

Energy Storage Germany 2025 - Stuttgart

Tolls in Germany: Best Practice and What Trends Can Be Expected?

Martin DARONNAT

Head of Flexibility & Structured Origination

Supply & Energy Management - GERMANY

Martin.daronnat@engie.com

+49 (0) 152 527 33256



RESTREINT



INTERNE



SECRET



ENGIE Supply & Energy Management (SEM): Worldclass asset optimization and risk management since decades.

Asset optimization & Asset backed trading



**2.500 MW
Batteries**



**49 GW
Thermal**



**23 GW
Wind & solar**



**18 GW
Hydro**



**750 MW
Demand Side
management**

**European
Algo Trading Desk
dedicated to
BESS & Hydro**

**Access to 3 out of
4 TSOs in
GERMANY**

Risk Management & Sales



**#1 in cPPA
Worldwide, Top 3
Germany**

Flexibility & Structured Origination GER

Physical & Virtual Flexibility offtakes

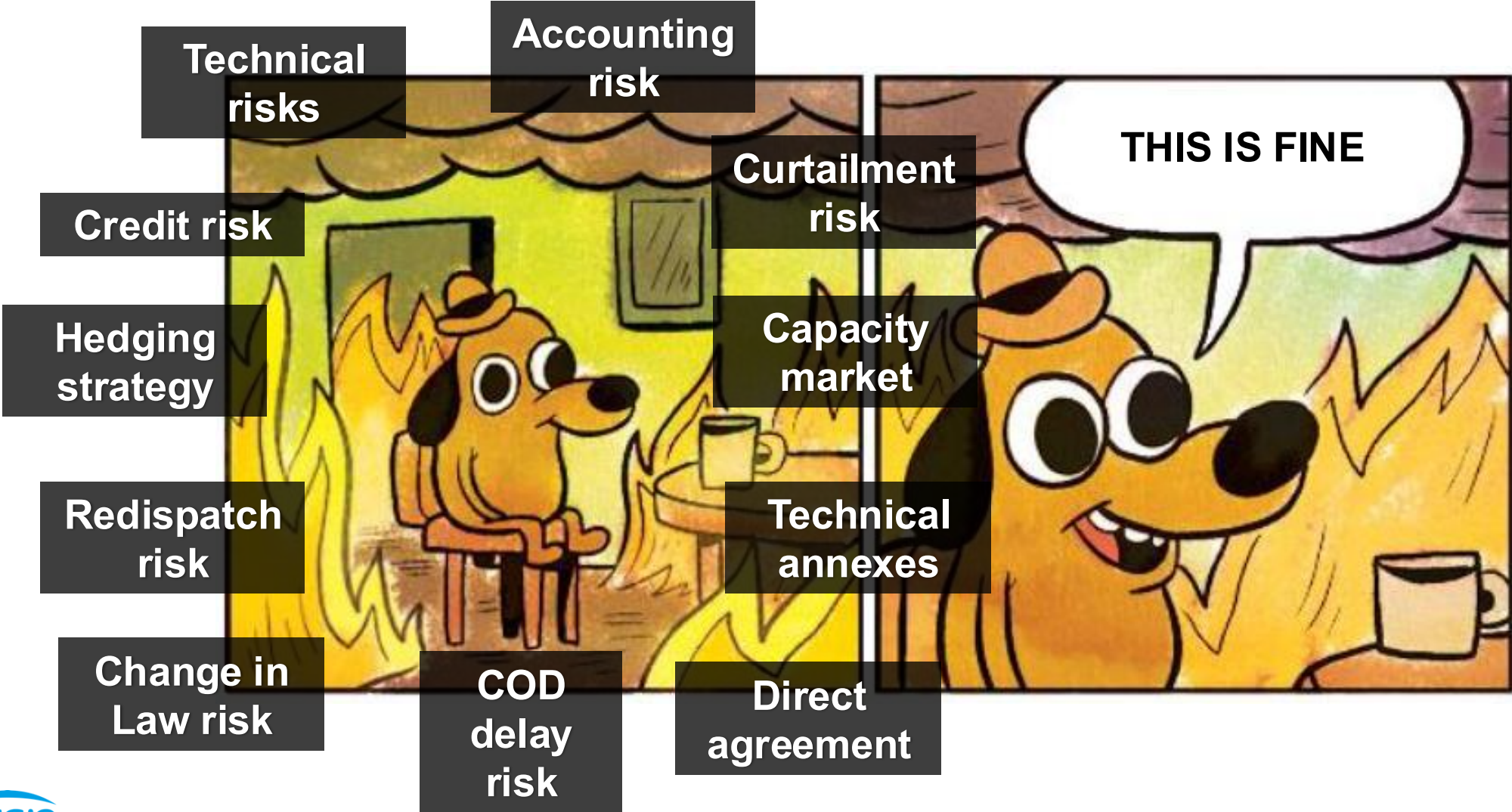
Structured products (CFDs, VBS, VPS)

**Demand side response and Industrial Flexibility
Products**



**WHEN YOU
CLOSE THE 1st
EVER LONG-
TERM PHYSICAL
BESS TOLL IN
GERMANY**

BESS structured agreements are not easy – and often take time to properly negotiate depending on level of complexity



BESS fair value is a function of many parameters – subject to market risks... and moving in time !

