



Enhanced Energy Performance Contracting

The NOVICE Project

Stephan Marty
General Manager
KiWi Power Ltd



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Setting the Scene

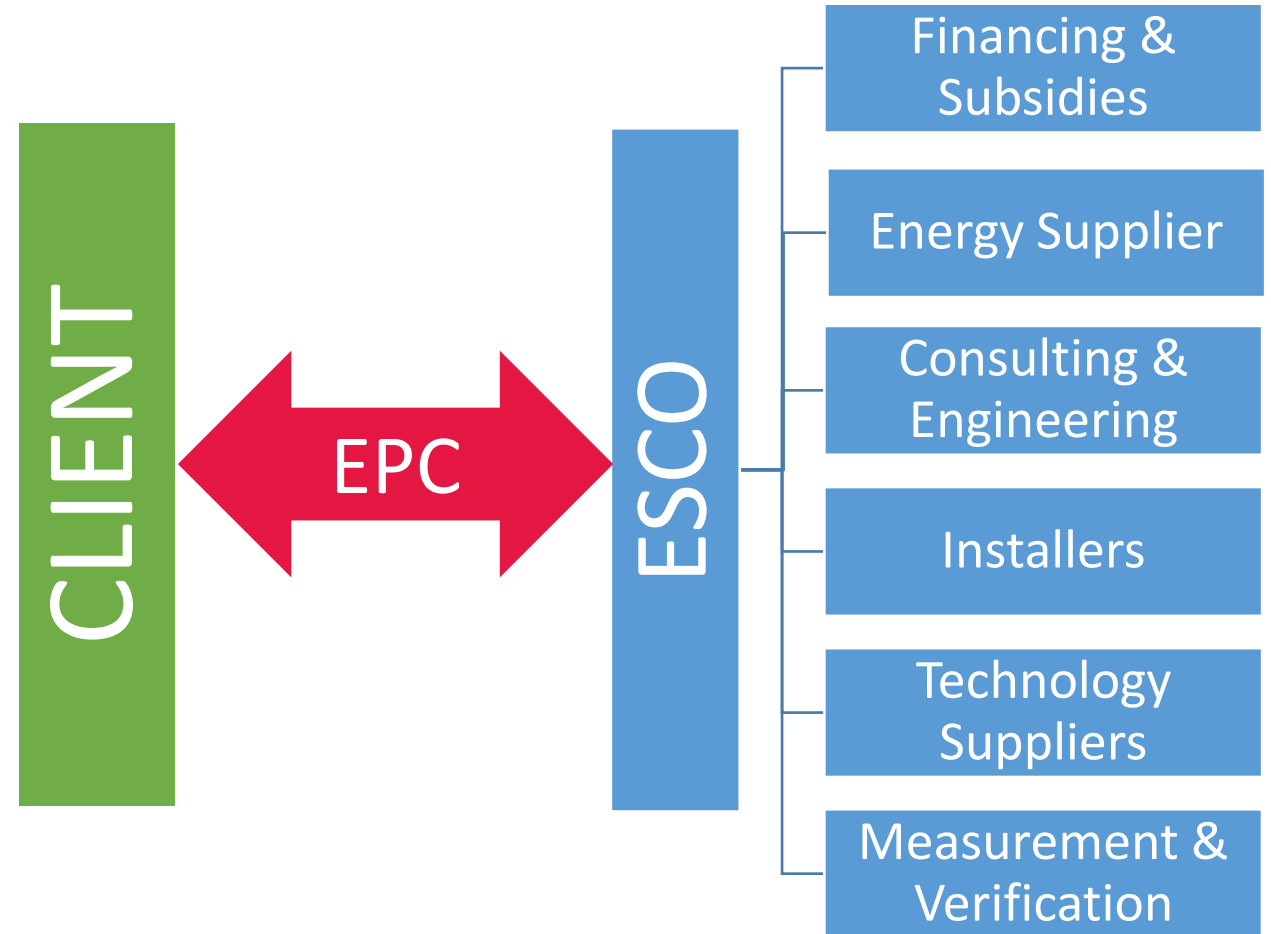
- The EU has an energy efficiency target of 32.5% improvement by 2030.
- Buildings account for 40% of energy consumption in Europe. 75% of the buildings stock is energy inefficient but renovation rates are only at around 1% per year.
- ‘Smart’ buildings that can respond to the needs of the occupants and the grid are needed.
- To hit the EU’s 2030 targets, €177 billion per year of private finance will be necessary over the period 2021-2030.



