

BRIDGE

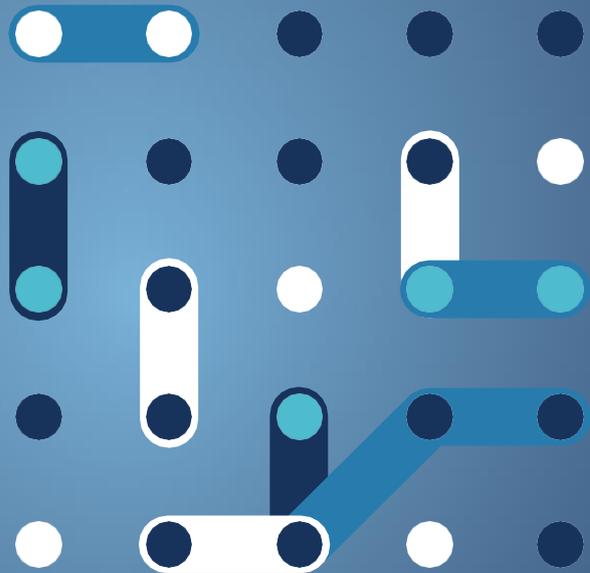
BUSINESS MODELS WORKING GROUP

May 2021

2021-2022 WORKPLAN

Bridge

Business Models WG





WORK GROUP INFORMATION

Bridge WG Chairmanship

- *Andrej Gubina – University of Ljubljana (Chair)*
- *Alessandra Cuneo – RINA (Co-Chair)*

Core Team

- *Massimo Bertoncini – Engineering*
- *Thomas Parisi – Stratagem*
- *Evangelos Koulis – Stratagem*
- *Natalie Samovich – Enercutim (advisor – link to ETIp_SNET)*

Support from BRIDGE secretariat

- *Martin Bracken, CLERENS, BRIDGE Secretariat*
- *Marcos Jareño, ZABALA, BRIDGE Secretariat coordinator*

European Commission

- *European Commission – Energy Directorate-General, Unit B5 “Innovation, research, digitalisation, competitiveness”*
- *European Climate, Infrastructure and Environment Executive Agency – Unit C.C2 “Horizon Europe Energy”*



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Introduction

The Business Models Working Group (BM WG) has been inactive since mid-2019, as the main activities were completed. Some of the outstanding topics were addressed by specific newly established Task Forces. However, business model definition and investigation are posed as a requirement in H2020 and HE calls.

With the growing number of new BRIDGE projects addressing the business-, economic- and general value-oriented aspects of the services and activities pursued, virtually all BRIDGE projects work on these issues. Reactivation of the BM WG could leverage on work already done in BRIDGE projects and focus on common BM challenges and synergies among BRIDGE projects. A strong BM WG could efficiently support their efforts and also serve to create additional value to the decision makers on all levels.

Therefore, the need of re-activating the BM WG was identified. Ahead of the BRIDGE GM in March 2021, the BM WG parallel session raised a high interest (75 registered participants), with many of the new BRIDGE projects (22) indicated the need for this specific WG.

1.1 Conclusions of the GA

During the BRIDGE GA, it was clear that the moment to restart BM WG is right, as the presenters highlighted many sources of ideas for BM activities. In addition to TF “Future R&I Priorities” which identified several topics in the BM field, there were several new and established BRIDGE projects presenting their work (e.g., CROSSBOW, TRINITY, SYNERGY, COORDINET, MERLON, RENAISSANCE, ACCEPT, BRIGHT/BD4NRG), as well as the Discussion panel at BM WG meeting.

The overall conclusion was that work is needed on:

- Business models related to Demand Response (DR) and DR aggregation, as well as local energy markets and prosumers;
- Services enabling and supporting sector integration (Power-to-X, EV mobility), where special attention should be paid to market design with multi-energy vectors (PtX, mobility, heating & cooling), multi-value chains within a single sector and cross-sector integration;
- Flexibility remuneration schemes, focussing on Ancillary Services (AS), storage, and DR;
- Tariff schemes to attract prosumers and all types of self-supply (individual, collective, and community);

The topics to focus on in the BM WG include:

First period (2021–2023):

1. Investigation of relationship of Use Cases (UC) and cross-domain Business Models, where BM could be nested inside the value chain segments described by UCs, and their impact is analysed via KPIs. Here, concrete results from projects would be highlighted and used in benchmarking (e.g. examples of benefits);
2. Design of tools to evaluate the benefit/value of the services/solutions developed in the project activities, including design of new, more tailored tools to build BM is needed (BM canvass, radar...). For this purpose, the baseline scenarios need to be defined for comparison of services/solutions because if the benefit of solutions and their alternatives (e.g. flexibility services vs. grid reinforcement) cannot be quantified, it cannot be properly remunerated;
3. Design of BM to better include data value chain integration and data monetisation, where with better observability, additional social benefit is created;

Second period (beyond 2023, in no preferred order):

- Design of cooperation models for sharing of common goods. These models should emphasise cooperation over competition (e.g., Synergetic BM that focus on synergies instead on competition);



- Definition of BM to also address social benefits beyond financial value, including sharing economy principles and servitisation – provision of services over direct ownership of equipment. For consumers, this could increase social welfare and cohesion, reducing energy poverty;
- Improvement of understanding of risk vs. value in cooperation of regulated (TSO, DSO) and market actors in the energy field. One example is promotion of a regulatory sandbox, where the payees and the level of the learning costs have to be balanced with the bearers and the level of the associated risk;
- Design of BM for provision of security of supply during emergency conditions, where in addition to customer convenience also benefits involving national security are accounted for;
- In the activities, close cooperation and interaction with other BRIDGE WGs (especially Regulatory WG and Data Management WG) and ETIP-SNET should also be sought to avoid duplication and optimise overall activities.

