# Guidance Note: Bundling

## Contents


- Introduction: Asset Pairing for Integrated Energy Investment
- Purpose of this Guidance Note
- Overview of Guidance Suite
- How the Documents Fit Together
- Intended Audience and Use Cases
- Using this Guidance in Practice


## Introduction: Asset Pairing for Integrated Energy Investment

Asset pairing sits at the core of the energy infrastructure bundling approach. Rather than assessing technologies in isolation, it considers how complementary assets can be combined to improve deliverability, financial viability, risk allocation, and alignment with net zero objectives.

Effective asset pairing brings together assets with complementary operational and commercial characteristics. For example, intermittent renewable generation such as Solar PV or wind can be paired with Battery Energy Storage Systems (BESS) to manage variability, improve utilisation, reduce curtailment, and support access to additional revenue streams. Where appropriate, generation assets may also be paired with demand-side or enabling infrastructure, such as EV charging, heat networks, retrofit, or grid infrastructure.

From an investment perspective, asset pairing can support more resilient and financeable portfolios. Combining assets with different revenue profiles can enable revenue stacking, including power sales, energy savings, export income, capacity payments, flexibility services, or optimisation revenues. This can improve the overall investment case where individual assets may be too small, too risky, or insufficiently bankable on a standalone basis.

Asset pairing also supports better risk management. Pairing generation with storage, flexible demand, or demand reduction can help smooth operating profiles, improve revenue certainty, and reduce exposure to single-asset risks. For Local Authorities and Combined Authorities, this is particularly relevant where projects need to balance policy outcomes, public value, and investor requirements.

For portfolio construction, scalability and replicability are critical. Repeatable asset combinations can be applied across multiple sites, geographies, or asset classes, enabling projects to be aggregated into larger investment propositions. This supports standardisation, reduces transaction costs, and helps create portfolios of sufficient scale to attract external finance.

In this context, the Bundling Guide focus on identifying asset combinations that demonstrate:

- complementary operational profiles
- potential for multiple revenue streams
- improved risk balance and bankability
- scalability across sites, regions, or asset types
- alignment with net zero, local strategy, and community outcomes

The Portfolio Bridge explains how individual technologies function within a bundle, including whether they act as anchor, support, enabling, or conditioning assets. The Bundling Guide then provide the practical process for assessing, structuring, and progressing those combinations through finance stage gates.

The initial asset pairings considered in the guidance suite, including **Solar PV + BESS** and **Wind + BESS**, demonstrate how intermittent renewable generation can be supported by storage to create more stable and investable propositions. These combinations are highlighted because they are comparatively mature, deployable, and recognisable to the current market.

# Purpose of this Guidance Note

## Why this Guidance Note matters

This Guidance Note explains how the different products within this guidance suite are intended to be used together *(see Page 4)*. It is designed to help Local Authorities, Combined Authorities, and their delivery partners navigate the materials without duplication or confusion, and to understand how each document supports the development of investable energy project bundles.

The guidance suite is intended to be applied as a single, coherent system. Using components in isolation risks inconsistent project preparation, rework, and weaker engagement with funders. This note clarifies how the components fit together so that projects are developed, combined, and presented in a way that is consistent, efficient, and aligned with investor expectations.

## What this Guidance Note does (and does not do)

This Guidance Note does **not** introduce new technical requirements. Instead, it provides orientation to the suite, setting out the role of each document and how they collectively support the transition from individual projects/technologies to portfolio-based approaches capable of attracting external investment and finance.

It should be read at the outset of any work to develop or bundle projects and revisited as projects move from early pipeline identification through to portfolio formation and engagement with external finance providers.

# Overview of the Guidance Suite

The guidance suite is designed to support Local Authorities and Combined Authorities in moving from individual energy projects to coordinated, investable portfolios. It is structured as a set of complementary documents, each performing a distinct role within a single, coherent methodology. Together, they provide both the technical

foundations for individual projects and the practical steps required to assemble those projects into bundles capable of attracting external investment and finance, including public, private, and blended sources.

## 1. Guidance Note

This Guidance Note sits above all other documents in the suite and acts as the orienting and explanatory layer. It does **not** introduce new technical content or procedural requirements. Instead, it explains the purpose of each component, how they relate to one another, and the order in which they should be used.

Its role is to help users quickly understand where to start, how to navigate the guidance suite, and how individual projects are translated into investable portfolios through the combined use of the single tech playbooks *(included within the relevant Portfolio Bridge and providing detailed guidance for each technology)*, Portfolio Bridges, and Bundling Guide.

