National Flex Discovery Fund

30 May 2025

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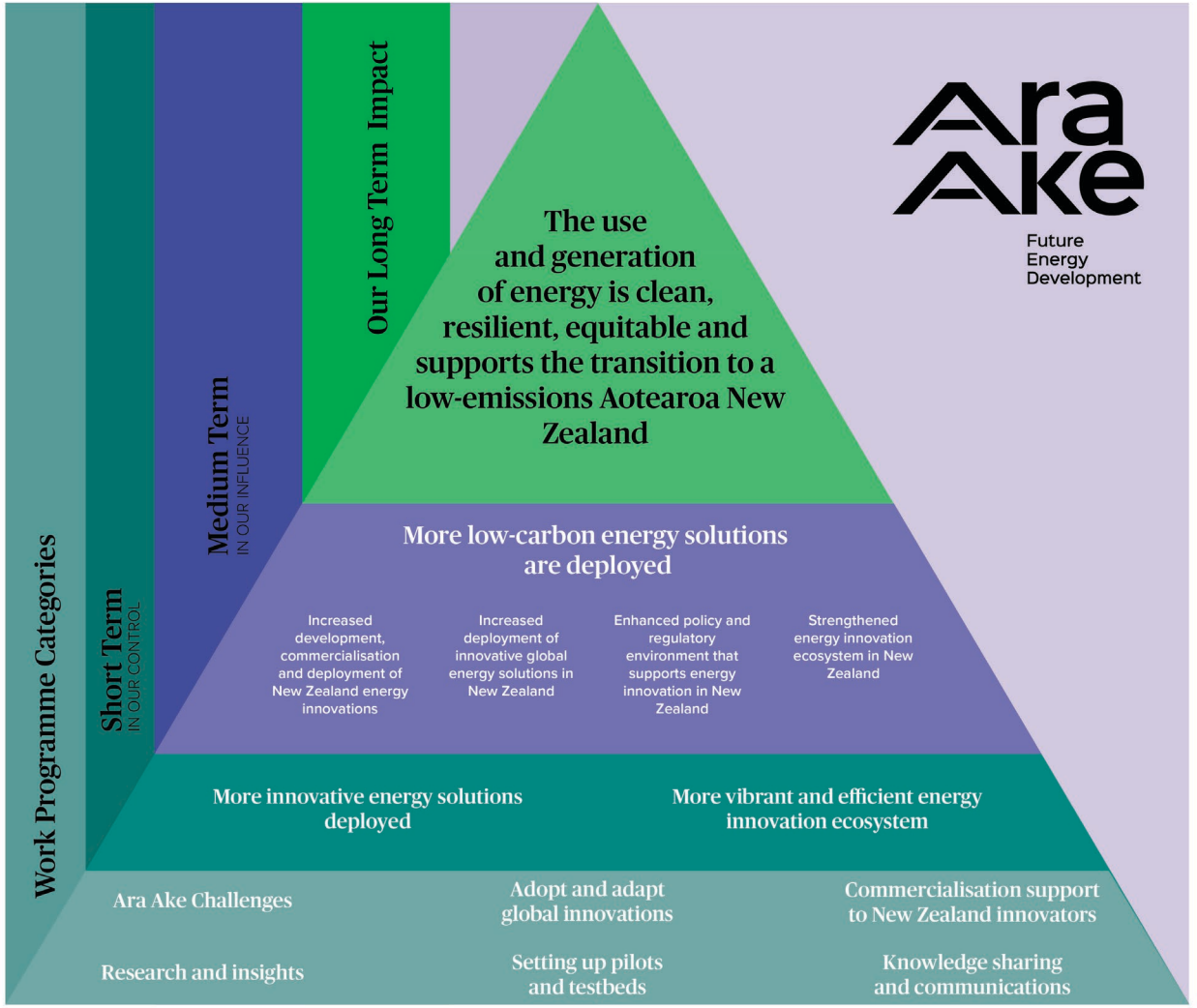
Introduction

