

# Enpower Energy presentation



**ENPOWERENERGY**

# Agenda

- Enpower Energy presentation
  - Who we are
  - What are our objectives
- Our Experience
  - Project development experience
  - Supply / Trading & Team evolution
- Business model
- How we can do it
  - Project development
  - Power Supply / Trading
- Map our of ongoing projects
- Conclusions

# Enpower Energy presentation

- **Who we are**

- ENPOWER ENERGY is specialized in power trading and consulting, wishing to satisfy the most exigent demands of its clients and to transform the contractual relation in a long-term partnership.
- We reunite specialists with extensive expertise in the Romanian energetic sector, with successful experience in the competitive power market even from its beginnings and with active involvement in designing the legal framework of this market.
- Our team is ready to offer an extremely wide range of services in order to fulfill you company needs.
- We provide our full expertise in order to assist you in all the power processes.

- **What are our objectives**

- ... we will work on the basis of an integrated business model
- ... we will strive for clear and profitable development
- ... we will strive to obtain and consolidate market position
- ... we will aim to be a serious partner in the market

# Enpower Energy - our experience (1/3)

## Project development experience

- Zephyr 1 - Wind farm - 120 MW

Nicolae Balcescu

- Zephyr 2 - Wind farm - 60 MW

Targusor

- MV - Wind farm - 80 MW

- MV2 - Wind farm - 3.2 MW

- MW3 - Wind farm - 2.4 MW

Mihai Viteazu

- Pantelimon 1 - Wind farm - 1.6 MW

- Pantelimon 2 - Wind farm - 2.4 MW

Pantelimon

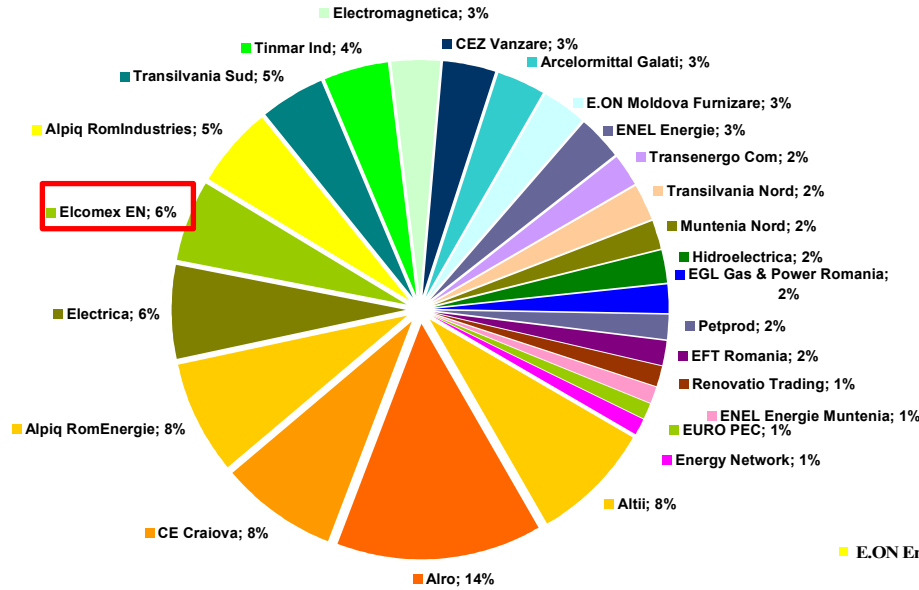
Constanta County



# Enpower Energy - our experience (2/3)

## Part of power supply activity

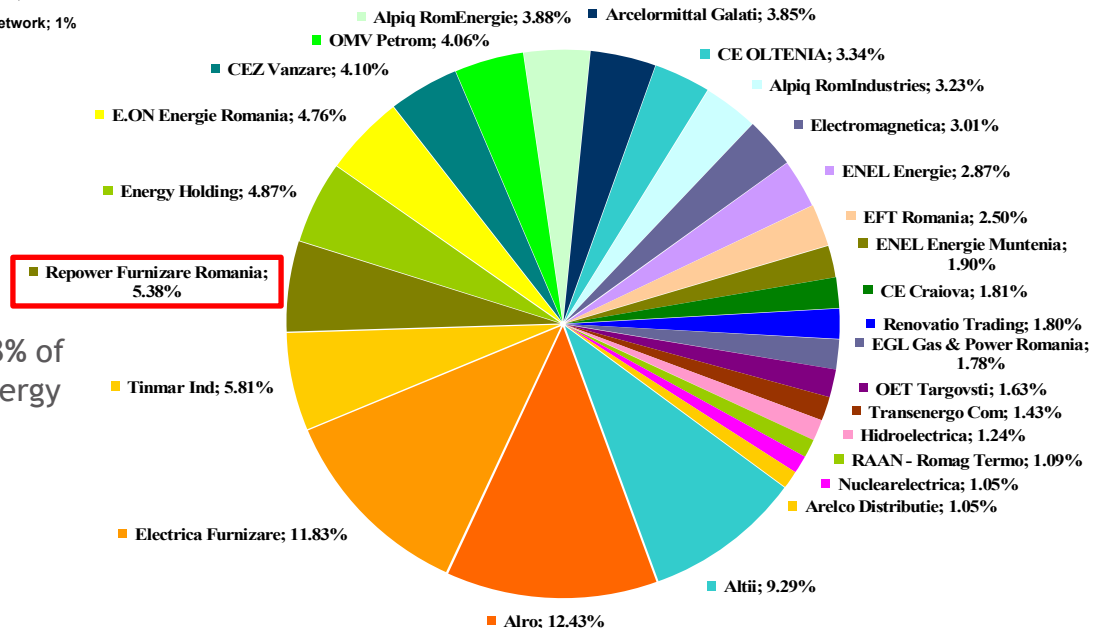
Market shares of suppliers delivering electricity on the competitive market  
- 2010 -



### ELCOMEX EN

- started the activity in 2004, when the energy market was opened for liberalization
- in 2010 reached 6% market share, when it was acquired by REPOWER SWITZERLAND

Market shares of suppliers delivering electricity on the competitive market  
- 2012 -



### REPOWER FURNIZARE ROMANIA

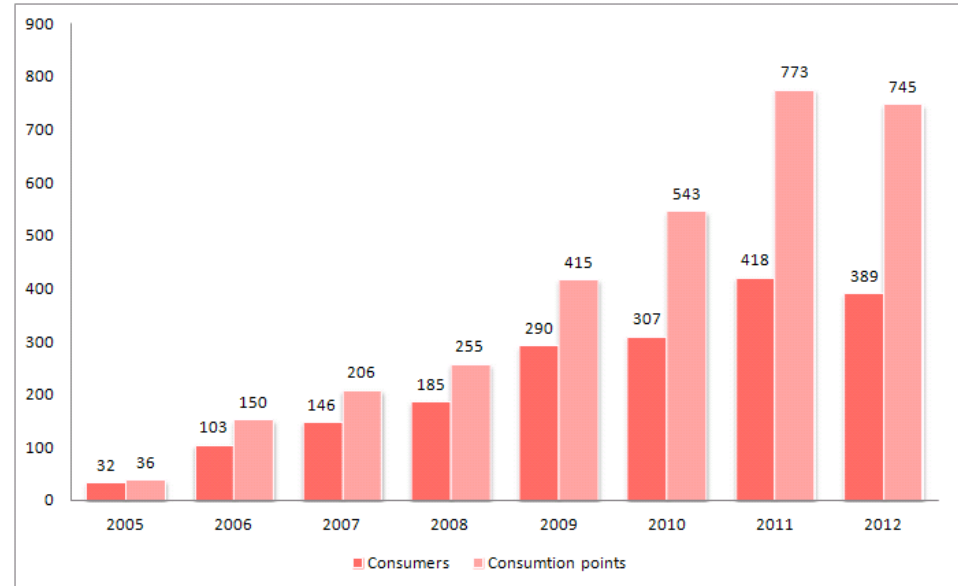
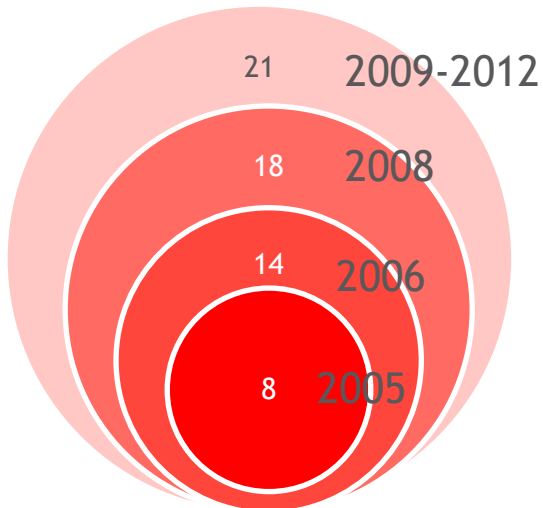
- in 2012 Repower sold 1,5 TWh, covering 5,38% of competitive market (3% of total Romanian energy consumers market)
- portfolio includes mostly medium and small industrial end customers

