

OUR PUBLIC INVESTMENT MEMORANDUM

One Energy is proud to share this Public Investment Memorandum with all of our stakeholders.

Because a responsible company shouldn't need what it tells its capital providers to be confidential.



CEO's Introduction

Dear Capital Provider,

When I started One Energy in 2009, I knew that nothing about building a company would be easy. I could have never imagined how far One Energy would go or how hard it would be to get here. At the time, I didn't realize that One Energy would end up uniquely positioned to transform the power grid. Today, I am confident that One Energy is one of the few companies in existence that is positioned to build the next iteration of the power grid.

One Energy is an Industrial Power Company. One Energy is also the largest installer of on-site wind energy in the United States.

One Energy has already changed the power grid. As we continue to scale, however, we are going to need capital to invest in our projects and to accelerate our corporate growth. One Energy needs new capital providers.

Over the last 10 years, I have talked to many capital providers about One Energy. I have also talked to a lot of investment bankers and consultants and lawyers. I prefer talking directly to capital providers. I have learned that it is not easy to understand our enterprise and that middlemen, pitch decks, and one-page teasers usually do not add value to an already complicated conversation. I have also learned that the efficiency that comes with dealing directly with capital providers benefits both the capital provider and our team. We work every day to eliminate waste throughout the enterprise - it only makes sense that we do it when raising capital as well.

Full version updated November 2021

[Download our NDA](#)

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CEO's Introduction (cont.)

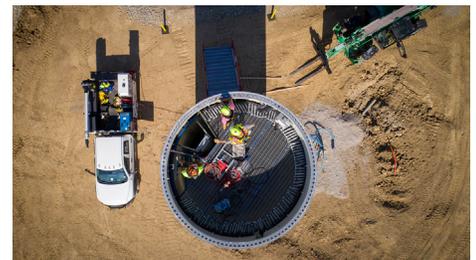
Experience has shown us that when we first talk to capital providers, many will want to talk more, because our story and our business are cool. We have learned that the vast majority will ultimately “pass” on our business model because it is complicated and hard to wrap your hands around. Decarbonizing factories with on-site wind turbines is sexy, but the sophisticated and complex enterprise that must exist to make it possible requires a lot of effort to understand, and is, frankly, whatever the opposite of sexy is.

If you are part of the small fraction of capital providers excited to roll up your sleeves to understand, evaluate, and explore the possibility of something original, then this Public Investment Memorandum (PIM) is for you. To help you make that decision, we’ve made this PIM longer longer and more comprehensive than it might need to be. It is more transparent than any reasonable advisor would suggest. It talks about where One Energy is, where it has been, and, most importantly, where One Energy is going. It openly talks about our corporate successes and failures, and the lessons we have learned along the way.

This PIM is the best way my team and I know how to start a lasting relationship with a capital provider. We plan to treat our capital providers with the same transparency, honesty, and integrity that we treat all of our other stakeholders.

You will notice that One Energy has posted this PIM on our website and made it available to the public. One Energy is not hiding its story or its business plan from its communities, customers, employees, or vendor stakeholders. If you are reading the redacted version of this document, the only items that have been redacted are those that One Energy is required by contract to redact. **By posting this online, and by taking the “C” out of the traditional CIM, One Energy is raising the bar in corporate responsibility.** If you can’t tell all of your stakeholders what you are doing, then there is probably a problem with your business. I personally believe that the businesses that will lead us into the next hundred years will embrace how they look in the full light of day and will be proud to answer to all of their stakeholders. I also believe that is why the utilities of yesterday will never survive in a market that demands transparency and corporate responsibility.

There is nothing simple about One Energy. In fact, the complication and nuance necessary to succeed with this business, in just about every area of this business, is the biggest barrier to entry. It is why no one else has been able to do this. It is why One Energy does not have direct competition. One Energy sells, builds, finances, and operates on-site wind projects for the largest companies in the world. You should have a hundred questions, and I know my team and I have a hundred things we want to tell you.



One Energy's BHAG is to build and operate the customer-centric industrial power grid of the future.

CEO's Introduction (cont.)

There are a few important takeaways that we want all potential capital providers to understand about One Energy after reading this PIM:

1. One Energy is already decarbonizing industrial customers and leading the transition to a decentralized power grid of the future.
2. One Energy is already doing what most others are just talking about.
3. Products our industrial customers make with on-site wind energy are already in your daily life.
4. One Energy is already a remarkable success story, and like any success story it is the product of overcoming challenge after challenge and failure after failure in order to build something great.
5. One Energy is already the best in the world at installing *Wind for Industry* projects.
6. One Energy is already developing the Managed High Voltage (ManagedHV) portion of our business, and we believe that will ultimately end up being far more valuable, as a broad universal platform, than our *Wind for Industry* projects.
7. One Energy is already growing and building a platform that can fundamentally disrupt and displace the existing electric utility.
8. My team and I will need help and capital to continue growing and reimagining the power grid.

Thank you for your time and consideration in advance. I know by going straight to a comprehensive document like this I am asking you to invest more time than you normally would at this stage. I believe it is worth it, for both of us.

Very Respectfully,
Jereme Kent, CEO, Founder



DISCLOSURES

Please see Conversation 10: Risk Disclosures, beginning on page 56 of this PDF document.

Introduction

This PIM is for Capital Providers

This PIM, in conjunction with this website, is intended to give you the information you need, as a potential capital provider, to understand One Energy and decide if our vision aligns with your capital. This is not an offering document, this is a primer on One Energy. While this is not an offering document, it is important that you understand the kinds of capital we are looking for. In order to succeed and grow exponentially, we require two distinct classes of capital.

Throughout this document we will talk about “capital” as opposed to debt or equity or any of the permutations thereof. We are open to all sources of capital and will evaluate each on the merit of its structure relative to our goals. More importantly, we will evaluate the capital provider as a partner. The right capital provider will believe in our market thesis, believe in our team, and develop long-term trust in our organization as a whole. In addition, the right Corporate Growth Capital provider will want to actively invest their time to help us overcome the future challenges we expect to encounter as we disrupt the 100-year-old utility industry.

