for instance by supporting the growth of renewable energy industry and helping heat network projects significantly boost their revenue.

Just as our energy system doesn't need to be dominated by large, centralised power stations, there's no reason why only utility companies should earn revenue from the Balancing Mechanism. We believe the BM should be open to businesses across GB. Flexitricity+ is the best way for energy consumers to gain control of their energy costs and maximise the value of their resources.



Get in touch

Ready to get started? Have some more questions? We're here to help!

The logo for Flexitricity, featuring the word "Flexitricity" in a white sans-serif font with a small power line icon above the 'i', set against a purple background.

Flexitricity

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