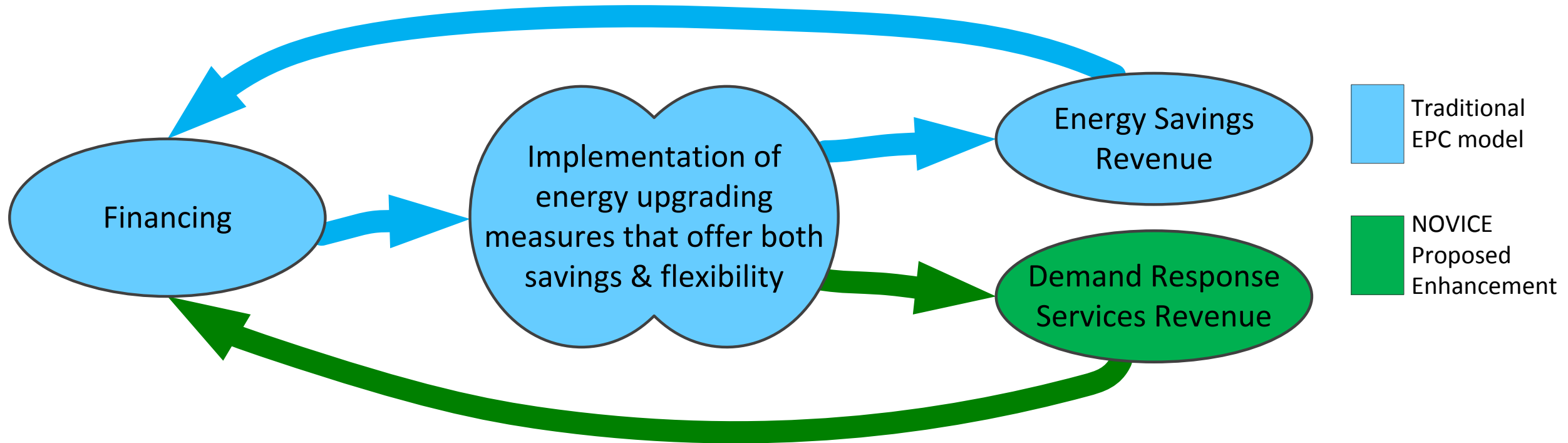
Why EPCs?

Energy Performance Contracts (EPCs) have many advantages:

- Client does not require upfront capital.
- Finance for the project is provided by the ESCO or a third party finance provider.
- Energy Savings are guaranteed by the ESCO, removing the operational risk from client.
- The loan is repaid from the savings on energy bills.
- Single contract between client and ESCO covers all energy efficiency measures.
- Deeper renovations can be achieved through taking a whole building approach.

