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BESS revenue composition



Overview

What is the revenue stack of a Bess project?

The composition of the revenue stack of a typical BESS project is anything but stationary (see figure 5), and the focus has shifted from frequency services to energy arbitrage. The share of frequency services in the stack has decreased significantly, from 80% in 2022 to just 20% in 2024, due to market saturation.

How does a Bess revenue model work?

Each revenue model varies in how it distributes risks between the project owner and the optimiser. One of the most common options on the market, where the project owner and the optimiser share revenues from the BESS operations, according to a pre-agreed percentage split in favour of the project owner.

What is the UK revenue stack for Bess?

The UK revenue stack for BESS is the most diverse in Europe. Most UK Wholesale markets and ancillary services are accessible to batteries (see figure4), but the dynamics of each revenue stream can change significantly over time, making business strategy design complex.

What drives Bess revenue stack performance in 2021-22?

There are some important common drivers across all European power markets that have shaped BESS revenue stack performance across the last 3 years. All markets generated exceptional BESS returns in 2021-22 driven by a parallel: Power crisis – power market tightness given e.g. major French nuclear outages.

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An overview of the different BESS revenue strategies that help secure financing (fully merchant, floor pricing, tolling), including examples.

We compare 2023 and 2024 BESS day-ahead revenue capture across European power markets and touch upon drivers in key ...

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