

IDC MarketScape

IDC MarketScape: North American Distributed Energy Resource Management Systems Strategic Consultants and Systems Integrators 2020 Vendor Assessment

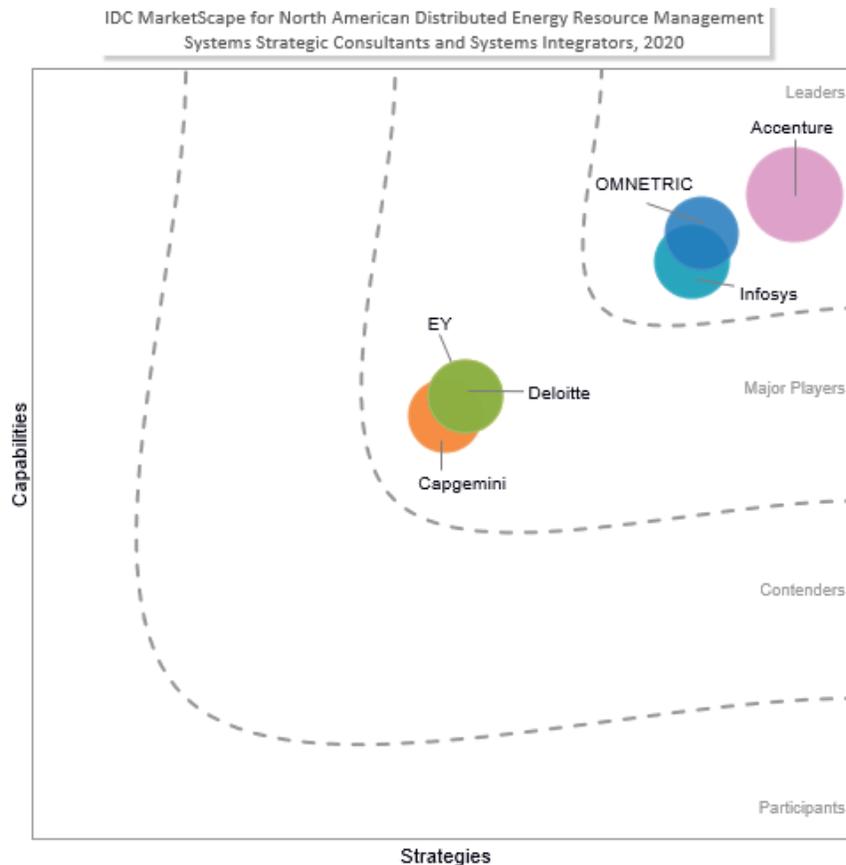
John Villali

THIS IDC MARKETSCAPE EXCERPT FEATURES OMNETRIC

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape North American Distributed Energy Resource Management Systems Strategic Consultants and Systems Integrators Vendor Assessment



Source: IDC, 2020

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: North American Distributed Energy Resource Management Systems Strategic Consultants and Systems Integrators 2020 Vendor Assessment (Doc # US44514919). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

IDC OPINION

This IDC study represents the vendor assessment model called IDC MarketScape. This research evaluates the forward-looking strategies and current capabilities of strategic consultants and systems integrators (SIs) in the area of distributed energy resource management systems (DERMSs) in the utility space in North America. The area of DERMS continues to be an evolving space where the power market's and utility customer's needs are still being shaped and defined. There is plenty of room for leaders to emerge in this space (refer back to Figure 1). That said, the participants of this study are well ahead of the curve by establishing their capabilities, strategies, and brand in the area of DERMS in these early stages as the DERMS market develops. As distributed energy resources (DERs) continue to penetrate regional power markets at higher levels, utilities must look at investments in DERMS to maintain system reliability and meet the growing demands of their electricity customers. When evaluating strategic consultants and SIs in the area of DERMS, key findings included:

- The area of DERMS in the utility industry is steadily evolving, with niche capabilities and strategies that are developing at different paces in regional markets and utilities in North America.
- There continues to be very few if any true end-to-end DERMS product offerings by any one vendor as there is a wide range of services and capabilities and customer needs in the area of DERMS.
- Participants in this study are at an advantage as they are positioning and establishing themselves in the DERMS space. This segment of the utility market is at its early stages and is growing and exploring creative products and services around distributed energy resource management. Many vendors in this space have opportunity to emerge as leaders as the market matures.
- As regulations and regional market rules around DERMS develop, it is in vendors and their customers best interest to have a fully dedicated staff focused on the regional regulatory aspects of DERMS as regulations can be very different from state to state and region to region in North America.
- Although there are DERMS offerings that approach DER optimization at the distributed energy source first, most current technologies and capabilities in the area of DERMS can be applied as an extension of an existing advanced distribution management system (ADMS) geared toward managing behind-the-meter energy resources and utility-scale renewable energy sources.
- There is a large ecosystem of vendors and a growing number of niche players in the area of DERMS. Strategic partnerships will be key for gaining traction in the area of DERMS. However, over time, expect a consolidation of players in this market segment through acquisitions, partnerships, or joint ventures.

IDC MARKETSCOPE VENDOR INCLUSION CRITERIA

The following is a list of vendor inclusion criteria that was used when selecting participants for this IDC MarketScape for North American DERMS strategic consultants and SIs:

- The strategic consultant or systems integrator has worked with utilities in North America in the area of DERMS.
- The strategic consultant or systems integrator has worked with utilities in at least three regional markets within North America (Texas, New York, California, Alberta, Ontario, etc.).
- The strategic consultant or systems integrator has worked with at least three major North American utilities (e.g., investor-owned utilities [IOUs] or major municipal or electric cooperatives).
- The strategic consultant or systems integrator has worked in at least three of the following core areas within DERMS: planning, forecasting, demand management, grid management, and transactive markets.

