

Growth Opportunities in the Commercial Battery Energy Storage Market



Today's Presenter



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- Energy Storage and Power Supplies expert.
- 3+ years of research and consulting experience.
- Bespoke consulting assignment providing the go-to-market strategies and due diligence for leading OEMs in the Global Battery Energy Storage space.
- Delivered 20+ research and consulting deliverables on energy convergence topics including Batteries, Energy Storage, Electric Vehicle and Digitization of energy sectors.
- Devised Mergers and Acquisition strategy for a leading engine manufacturer.

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Agenda

1

Motivations, Disadvantages and Key Influencers in the purchase decision

2

Key Market Analysis for commercial battery storage

3

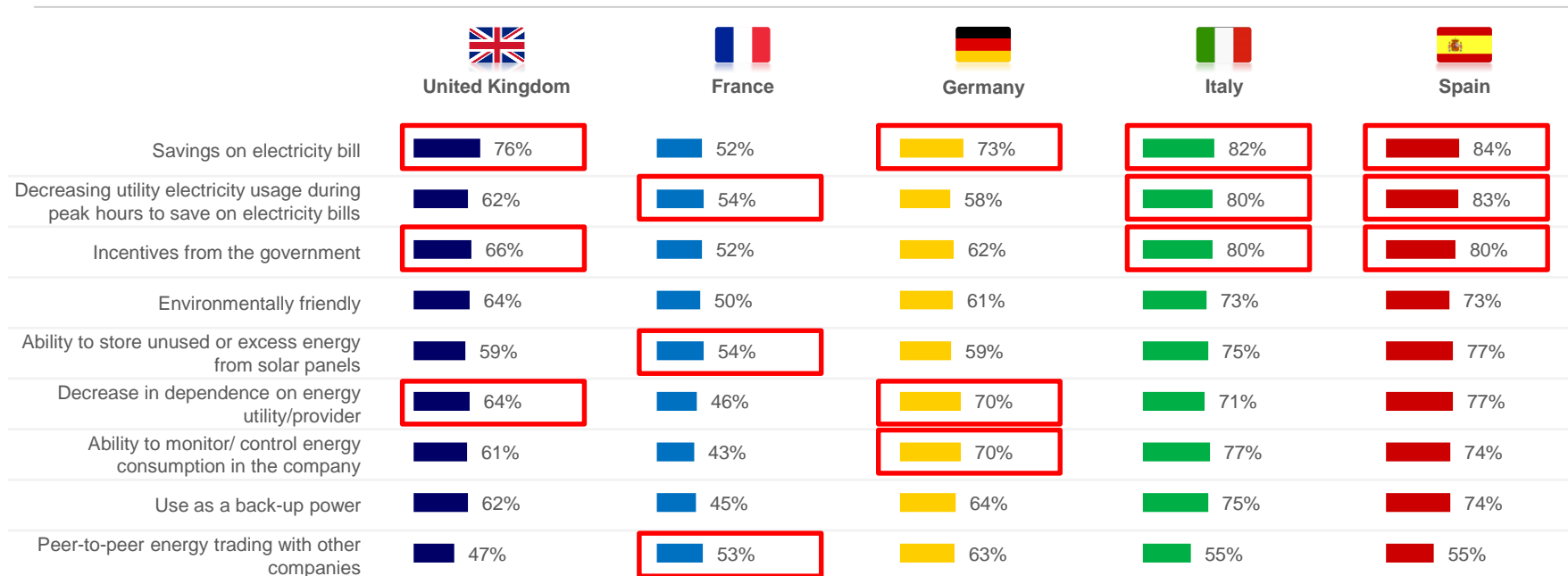
Growth Opportunities in the Battery Storage Market