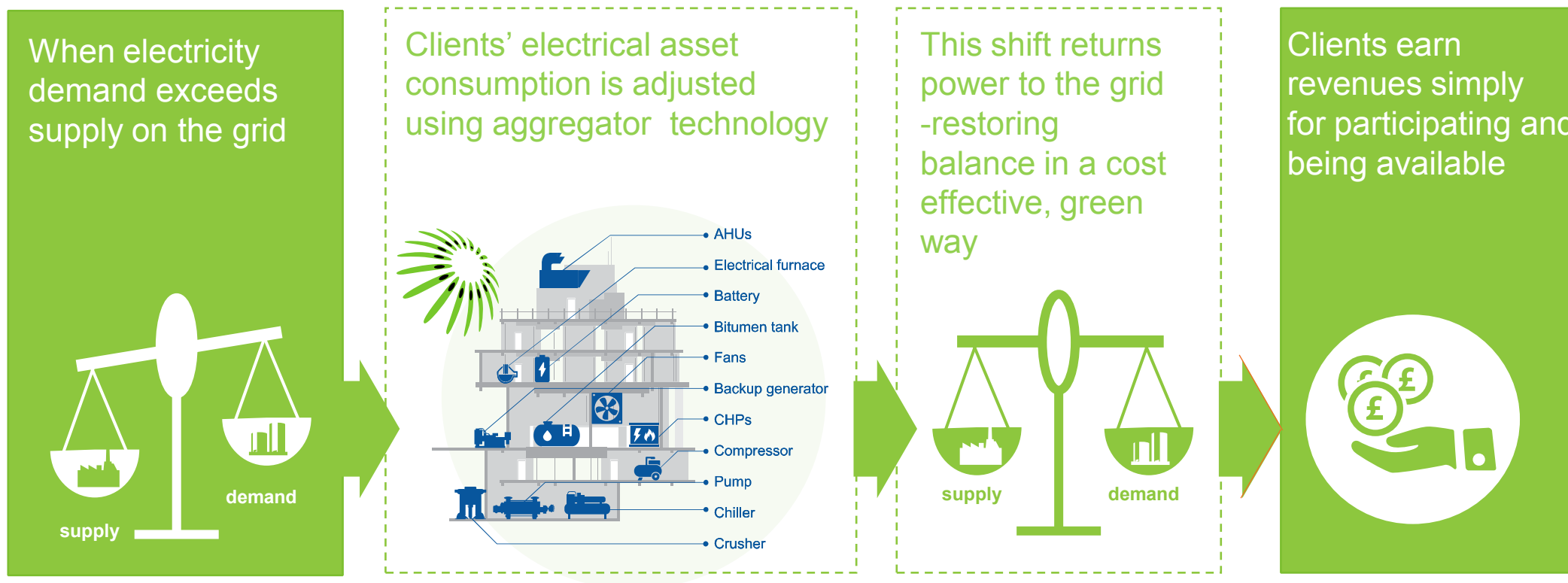


NOVICE in a Nutshell: An Enhanced EPC



What is demand response?

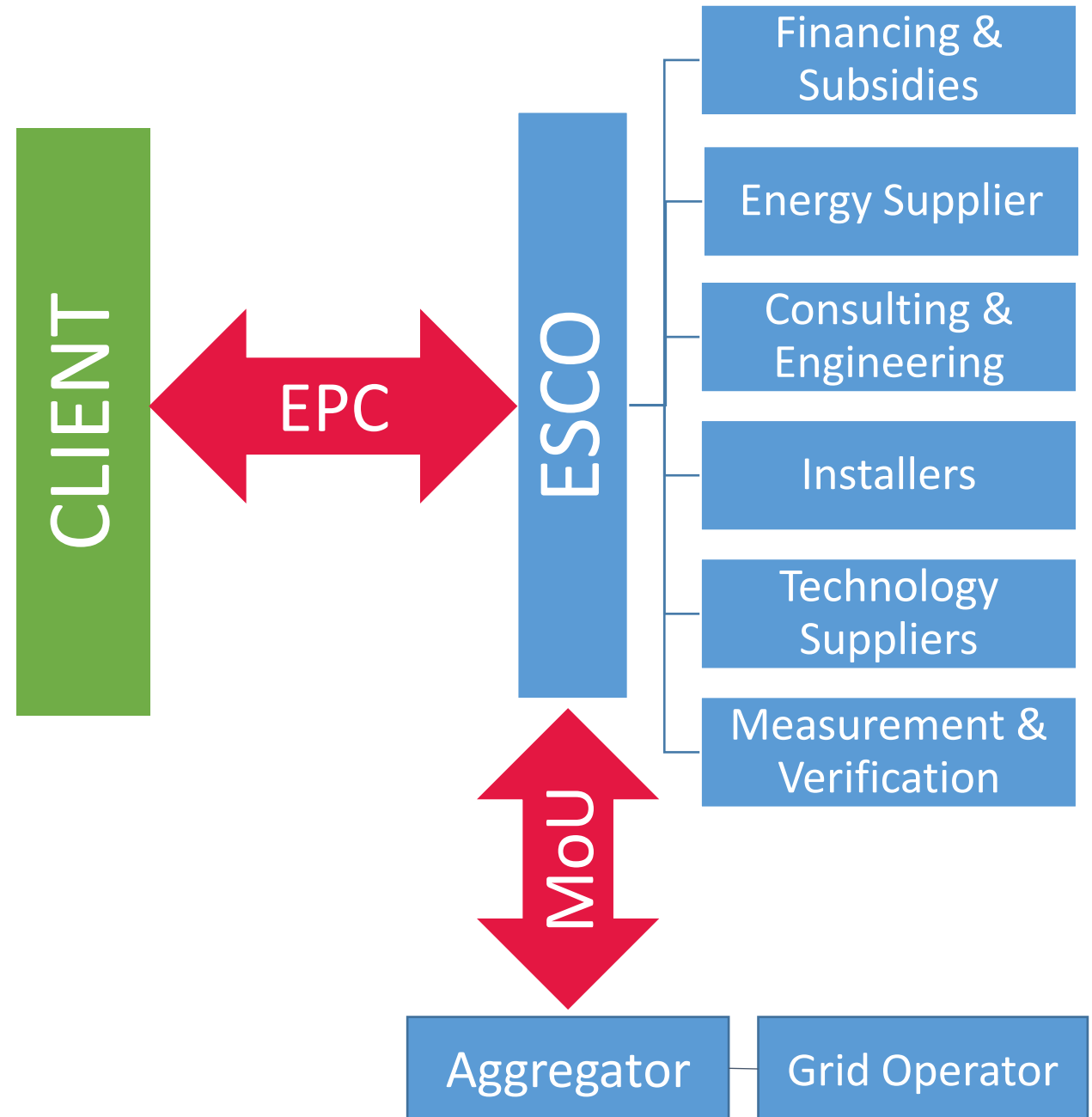
Demand response is a way of shifting or reducing electricity usage during peak periods.



