



# NextGen Geothermal Project


## FervoFlex Offtaker Willingness to Pay

November 2025



# Objectives for Today

**1** |  **Primary Research & Expert Interview Findings**

**2** |  **WTP Triangulation & Ideal Locations for Deployment**

**3** |  **Key Takeaways, Insights, & Recommendations**

# Fervo Energy ("Fervo") is unlocking geothermal at lower prices



**FERVO**  
ENERGY



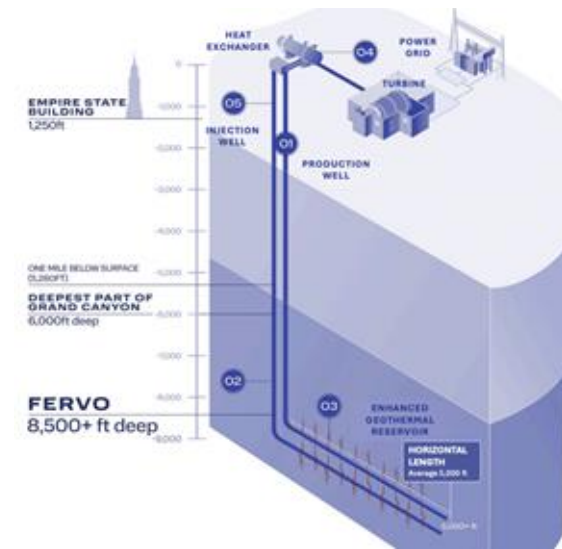
Deliver 24/7 carbon-free  
geothermal energy



Install GWs of EGS capacity  
through the 2030s



Raised \$1B+ to-date



**Fervo Baseload Technology**  
Enhanced Geothermal Systems (EGS)  
are created by fracturing hot, low  
permeability rock to inject water to create  
geothermal reservoirs

# The two “variants” of FervoFlex have different use-cases and value propositions

## Short-Term Ramp

Temporarily cease injection to reduce “parasitic load”, but continue energy production



## PROJECT FOCUS

### Dispatchable Clean Firm

Slow down energy production to build up extra pressure in wells. “Stored” well pressure can be released to generate extra energy on-demand



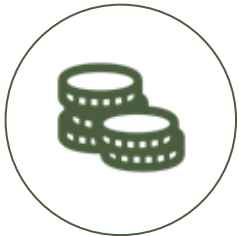
# While short-term rampability was not our primary focus, the short-term space is both more mature and more competitive



**Capacity regulatory incentives / Resource Adequacy rules value 4h+ assets**  
Must hit 4h+ duration to count as “capacity” in CAISO & MISO



**Speed to power is key**  
Minimal CapEx + quick build + existing interconnection = speed advantage



**Must be cost competitive against existing Li-ion**  
Li-ion remains the cheapest short-duration storage solution (as low as \$10/kW-month)



**More potential off-takers**  
Utilities + non-conventional off-takers are all familiar with short-term storage

# The two “variants” of FervoFlex have different use-cases and value propositions

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## PROJECT FOCUS

## Dispatchable Clean Firm

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# We interviewed 20+ experts across key stakeholder groups to assess willingness to pay for dispatchable clean firm energy

**Utilities**

**Hyperscalers + novel oftakers**

**Advisory Firms**

**Regulatory Bodies**

**Developers**

### Example Questions

How does your organization model the *technical and financial value* of dispatchable energy?

To what extent is your organization willing to pay a *premium* for a *carbon-neutral* dispatchable energy resource?

What *value / impact* does dispatchable energy bring to your organization?

# Interviewees agree that long-duration dispatchability potential is valuable and necessary, but the ecosystem remains nascent