4

Key Strategic Messages

Start of the Journey – Motivations to Purchase

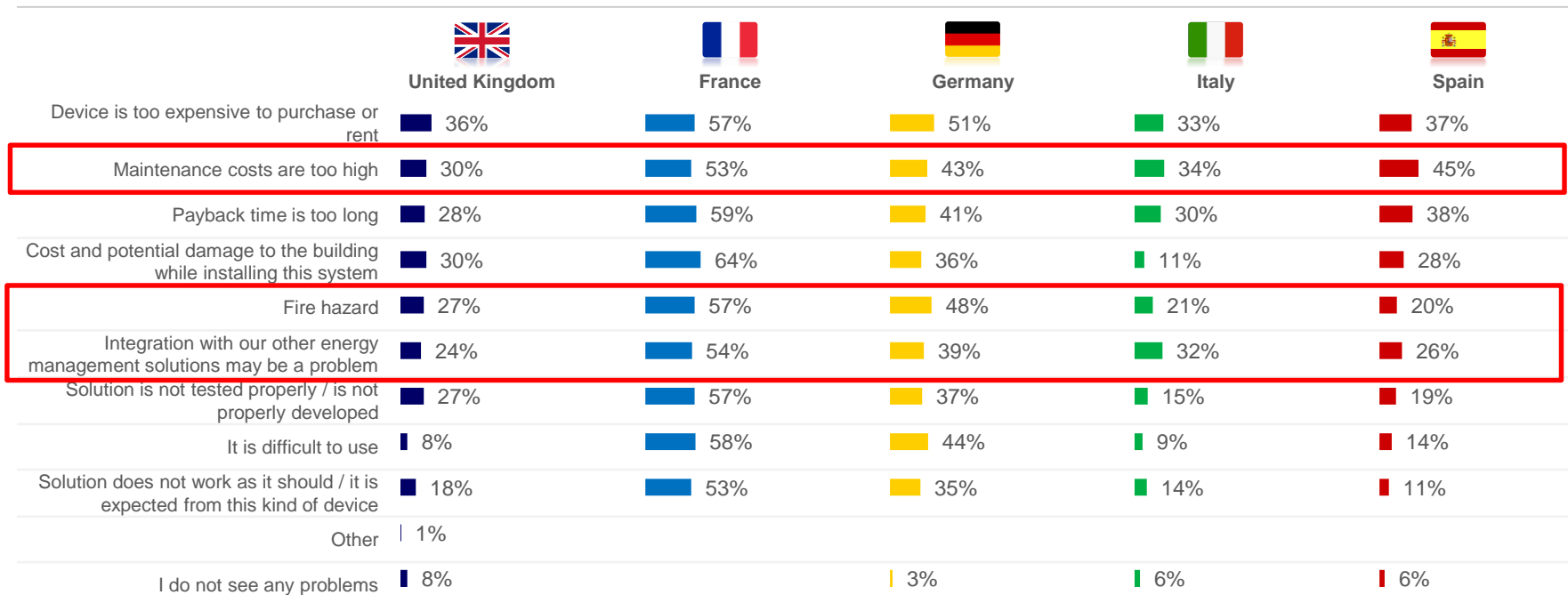
Cost savings, avoid peak charges and ability to storage excess energy from solar PV are the top benefits.



To what degree would the following uses and benefits of battery energy storage systems motivate your company to start or continue investing in such system?

What is Holding Firms Back? Perceived Disadvantages

Across Europe, the main disadvantages are upfront cost, maintenance costs and the long payback period.



Base: All respondents

What disadvantages or concerns do you associate with battery energy storage solution?

People Influencing the Decision Making Process

Who is the Opinion Leader in Europe?



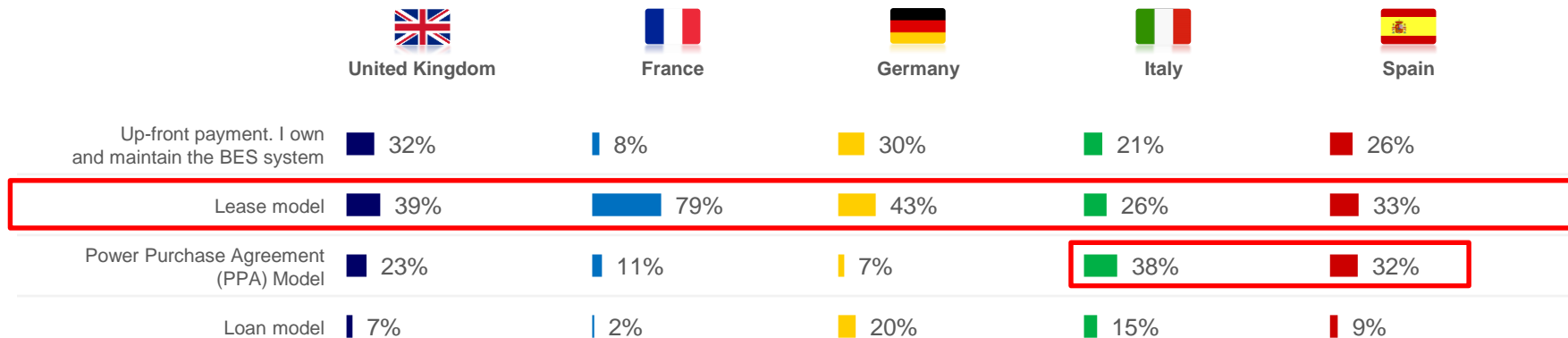
PV provider	56%
Facility Management Company, Energy Service Company	44%
Energy utility employee	33%
Energy consultant	33%
Electrician	28%
Sales manager(s) of battery manufacturer	22%

Base: All BES users

Q24. Whom did you ask before purchasing your battery energy storage system?