- **Ara Ake** is New Zealand's national energy innovation centre tasked with the **acceleration, demonstration and commercialisation of energy innovation** to support our transition to a more sustainable, resilient and equitable energy future
- This week we launched the **National Flex Discovery Fund to boost flexibility innovation** across Aotearoa New Zealand.
- The Fund offers up to **$1 million in grants** to accelerate the development and visibility of flexibility resources across the country.
- Entries are open until **5pm Monday 23rd June 2025.**
- **Full eligibility criteria and online application form:** https://www.araake.co.nz/project/ara-ake-national-flex-discovery-fund



National Flex Discovery Fund overview

The **National Flex Discovery Fund** is designed to accelerate the commercialisation of flexibility innovation by providing grants to flexibility service providers (FSPs) or DER aggregators in two key areas:

1. **Connecting to open-access platforms** - Assisting FSPs in onboarding to open-access flexibility platforms.
2. **Enhancing capacity and reliability** - Supporting the scaling and improvement of the capacity and reliability of existing flexible resources already connected to these platforms.

A **flexibility service provider** is any business that can aggregate and remotely manage (shape or shift) electrical load or distributed generation in response to external signals (such as prices).

This might also be referred to as a DER aggregator.

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National Flex Discovery Fund overview

Track 1

- For flex service providers seeking to join an open-access flexibility platform based on a common comms protocol
- Seeking to make their resources visible and discoverable for use in the electricity system and to potential buyers
- Individual applicants may apply for Track 1 funding up to $15,000

Track 2

- For flex service providers with resources already visible and discoverable on an open-access flexibility platform
- Seeking to scale or enhance the capacity or reliability of their flexibility resource
- Competitive process – funding will be awarded pro rata for lowest cost per kW of flexibility resource made available

The total allocation across both Track 1 and Track 2 is limited to $1 million.

Ara Ake will seek to award as many applicants as possible for the greatest value-for-money.

We invite all flex service providers, both large and small, to apply.

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What problem are we trying to solve?

For flex service providers

- Barriers to joining nascent platforms especially for small and emerging FSPs
- On-boarding costs, including software dev, APIs, adopting comms protocols, system testing and customer engagement
- No certainty of revenue or ROI to improve service offering (volume, reliability)

For potential flex procurers (i.e. EDBs, SO)

- Little visibility of flex providers and their service offerings
- Little visibility of flex resources (volume, location, temporal)
- Insufficient volume or reliability (or a perception of this) to meet their needs in lieu of network solutions

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What impact are we trying to achieve?

- The Fund is a discovery opportunity allowing us to scope out New Zealand's national flex potential – how much is already available and what could be made available if price signals emerged.
- This will give a fuller picture of maturity and market readiness.
- Ara Ake expects this Fund to catalyse a critical mass of flexibility resources to move from potential to actual, increase confidence of procurers and accelerate towards commercial viability for flexibility innovators.