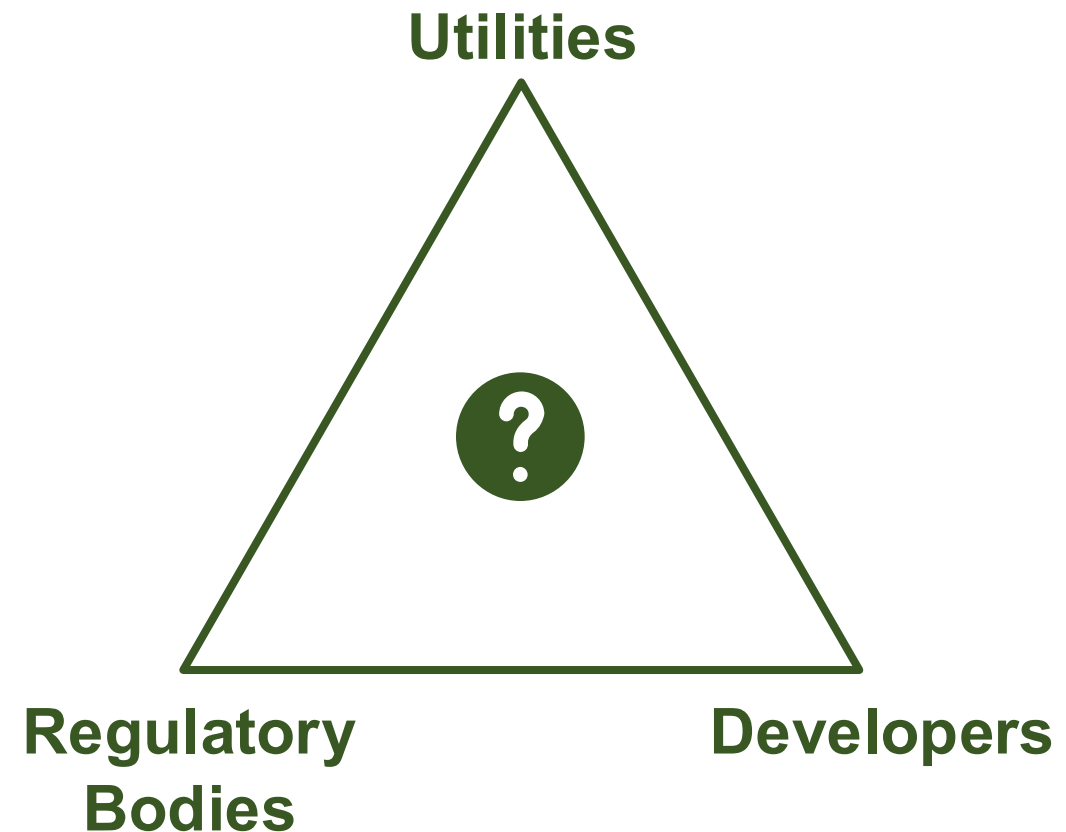
**High Value:** Enables multi-hour flexibility, reliability, emissions reductions



