

FAQ

Q What is ‘flexibility’?

A ‘Flexibility’ is the ability to change how and when you consume or generate electricity. This can include increasing, reducing or shifting your electricity consumption; or using behind-the-meter electricity generation or storage e.g. batteries to export to the electricity network.

To put it another way, if you can turn something which consumes or generates electricity on or off, or up and down, then you have a flexible asset.

Q Can you give me some examples of the types of flexible assets the SSE VPP can manage?

A SSE’s Virtual Power Plant (VPP) can manage a wide range of flexible assets. These include electricity generation, such as back-up generators, gas engines or combined heat and power (CHP), battery storage, or on-site energy consuming assets, such as freezers, pumps and motors.


Q How does energy flexibility generate value?

A Different organisations within the electricity system value flexibility and are willing to pay for it. We call these organisations Flexibility Users and they include the Electricity System Operator (ESO), the Distribution Network Operators (DNOs), and electricity suppliers. On the other side of the equation are those who have flexibility and are willing to provide it. We call these organisations Flexibility Providers and they include large energy users and generators connected to the distribution network. The SSE VPP helps to connect these two parts of the system, generating value for both.

Q Is the value of ‘flexibility’ a flash in the pan – is it really going to last?

A We think that flexibility will continue to be something which different parts of the electricity system will value – whether it is the System Operator, the DNOs or suppliers – and therefore want to pay for.

This is driven primarily by the increasing proportion of renewables and nuclear on the electricity system, and the closure of large, older, thermal stations which historically provided flexibility. We think this trend to a cleaner, greener mix is hugely positive. However, it also means that, for example, keeping supply and demand in balance at all times requires a system with a diverse range of flexible assets.



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Q How does the SSE VPP work?

A SSE's VPP knits together all types of flexible assets – demand side response, battery storage, CHP, generation, electric vehicles – to offer capacity and flexibility to different Flexibility Users. It offers access to multiple revenue streams and, if new ones become available, it is designed to quickly access these as well.

It's called a 'Virtual Power Plant', as it uses the diverse characteristics of the assets it manages to provide the same services as a traditional power plant.

Q Will it disrupt my business?

A No. We will work with you to ensure that your involvement doesn't impact your core business operations. Your core day-to-day operations take priority, so we will agree a set of operational parameters and only use your flexibility within these.

Q Will I have to make my flexibility available all the time?

A No. We will work with you to understand what flexibility you have, what you use it for already, and the potential impacts of using it. You will then set what you want your operational parameters to be, including how long you want to make your flexibility available for and at which times in the day. We will only use your flexibility within those agreed parameters.

Q What if my situation changes e.g. I need to take my asset offline at short notice?

A That's not a problem. We know that you may need to take assets offline to, for example, carry out planned or unplanned maintenance. All we ask is that you let us know as far in advance as possible so that we can plan and adjust accordingly.

Q What if the amount of flexibility I can provide is only small?

A We typically contract with flexible capacity of 250kW or above. We can connect anything above that amount into our Virtual Power Plant.



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Q How much will it cost to get involved?

A There is no cost to get started. We will cover all the costs of evaluating your site, installing any necessary hardware, and onboarding your assets. Once your flexibility is generating revenue, we will take a share of this, as per the revenue share arrangement detailed in your contract.

Q Will I have to pay any penalties for not delivering when I said I would?

A As a general rule, you won't have to. However, for some revenue streams, there are costs associated with non-delivery which you could be liable for. All revenue streams we offer access to are 'opt-in' i.e. you have to agree to participate in each revenue stream, so we will discuss each of them with you before you sign your contract with us. If you don't want to sign up to a revenue stream, you don't have to.

Q How long am I tied in for?

A We offer two-year contracts with the option to extend beyond this if both sides agree.

Q Why should I choose SSE?

A We believe our Virtual Power Plant service is:

- Inclusive – offering access to a wide range of potential customers, asset types and asset sizes
- Broad – offering access to a wide range of revenue streams
- Cost effective – offering a revenue share arrangement with no upfront costs
- Future-proofed – offering access to any new revenue streams which might become available in the future
- Insightful – offering insight into the performance of the assets at your sites

This is underpinned by our decades of energy market experience, award-winning customer support teams and strong financial position.

Q How do I get started?

A The first step is to get in touch with us at SSEVPP@sse.com, or contact your Account Manager, to arrange an initial discussion. We would then look to start the process of evaluating your site.