How do commercial users want to pay for energy storage?

Payment methods for battery storage is inclined towards leasing model across Europe.

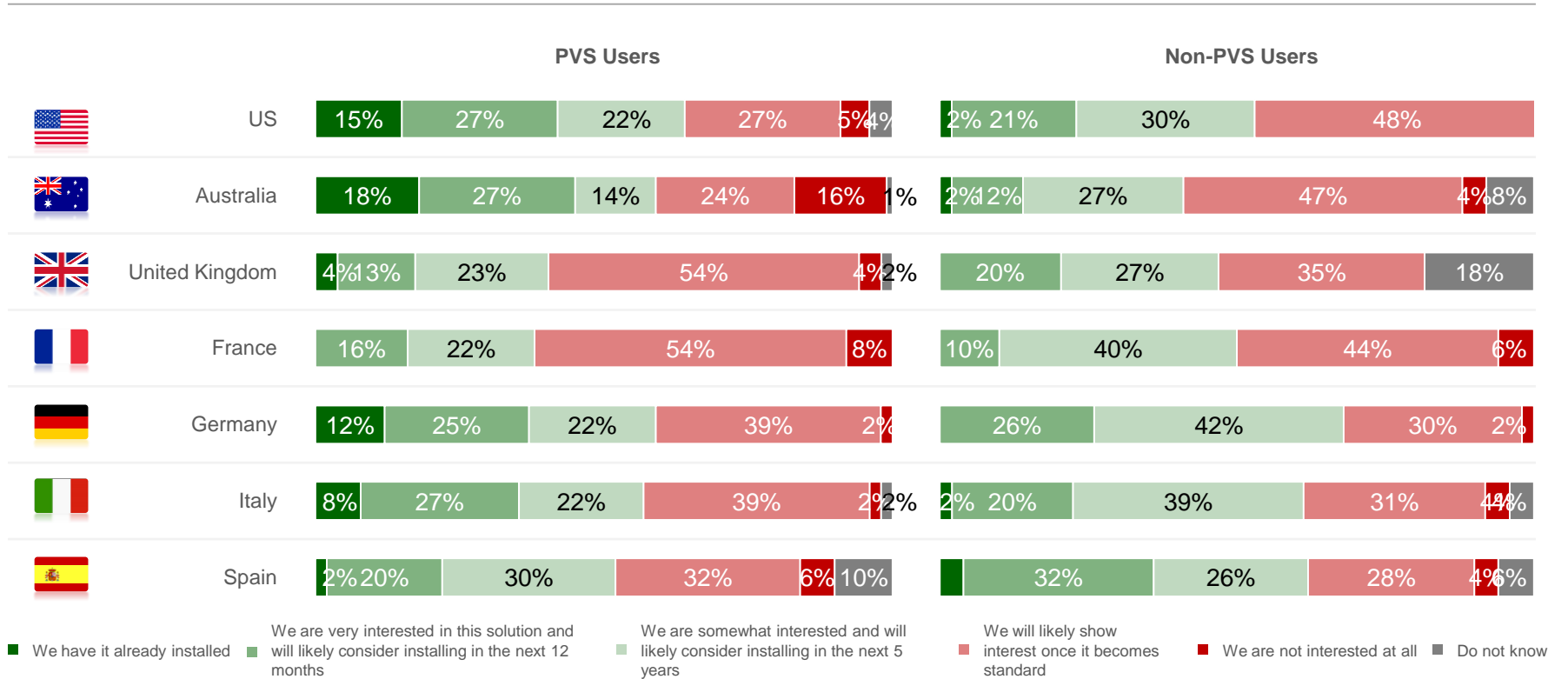


Base: All respondents (n=721)