# Enpower Energy - our experience (3/3)

## Managing the sales team & customer portfolio

### End customers managed portfolio - evolution and consolidation

- 389 end customers and 745 consumption points at the end of 2012
- equilibrated portfolio, with a rate of less than 3% of customer left, over last five years
- experienced and dynamic team and agent's network



### Team evolution

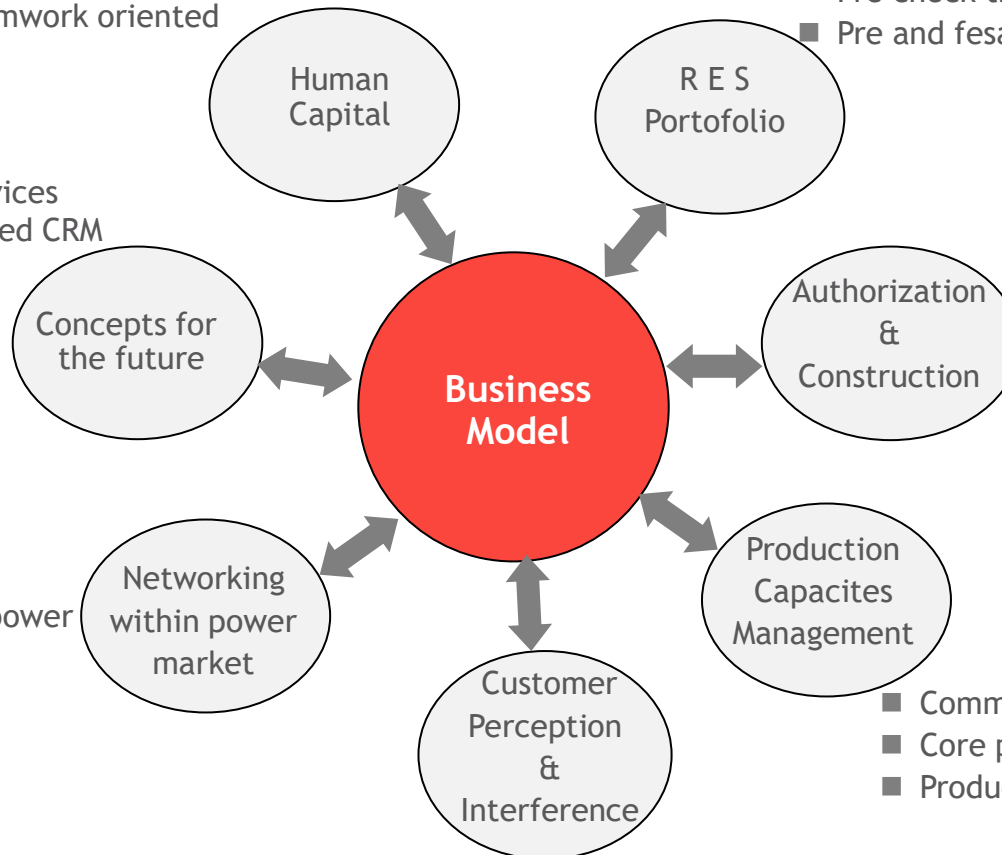
- It started with a small team.
- Every year joined new forces

# Business model

- Mature and professional team
- Good knowledge of power market
- Teamwork oriented

