

# Case Study: Distributed Generation Storage Developer Forecasting investment-grade project revenue with Stem's Revenue Modeling & Market Advisory Service in ERCOT

The Distributed Generation Storage Developer behind two 10 MW / 39.16 MWh standalone storage projects in Southern Texas was eager to model the projects' revenue potential once live in ERCOT's wholesale energy market. A data-based approach was needed for revenue guidance at two grid locations to secure financing and move forward with project development. The Developer chose Stem for our notable Professional Services, proven software, and expertise in ERCOT to provide the validation needed.



## Challenge

Determined to capitalize on the projects' economic potential, the Developer's small startup team knew the projects' sites were valuable and penciled from an economic perspective through some of their own modelling. However, they needed third party verification to have the confidence to approach financiers.



## Solution

Using Stem's Revenue Modeling & Market Advisory Service and our proven proprietary software platform, we provided low, medium, and high cases for the Developer's revenue projections at the specific locations where their projects are being developed. We also provided an augmentation plan for the projects' batteries based on Stem's Modular ESS solution. We created an augmentation schedule and strategy that showed the batteries' degradation rate throughout their lifetime to inform the operating costs for the project financial model. Overall, we were able to solve their challenge of meeting that third party verification that validated their revenue forecasts. We confirmed these projects were indeed economically worth pursuing per their location and the nodes through which they would interconnect with ERCOT.



## Results

Given the maturity and specificity of Stem's preliminary designs, the nodal revenue simulations and reports we provided gave them confidence to move forward with their projects in ERCOT. The Developer can now share the defensible models with a realistic view as to what the projects' economics could look like to approach financiers. With Stem's full turnkey solution for managed optimization in ERCOT, the Developer is now empowered with the opportunity to continue with Stem's Asset Development Services before commercial operations and Asset Performance Services once the projects are live.

### Location

Southern Texas

### Storage Project Sizes

Two 10 MW / 39.16 MWh

### Stem Services

Revenue Modeling & Market Advisory

### Stem Solutions

- Modular ESS
- Managed Optimization

### Utility Region

ERCOT

### Stem Service Date

2024