Corporate Growth Capital

- Teen-level target return with a 7+ year horizon
- Non-controlling
- Actively participates in growth
- Growth-level risk
- \$25-50MM size

Project Capital

- Low yield
- Low long-term risk
- Long-term capital
- 15-year horizon, 20-year preferred
- \$100-300MM in size, expandable by mutual agreement
- Passive, secured, long-term investments in fully developed projects through FleetCos

This PIM is Digital for a Reason

This PIM is best viewed as a web page. This media allows us to integrate complicated media, videos, links, and document references so you can dynamically process the multitude of information herein. We have also provided a PDF version of this PIM for those that prefer printed documents, but we still strongly encourage you to explore this PIM digitally to see all of the interactive content designed to help you better understand us.

Corporate Growth Capital

- Teen-level target return with a 7+ year horizon
- Non-controlling
- Actively participates in growth
- Growth-level risk
- \$20-50MM size

Project Capital

- Low yield
- Lower long-term risk
- Long-term capital
- 15-year horizon, 20-year preferred
- \$100-300MM in size, expandable by mutual agreement
- Passive, secured, long-term investments in fully developed projects through FleetCos

The right capital providers will believe in our market thesis, our team, and in our organization as a whole.

Introduction (cont.)

This PIM is Organized into Conversations

This PIM is organized by “conversations” to enable you to easily find the information you need. We obviously want (and ultimately expect) you to read all of the material, but, to respect your time and approach, we built this PIM so you can review the conversations in the order that makes the most sense for you. We look forward to the conversation(s).

Conversation 1: [What does One Energy do and what is its unique value proposition?](#)

In this conversation we answer high-level questions about One Energy, our businesses, and how we think you should view us compared to other businesses.

Conversation 2: [What does One Energy believe?](#)

This conversation is focused on our market thesis, our corporate values, our strategy, and our vision.

Conversation 3: [Tell us about One Energy’s team](#)

It all comes back to the people. Let’s talk about our leadership and broader team, our individual values, and our internal culture. We’ll also talk about recruiting and retaining top talent.

Conversation 4: [What is the market potential for One Energy?](#)

A business can only grow as far as the market will allow. We have to do a better job than just saying “really big” when we talk about the markets we operate in. In this section we define and quantify our market potential.

Conversation 5: [How did One Energy get this far?](#)

One Energy today is the product of more than a decade of successes and failures. We discuss some of the key triumphs and failings that got us this far. We also discuss the lessons we have learned along the way.

Conversation 6: [How does One Energy sell projects?](#)

Nothing about selling magic machines that turn air into money is easy. Especially not when you’re creating a new industry and trying to change the way multibillion-dollar enterprises think about the future. We take a deep dive into how we sell our projects.

Conversation 7: [Why vertical integration?](#)

Look, we know “reasonable” people see vertical integration as a source of risk and liability. We are “unreasonable” people. In this section we make our case for vertical integration and explain why it is the key that unlocks this entire business model.



Introduction (cont.)

This PIM is Organized into Conversations (cont.)

Conversation 8: [How do you grow and scale?](#)

We take a deep dive into the concrete and fluid steps needed to grow from where we are today to where we ultimately want to be.

Conversation 9: [What are the nuts and bolts of the company?](#)

There are a number of critical one-off technical concepts that any capital provider needs to understand. In this conversation we talk about those critical details including our corporate structure, tax equity, regulatory issues, R&D, and many many others.

Conversation 10: [Risk Disclosure](#)

What are the risks associated with One Energy's business model and growth plans?



Conversation 1: What does One Energy do and what is its unique value proposition?

“Unique” is a word that gets thrown around a lot in business. Unique means “being the only one of its kind; unlike anything else.” Most businesses are not unique, they are slight adaptations of existing models – and that tends to make capital providers comfortable.

For better or worse, One Energy is unique.

One Energy is an Industrial Power Company;
One Energy is the largest installer of on-site wind energy in the United States, we call it *Wind for Industry*;
One Energy is directly and substantially decarbonizing industrial facilities;
One Energy is actively transforming the way the power grid works; and
One Energy is a fully vertically integrated company.

All that makes One Energy both complicated and unique.



Katie Treadway
Head of Regulatory Affairs

Katie, our Head of Regulatory Affairs, explains why One Energy is revolutionary.

An Industrial Power Company

This probably isn’t a phrase you have heard before. We made it up. We have spent years being asked by capital providers what we are, and we really did not have a simple answer.

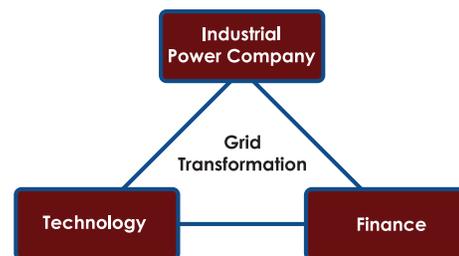
So, for the purposes of this PIM, an industrial power company is a company that provides turnkey and physically connected on-site power generation and on-site distribution solutions directly to industrial energy users.

Industrial Power Companies are the missing link in grid transformation. Technology and finance are important, but without well built, vertically integrated organizations that can replace the on-site services that traditional electric utilities provide, the utilities will always have a place.

Unique /yoo`nēk/ adj.

Being the only of its kind, unlike anything else.

Most businesses are not unique. For better or worse, One Energy is unique.



Conversation 1: What does One Energy do and what is its unique value proposition? (cont.)

An Industrial Power Company (cont.)

Industrial Power Companies, like One Energy, serve the critical “physical presence” role that is needed to enable technology adoption to scale. In order for the decentralized, customer-centric, green power grid to exist, all three sides of the triangle have to exist. Without Industrial Power Companies, technology adoption will always be challenging and financing will always struggle to find necessary scale.

It is far easier to try to lump us into more familiar constructs: developer, contractor, independent power producer, etc. But, One Energy is materially different from all of those established constructs, mostly because we are all of those things and more.

When electric utilities began building the grid, they were the sole source of everything for their users. They were the system designers, the physical installers, the financiers, the operators, and the gatekeeper to the customers’ plants. The circa-1900 electrical utility was “the everything” because they had to be – they were literally inventing the power grid. By being “the everything,” they earned (trapped) the customers’ business for the next 100 years.