NOVICE Enhanced EPCs

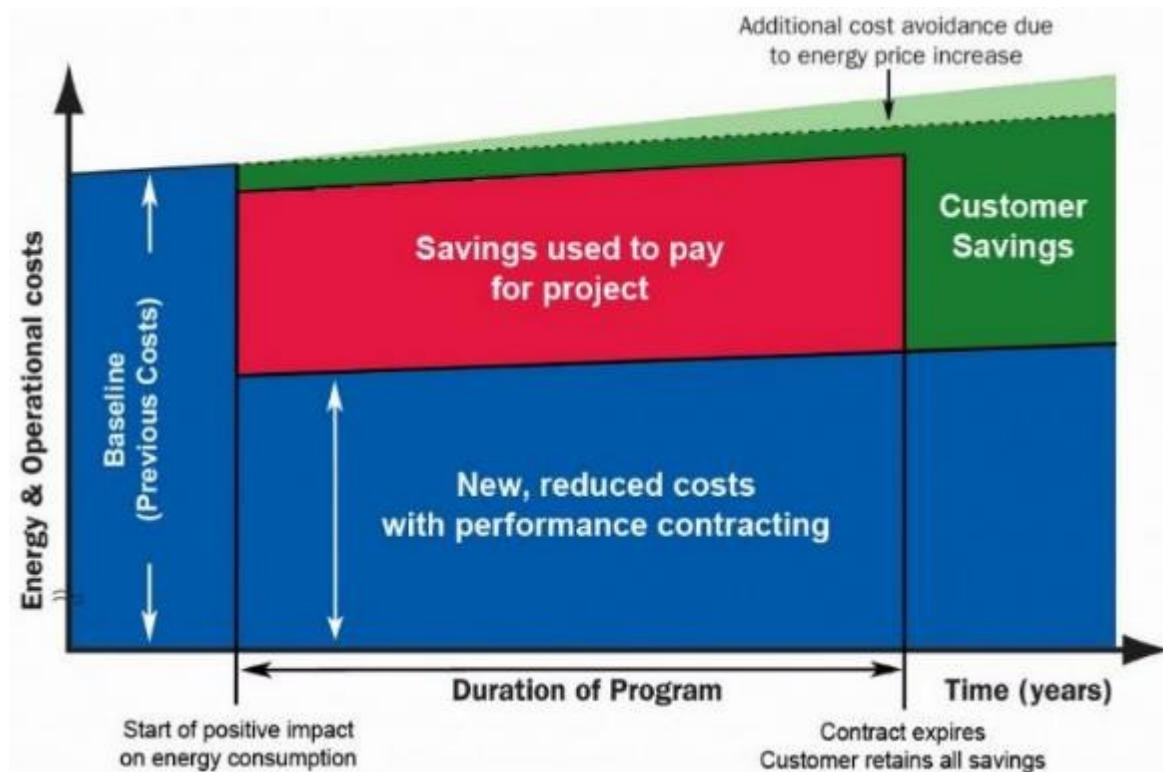
How do they work?

