Rivalerra Consulting

EXECUTIVE INTELLIGENCE · ADVISORY

The Value Moves to the Grid

Strategic repositioning of an integrated energy utility

Anonymised demonstration case "Project Helios" · European power market · based on publicly available market data — not a real engagement.

PACKAGE	Advisory
INDUSTRY	Energy · integrated utility
CASE TYPE	Anonymised (codename "Project Helios")
SCOPE	Research paper · Advisory edition
DELIVERABLE LOGIC	Advisory → standalone Executive Recommendation
PREPARED BY	Rivalerra Consulting — Energy & Utilities Intelligence

STRICTLY CONFIDENTIAL

CHAPTER 01 · MANAGEMENT SUMMARY

Executive Briefing

CORE MESSAGE

The centre of gravity of the European power market is shifting from commodity supply into regulated grids and flexibility-adjacent services. Project Helios already earns most of its result in exactly the segment that is structurally growing — but defends that position with a portfolio still too heavily tied to the shrinking commodity business.

Key figures (modelled)

~€2.4bn	~1.6m	~55 %	+~60 %
REVENUE (MODELLED)	CUSTOMER POINTS	EBITDA FROM REGULATED GRID	POWER DEMAND BY 2030 (2)

Executive Summary

Three findings set the strategic agenda:

- **The market is growing — but not everywhere.** The European power market grows at ~3.7 % CAGR, reaching roughly $436bn by 2034 (+39 % vs. today) [1] — yet the growth concentrates in grids and flexibility, not in classic commodity supply.
- **Helios sits right — and wrong at the same time.** ~55 % of EBITDA comes from the regulated grid, the growing value pool. At the same time the commodity business ties up capital and management attention in a segment with declining margin.
- **Flexibility is the underestimated lever.** The value of grid flexibility rises to as much as €5bn per year by 2030 [4]; whoever links grid and flexibility services into a platform defends margin where it is actually created.

STRATEGIC CONCLUSION

The most reliable path is a consistent shift of capital and capabilities out of commodity supply into a grid-and-flexibility platform — with a controlled, not abrupt, wind-down of commodity exposure. Details in Chapter 06.

CHAPTER 02 · MARKET CONTEXT

Where the value is moving

The European power market is growing structurally: electrification of heat, transport and industry drives power demand up by roughly 60 % by 2030 [2]. The build-out of renewables reaches around

1,600 GW of installed capacity by 2030 (+78 % vs. 2023) [2]. This transformation requires a grid expansion whose investment volume in Europe is estimated at around €1.4 trillion [3].

For an integrated utility this shifts the earnings logic: not the kilowatt-hour sold, but the ability to flexibly balance generation, grid and demand becomes the scarce resource.

Value pools 2030 — the market re-weights

Value pool	Share 2030	Direction	Relevance for Helios
Regulated grids	~38 %	growing	Core position · defend & expand
Services & flexibility	~26 %	growing strongly	White space · build the platform
Commodity supply	~21 %	shrinking (margin)	wind down in a controlled way
Conventional generation	~12 %	shrinking	let it run off
Trading	~3 %	stable	keep as an enabler

Table 1 — Value pools, European power market 2030; modelled demonstration figures based on (1)(2)(3)(4).

KEY TAKEAWAY

Two-thirds of the future value pool sit in grids and flexibility — together ~64 %. Commodity supply, historically the utility's face to the customer, now carries only about a fifth and is losing margin.

CHAPTER 03 · STRATEGIC STARTING POSITION

Where Helios stands today

Project Helios is an integrated utility with roughly €2.4bn in modelled revenue and ~1.6m customer points. Its earnings profile is already more grid-weighted than many competitors (~55 % of EBITDA) — a strength that is, however, not consistently prioritised within the portfolio.

Strengths and structural tensions

Dimension	Finding	Implication
Grid base	~55 % EBITDA regulated, stable cash flows	the right foundation for the growing value pool
Customer access	~1.6m customer points	platform base for flexibility & value-added services
Commodity exposure	high share of capital & attention	ties up resources in the shrinking segment
Flexibility capabilities	underdeveloped today	white space — the largest unused lever

Table 2 — Starting position of Project Helios along the value-defining dimensions.