ADVICE FOR TECHNOLOGY BUYERS

When evaluating the investment in DERMS, utilities should consider the following:

- To fully understand the capabilities and expenditures involved in implementing a DERMS, due diligence should occur in the following core areas of an end-to-end DERMS: planning, forecasting, demand management, grid management, and energy markets.
- Be fully aware of the regulatory environment and the pace at which DERMSs are being implemented in your utility's footprint. There are many regional differences in the penetration of DERs and the regulations surrounding DERs that can impact investment decisions for both the electric consumer and the utility.
- Evaluate current technologies, capabilities, and processes that are in place in your existing distribution management system (DMS) or advanced distribution management system that can be compatible with a DERMS to reduce costs and redundancy.
- Consider and become familiar with the entire vendor ecosystem when investing in a DERMS. The vendors offering DERMS solutions have a wide range of capabilities. Implementation can be done by a single vendor offering an end-to-end solution or by integrating several platforms from both technology vendors and systems integration firms. A firm understanding of costs and capabilities of offerings in the DERMS space can save a substantial amount of time and expenses.
- Take a holistic approach in managing all of your generation assets including traditional fossil fuel units and all other forms of generation. DERMS mainly focus on DERs and renewable resources, but be sure to look at DERMS as an asset optimization technology that can help a utility in dispatching the entire generation fleet in the best economic and environmental manner to provide system reliability while producing the least cost of energy for your electricity customers.

VENDOR SUMMARY PROFILE

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of the vendor's strengths and challenges.

OMNETRIC

OMNETRIC, a Siemens company, is positioned in the Leaders category in this IDC MarketScape for North American DERMS strategic consultants and systems integrators of 2020.

OMNETRIC has been working with and has been a part of the Siemens digital grid strategy since 2014. It fully specializes in the integration of operations and IT systems in the energy sector. Work with utilities includes engagements in core areas such as grid stabilization, active load balancing, demand response and load aggregation, distributed energy resource management system, asset maintenance optimization, smart metering, grid security, and IT/OT data analytics.

OMNETRIC has added over 200 utility professionals to Siemens with over 80 staff members located in North America. More than half of OMNETRIC's personnel have worked on projects related to distributed energy resources. In relation to DERMS, OMNETRIC has also worked with some of the largest investor-owned utilities in the United States in areas such as grid stabilization, supply and demand balancing, demand response, and management of distributed energy resources. OMNETRIC has a well-established presence in European power markets, and in December 2019, it announced active operations in South America.

Strengths

OMNETRIC is positioned well in the DERMS market space with the ability to leverage the engineering and energy technology and smart grid applications of Siemens. OMNETRIC's key strengths provide its utility customers an integrated view of data and operations, reduced risks, flexible control of DERs, greater process digitization, and a smart grid platform in which to innovate.

OMNETRIC has deep knowledge and experience with Siemens digital grid products surrounding DERMS such as virtual power plants (VPPs) and microgrid management systems (MGMS). In addition to now officially being a Siemens company, OMNETRIC has a strong ecosystem of partners and alliances in the utilities space. OMNETRIC has made efforts to support further developments of open architectures and is proactive in partnering rather than developing additional functionality when available, which can save on project time and costs.

OMNETRIC is positioned for future growth, now being an official Siemens company. Siemens has committed investments in DERMS and combined with Siemens' long-standing presence in utility markets, OMNETRIC is on a solid path for growth in the North American power markets.

Challenges

OMNETRIC, now being fully integrated and owned by Siemens, has an opportunity to improve its go-to-market strategy. The integration of products and services along with integrating OMNETRIC experienced utilities personnel under the Siemens umbrella will continue to require work and will take some time, like any acquisition. More importantly, a clearer marketing message including OMNETRIC's capabilities in addition to all of the digital grid offerings Siemens provides to the market could be improved. The capabilities and offerings of Siemens combined with those from OMNETRIC

have the potential to establish one of the few single entities that can provide a solid end-to-end DERMS.

APPENDIX

Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents the market share of each individual vendors within the specific market segment being assessed.

IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

Market Definition

Distributed energy resource management systems (DERMSs) are made up of hardware and software applications that provide utilities the ability to manage the distribution system. DERMSs utilize historical and real-time data that is analyzed and can provide insights and actions that can help integrate, manage, and control flexible and intermittent DERs and electric demand. The analysis and actionable intelligence derived are then applied in efforts to keep the transmission and distribution system in sync with an efficient and reliable supply and demand balance that optimizes both DERs and traditional centralized generation.

LEARN MORE

Related Research

- *Electric Vehicles: Opportunities and Challenges for Utilities* (IDC #US45559819, October 2019)
- *IDC PlanScape: Digital Transformation for Distributed Energy Resource Management Systems* (IDC #US44528918, December 2018)
- *IDC MarketScape: North America Distributed Energy Resource Management Systems 2018 Vendor Assessment* (IDC #US41793416, August 2018)
- *IDC TechBrief: Distributed Energy Resource Management Systems* (IDC #US42253317, January 2017)

Synopsis

This IDC study uses the IDC MarketScape model to provide an assessment of strategic consultant and systems integrator vendors participating in the North American 2020 DERMS market. This IDC MarketScape is an evaluation based on a comprehensive framework and a set of parameters that assess vendors relative to one another and to those factors expected to be most conducive to success in a given market during the short term and the long term.

According to John Villali, research director of IDC Energy Insights, "As distributed energy resources (DERs) continue to penetrate regional power markets at higher levels, utilities must look at investments in DERMS in order to maintain system reliability and meet the growing demands of their electricity customers. DERMS can provide analysis and actionable intelligence that can be applied in efforts to keep the transmission and distribution system in sync with an efficient and reliable supply and demand balance that optimizes both DERs and traditional centralized generation."

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

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