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LG Energy Solution partnering with hummgroup to enter the Virtual Power Plant (VPP) market

- Solar and battery adoption in Australia expected to more than double to ~\$5.0b by 2025
- Diamond Energy appointed as electricity retailer
- VPP predicted to become dominant vehicle for solar and battery sales in the medium term
- Target of 10,000 virtual network and energy storage systems installed by end of FY23

hummgroup has entered a partnership with LG Energy Solution to provide Virtual Power Plant solutions. Diamond Energy, the renewable energy generation retail electricity company has been appointed as the electricity retailer.

humm is the leading financier of solar installations in Australia, financing over \$2.2b of residential rooftop solar panels (Photo Voltaic, or PV). This has delivered more than 1 gigawatt (1 billion watts) of electricity generation capability for use in Australian homes each year, representing 1.7m tonnes of CO₂ offset, equating to 68.9m trees planted, or 431,000 cars off the road each year.

hummgroup Chief Executive Officer Rebecca James said:

*"Making renewable energy affordable for Australian homeowners has been a cornerstone of **humm** for over a decade now, with more than 350 active solar merchants and \$547 million of Climate Bond certified Green bonds issued during this time. Forging into the VPP market, with a technology partner like LG Energy Solution and a retail partner like Diamond Energy will enable us to deliver quality, simplicity and great energy savings to our customers."*

*"VPP is a natural progression for us with 265,000 solar systems financed since 2010. This new channel advances **humm's** leadership position by adding to our existing in home sales and corporate energy finance channels as green energy continues to evolve."*

What is a VPP?

A VPP is an alternative to traditional power stations. Rather than one big facility, a VPP delivers energy by aggregating the energy from rooftop solar panels and battery storage systems across the country. Through technology, the system can be controlled remotely and deliver electricity across the grid.

In addition, energy stored in batteries enables customers to "trade" energy through the VPP. This might mean selling energy generated during peak times or purchasing energy when the cost is low and storing it. The retailer directs your energy to offset the costs of installing the equipment, and when combined with solar, reduces the payback period.

LG Energy Solution General Manager of Residential Sales, Philip Crotty said:

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*"We're delighted to be embarking on this new and exciting partnership in renewable energy. Our pedigree in creating and managing high quality battery technology, along with the trust we've built with our customers, give us great confidence that the partnership we have with **hummm**, as the largest financier of residential solar installations, will be a success. We believe there is a potential market of more than 10,000 homes that this new product construct will appeal to over the next few years, and we aim to create the largest residential VPP network in Australia."*

How it works

To be eligible, customers must purchase and install solar and an LG Energy Solution VPP battery and finance the purchase through **hummm** (average expected transaction value: \$17.2k). Customers will then sign up with a **hummm**-referred VPP energy retailer (Diamond Energy). The customer will own the solar and battery system installed on their house. The energy retailer manages and directs energy from the solar and battery respectively at the customer's house.

The customer will directly benefit by receiving a guaranteed discount on the electricity reference rate from the VPP energy retailer (Diamond Energy). Customers will also receive an additional energy credit matched to the monthly instalment to **hummm**. The customer then pays this monthly instalment to **hummm** for the solar and battery system.

Authorised for release by the **hummm**group Disclosure Committee.

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ABOUT HUMMMGROUP

hummmgroup is revolutionising the way people pay. **hummm**group has developed some of Australia and New Zealand's most exciting and accessible consumer finance products including **hummm**, **bundll**, **hummm90** and **hummmpro**. **hummm**group continues to design products around the core needs of financially savvy consumers spanning millennial spenders through to young families and SMEs. **hummm**group facilitates purchases for 2.7 million customers and operates in Australia, New Zealand, Ireland and the United Kingdom.

About LG Energy Solution

LG Energy Solution (formerly LG Chem) is the world leader in lithium battery technology for residential, grid-scale, IT, appliances and electric vehicles. With a 75 year company history and 20 years in lithium battery development, they were first to produce lithium batteries for hybrid vehicles and are now the world's largest manufacturer of electric vehicle batteries. Headquartered in Korea, they have global distribution and manufacturing facilities in Asia, North America and Europe.