



Using «Green purchases» to finance NEW renewables

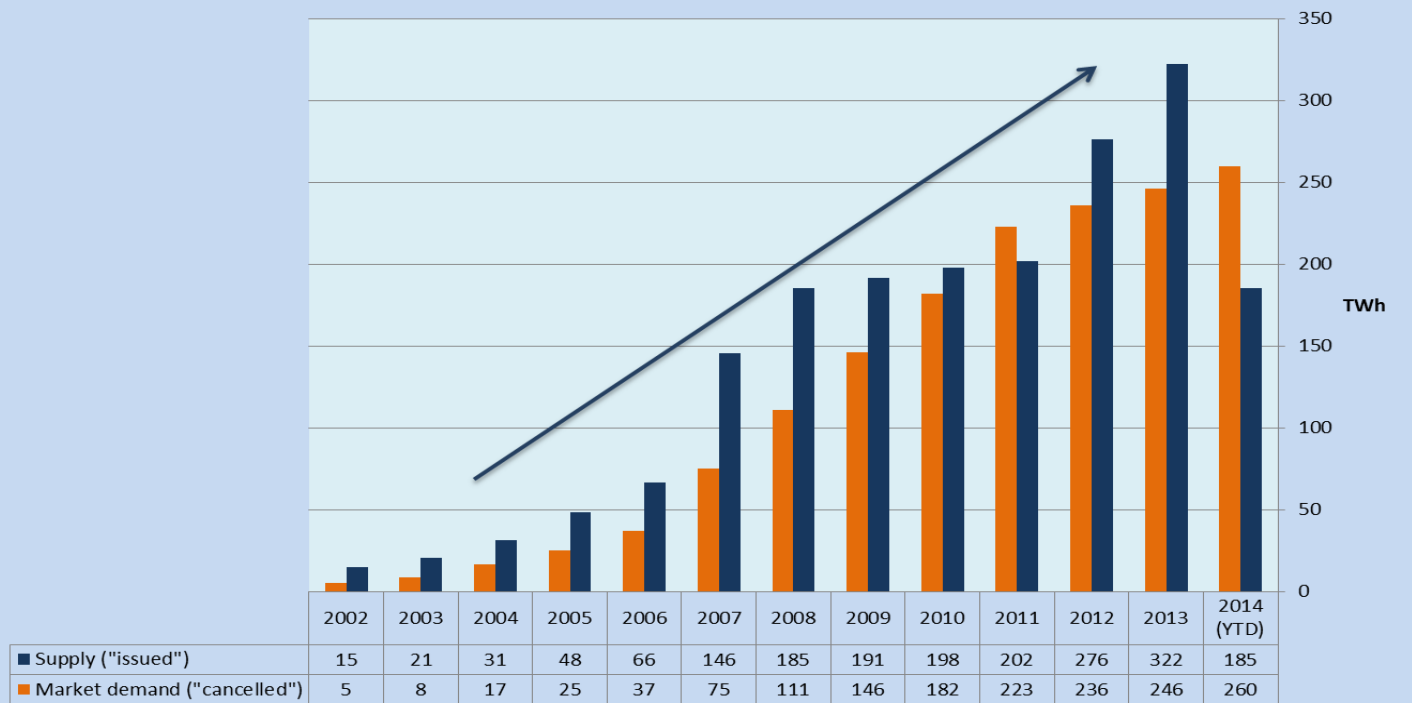
Innovation and obstacles in Financing Renewables

Tom Lindberg, Managing Director in ECOHZ AS

THE EUROPEAN MARKET FOR «GREEN POWER»



- One standard European «REC» – Guarantee of Origin (GO)
- One European market – many national members
- One European HUB – many national registries
- GOs available for «the big 5» technologies
- 40% of all renewable power certified and available in the market
- Strong growth – year over year since inception



CURRENT LANDSCAPE

	RECs/GOs/ I-REC	Green Power contract	PPA	Fund Model	Direct investment
Non-equity driven	✓	✓	✓	×	×
Low cost	✓	✓	×	×	×
ZERO CO ₂ claim	✓	✓	✓	×	✓
Low risk	✓	✓	×	×	×
Ease of implementation	✓	✓	×	×	×
Flexibility	✓	✓	×	×	×
LT commitment	×	×	✓	✓	✓
Impact new RES	×	×	✓	✓	✓
Carbon displacement	×	×	✓	✓	✓
Good story	×	×	✓	✓	✓

A small number of large energy users... account for the majority of direct investments, ...smaller users preferring RECs/Gos...»
 CREX 2012, Vestas & Bloomberg New Finance

COMBINING TWO WORLDS?

	RECs/GOs/ I-REC	Green Power contract	GO ²	PPA	Fund Model	Direct investment
Non-equity driven	✓	✓	✓	✓	×	×
Low cost	✓	✓	✓	×	×	×
ZERO CO ₂ claim	✓	✓	✓	✓	×	✓
Low risk	✓	✓	✓	×	×	×
Ease of implementation	✓	✓	✓	×	×	×
Flexibility	✓	✓	✓	×	×	×
LT commitment	×	×	×	✓	✓	✓
Impact new RES	×	×	✓	✓	✓	✓
Carbon displacement	×	×	✓	✓	✓	✓
Good story	×	×	✓	✓	✓	✓

Increase impact and relevance of green purchase – by establishing a concept that creates new power to the grid, with high efficiency

➔ *Creating much - from little*

AMBITION AND 5 KEY PRINCIPLES

- ✓ Establish commercial concept – «low-risk & no-hassle»
- ✓ Create and deliver NEW renewable power to the grid – not ROI
- ✓ Accelerate deployment, not prove additionality
- ✓ Prove concept – then work for open standard

1. Tax efficient foundation to optimize money flow
2. Mature renewable technologies to reduce risk
3. Ready-to-be-built projects for fast deployment
4. Top-up financing for DOMINO effect (5-15%)
5. Loan model to create «multiplier effect»



IMPACT - EXAMPLES

- One green purchase of 50 GWh
 - creates 5 GWh of new power (annual basis)
- 4 new customers yearly for 6 years – each with 50 GWh consumption & 3 year commitment
 - creates 7,5 TWh of new power («lifetime» perspective)
- Cost impact for customer → EUR 200.000 annually
 - 3-5% increase in electricity bill

"We welcome ECOHZ' leadership in providing the products the market wants and at the same time delivering important sustainability benefits. CDP has long supported renewable energy as a path to a low carbon economy. We are delighted to see a link created between the consumption of renewable electricity and the introduction of additional renewable capacity."

Nigel Topping, Executive Director, CDP



... a dedicated portion of the revenue ... applied as "incremental funding" for new projects ... exemplified by GO²...

THANKS

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ECOHZ – the company

*13 inspired and dedicated individuals,
in Oslo/Norway and Geneva/Switzerland*

*Market leader in Europe in «green power»,
guided by a vision of
«CHANGING ENERGY BEHAVIOUR»,
and a belief that
ORIGIN MATTERS*