The BM WG will structure the work to adequately address the priority ideas in the first period (2021-22).

1.2 Key objectives and actions

The key objectives of the BM WG are:

1. Provide an unbiased and reliable information to the European Commission covering the experience of the BRIDGE projects' and the projects' partners.
2. Investigate the aspect of Business models in various settings applied to the topics of interest, as chosen by the European Commission.
3. Set up a robust operating structure, able to effectively and efficiently organize work of BRIDGE projects' representatives on several topics and produce quality results within the agreed timeframe.

To achieve the key objectives, the following actions will be taken:

Organization of work

1. BM WG will organize the collaborative work on the priority topics, with the help of the project partners who have expressed their interest.
2. In a joint Kick Off meeting, the outline of the report will be discussed and the preferences of each participant aligned to create coherent working teams to focus on specific sub-topics identified in the discussion (cf. the proposed steps in the Methodology chapter).
3. Each team will choose a Team leader that will report on work progress to the WG leadership.
4. The work will be structured in sprints of several weeks/months to complete a task, where each will build toward the common outcome – a report.
5. The teams will meet regularly (e.g. bi-weekly) on dedicated online calls. WG leadership will meet monthly online to review progress and address any issues.

WG output

1. We will prepare three reports during the first period (2021-2023), one for each single topic identified.
2. In particular we will prepare a report by February 2022 (next BRIDGE GA) on the chosen topics (1) and two reports covering the other two topics (2 and 3) by the end of the first period (February 2023)

1.3 Methodology

The work will be based on compiling information harvested based on desk research and on questionnaires addressing the BRIDGE projects. Information will be compiled and structured in a coherent content of the chapters and subchapters constituting the report outline.



Topics to be addressed will require the following actions:

Year 1 (2021):

1. Investigation of relationship of Use Cases (UC) and cross-domain Business Models

Proposed steps:

CONTENT:

- Task 1: Define the Value Analysis Methodology, covering the relationship of Use Cases, Business Models, Services, Actors, and value chain segments
- Task 2: Identify the best practice for monitoring and impact analysis of Use Case demonstrations using standardized Key Performance Indicators.
- Task 3: Highlight concrete results from projects, and identify good practices and possible barriers to be used in benchmarking (e.g. examples of benefits).

EXECUTION:

- Sequential task definition
 - E.g.: 3 tasks
 - Divide the group in 3 teams, 1 per task
 - Task leaders defined in KOM
 - Members of the core group
- Types of contributions:
 - Survey:
 - Preparation of the questions
 - All projects involved need to provide information
 - Selections of the interesting projects: BRIDGE, National projects
 - Deadlines: 2 weeks for response
 - Discussion on the results
 - Analysis
 - Structure of information for the report
 - Sharing with the audience:
 - Webinar style, Round table
 - Results from all 3 tasks, at the end of the Year 1
 - Provision of the report content based on this

Year 2 (2022) (two topics in parallel):

2. Design of tools to evaluate the benefit of the services and solutions

Proposed steps:

- Investigate the tools to capture business ideas and build BM (e.g. BM canvass, radar...).
- Use the Value Analysis Methodology to propose quantification method for BM benefits of services and solutions under various UC scenarios
- Define the baseline scenarios for quantitative comparison of services and solutions to highlight their benefits and compare it to the cost/benefit of their alternatives (e.g. flexibility services vs. grid reinforcement)
- Propose an approach to design pricing and remuneration of the services based on their quantified benefits;

The task structure to be determined later based on the experiences of Year 1.

3. Design of BM to better include data value chain observability



Proposed steps:

- Investigate the types and characters of the data value chains in BRIDGE projects
- Propose a methodology to increase the observability of data value chain in a demonstration project
- Use the Value Analysis Methodology to propose quantification method for social and other benefits of data value chain

The task structure to be determined later based on the experiences of Year 1.

1.4 Outcomes

The desired outcomes include the following reports (report titles are provisional):

Year 1:

1. Report on relationship of Use Cases (UC) and cross-domain Business Models

Year 2:

2. Report on tools to evaluate the benefit of the services and solutions;
3. Report on Business Model design to integrate data value chain observability.

Report titles are to be determined during the working process and finalized before publication. The titles should be more informative, adding the insight about their content and to improve their searchability on the EC website. The final titles will be agreed with the EC before its publication.

1.5 Planning

As described on section 1.2 of this document the Business Models Working Group will carry out its activity through subgroups who will update the entire WG every two months about the progress made and present it in the BM WG general meetings. All the work will be coordinated by the Chair and leaders of the WG and the EC will be included in the conversations and period meetings throughout the year.

TASK	START	END	RESPONSIBLE
BM WG Chair and DG Ener officer meeting to discuss the scope of the WG work during 2021 and finalise Work Plan	28/04/21	28/04/21	WG Chair and EC
BM WG Kick Off meeting – present work plan and distribute work	Mid June	Mid June	WG Chair
Send survey to all BM BRIDGE projects for track allocation	End June	End June	WG Chair
BM WG general meeting (mid-term)	Aug/sept	Aug/sept	WG Chair & leaders
Work on the final draft of the report compiling the work performed by the subgroups	Oct/Nov	Oct/Nov	WG Chair & leaders
BM WG general meeting (Final-term)	December	December	WG Chair & leaders
Final draft BM WG Report (deliverable) to be presented to the EC	Feb TBC	Feb TBC	Chair
Meeting with the EC to discuss final report and prepare GA	TBC	TBC	Chair and EC
GA 2022	March 2022	March 2022	WG Chair and EC

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