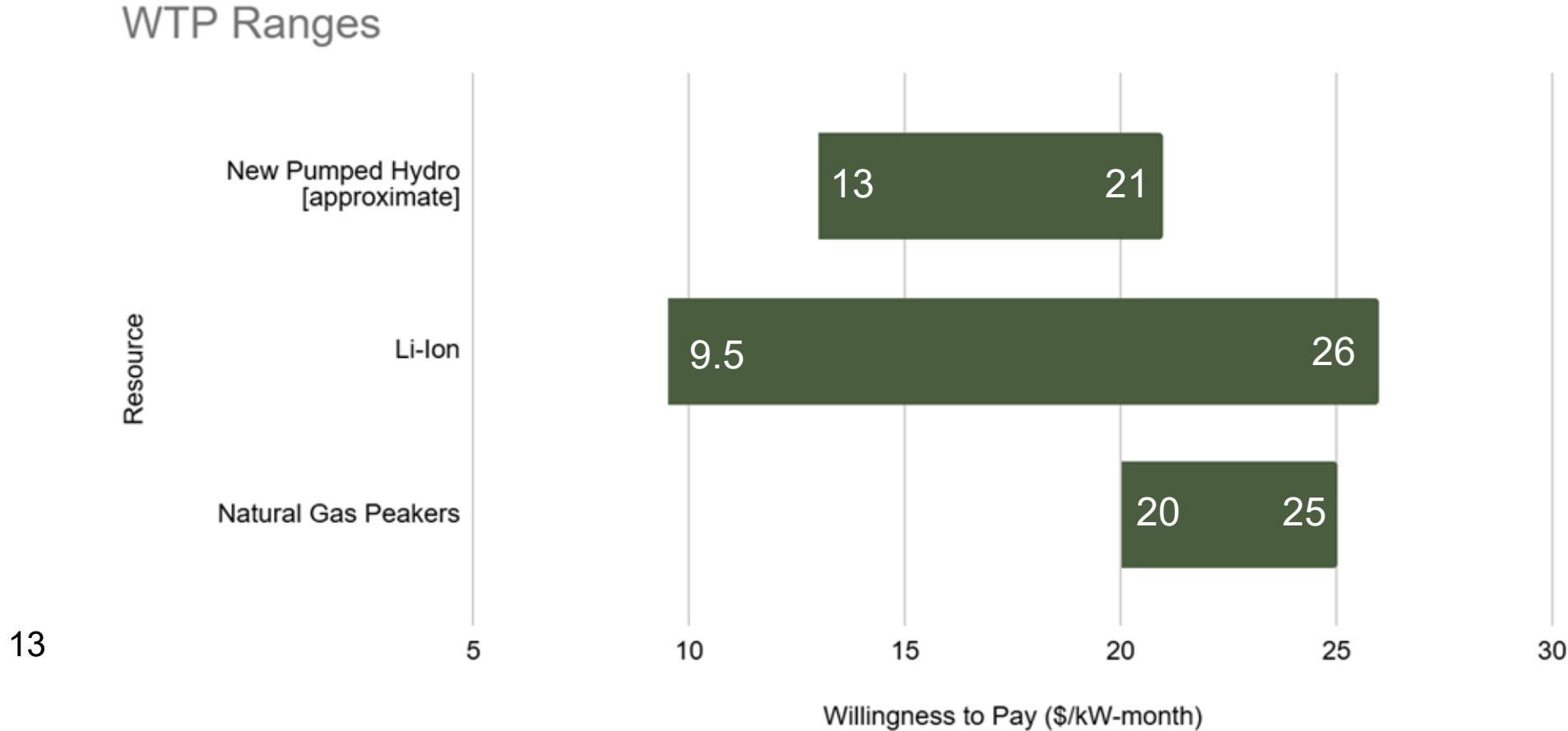
**No Clear Owner:** Stakeholders all look to others to lead



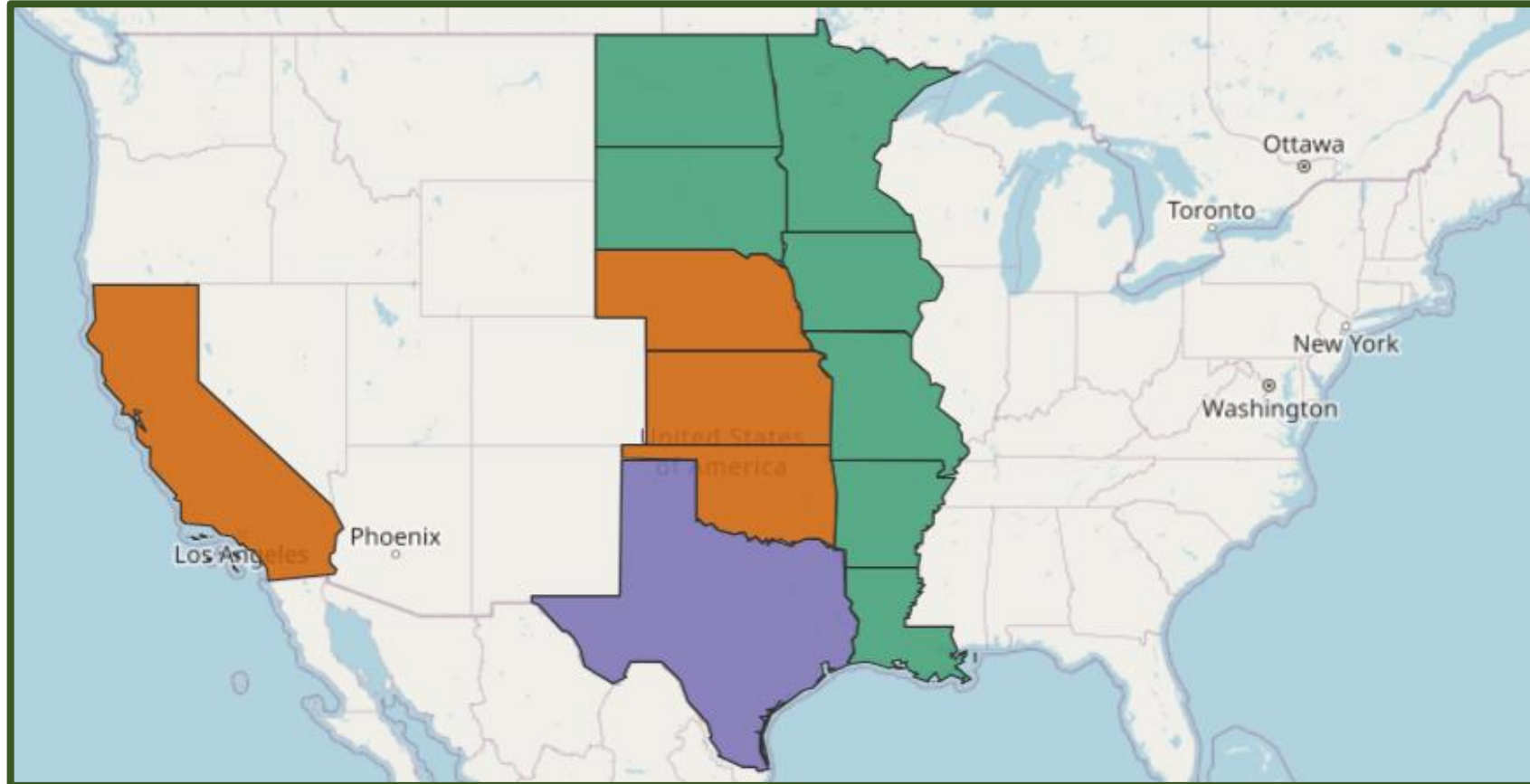
**Market Gaps:** Models undervalue long-duration; first-of-kind projects face high risk