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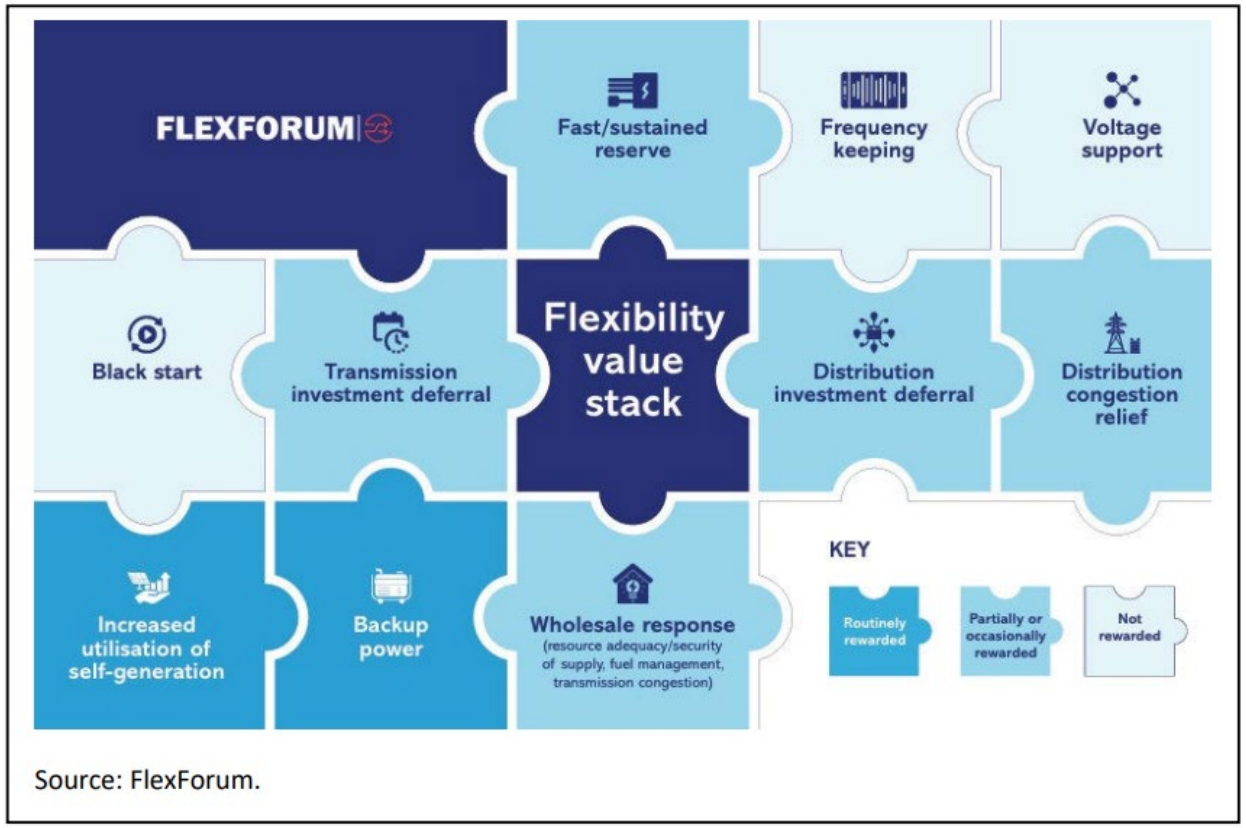
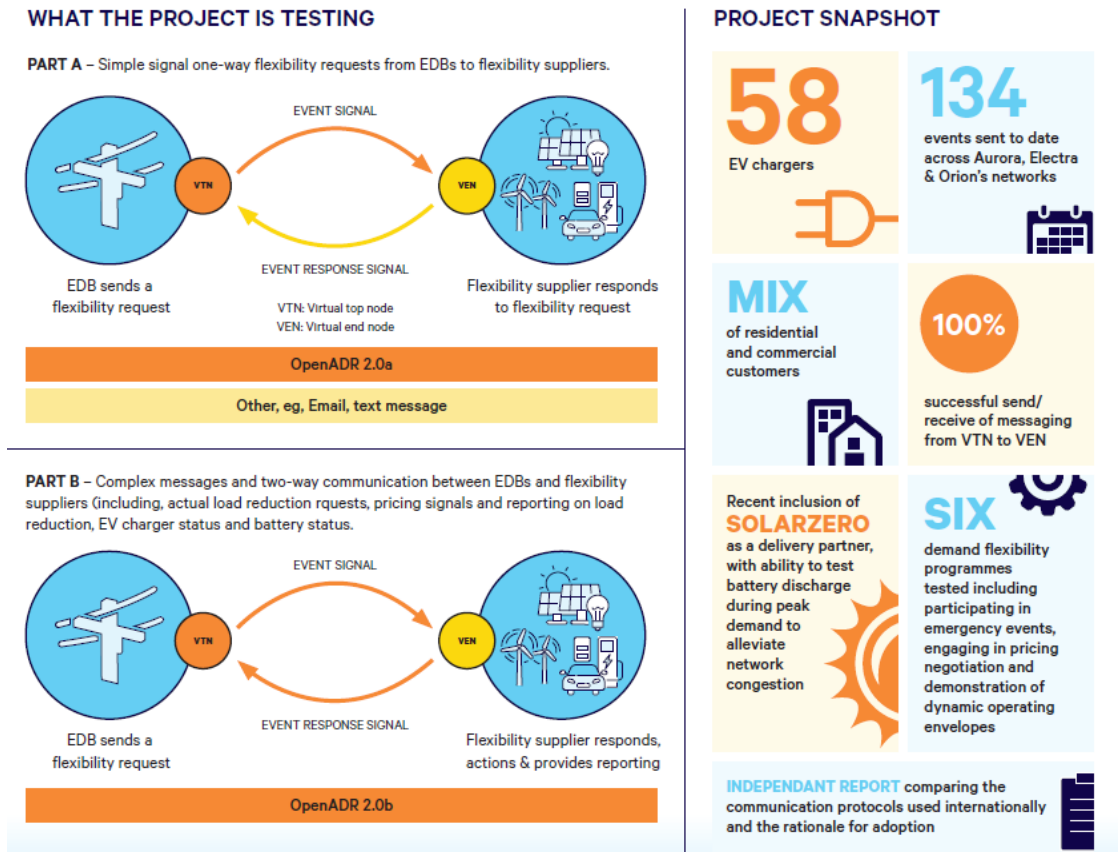
How did we get here - work across the ecosystem