From a purely business model viewpoint, One Energy comps well to an electric utility circa 1920. We are becoming the next iteration of “the everything” for large C&I facilities’ electrical needs. We are just doing it on a customized location-by-location basis for each customer and facility and, most importantly, our customers choose to work with us – they’re not forced to.

We introduce our customers to the idea that they can control their energy future. We develop, finance, construct, operate, and manage *Wind for Industry* projects. And then, after they have been working for a few years and the customers realize that there really is a better way, we offer them ManagedHV and we physically insert ourselves between the customer and the local utility. Then, we can help the customer use the local utility as a tool instead of being beholden to them.

This is how the next iteration of the power grid will be built. It is going to be a series of fully customized and interconnected microgrids that allow each customer to have their power their way, without hurting the broader system. This is the grid that will last for the next 100 years.

We believe that the centralized grid is dying, the modern electric utility will be a relic in 20 years, and they will all be replaced by “grid operators” and “power companies.” We are the latter.

Under existing laws, there is a well established principle that a “utility” has an obligation to serve the public good.

So, using the modern lexicon, One Energy is not a utility. We get to pick our customers and serve them when it benefits both of us.

In 1920, we would have told Thomas Edison that One Energy is an “Industrial Utility” and he would have known exactly what we were. Today, to not get regulators and lawyers too excited, we say that we are an “Industrial Power Company.”

One Energy believes that the centralized grid and the modern electric utility will be replaced by “grid operators” and “power companies.” We are the latter.



Conversation 1: What does One Energy do and what is its unique value proposition? (cont.)

An Industrial Power Company (cont.)

One Energy believes that the power grid of the future will be a series of local microgrids supported by power companies that are all interconnected with non-profit system grid operators at the distribution, regional, and national levels. Power companies will serve one or more connected customers and will all be able to operate their microgrids under rules put out by the grid operators that create a transparent and resilient marketplace. Every energy user, in cooperation with their power company, will be able to be a market taker, a market player, or a market maker based on their level of investment and risk.

Wind for Industry

One Energy's core business, right now, is *Wind for Industry*.

A *Wind for Industry* project consists of the installation of one or more utility-scale wind turbines installed on-site at an end-user's commercial or industrial facility, on the customer's side of the meter, to directly provide power to that customer.

One Energy has installed 40.5 megawatts of *Wind for Industry* projects so far, making us the largest installer of on-site wind energy in the U.S.

We operate all of the projects we have installed and we own all but 9.0 megawatts of those projects. The significant majority of our *Wind for Industry* projects are delivered through long-term fixed rate take-or-pay energy contracts called Renewable Energy Agreements. We are still happy to build customer-owned projects, but there is limited demand for that due to the complexity of the tax code and customer capital constraints.

Our smallest project is 1.5 megawatts and our largest operating project is 9.0 megawatts. We are actively working on projects in the 20.0 to 30.0 megawatt range and have worked on behind-the-meter projects above 100 megawatts. Our hedgehog focus is behind-the-meter projects, but we are not limited by size. If a customer has a 500.0 megawatt baseload then we are happy to build them a *Wind for Industry* project to meet their energy needs.

There are two very big and critical concepts that make *Wind for Industry* projects distinct from traditional utility-scale projects:

1. *Wind for Industry* projects directly offset retail energy costs as opposed to wholesale generation costs.
2. *Wind for Industry* projects directly connect to a facility's electrical system and operate under a technical standard called IEEE 1547 which is an entirely different design and operation standard than the standard used by grid-side wind energy projects.



Definition: Wind for Industry

The installation of one or more utility-scale wind turbines on-site at an industrial facility that is directly interconnected to the facility it serves.



Conversation 1: What does One Energy do and what is its unique value proposition? (cont.)

Wind for Industry (cont.)

Those two unique differences make *Wind for Industry* more profitable and more technically complicated.

Learn more about *Wind for Industry* on webpage “1.1 Introducing: *Wind for Industry*.”



Industrial Decarbonization

Decarbonization is coming. All capital providers have to realize that. But, for the most part, current decarbonization efforts in the world are token marketing gestures without substantive effect, especially when it comes to large commercial and industrial facilities.

To actually materially affect a large industrial facility you have to directly lower the facility's carbon footprint and do so in a profitable way, so that they embrace it. You also can't compromise on operational integrity, safety, or process efficiency.

That is exactly what One Energy is doing with *Wind for Industry*.



Conversation 1: What does One Energy do and what is its unique value proposition? (cont.)

Industrial Decarbonization (cont.)

Holcim makes lower carbon cement because our turbines help power its facility. Whirlpool makes lower carbon dishwashers, mixers, dryers, and freezers because our turbines help power their facilities. Ball Corporation makes cleaner metal food and beverage cans because our wind turbines help power their facility. Marathon Petroleum pumps crude through its pipelines with a lower carbon footprint because we help power one of its pump stations. Cooper Farms makes lower carbon poultry products because we provide almost all of the energy for its facility. The list goes on, and it continues to grow.

What's more, every single one of our *Wind for Industry* customers saved money, and didn't have to compromise on operational integrity, safety, or process efficiency. That is real and scalable Industrial Decarbonization, and that is what separates it from token marketing gestures. As we continue to grow our ManagedHV, decarbonization will only increase. We will be able to implement a range of modern solutions to optimize energy usage and carbon management.

Vertical Integration

One Energy never set out to be vertically integrated. We became vertically integrated because we had to find a way to be better, faster, cheaper, and safer in order to make our business model succeed.

Wind for Industry would not exist if we had not decided we were going to do it better ourselves. We were lucky that we had a uniquely capable management team and we were able to bring development, engineering, procurement, finance, safety, quality, construction, and operation in-house – and that changed everything. Vertical integration is what enabled us to repeatedly deliver cost-effective *Wind for Industry* projects that no one else can deliver on.

Vertical integration makes what we do possible. It makes sense; if you need to move fast and build something unique you need to do it yourself. It is a key source of our strength and value as an industrial power company.