BESS Fair Value(t) =

f
(t)

- **Technical parameters of the BESS**
- **Price level:** absolute power price levels
- **Price Volatility:** dispersion around price levels
- **Price shape:** daily shape of prices
- **Liquidity:** ability to find buy/sell counterparts
- **Ancillaries:** capacity and energy prices from ancillaries

Subject to market risks

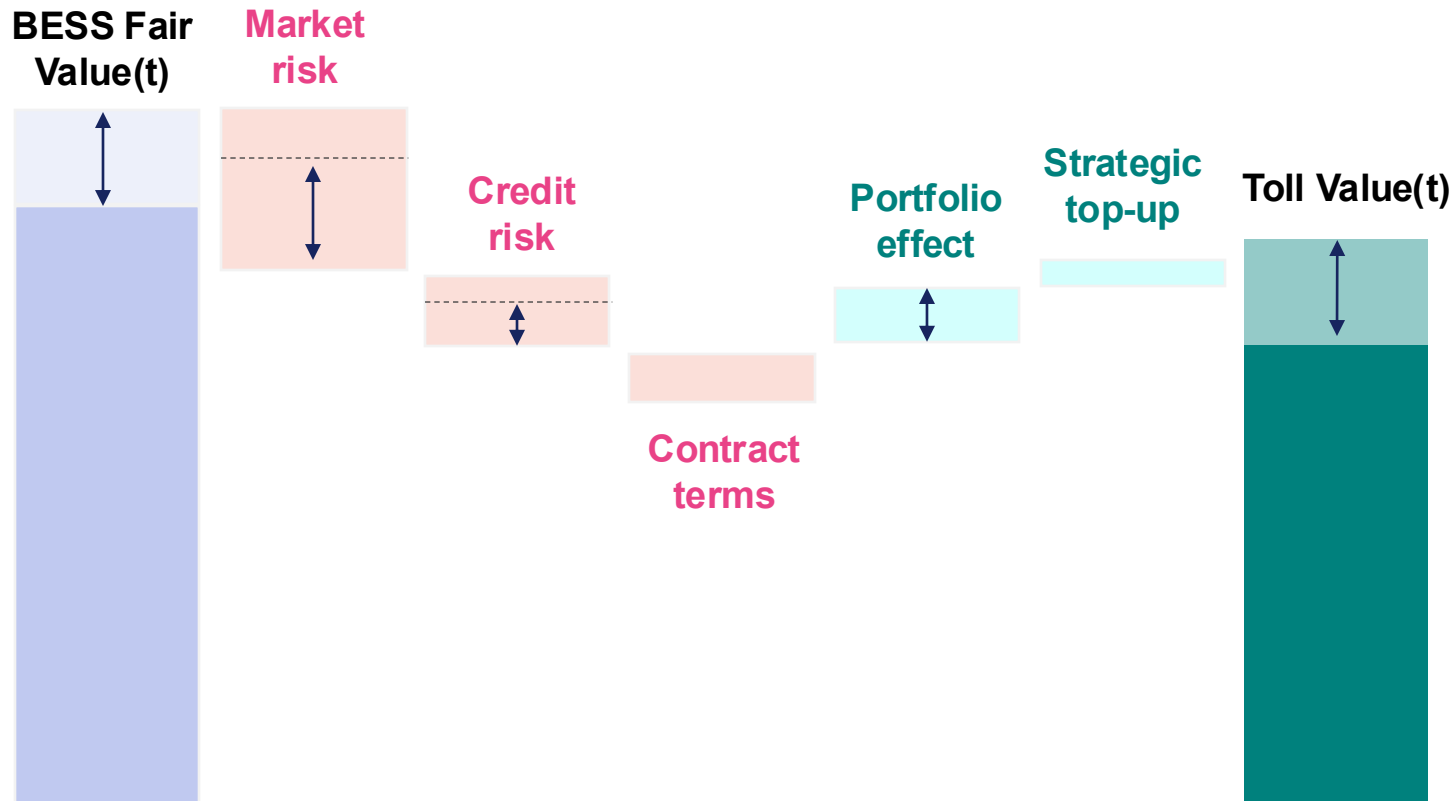


Market Risk downside = P95-P99 scenario
= different from “Low scenario” from fundamental curves !



Tolls values are a function of BESS value over years, as well as risks and upsides

From BESS value to Toll Value at a given date



TAKEAWAYS

1. Toll value changes with BESS fair value → **pricing date** matters!
2. The longer the tenor, the higher the **market risk**
3. **Credit risk** depends on robustness of counterpart and on credit support → credit coverage is a must
4. Contractual **terms** do have an impact on price. Make sure to understand what is priced in... and what is not.
5. **Portfolio effects** are priced in
6. First deals often have a “**strategic top-up**”... but not the next ones

Beware of confirmation bias from people that do not carry any risks for you. Ask the opinion of people who do: traders



**RISKS NEVER
DISAPPEAR.**

**THEY ARE EITHER PRICED-IN AND
MANAGED BY SOMEONE.**

OR YOU CARRY THEM FULLY.

**Make sure you have the means to
manage them before they call you.**

mobile

MARKET RISK

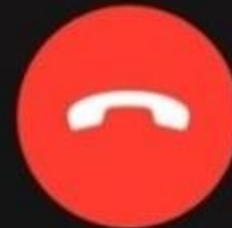
IS CALLING



Remind Me



Message



Decline



Accept

THANK YOU



Martin DARONNAT

Head of Flexibility & Structured Origination

Supply & Energy Management - GERMANY

Martin.daronnat@engie.com

+49 (0) 152 527 33256