- NOVICE project is looking at an Enhanced EPC business model for ESCOs.
- It considers demand response as well as energy efficiency measures
- This creates a dual revenue stream – one from energy efficiency, another from demand response.
- The ESCO remains the single point of contact for all measures but uses the services of a demand response aggregator to provide services to the grid.
- A Memorandum of Understanding (MoU) governs the relationship between ESCO and Aggregator

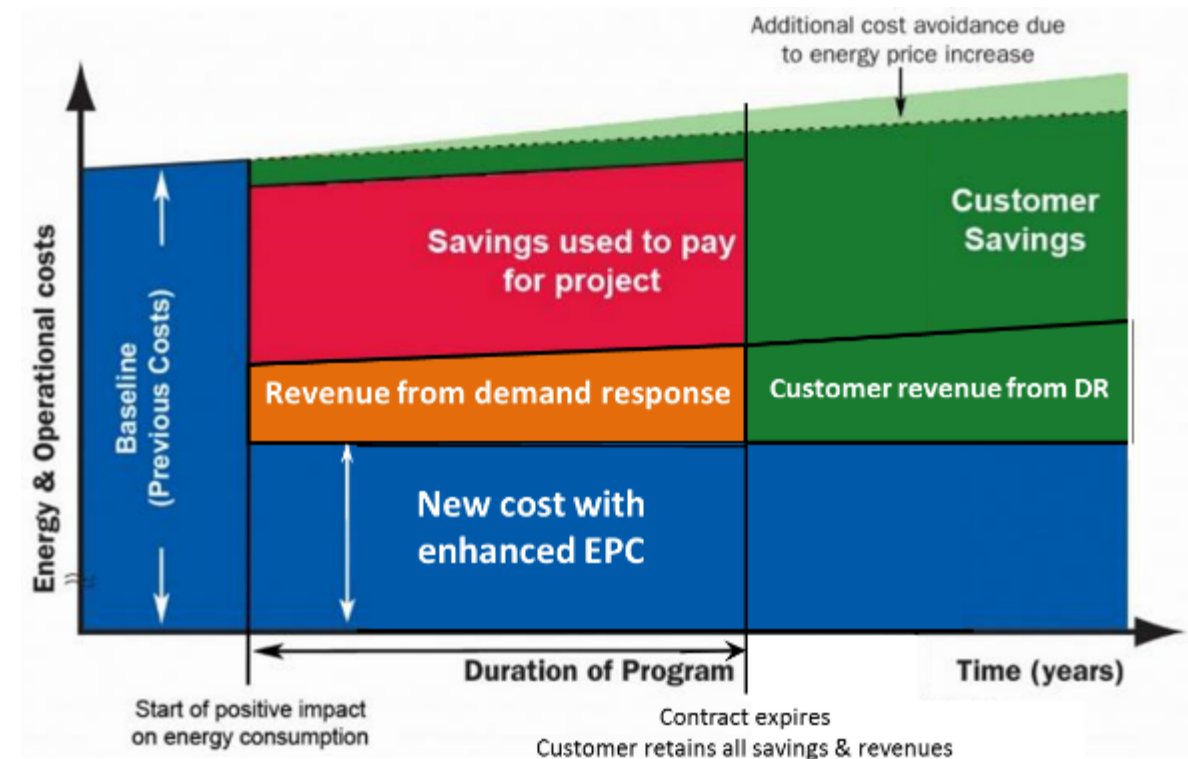


Traditional EPC vs Enhanced EPC finance

Traditional



Enhanced



Assessment of Market Readiness for NOVICE

- Market readiness for NOVICE varies across the EU.
- Green countries have well developed or growing ESCO markets and several open DR markets with regulation that encourages aggregators to participate.
- Yellow countries have either an advanced ESCO or an open DR market but strict regulations that limit the ability of aggregators to participate.
- Red countries either have immature ESCO and closed DR markets or do not legally allow aggregation.

Market readiness for NOVICE

- Suitable countries
- Moderately suitable countries
- Unsuitable countries



Benefits of the NOVICE Enhanced EPC

ESCOs & Aggregators

- USP in a crowded market
- Access to new markets
- Short contract lengths
- Improved ROI
- Ability to finance more projects
- Low risk way to bring new skills to the business

Building Owner

- Faster payback period
- Shorter contract duration
- Smart building
- Improved occupant comfort
- Increased asset value
- Reduced administrative burden

Increased Renovation Rates



Company Overview



Who we are

We are an
Energy
Technology
company

We provide products
to monitor, control,
aggregate, optimise
and monetise DER
assets

We partner
with you to
build your
business

1GW+ of DERs
are managed on
our platform

We are
active in 10+
countries

There's 70 of
us - more than
35% being
technologists

We built our
technology
platform in
house

Smallest asset on
platform is an
HVAC unit (4kW),
largest a gas
turbine (46MW)

70MW of
battery systems
are managed on
our platform

Customer Needs & How KiWi can help

In response to the rapidly changing energy markets, various market participants require a technology solution capable of managing distributed energy resources in real-time, at scale.