FlexForum insights: *There's a hole in my value stack*



Source: FlexForum.

Electrical Engineer's Association & Energy Efficiency and Conservation Authority: Project Flextalk 2023



How did we get here - work across the ecosystem

Flexviz	Transpower Flex Visibility Project	Winter Peak Innovation Pilot	LocalFlex
An OpenADR-based platform developed by Kiwi innovator Cortexo Ltd that connects flexibility suppliers onto a common platform, enabling real-time visibility of available flexibility resources at grid-exit points around New Zealand.	In 2024, Transpower, Cortexo and Ara Ake partnered to integrate the Flexviz platform with Transpower's Flexpoint (OpenADR-based) and provide visibility through to the System Operator control room	Ara Ake, Transpower and SolarZero partnered in winter 2023 to demonstrate that residential solar batteries can be dispatched into the wholesale electricity market, via Dispatch Notification Load, to address winter peak events where the forecast capacity residual is tight.	Our Energy has partnered with international platform provider EPEX Spot to adapt and roll-out of an internationally proven flex trading platform in 2025 and 2026, with several EDBs. This will streamline contractual engagement; and establish consistent and transparent ways of transacting local flexibility.

For more info head to: https://www.araake.co.nz/projects

Targeted engagement on funding scope and criteria

- EECA
- FlexForum
- Transpower
- Platform providers
- Electricity distribution businesses
- Interviews with 11 flexibility service providers in late 2024

See the Ara Ake white paper on barriers FSPs face, also released this week:
https://www.araake.co.nz/project/barriers-to-flexibility-uptake-innovators-perspectives

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What is an open-access platform?

- An open access flexibility platform is accessible to all market participants.
- It's non-proprietary and utilises common, open communications protocols such as OpenADR 2.0 or IEEE 2030.5.
- Common protocols support interoperability, market access and help keep costs down for end customers (owners of flex resources like batteries, electric vehicles, smart appliances).
- Advice from EECA and international bodies, such as the IEA, is that flexibility platforms should utilise a common, open comms protocol.
- If you have a platform that you think fits this criteria, please let us know.