The central tension: Helios already earns where the market is heading — but defends that position with a portfolio whose centre of gravity still lies in the commodity business. Without active reallocation, the grid strength risks being overshadowed by the commodity weakness.

CHAPTER 04 · OPTIONS ASSESSMENT

Three paths — one decision

Three ideal-type strategic options were assessed for the repositioning. Assessment axes: connection to growth, margin quality, capital tie-up and feasibility.

Option	Logic	Assessment	Verdict
A — Commodity defender	Hold supply market share, grid as a side act	fights in the shrinking value pool, margin pressure	rejected
B — Grid-&-flex platform	Grid + flexibility + customer-near services as an integrated platform	connects to ~64 % of the value pool, uses existing strength	recommended
C — Pure grid	Focus on the regulated grid, give up supply	stable, but forgoes customer access & flexibility value	rejected

Table 3 — Options assessment. Highlighted row: the recommended direction.

WHY OPTION B

Option B is the only one that links the existing grid strength with the fastest-growing value pool — flexibility — while preserving customer access as a platform asset rather than giving it up as in Option C. It is more ambitious than A, but builds on capabilities already in place rather than a cold start.

CHAPTER 05 · CENTRAL FINDING

The core message of the analysis

> *„Helios does not need to reinvent where it earns — it needs to stop tying up its resources where the market is shrinking.“*
> — Rivalerra Consulting, Energy & Utilities Intelligence

The central finding is not a growth story at any price, but a reallocation decision: the grid position is the foundation, flexibility the lever, commodity supply the source of capital to be freed. The question is not "grow or not", but "which value pool to prioritise".

FINDING

Project Helios sits structurally right (grid) but is portfolio-weighted wrong (commodity). The value of the coming decade lies in linking grid and flexibility into a platform — not in defending commodity market share.

CHAPTER 06 · EXECUTIVE RECOMMENDATION

Four strategic thrusts

For an Advisory engagement, the analysis yields a standalone recommendation. It prioritises capital and capabilities along the moving value pool and makes the transition manageable.

1. Direct capital into the regulated grid base

The grid position is the growing foundation. Investment in grid expansion, digitalisation and capacity secures the stable cash flows and the connection to the largest single value pool (~38 %).

2. Build a flexibility platform

Grid flexibility, storage and control services as an integrated platform capture the fastest-growing value pool (flexibility worth up to €5bn per year [4]). This is the largest unused lever.

3. Grow customer proximity into value-added services

The ~1.6m customer points are developed from a commodity relationship into a services platform — customer access turns from a cost factor into a strategic asset.

4. Wind down commodity exposure in a controlled way

Not abruptly, but managed: gradually withdraw capital and management capacity from the shrinking commodity segment and redirect it into thrusts 1–3.

RECOMMENDED NEXT STEP

Initiate a focused transformation programme: define the flexibility platform (target picture, capabilities, investment envelope) and a capital-allocation roadmap that reduces commodity exposure in a controlled way over 24–36 months. Rivalerra supports target picture, business case and roadmap.

CHAPTER A · APPENDIX & SOURCES

Appendix

Methodology

The analysis draws on publicly available market data (market size, growth, renewables and grid build-out, flexibility value) and a structured value-pool model for the European power market 2030. The company-specific figures for Project Helios (revenue, customer points, EBITDA structure) are modelled, illustrative demonstration values of an anonymised case and do not represent a real engagement. Options were assessed along the axes of growth connection, margin quality, capital tie-up and feasibility.

Sources

[1] Straits Research / IEA — market size & growth, European power market (CAGR ~3.7 %; ~$436bn by 2034).
[2] IEA — power demand, electrification and renewables build-out in Europe (~1,600 GW by 2030, +78 % vs. 2023; power demand +~60 %).
[3] EIB / IEA — grid investment need in Europe (~€1.4 trillion).
[4] ENTSO-E — value of grid flexibility (up to ~€5bn per year by 2030).

[5] European Commission — regulatory framework for the power market & grids.

NOTE

This document is an abstracted and anonymised representation of methodological analytical work (demonstration project). It contains no confidential client, partner or project information. “Project Helios” is a fictitious codename; the company-specific figures are illustrative demonstration values.