It is worth noting that other on-site distributed power providers came to the same conclusion about vertical integration. Companies like SolarCity, SunRun, and co-gen companies all ended up being vertically integrated to gain a competitive advantage. The only difference is that they had a market of service providers they realized they could improve on. We don't even have the base market of service providers. So, it makes sense, in retrospect, that we ended up vertically integrated.

Our fleet's industrial decarbonization: 267,874 metric tons of CO₂ avoided to date and counting.



Definition: ManagedHV

The installation and long-term operation of a state-of-the-art high-voltage distribution system at a large commercial or industrial facility.

Vertical integration makes what we do possible. If you need to move fast and build something unique, you need to do it yourself.

It is the integration, and the complexities of *Wind for Industry*, that keep competitors away.

Conversation 1: What does One Energy do and what is its unique value proposition? (cont.)

Vertical Integration (cont.)

Our vertical integration is also what makes us complicated and less attractive to capital providers who prefer simplicity. Instead of passing risk to contractors, we accept, manage, and mitigate risk across the project lifecycle. We have built a complicated enterprise and there is no escaping that. It is this integration and the complexities of *Wind for Industry*, however, that keeps competitors away.

Power Grid Transformation

The U.S. power grid is more than 100 years old and it is dying. In our opinion, the monopolistic electric utilities of generations past are failing. Deregulation, poor operating practices, changing customer demands, and multi-level competition have eroded these dinosaurs' strength and it is only a matter of time before they cease to exist.

The thing that is going to kill the old ways of the power grid is ironically the same thing that started the original power grid: industrial facilities taking control of their own needs.

According to the U.S. EIA, there are 54,000 or so large C&I facilities that consume roughly 25% of all electric energy in the U.S. Those facilities each use electricity on the scale of "thousands of houses." Those facilities are mega users who are focused on their energy usage and controlling their costs for the long term. Those facilities have purchasing and engineering experts who understand that the power grid, as it exists today, is not a good long-term partner.

[!\[\]\(98ed6f947b7758d2a448faade293496c_img.jpg\) Read about the history of the U.S. power grid in our own words on webpage "4.3 The Power Grid."](#)

So, if you're an educated, sophisticated industrial energy consumer, you know all of this and are scared as hell of what's coming. You need electricity to run your business and you are almost entirely dependent on a broken and crumbling system, waiting for the next bomb to drop. That's where we come in.

We start with *Wind for Industry*. With *Wind for Industry* we can produce 10-90% of a C&I customer's electric energy on site, locking in rates for 20 years (our typical contract length). We can literally tell customers what they'll pay today and what they'll pay 20 years from now, without any asterisks.

Monopolistic utilities were necessary before the Internet. Today, they are big, inefficient monsters.

▼ Sidebar: The History of Industrial Facility Power Distribution

(See "Sidebar Appendix" at the end of this PDF for sidebar content.)

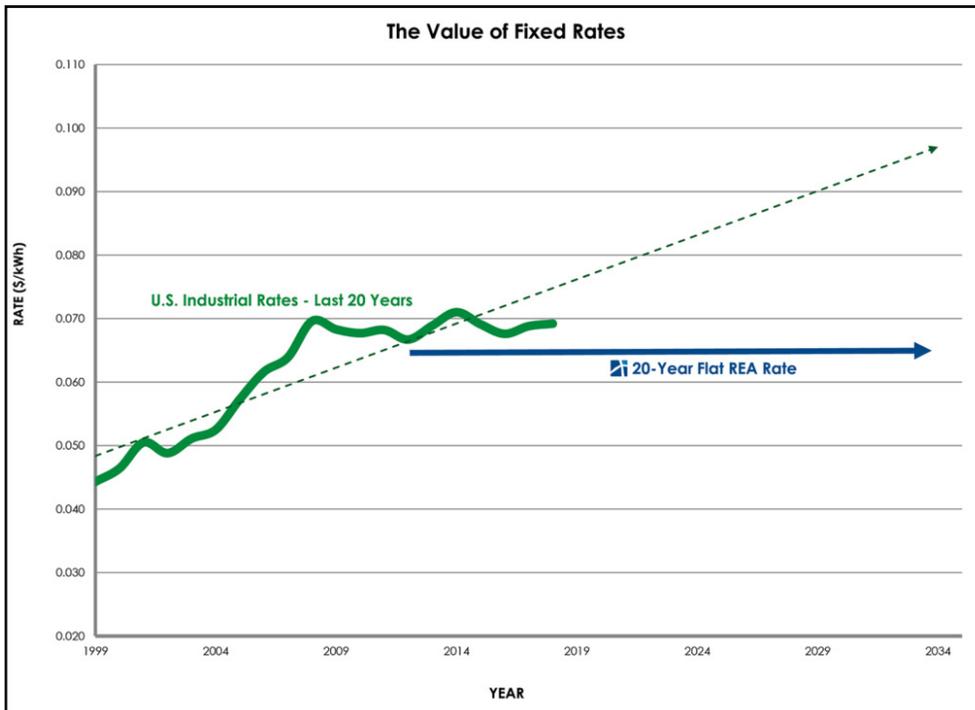
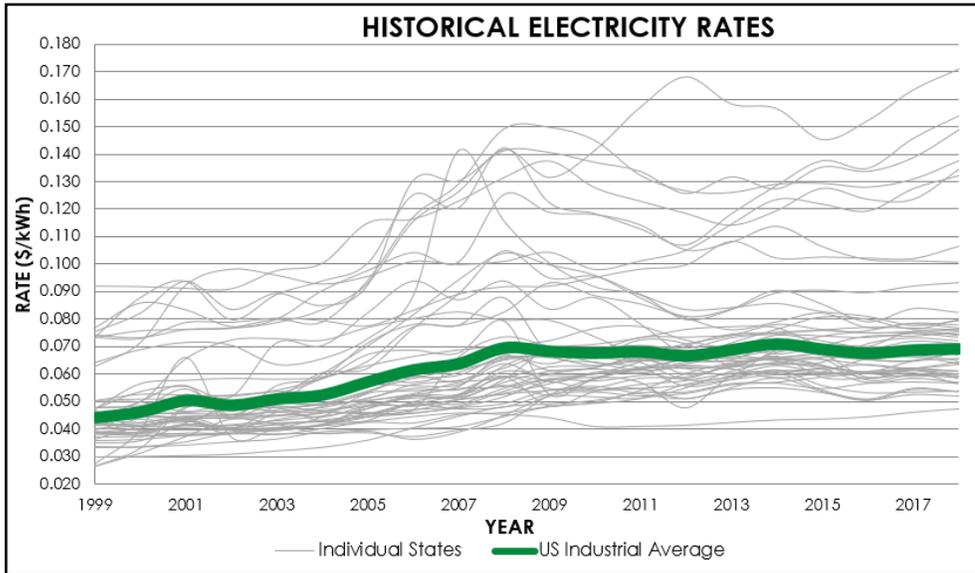
Our customers understand that the power grid, as it exists today, is not a good long-term partner

