



emhTrade

Presentation to IPAG



Price Signal Granularity

- Mass participation will allow value to be transferred from consumer owned distributed energy resources to other parts of the supply chain.
- This value will be driven primarily by the optionality embedded in those assets. Options are more valuable in volatile markets.
- If a peaker could only ever be paid the 'day time average' price, would it ever run? Would you invest in one?



Other Issues

- Incentives to provide truly cost reflective pricing may be weakened by the regulatory framework. (Capex vs Opex & Revenue Certainty vs Cost Reflectivity).
- Some (but relatively few) EDBs are choosing to go it alone rather than engaging with third party providers such as retailers and aggregators. This is largely around trying to 'own the customer' rather than trying to solve network issues through the best forms of demand response and DER management.
- This is deeply concerning for competition and open access.



Ask Me Anything