- Preliminary analysis of renewable projects & production capacities
- Identification of land for renewable projects
- Pre check the grid
- Pre and feasibility study

- Focus on customer services management - Integrated CRM
- SCADA
- Dedicated softwares



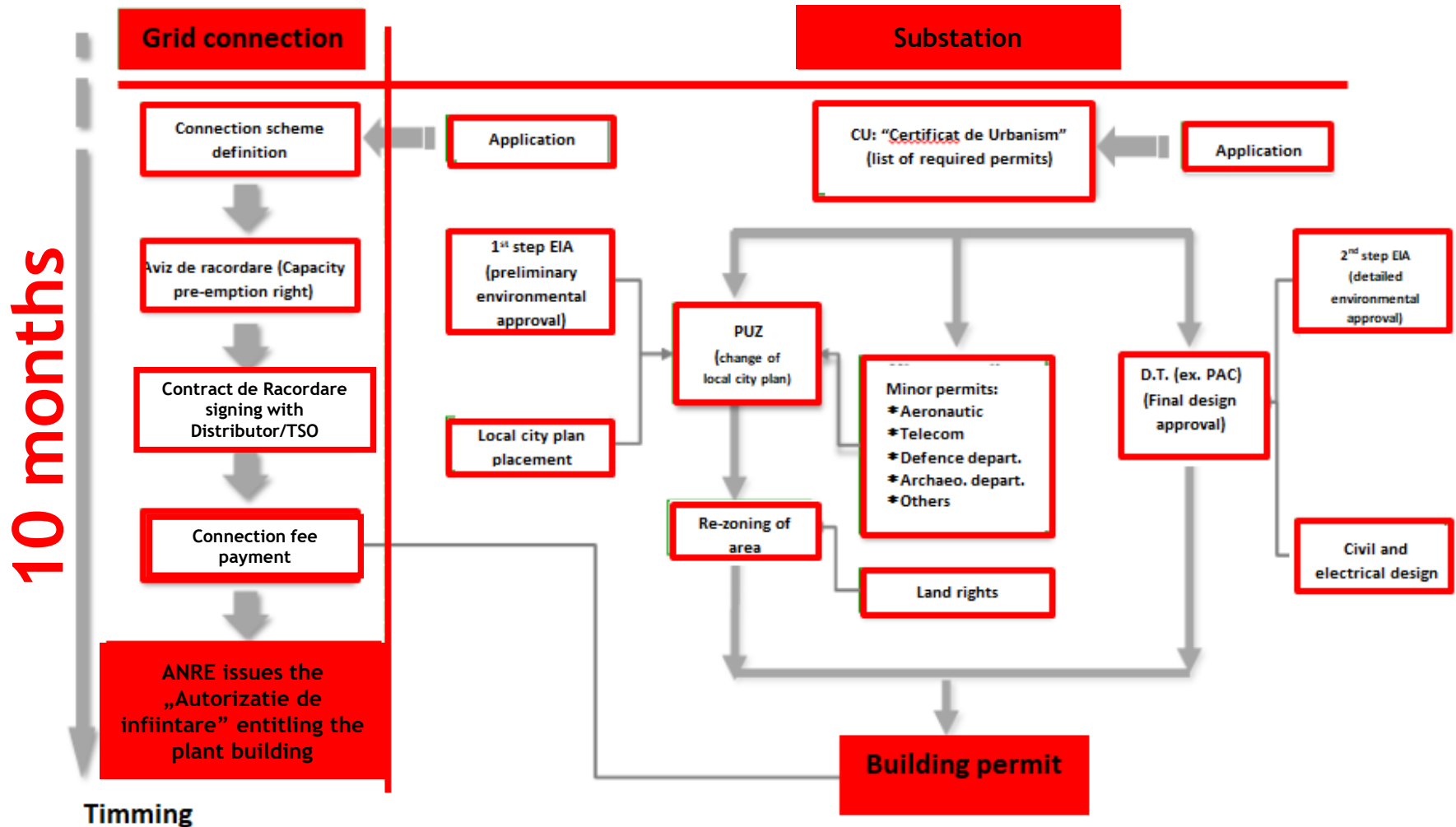
- Conducting studies and projects to obtain all permits and authorizations
- Conducting solution study for the connection to the SEN
- Construction Management Services