# The upper range of WTP for dispatchable energy resources falls between \$20/kW-month and \$25/kW-month



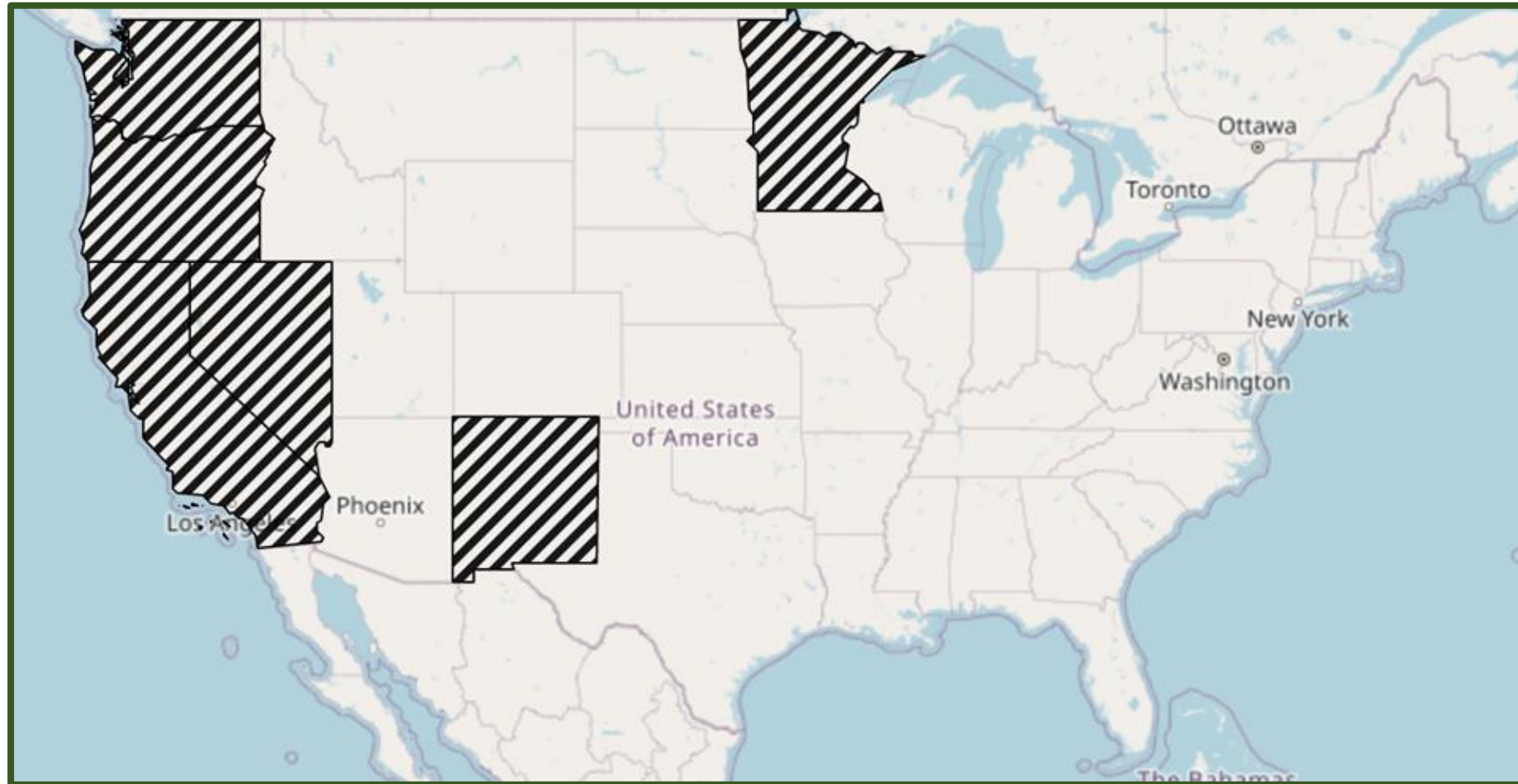
# There are a variety of market opportunities to receive compensation for FervoFlex