▼ Sidebar: Understanding Industrial Plant Power Distribution Systems

(See "Sidebar Appendix" at the end of this PDF for sidebar content.)

Conversation 1: What does One Energy do and what is its unique value proposition? (cont.)

Power Grid Transformation (cont.)



With Wind for Industry, we can more accurately tell customers what they'll pay today and what they'll pay 20 years from now.



Conversation 1: What does One Energy do and what is its unique value proposition? (cont.)

Power Grid Transformation (cont.)

When customers decide they want more control, we can help by installing a state-of-the-art managed high voltage system that optimizes the facility, providing modern protections the grid can't, and giving customers a modular scalable platform to allow additional microgrid technologies. One Energy operates our ManagedHV systems the way customers want. We can allow other distributed technologies to connect in a standardized process. We can add short and long-term storage. We can add ride through and isolation capabilities. We can optimize peak loads and demand response capabilities. And we can do it all outside the plant, but still on the customer's site. We can add whatever the next DG tech is to the system when customers want it, the way they want it. We give C&I customers a platform to make their own decisions, including eventually selling benefits back to the grid or getting off the grid entirely.

As we install these on-site microgrids, they begin to operate as a decentralized network oozing with high-quality power and redundant self healing fail-safes, as opposed to a centralized radial network that currently exists.

This is what the next iteration of the power grid is going to look like. And we're already building it today.

***With ManagedHV,
we give customers a
platform to make their
own energy decisions.***

Jump to other conversations:

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- Conversation 3: Tell us about One Energy
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Conversation 2: What does One Energy believe?

One Energy is an enterprise on a mission, with a market thesis and capital thesis, looking to become a mega-disruptor by keeping our promise to our customers. Despite all of the complicated parts of our business, at the core, it really is that simple.

Our Mission:

To build, own, and operate the customer-centric industrial power grid of the future.

Our Market Thesis

Large energy consumers have awoken to the fact that utilities' interests do not align with their own. Companies believe their "load" is theirs and utilities are no longer entitled to it. They are seeking ways to take back control. They are looking for high-quality, trusted partners to help them through on-site generation, better monitoring of their utilities, better rate predictability, better service, better quality, better market options, and other means that better serve their long-term needs.

The power grid of the future will have to put customers first.

Our Capital Thesis

Corporate Growth Capital providers realize the fundamental transformation of the power grid is beginning. They are searching for innovative companies with experienced teams and proven results who can lead this transformation, and materially decarbonize industrial energy consumers.

Project Capital providers want a safe place to get predictable long-term yields. Our 20-year offtake agreements with world-class companies, sophisticated underwriting, and proven technology are scarce and sought after sources for those predictable yields.

Our Mega-Disruptor Ambitions

One Energy believes that over the next two decades it is building an enterprise that can become a Mega-Disruptor. One Energy defines a Mega-Disruptor as follows:

Mega-Disruptors uproot markets so thoroughly that they create a position of perpetual dominance. They become so commonplace that people can't imagine the world without them. Amazon, Google, and Microsoft are Mega-Disruptors. Mega-Disruptors can only exist in markets that are a fundamental part of the everyday.

Mega-Disruptors work in three critical phases. First, they develop a profitable pilot offering. Second, they develop a broad universal platform that inserts themselves between customers and any providers that follow into the newly disrupted market. And third, they make sure both the pilot and the platform are scalable. Then they scale.

Energy is clearly part of the everyday. One Energy's thesis is that *Wind for Industry* is its "profitable pilot" that secures the company a strong foothold with C&I customers, and that Managed High Voltage becomes the "broad universal platform" that creates a position of perpetual dominance and control for One Energy, by inserting itself physically between the utility and the customer.

CEO note: *When I started One Energy, I wrote down a list of things I promised myself about how I was going to run the company. I had seen executives and owners lose control of their companies and create monster entities that lost touch. Since starting One Energy, just about everything about the business has changed or evolved. The one thing that has never changed was the list of promises I made. We now refer to that list as "Our Promise To Our Customers."*

For all practical purposes, this is also our promise to all of our stakeholders. We take these promises seriously and we use them to measure every decision we make. Please make sure that you are okay with them, because they are the single best predictor of how we will act as a company when we face the next "unknown problem."

Conversation 2: What does One Energy believe? (cont.)

Safety and quality are always first

We set the highest standards possible for safety and quality. We enable our employees, customers, and suppliers to live up to them – and then we hold them accountable. We will deliver practical safety that is beyond reproach. We make sure we have the best training possible. We never compromise on quality. The customer is making a 20-year commitment; our quality must be beyond reproach. There will be mistakes, but they need to be corrected and openly acknowledged, then used as a learning tool so we are constantly improving.

Be professors, not salesmen

Salesmen are there to sell a product. We conduct ourselves as professors who are here to teach the customer about wind energy and offer them objective, verifiable information. If wind energy is right in a particular location, it will sell itself. We give customers the whole truth and separate opinions from verifiable facts and standards.

Be available and be honest

Our customers are busy business people involved in many different industries. They may not have time to talk about the project from 9-5, Monday through Friday. We need to be available early mornings, late evenings, and weekends. When our customers have the time to talk with us, we will make the time to talk with them. Our customers should not hesitate to call us at 7 p.m. on a Saturday. We also give our customers the respect of being honest. Sometimes the truth may not be the answer they want to hear, but it is always what they deserve to hear.