- Close relations with power traders/suppliers

- Commercial operation services
- Core processes trading and power supply
- Production capacities maintenance

- Direct sales to end consumers and via agents (commissioners)
- Close relationship with customers, close monitoring consumption
- Team assigns to the contract
- Full, reliable services and competitive prices

# How we can do it - projects development (1/2)

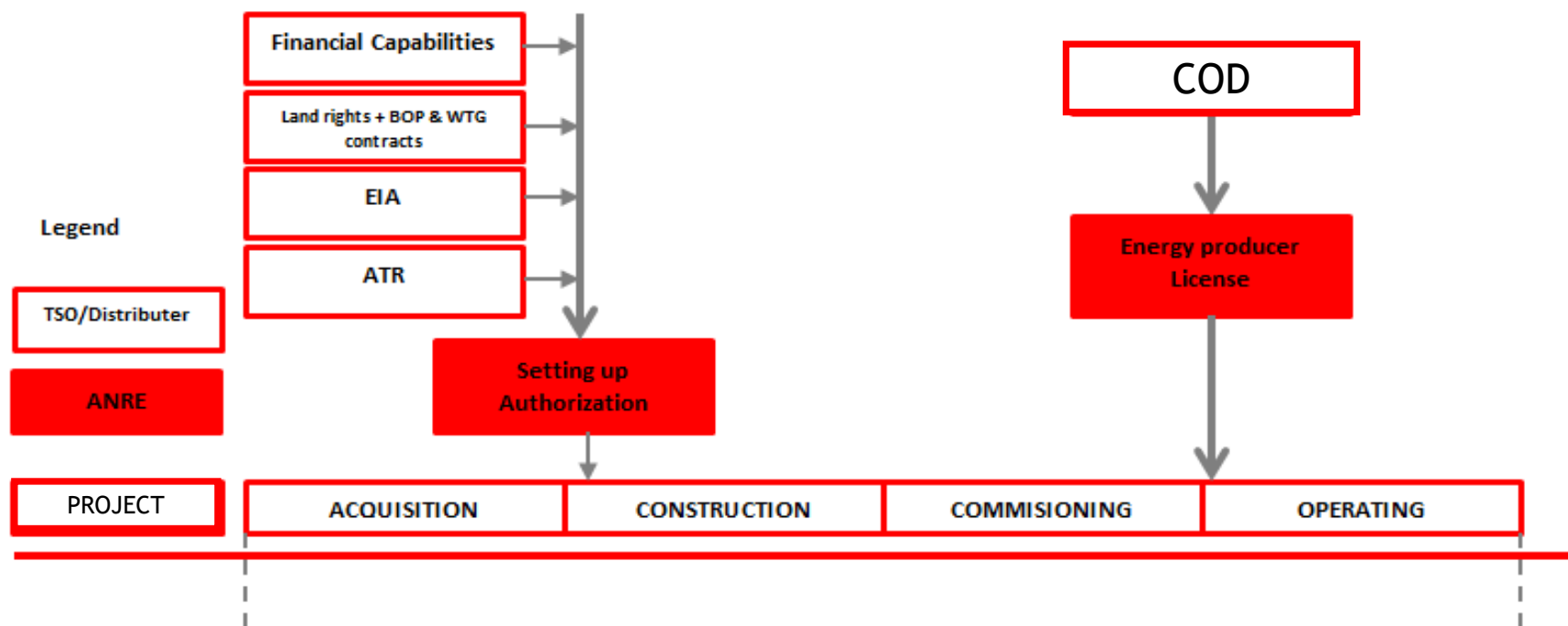


Estimated period for obtaining all the required permits for starting the construction works (RTB) is 10 months from the moment when the grid study was approved by the Distributor/TSO.



# How we can do it - projects development (2/2)

- To obtain the Setting up Authorization from ANRE, the projects has to have obtained the ATR (Grid connection Permit) from the operator, as well as have secured land rights and EIA.
- After obtaining the Setting up Authorization from ANRE, it is possible to start the construction works for the projects.
- Once the TSO confirmed that the RES has passed successfully the test period, the SPV will sign the COD with the TSO/Distributor and the can apply for the power producer License.