## Wholesale markets – Energy & Capacity

- Energy + Capacity (MISO)
- Energy + RA Program (CAISO & SPP)
- Energy-only (ERCOT)

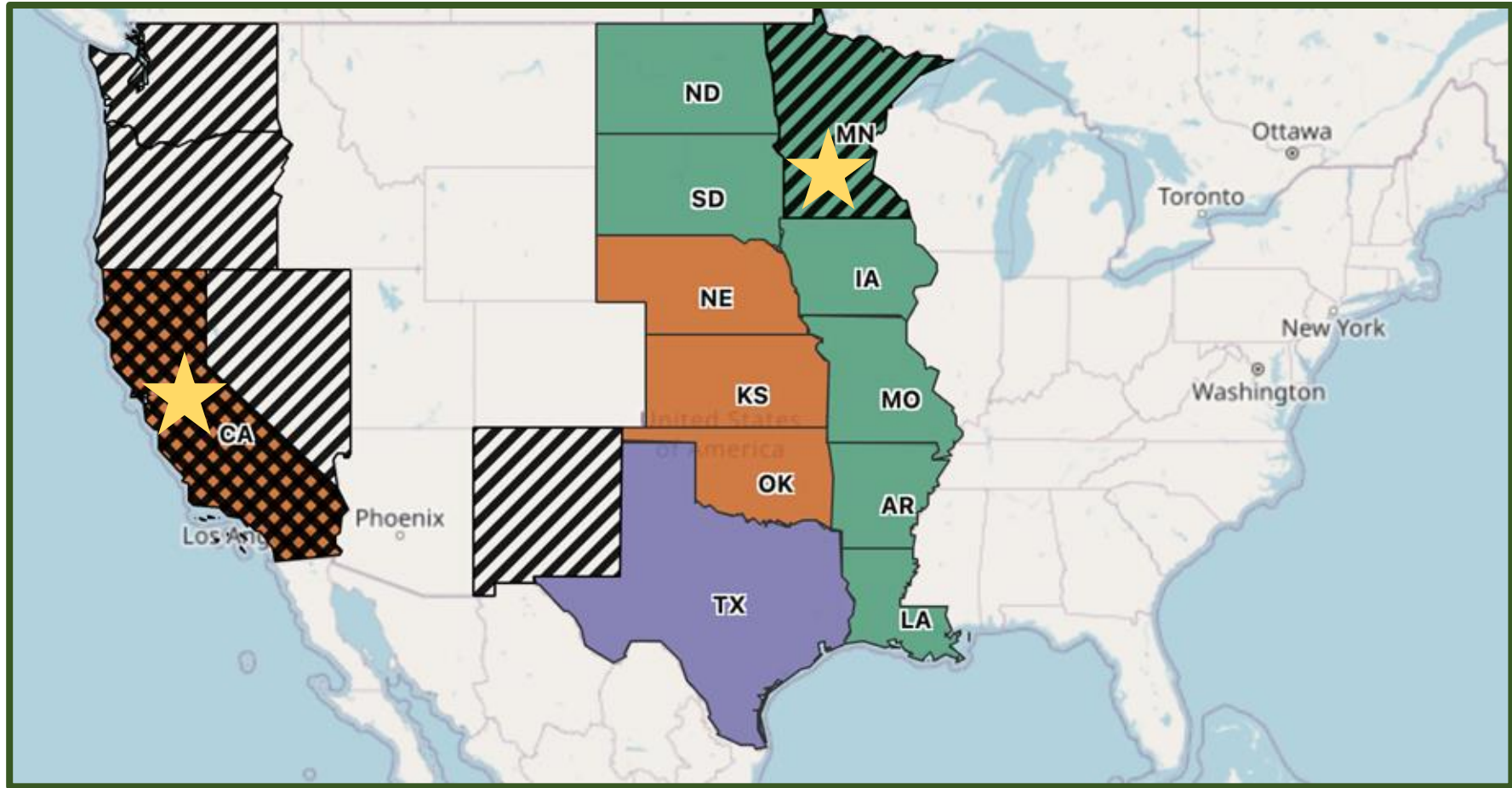
# Six states in the western US have stated 100% clean or renewable portfolio standards by mid-2040's