Make the customers smarter than the competition's experts

When we talk to our customers, the goal is to provide all information in a manner that helps customers understand it well enough to make an educated decision about wind energy. Our customers should be so confident in the reasoning and facts behind their decision, they cannot be tricked or manipulated by the “expert salesmen” of our competitors. Our customers should expect and demand a high standard and we encourage our customers to talk to our competition. As long as we continue to set a new standard in the industry, our customers will return to us after talking to the competition, confident they are making the right decision.

Work with manufacturers to give our customers the best products possible

Our loyalty is to our customers and the industry, not to the manufacturers. We challenge our suppliers to deliver the best product possible. If they can't, we find a new supplier. The suppliers who are setting high safety, quality, and performance standards will welcome this challenge. We constantly work with manufacturers to improve their product, so we can always provide better options for our customers. We also understand there is not a one-size-fits-all turbine and the manufacturer of the best 1.5 MW turbine may not have the best 2.5 MW turbine.

Make what we do hassle-free

The largest obstacle for some companies who want to pursue on-site generation wind energy for their facility is that all the regulations, permitting, interconnection agreements, contracts, and other issues make the project more of a hassle than it is worth. We offer true one-stop solutions for our customers. We handle all the “process” and remove all the hassle. All our customers have to do is decide if the project works for them and then tell us to make it happen. Our customers have enough to do already; we will take care of all of the steps to complete their wind project.

Charge a fair price and get paid for our work

This industry is riddled with companies making ridiculous profits at the expense of their customers. Maybe it is because they are only doing one or two projects a year, or maybe it is because they are greedy. It doesn't matter, because we will not do that. Yes, we are in this business to make money. In most cases we make money in many areas of the project lifecycle. We wouldn't be able to provide our services if we weren't making money. If we price-gouge on one project, we are hurting our long-term profitability because we are hurting the industry. Depending on the risk and specifics of the project, our margins will vary, but they will always be fair. Because we charge a fair price, we expect to be paid in a timely manner for our work. When the customer owes us a payment, we expect to get it. If we provide leniency in this arena, then we are not being fair to our other customers.

Conversation 2: What does One Energy believe? (cont.)

Make decisions for the long term

It is easy to make money today. We could manipulate the parties we bring together, sell a substandard product, or hide a defect. That is not what we are about. We are here to help companies better manage their business by controlling the cost of energy. We are here to help businesses use utility-scale wind turbines to become more competitive and enable flexibility to focus on long-term goals. We measure every decision based on what will be best for the long-term future of the customer and the industry.

Never settle for the industry standard

The first reality is that there is no industry standard. Everyone in the utility-scale wind industry is trying to do things their own way and everyone has their own “truths” about the way things should be done. There are very few published standards for what we do and most of them were written by people with a financial interest in them being written a certain way. Yes, one should read the standards, but treat them as minimums. We need to deliver a product that will stand up to commercial standards where millions of dollars are at stake. We need to deliver a product that becomes a standard in itself.

Challenge everything

We don't just think outside the box, we think outside the room the box is in. When someone tells us something, we challenge it. When someone quotes a standard, we ask to see it. When someone tells us something can't be done, we don't accept it. We expect our customers to do the same with us. The only way our customers can truly understand the difference between us and the competition is to challenge both us and them.

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- PIM Conclusion

Conversation 3: Tell us about One Energy's team

Executive Team

A different kind of company takes a different kind of leadership team. We are technical experts, managers, and leaders. We don't look like the typical utility executive team, and we think that is a really good thing.

You can learn about our team in the bios section of the website, but more importantly, you can learn about our team through this document and this website as a whole. We are "unreasonable" and we are proud of it.

Recruiting, Enabling, and Rewarding Our Team

Individuals don't change the world. Tightly knit, highly motivated and capable teams change the world. If we want to take down a 100-year-old industry and build a new one, we need an amazing and efficient team. We need to attract, retain, and enable top talent, and that is not easy.

We have found that by taking care of our team as we would want to be taken care of ourselves, we are able to attract and retain the talent we need to succeed.

- We have excellent benefits, so our team members and their families are taken care of.
- We pay competitively, but not excessively, for talent. We typically try to be one standard deviation above the regional market for a given job.
- We regularly review team members and their compensation so we reward their growth as it happens.
- We have empowered managers and leaders who are willing to have the direct conversations that a healthy team needs to have to operate.
- We put all of our team members on our website so they can have the same pride in being a part of this company that we do as the leadership of this company.
- We have an unlimited vacation policy so employees can explore the world and play as hard as they work.
- We have a corporate kitchen to encourage healthy eating, team collaboration, and social interaction during lunch time.
- We have a general policy to avoid creating unnecessary policies. Most of the time we empower employees by telling them to simply make good decisions for the company.
- We have a cool workspace that encourages creativity. (Ironically we were able to build that workspace far cheaper than a typical boring office space.)

"The unreasonable [individual] adapts [themselves] to the world; the unreasonable one persists in trying to adapt the world to [themselves]. Therefore all progress depends on the unreasonable [individual]."

– *Man and Superman* by B. G. Shaw [inclusive edits by One Energy]

"Never doubt that a small group of thoughtful, committed, citizens can change the world. Indeed, it is the only thing that ever has."

– Margaret Mead

Conversation 3: Tell us about One Energy’s team (cont.)

Recruiting, Enabling, and Rewarding Our Team (cont.)

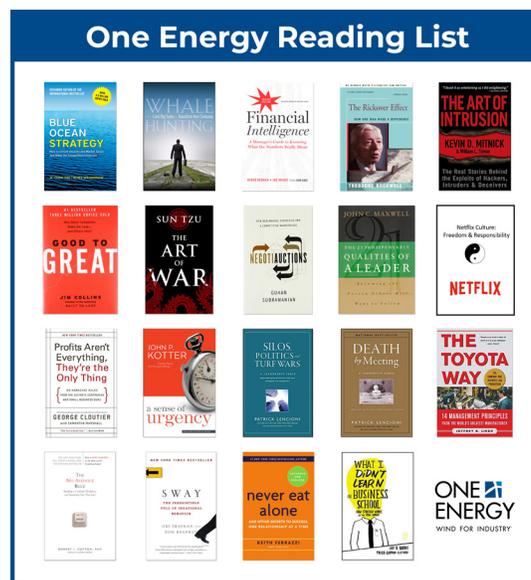
As a result, we are able to directly compete with companies like Google for top talent at major universities. We have to have a great team – and to attract them to work in Findlay, Ohio we have to take care of them. We think that’s a good thing.