# Enpower Energy - how we can do it (1/4)

## Power Supply & Trading

### Success factors

#### Approach

- Strategic vision
- Speed in decision making
- One to one approach (as tradition in Romania)
- Client oriented
- Flexibility, seriousness and quality
- Professional assistance, rapidity in answering

#### The prestige of the company can be done through

- **oral propaganda**
  - general networking through indirect sales (agents)
- **public relations**
  - connections & business relationship of the Enpower Energy representative
- Notoriety and reliability of Enpower Energy representative (based on his experience)
- Good business relationship with important end customers

#### Strengths

- Strong roots - over 10 years of experience
- A **pioneer** in a new market
- Promptitude & availability
- Constantly updated on norms & regulations
- Mature, dynamic, strong and experienced team

# Enpower Energy - how we can do it (2/4)

## Products and services offered to end customers

### Product policy

- Attentiveness toward the customer
- Taylor-made offers
- Providing additional services

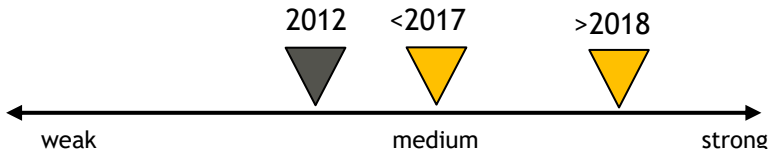
- Providing fast, clear and complete information
- Personalized analysis
- Individual offers
- Price and contractual conditions depending on customer's size and consumption behavior
- Remaining flexible to the needs of customers
- Having a continuous direct dialog after the sale
- Maintaining the customers and partners satisfaction
- Technical consulting
- Counseling for services of power efficiency
- Web online portal for daily/monthly consumption
- Maintaining the quality standards of services provided

### Promotion

- direct contact with the customer
- face to face meetings & negotiations
- public relations

# Enpower Energy - how we can do it (3/4)

## Strategic core - product, client, market

Product description	Clients	
<ul style="list-style-type: none"> <li>■ Supply of electricity</li> <li>■ Usually 1 year contracts</li> <li>■ A limited range of additional services offered as differentiating factor (price is main factor)</li> <li>■ Product differentiation can be made (green labels, combined customized pricing schemes, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>■ Small and medium size consumers (0,5-70 GWh/year)</li> <li>■ Industrial customers on competitive market from all industries and regions of Romania</li> </ul>	
	Growth drivers	
<b>Risks</b> <ul style="list-style-type: none"> <li>■ Legal framework instability</li> <li>■ Prices volatility</li> <li>■ Decreased margins</li> <li>■ Customers switching rate</li> </ul>	Market trends	
	<ul style="list-style-type: none"> <li>■ Liquidity crisis on the market</li> <li>■ Offering of new, more sophisticated products (e.g. Energy efficiency, green labels, etc.)</li> </ul>	
Direct competitors		Market maturity
<ul style="list-style-type: none"> <li>■ Competitive suppliers               <ul style="list-style-type: none"> <li>• MET Romania Energy</li> <li>• Engie Romania</li> <li>• Tinmar Energy</li> <li>• Others</li> </ul> </li> <li>■ Incumbent suppliers               <ul style="list-style-type: none"> <li>• E.ON</li> <li>• ENEL</li> <li>• CEZ</li> <li>• Electrica</li> </ul> </li> </ul>		<ul style="list-style-type: none"> <li>■ Emerging market</li> </ul>
Intensity of competition		
 <p>A horizontal timeline with arrows at both ends, labeled 'weak' on the left and 'strong' on the right. Three downward-pointing triangles are positioned above the timeline. The first triangle is dark grey and labeled '2012' above it. The second triangle is yellow and labeled '&lt;2017' above it. The third triangle is yellow and labeled '&gt;2018' above it. The word 'medium' is centered below the timeline between the first and second triangles.</p>		

# Enpower Energy - how we can do it (4/4)

## Power Market analysis

### Opportunities

- Market size continue to grow, offering additional business opportunities
  - A number of competitors exited the market, potential to attract customers
  - Balanced customers portfolio from all industries and low level of exposure to fluctuating consumption
  - Renewable generation offers security of supply
  - Direct sales to end customers of green certificates
  - Mature team, with good individual knowledge of industry and market players
  - Integrated IT platform to support efficient management and growth
- 
- A large, light gray arrow pointing upwards and slightly to the right, centered within a white circle. The circle is set against a light gray background.