Typical customers types are:

- Electricity suppliers
- Vertically integrated utilities / monopolies
- DNOs / DSOs
- Independent aggregators, energy services managers, microgrid operators, etc

KiWi Power's Platform-as-a-Service offering is the most reliable, flexible and lowest-cost solution to build your DER business

Using our platform, our customers can focus on their clients & markets, rather than having to make large upfront risky investments in infrastructure and technology development.

Our offering to partners

KiWi Power provides products to manage DER assets and monetise them in the markets:

DER Management

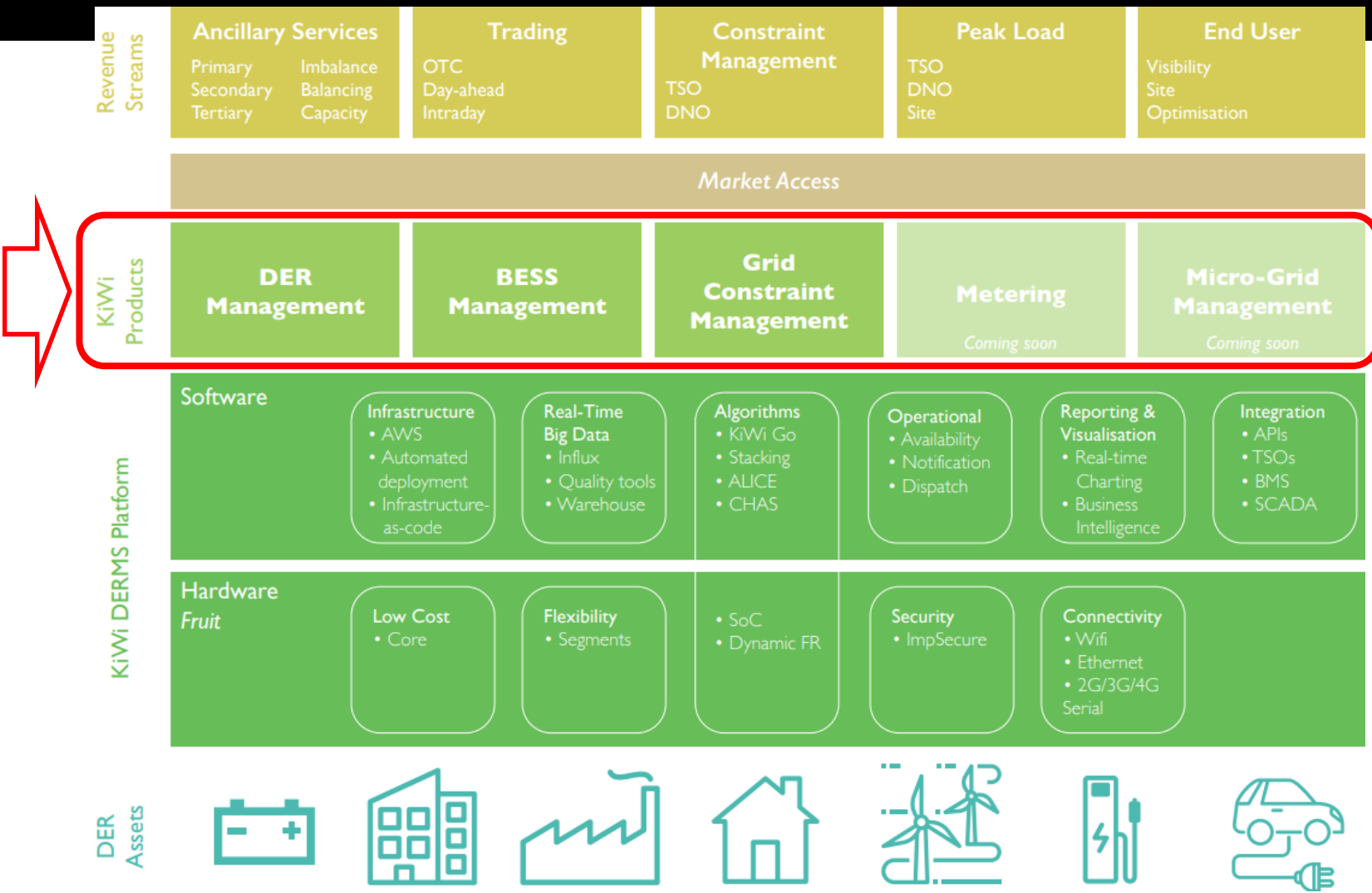
The “classic” DR aggregation offering, enabling to control, aggregate, optimise DERs and monetise them in the markets (typically ancillary services, trading and peak load)