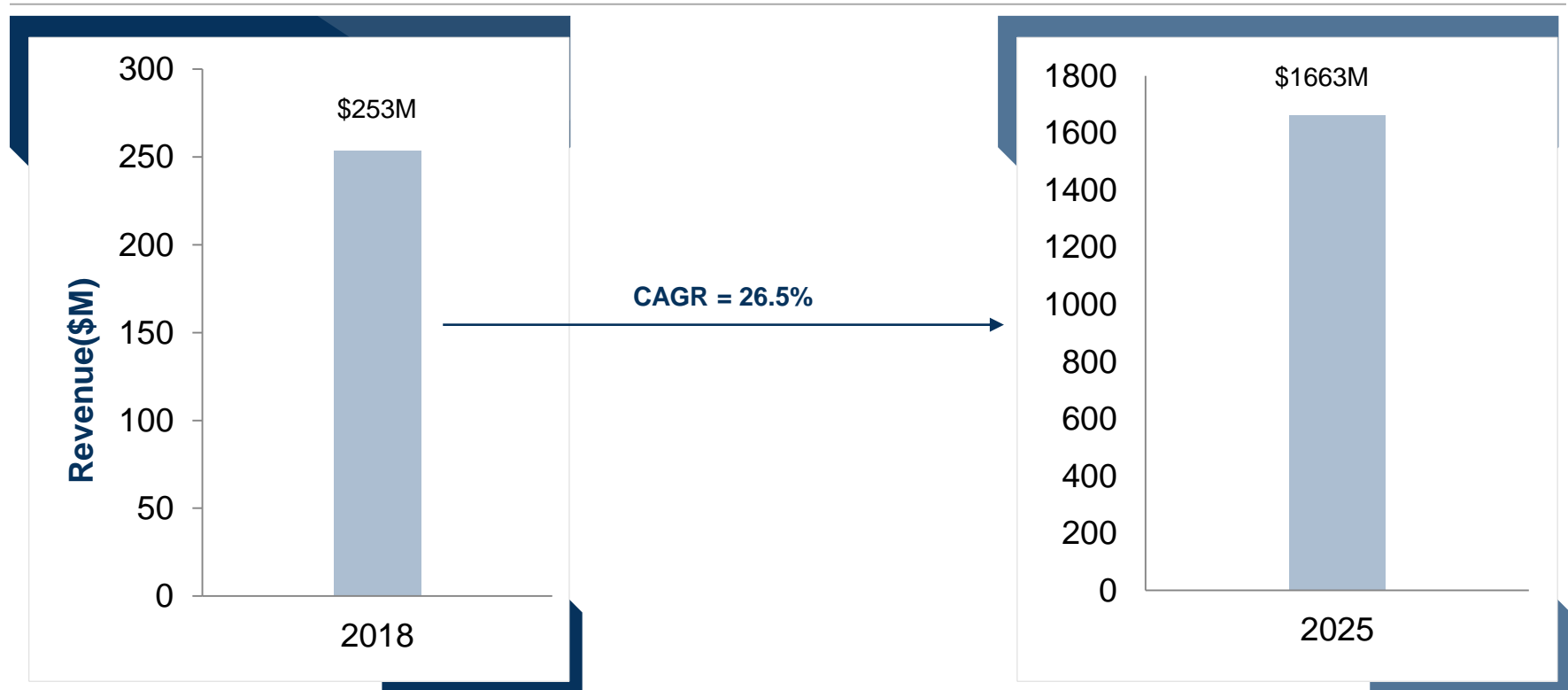
Q44c. What would be your preferred payment model for battery energy storage solutions?

Current and Future Adoption of Battery Storage Solutions

Across Europe, there is a clear intent to adopt BESS among both PVS and Non-PVS users



Revenue Forecast – Total Commercial Battery Storage Market



Note: All figures are rounded. The base year is 2018. Source: Frost & Sullivan

Key Markets – Country Analysis

Germany and UK will be the two major markets for commercial energy storage in Europe.

One most attractive country's for commercial battery storage owing to the high demand charges.



New tax exemption for self-consumed energy is expected to drive the uptake of storage solutions.



Low BES penetration, but similar to France the elimination of the self consumption tax is expected to fuel market growth.




















































The combination of high electricity tariffs and the need for increasing resiliency drives demand for storage in Italy.



The ending of feed in tariffs in 2019 creates an opportunity as feeding excess energy into the grid becomes less attractive.



Competitive Landscape—Commercial Battery Storage Market

	 Storage System	 Project Development	 System Integration	 Installation and Support	 Financing options	 Software Capabilities	 Asset Management
							
							
							
							
							
							
							

Strategies to unlock the market potential

Understanding of the local regulatory energy markets and incentive policies

Flexible Business Models

Developing financial modelling framework

Advent of Digitization



Source: Frost & Sullivan

Key Recommendations – Reaching the Customer



Promote Alternative Payment Methods



Educate Consumers about Safety Measures



Target facilities subjected to high peak demand charges



Communicate Freedom



Leveraging Multiple revenue streams



Intensify Promotional Activities to PV system providers



Flexible payment models



Use BES Maintenance as Regular Customer Touchpoint

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