### Threats

- Macro economic development is still uncertain
  - Lack of predictability and legislative instability
  - Wholesale prices may exceed retail market prices
  - Excessive volatility of wholesale prices
  - Competition on OPCOM for quantities and prices becomes very strong
  - Customers' capacity to carry the liberalised prices and increased tariffs is low
- 
- A large, light gray arrow pointing downwards and slightly to the left, centered within a white circle. The circle is set against a light gray background.

# Map of our ongoing projects

## Bacau County

- Wind farm - 400 MW

## Braila County

- Wind farm - 300 MW

## Constanta County

- Photovoltaic project - 65 MW

## Buzau County

- Wind farm - 126 MW
- Photovoltaic project - 395 MW
- Photovoltaic project - 304 MW



**We have ongoing projects with a capacity of approx. 1500 MW throughout the country.**

# Reliable Services

## Consulting and assistance in projects development:

- Preliminary analysis of renewable projects/production capacities
- Transaction structuring and commercial negotiation
- Contract management
- Managing all activities with all involved partners, including subcontractors
- Wide range of services maintenance

## We provide you our full expertise in order to assist you in all the operations:

- Power production forecast
- Power consumption forecast
- Power trading
- Power supply to end-customers



# Conclusions (1/2)

1.	Enpower Energy can provide all the processes for the development and construction of renewable projects, both for those who need re-authorization and for those who are just starting out.
A	The processes include all the necessary studies and permits up to RTB.
B	Enpower Energy can be the project manager from construction to COD of power plants.
2.	The analysis reveals that Enpower Energy can manage the end customers supply activity for renewable producer in order to become a power supplier with a good and stable positioning.
3.	Enpower Energy representatives contributed to a business model who has proved effective in the past.
4.	Overall electricity market conditions favors development in the next years, is in continuous evolution, offering additional business opportunities.
A	Production will grow, mainly based on renewables. Generation sources are still underdeveloped.
5.	Competition for renewable producer is represented by suppliers acting on the competitive market, mainly incumbent suppliers and “competitive suppliers”.
A	Main competitors are grouped into two categories with distinct characteristics: 4 incumbent suppliers, all with running vertical integration projects and very well prepared for supplying large numbers of customers, and competitive suppliers.
B	Main market trend is represented by an attempt to secure procurement, through different means: investing into generation projects/units, improving procurement mix, etc.



# Conclusions (2/2)

C	<p>Renewable producer can be positioned as a supplier with moderate prices to end customers, in order to gain customers rapidly and to maintain a good retention rate, together with an excellent capacity to deliver professionalism, client orientation, performance.</p> <p>As a result of liberalisation, increased transparency, levelling of prices on the market and decreased margins, <b>customers shall start differentiating suppliers by other factors than price:</b> additional services, customer services, product variety (green labels, combined customized pricing schemes, power efficiency, etc.)</p>
6.	<p>The main objective of renewable producer is to built a consistent and stable end customers portfolio in order to absorb all the GCs and to increase its profitability.</p>
A	<p>A balanced revenue structure is planned through <b>responding to and anticipating customers needs</b>, by a <b>wide product portfolio</b>. The customers would be managed through a <b>differentiated Customer Relationship Management</b>.</p>
B	<p>In order to grow and to obtain the profitability of the business, Enpower Energy <b>must implement an IT systems</b> for supply activity management and to focus its activities towards profitable customers.</p>
<p><b>The renewable producer can take advantage of market opportunities based on the collaboration with Enpower Energy.</b></p>	



## Enpower Energy

Floreasca Lake Offices

194 Calea Floreasca, 5<sup>th</sup> Floor

014472, 1<sup>st</sup> District, Bucharest

T: +40 314 337 657

F: +40 314 337 658

[office@enpower.ro](mailto:office@enpower.ro) | [www.enpower.ro](http://www.enpower.ro)