Culture and Alignment - The Reading List

You’re probably asking yourself why there is a reading list in the middle of our PIM. Fair question.

At One Energy, we believe that we are far more than just our executives and their resumes. We have created a “challenge everything” ethos that everyone that works here lives by. We have a common understanding of strategy and tactics at all levels of the enterprise and that makes us more valuable and more resilient.

Communicating strategy and tactics across a diverse team is not easy. We begin laying this common foundation with our reading list. We encourage all of our employees to read the company reading list, and financially reward them when they do so. Most of our team has read all of these books. We talk about the concepts contained in these books at all of the levels of our company; they are the best basis we have to describe the way we think and operate as an enterprise. If you want to know how One Energy thinks, we encourage you to read the books we read.



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Conversation 4: What is the market potential for One Energy?

One Energy operates in a huge, fundamental market. As one of the four fundamental industries, the need for energy will never be eliminated. No one, from the oldest manufacturer to the newest dot com, has a plan to stop using energy.

But, in any fundamental market it is extremely difficult to find a blue ocean opportunity, let alone a large one. That necessity makes developing a market position in a fundamental industry very powerful and long lasting. One Energy has found a very large blue ocean opportunity in *Wind for Industry*. And, right now, we believe we are the only company in the United States that can capitalize on this market.

In order to quantify *Wind for Industry's* market in the continental United States, One Energy performed a detailed market analysis. The analysis is made up of four components: Total Addressable Market, Serviceable Market, Serviceable Market Growth, and *Wind for Industry's* expansion strategy.

Total Addressable Market

The Total Addressable Market (TAM) identifies customer facilities that are technically viable based on the unique requirements of utility-scale wind turbine projects. The methodology for determining the TAM is detailed in the U.S. Market Analysis Report. *Wind for Industry's* TAM in the continental U.S. is worth more than \$140 billion of deployable capital; we believe the TAM for ManagedHV services is likely even larger.

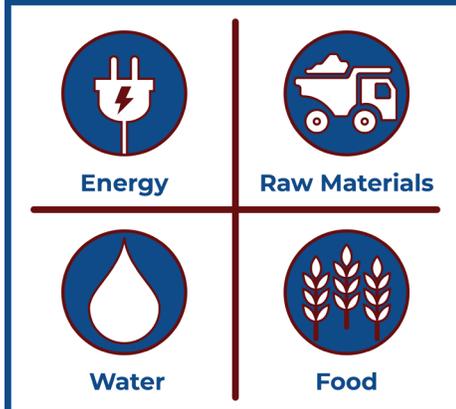
Serviceable Market

The Serviceable Market (SM) is the subset of the TAM where *Wind for Industry* projects are currently economically viable. To determine economic viability, One Energy compared the current grid rate to the estimated *Wind for Industry* REA rate for each U.S. county. (See report for details.) The Serviceable Market is estimated at \$66 billion in deployable capital (35,825 MW), based on a 0% Investment Tax Credit. (With a 30% ITC, the SM nearly doubles to \$120 billion.) Approximately 20% of large C&I facilities will be able to have a technically viable and financially attractive *Wind for Industry* project as the industry reaches maturity.

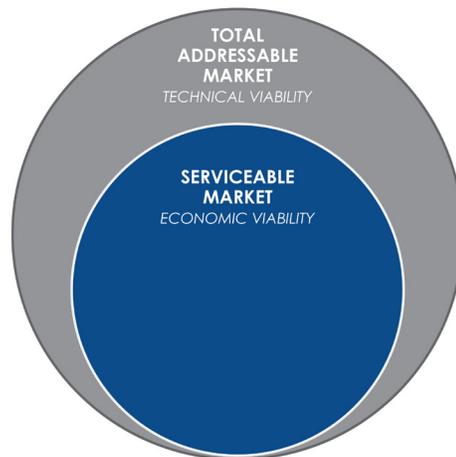
Serviceable Market Growth

The Serviceable Market Growth analysis explores areas of business-model improvement, including higher turbine efficiency, greater project cost efficiency, and higher grid rates. One Energy modeled scenarios to see how these improvements, as well as a phase-out of the Investment Tax Credit, will impact our Serviceable Market. (See report for methodology.) As economies of scale and known technology improvements become fully effective, the *Wind for Industry* Serviceable Market should increase to \$95 billion in deployable capital (57,185 MW), without any ITC.

The Four Fundamental Industries



Total Addressable Market to be worth more than \$140 billion for *Wind for Industry*; ManagedHV is likely larger.



Based on One Energy's modeling, there is a Serviceable Market of \$66 billion in deployable capital, at 0% incentive rate.

Conversation 4: What is the market potential for One Energy? (cont.)

Expansion Strategy

The Expansion Strategy analysis created a State Value Score to explore where One Energy should focus its sales strategy, with rankings for customer concentration, economic viability, and manufacturing output. *Wind for Industry's* potential has a sizable concentration in the Midwest states of Minnesota, Wisconsin, Illinois, Indiana, Michigan, and Ohio – states known for having a large manufacturing presence and good wind resource. Texas and California markets each represent substantial standalone opportunities.