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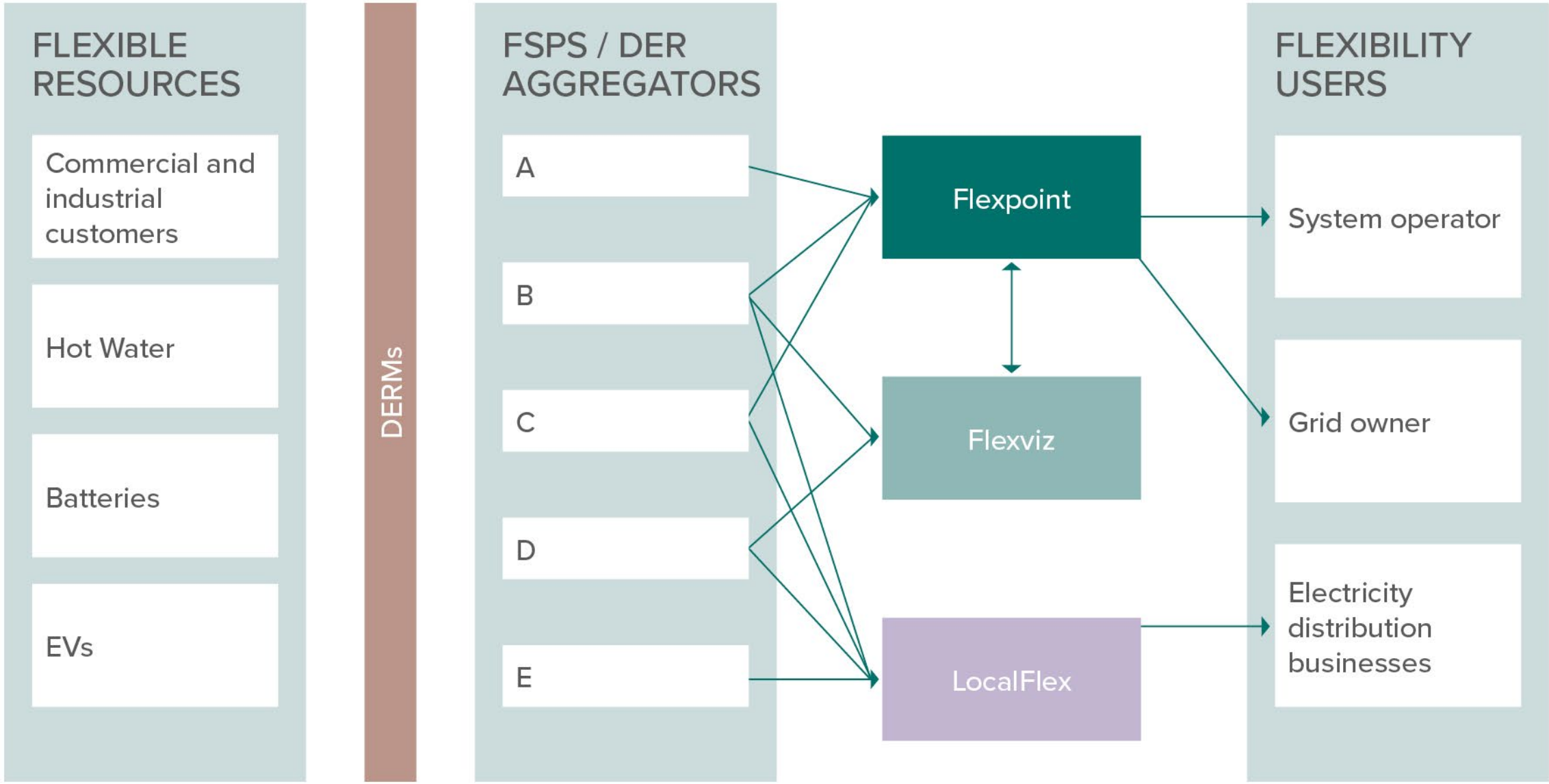
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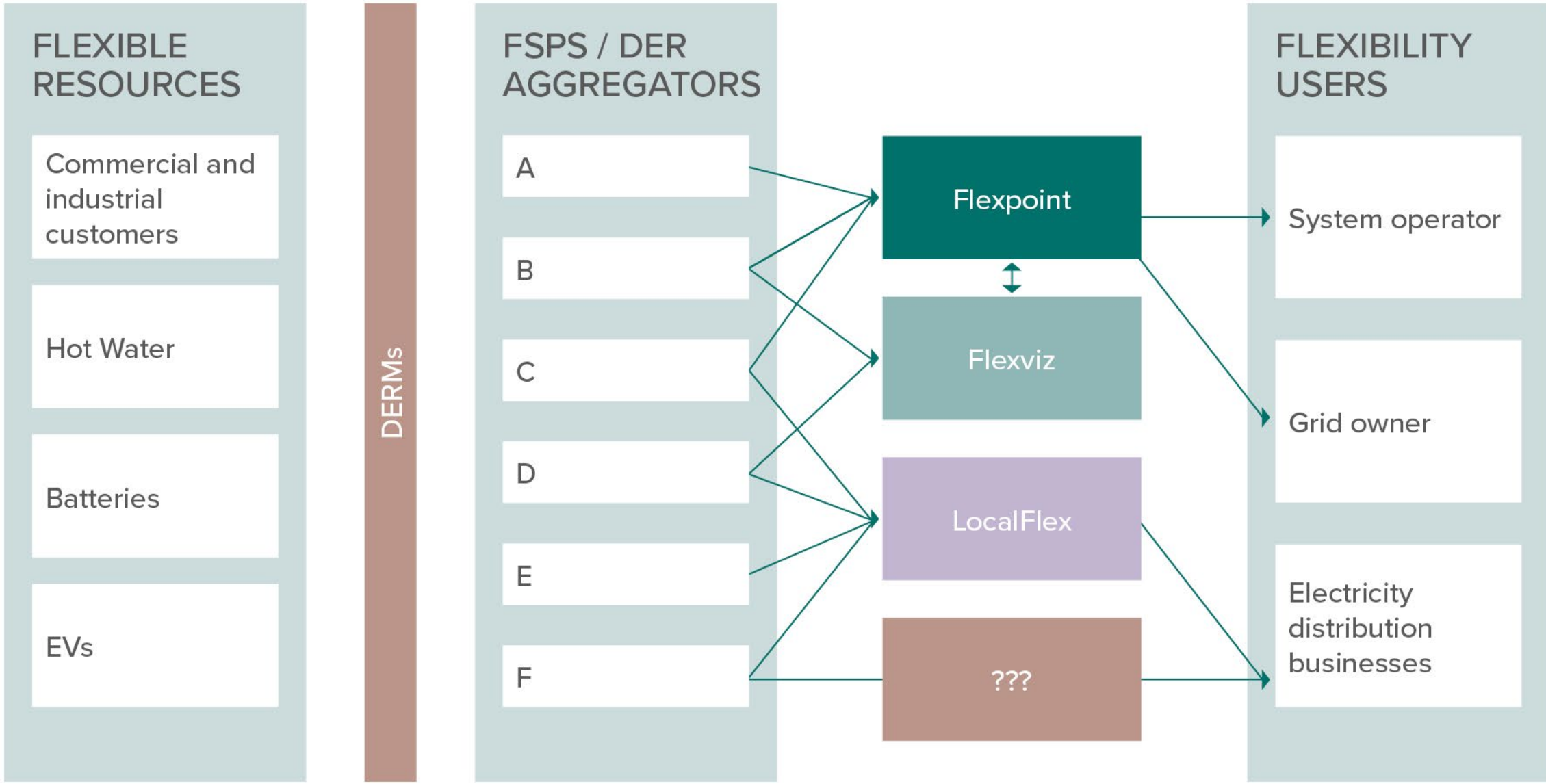
Commercial and industrial customers
Hot Water
Batteries
EVs
DERMs
FSPS / DER AGGREGATORS
A
B
C
D
E
Flexpoint
Flexviz
LocalFlex
FLEXIBILITY USERS
System operator
Grid owner
Electricity distribution businesses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