Battery Energy Storage System Management

A full EMS control system to manage energy storage sites, including frequency control, metering, monitoring sec-by-sec cycle times, State-of-Charge management, alarms, data dashboard and bidding into the markets (typically primary frequency control, trading, peak load)

Grid Constraint Management

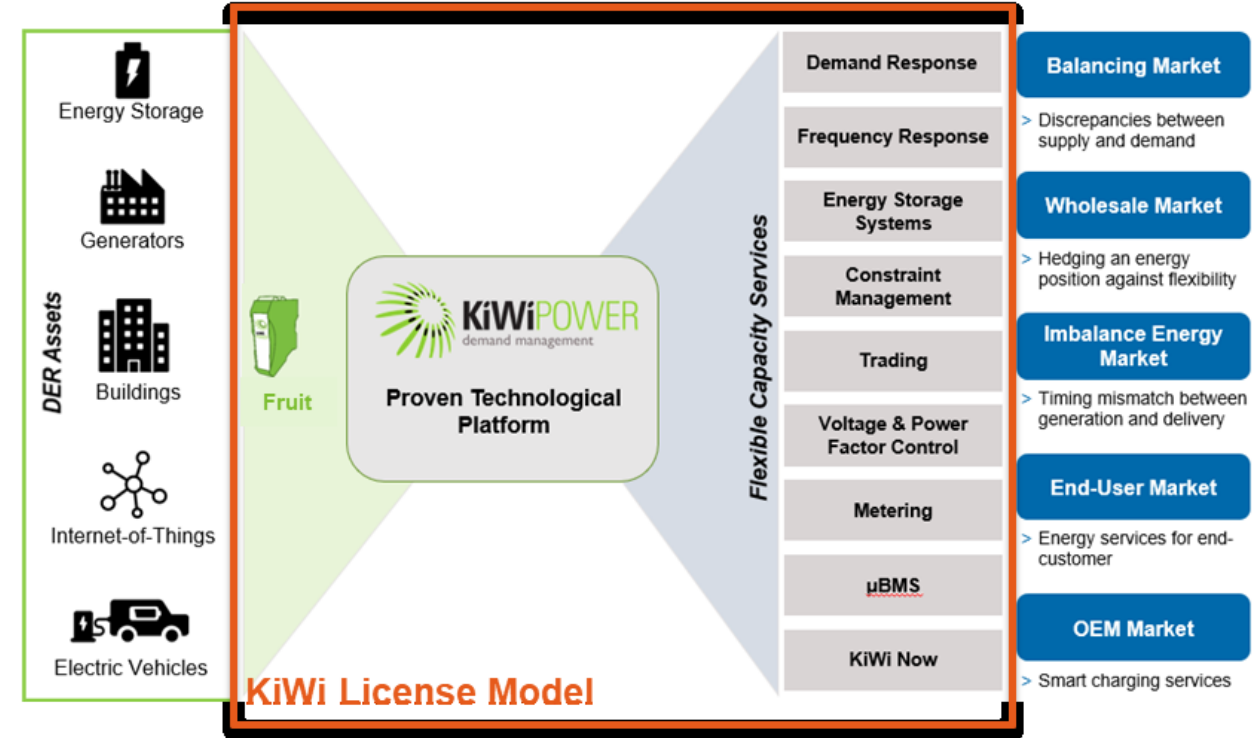
Comprehensive solution for (DNO) grid operators to tender for, aggregate and dispatch DER assets on their networks



We cooperate with partners

➤ Product Licenses (B2B2C)

- Platform-as-a-Service
- KiWi brings technology and DER know how for free
- KiWi provides hardware for free
- Typical partners are electric utilities
- Solution is white-labelled in partner's name
- Partner sells to end customers
- Partner operates the business and is local market expert
- KiWi and partner share revenues to align incentives





Thank you

Stephan Marty
smarty@kiwipowered.com