

May 10, 2021

Company Name: ENECHANGE Ltd.

Representative: Yohei Kiguchi, Representative Director and CEO  
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(TSE Mothers Code No. 4169)

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## **Notice Concerning Business Alliance with Kiwi Power Limited**

ENECHANGE (hereinafter referred to as the “Company”) has entered into a business alliance with Kiwi Power Limited (hereinafter referred to as “Kiwi Power”) through ENECHANGE’s wholly-owned UK subsidiary, SMAP ENERGY (hereinafter referred to as “SMAP ENERGY”). The purpose of this alliance is to allow ENECHANGE to provide Kiwi Power’s VPP (Virtual Power Plant) software for resource aggregators (see Note 1) that bundle distributed energy resources (see Note 2) such as private power generators and storage batteries that can adjust the power supply and demand.

### **1. Background and Purpose**

Among the 4D’s of energy business sectors in which the Group operates, Decarbonization will be achieved by the significant increase of renewable energy contributions in the future energy mix. In the area of Decentralization, there is an increasing need for supply and demand adjustment for distributed assets.

In preparation for the launch of the balancing market in 2021 (see Note 3) and launch of the capacity market in 2024, we expect the VPP market to reach 100 billion yen (see Note 4). We recognize that it will be important for distributed energy resources and platforms to be connected and controlled reliably and flexibly.

Considering this, the Company has been providing demand response (DR) services for households as a proof-of-concept since 2018, and has started providing a new service for creating demand adjustment capacity, ENECHANGE DR, since February 2021. At the same time, we have been considering measures including possible business alliances to support energy companies in entering the VPP business through the provision of services that utilize this technology. It is such an alliance which we are now proud to announce with our new partner Kiwi Power.

Kiwi Power has been providing services for more than 10 years in over 10 countries. Kiwi Power has experience in connecting a wide range of resources from small 5kW resources such as private generators and storage batteries to large 80MW stationary storage batteries. This has resulted in over 1GW of decentralized power assets connected to the platform called Kiwi Core to date. In addition, by providing customers with stable connectivity through Kiwi Fruit, a proprietary device, we believe that we can increase the reliability of resource control in the supply and demand adjustment market, where detailed output control is required.

We believe that by utilizing Kiwi Power's resource control technology, we will be able to provide stable operations to meet the challenges of the VPP business in Japan.

(Note) 1. An entity that provides energy services from VPP and DR through integrated control of demand-side energy resources and distributed energy resources.

(Note) 2. In addition to demand-side energy resources which collectively refers to energy resources (e.g, generation facilities, storage facilities, and demand facilities) connected at the consumer's demand point (“behind the meter”), this term also refers to generation facilities and storage facilities that are directly connected to the grid.

(Note) 3. Tertiary adjustment capacity refers to the adjustment capacity aimed at balancing supply and demand. Response time for (1) is 15 minutes and for (2) is 45 minutes, with continual use for 3 hours.  
 (Note) 4. Based on the calculation derived from the cumulative total of new installations of backup power generators for disasters and large storage battery cells (at least 10 kWh) in 2015-2019. Sources – Backup power generators for disasters: Nippon Engine Generator Association / Large storage cells: Japan Electrical Manufacturers' Association independent statistics

## 2. Overview of Business Alliance

In this business alliance, we plan to provide the ENECHANGE Kiwi Platform, which specializes in resource management for aggregators that bundle distributed energy resources such as private generators and storage batteries. The platform is characterized by its strength in distributed asset control technology and its ability to be linked to APIs with market trading systems, which in turn can unlock additional synergies and opportunities.

## 3. Overview of SMAP ENERGY LIMITED

1) Name	SMAP ENERGY LIMITED
2) Address	1 King William Street, London, EC4N 7AF, United Kingdom
3) Name and Title of representative	Yohei Kiguchi, CEO
4) Description of business	Providing Smart Meter data analytics SaaS “SMAP”
5) Capital	GBP 166.70
6) Date of incorporation	February 4, 2016
7) Major shareholders and their shareholding ratio	ENECHANGE Ltd.: 100%

## 4. Overview of Kiwi Power

1) Name	Kiwi Power Limited	
2) Address	3rd Floor, 3 London Wall Buildings, London, EC2M 5PD, United Kingdom	
3) Name and Title of representative	Jay Zoellner, CEO	
4) Description of business	Providing Kiwi Core, a software platform that utilizes distributed energy technology, and Kiwi Fruit, a distributed energy connection device.	
5) Capital	GBP 10,250,000	
6) Date of incorporation	December 15, 2009	
7) Major shareholders and their shareholding ratio	General Electricity Holdings: 100%	
8) Relationship between the Company and Kiwi Power	Capital Relationship	N/A
	Personal Relationship	N/A
	Status of Related Party	N/A

(Note) Financials are undisclosed at Kiwi Power's request.

**5. Impact on the Company's business performance**

The impact on the Company's business performance is limited. We will make timely disclosure if a material impact on the forecast is expected.