## 2. Portfolio Bridge

The Portfolio Bridge provides the link between individual asset-level project development and portfolio formation.

For each technology (e.g. Solar PV, Wind, BESS), it consolidates the relevant technical, commercial, and delivery considerations required to develop a project and explains how that asset functions within a bundle or portfolio. This includes:

- its role within a bundle (e.g. anchor, enabling, stabilising)
- which other technologies it complements and why
- how its data, risks, and performance characteristics translate into portfolio-level assessment and modelling
- relevant financing and structuring interfaces

In effect, the Portfolio Bridge embeds the single-technology playbook content within a portfolio context, enabling assets to be combined in a consistent and standardised way.

## 3. Bundling Guide

The Bundling Guide provides the practical, step-by-step process for assembling multiple projects into investable bundles. It describes how to move from a pipeline of individual projects to a coherent portfolio by applying standard data requirements, pairing and clustering logic, portfolio-level modelling, and finance stage gates aligned with investor expectations.

The Bundling Guide draws directly on the outputs of the single-technology playbooks and their Portfolio Bridges. It introduces process discipline and consistency, helping Local Authorities structure bundles that meet scale, risk, and standardisation thresholds required by lenders and investors.

## 4. Retrofit Guidance Note

The Retrofit Guidance Note provides readers with an understanding of:

- Retrofit and the range of potential retrofit measures
- The economics of retrofit, including costs, benefits and funding considerations
- Key implementation challenges, barriers to adoption and the relevant public policy environment
- Potential funding and financing solutions
- The role of retrofit within bundled portfolios alongside generation and flexibility assets

The guidance also considers how retrofit measures can be assessed, sequenced and integrated with technologies such as solar PV, battery storage and heat networks. It explores how reducing energy demand can influence system sizing, asset performance and the wider investment case, while recognising that retrofit measures may not generate standalone revenues.

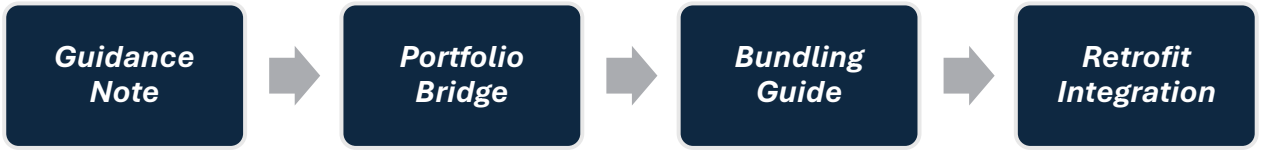
Finally, the guidance highlights practical delivery considerations, including asset-level constraints, resident engagement and alignment with planned maintenance cycles, to support more effective and scalable retrofit programmes.

## How the Documents Fit Together

The guidance suite is designed as a progression from asset-level development to portfolio formation.

- The Guidance Note sits above the other products and explains how to navigate and apply them in practice.
- The Portfolio Bridge defines each asset in both standalone and portfolio terms, embedding technical and commercial assumptions and translating them into a format suitable for bundling.
- The Bundling Guide uses these standardised inputs to assemble projects into multi-asset bundles, applying consistent logic, data structures, and finance stage gates.
- Retrofit Guidance Note supports the appropriate integration of retrofit within the bundling process, aligning demand-side interventions with generation and flexibility assets.

The guidance is designed to be used in the following sequence:




This structure ensures a consistent transition from individual projects to investable portfolios.

## Intended Audience and Use Cases

This Guidance Note is intended for Local Authority and Combined Authority officers responsible for developing, coordinating, or overseeing energy and decarbonisation projects. It is particularly relevant where authorities are seeking to understand how the different guidance products should be used together to move from standalone projects to coordinated, investable programmes.

Typical use cases include:

- understanding the role of each document in the guidance suite
- identifying which guidance product to use at each stage of project development
- aligning internal teams around a common process
- reducing duplication between technical, commercial, and portfolio-level work
- supporting senior officer or member discussions on how projects progress from individual opportunities to bundled investment propositions

## Using this Guidance in Practice

This Guidance Note should be used as the starting point for applying the guidance suite in practice, orienting users before detailed project development or portfolio structuring begins.

The guidance is designed to be applied flexibly to reflect local context, asset mix, and delivery models, while maintaining a consistent and standardised approach to portfolio formation and engagement with external investment and finance, including public, private, and blended sources.

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