# California is the only western state with a long-duration energy storage (LDES) procurement target



# California and Minnesota stand out as promising states for deployment



# There exists a market gap in dispatchable clean firm energy

## Strong Demand Signals

Utilities need **fast, flexible ramping**

Hyperscalers need **24/7 clean + reliability**

Regions with high RE penetration need **firm capacity**

Reliability mandates **tightening**



## Stubborn Structural Barriers

LDES **value is invisible** in IRP models

**CapEx** for long-duration is **high\*** vs. peakers

Leadership missing on **who pays / how it's valued**

**Market mechanisms not designed** for >4h storage

\*CapEx for *typical* LDES is high, which could explain why we aren't seeing more positive regulation in the space



## Strategic Opportunity

**Few players** are developing multi-hour clean dispatchable

**High interest** from interviewees, minimal actual deployment

**Growing ecosystem interest** (utilities + tech + regulators)

# The NextGen Geothermal Team spans a variety of backgrounds



**Megan Hung**  
MBA Candidate, **MIT**

Former:  
MBA Intern, **Oxylus Energy**  
Program Manager, **MIT delta v Accelerator**  
Director, **EY-Parthenon**



**Christopher Yeh**  
PhD Candidate in Computing + Mathematical Sciences, **Caltech**

Former:  
AI Intern, **Gridmatic**



**Brighton Ombuki, Ph.D.**  
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Former:  
Engineering 4 Change Fellow



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Project Development Intern (S25/F25), **ENGIE North America**

Former: Branch Manager, **Enterprise Mobility**



**Michael Ettlinger**  
MEng & MS Candidate, **University of Michigan**

President, **ServemUp**  
Former:  
PJTL Climate Change Fellow, **U-M Center for Entrepreneurship**





## APPENDICES

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# Appendix: Selected Interview Quotes

Stakeholder	Quote
Large US Utility	“The issue isn’t tax credits; it’s that the market structure doesn’t know how to value long-duration.”
Developer	“Portfolio managers see the value instantly, but our models don’t capture it.”
Corporate Offtaker / Hyperscaler	“We need 24/7 carbon-free energy, but it’s not clear how to pay for or procure it.”
Regulatory Advisor	“Long-duration storage isn’t consistently represented in IRPs or ELCC calculations.”
Independent Advisory Firm	“Stakeholders all recognize the need, but nobody feels responsible for coordinating the ecosystem.”



**OpenMinds**

**Solving for the  
Dual Challenge.**