MOORE

THE 3 CONTROL SYSTEMS THAT

MAKE INTEGRATED POWER INVESTABLE

The Three Control Systems That Decide Whether Integrated Power Creates Value

Integrated Power is not failing because power is “structurally low return.”

It fails when the organisation scales assets faster than it scales control systems.

If you want Integrated Power to become a credible second engine at ~12% ROACE, three control systems must exist; and boards should treat them as non-negotiable.

Control System 1: Capital allocation governance (stop dilution at source)

Dual-engine majors manage incompatible return pools. That makes capital allocation the first control point.

What this system does:

Turns “strategic ambition” into enforceable investor logic.

Minimum viable controls:

• Deal-level ROACE tracking (base-case and optimised-case)

• Investment committee rules that explicitly reconcile return pools

• Board-approved exit triggers (e.g., multi-year underperformance → farm-down/sale)

• A “deal scoreboard” updated quarterly, not annually

The CEO test: “Show me, in one slide, the last 24 months of Integrated Power investments split by pro-forma ROACE and the explicit path to 12%.”

If the company cannot produce that quickly, the strategy is not governed.

Control System 2: Profitability attribution (manage what actually makes money)

As Integrated Power scales, value moves away from plants and into:

• contracts,

• customers,

• trading portfolios,

• geography-specific volatility.

Yet most reporting remains segment-level, which hides value destruction.

What this system does:

Makes value creation visible at the level where decisions are actually made.

Minimum viable controls:

• Contract-level profitability ledgers for major PPAs and capacity contracts

• Customer-level profitability (who pays for reliability and decarbonisation?)

• Geography/zonal ROACE and CFFO attribution (stop cross-subsidies)

• Integration between ETRM and finance so trading and dispatch flow into ROACE attribution

The board test:“Show me the top 20 and bottom 20 contracts by economic value added; and what we’re doing about each.”

If the board can’t see that, losses will hide in averages.

Control System 3: Carbon data governance (make decarbonisation auditable)

This is the most underestimated control system, and it is becoming the most commercially important.

Under emerging disclosure regimes, carbon claims embedded in contracts are drifting toward audited assertions. Customers increasingly rely on those claims to defend their own disclosures.

This changes the nature of risk:

- Carbon data misalignment can become contract risk
- Methodology disputes can become pricing power disputes
- Traceability gaps can become reputational and regulatory exposure

What this system does:

Turns decarbonisation claims from marketing language into defensible infrastructure.

Minimum viable controls:

- Carbon controllers with authority comparable to financial controllers
- Traceable data flows: generation → grid intensity → contract delivery → customer claims
- A sign-off process for any external claim linked to revenue
- Scenario analysis embedded in investment cases (how grid decarbonisation changes "avoided emissions" value)

The CFO test: "Can we defend our transition-linked revenue claims the way we defend audited financials?"

If not, the premium product will not stay premium.

Why the next 24 months decide everything

These control systems are not "nice to have." They are the difference between:

- Integrated Power as integration alpha (a self-funding second engine), and
- Integrated Power as integration tax (a permanent ROACE drag)

And this is time-bound. By 2026–2027:

- governance must exist,
- attribution must be operating,
- carbon integrity must be defensible.

Otherwise, the 12% story becomes a board liability.

The bottom line

Integrated Power doesn't fail on ambition.

It fails on controls.

Build the control architecture, and the second engine becomes investable.

Skip it, and the portfolio becomes a subsidy.

Want the control-systems blueprint and implementation checklist?

Download the full executive brief.

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