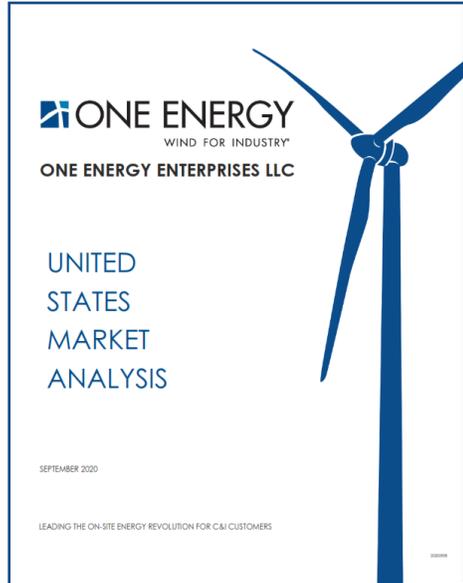
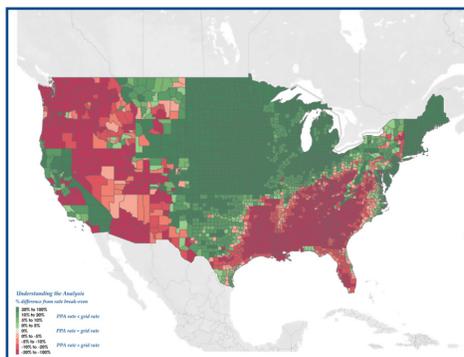
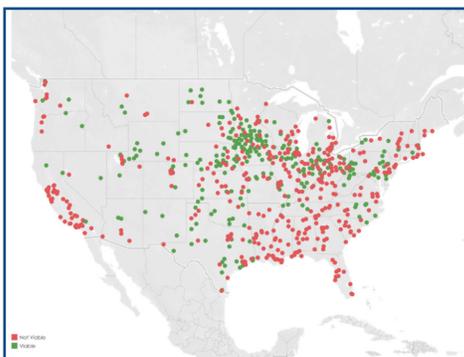
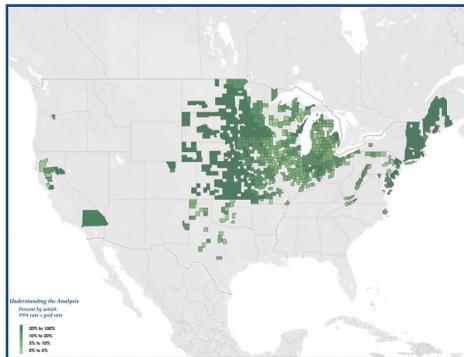
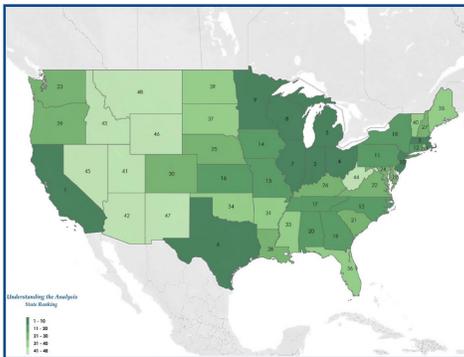
It is also of note that the Investment Tax Credit is not critical to the success of the *Wind for Industry* market, and that energy intensive sectors including Biodiesel, Cement Production, Ethanol Production, and Refining represent a \$3.4 billion market for deployable capital without any ITC (1,865 MW).

As of January 2020, there are approximately 105,000 MW of wind energy in the United States; the *Wind for Industry* market represents a substantial growth opportunity for wind energy expansion. Due to several barriers to entry, less than 200 MW of distributed on-site wind have been deployed to date in the continental U.S. As a result, nearly the entire \$66 billion market is available to be captured by companies equipped to overcome these barriers. We believe One Energy is the only company in the U.S. currently equipped to capture this market, and we are already doing it.

The vast scale of the market gives One Energy the ability to expand significantly for the foreseeable future.

A large total addressable market enables near high levels of short-term growth.

The full Market Analysis – available below – should be read concurrently with this PIM.



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Conversation 5: How did One Energy get this far?



Jereme, our CEO and Founder, explains how One Energy got this far.

One Energy has had to break down barrier after barrier and solve problem after problem to get where we are today. Nothing about building this enterprise over the last 10+ years has been easy.

“Success consists of going from failure to failure without loss of enthusiasm.” Winston Churchill said it, One Energy has lived it. As we exist today, we have succeeded far more than we have failed.

Technical and Organizational Growth Story

One Energy has accomplished a lot as an enterprise. This is a high-level summary of some of our largest accomplishments since One Energy began:

- Reduced average installed cost of projects below 5 MW from \$3,200/MW (industry average) to less than \$1,900/MW (> 40% reduction)
- Brought the cost of capital for the C&I wind projects down from 15% to 7% PTUL – 20 Year
- Built a world-class, technically-rooted executive team & grew our full team to more than 50 people (at our peak)
- Built a full in-house, financeable, development capability
- Built a full in-house, financeable, self-perform construction capability
- Built a high-quality corporate brand with national brand recognition

(continued on next page)

Conversation 5: How did One Energy get this far? (cont.)

Technical and Organizational Growth Story (cont.)

(continued from previous page)

- Built an in-house regulatory capability and a respected state and federal presence
- Brought institutional capital into C&I wind for the first time in the U.S.
- Developed our own simplified tax equity structure and sold it to the market repeatedly
- Installed 40.5 MW of on-site wind energy projects (27MW on our balance sheet)
- Created ~\$45MM in operating project value (on our balance sheet)
- Demonstrated 100+ turbine years of accurate operating forecasts
- Built a reputation of technical excellence in distributed generation with Department of Energy & National Laboratories
- Built the North Findlay Wind Campus
- Developed a market-leading internal training program that can complete ground-up training for all levels of employees
- Established One Energy as a clear U.S. market leader in on-site wind energy
- Attracted a former FERC Chairman to our advisory board
- Built a strong corporate culture for innovation, continuous improvement, safety, and quality
- Built a solid relationship with our world-class customers
- Built a comprehensive suite of software tools to enable development and operation of projects
- Built a world-class R&D program that has earned multiple patents and solved a number of known industry problems

Capital Growth Story

One Energy was started with investments from the original founders (Jereme Kent is the only remaining founder associated with the business). One Energy received a few small “friends, family, and fools” rounds that gave us enough capital to go after larger projects. After we signed and built our first two *Wind for Industry* projects, we attracted a family office who completed our first seven-figure round.

Over time, that family office continued to invest as we grew as a company and invented our Renewable Energy Agreement style of project delivery. In 2015, One Energy attracted another family office, affiliated with the first one, to provide capital for our first REA project.

After our first REA projects were built, we went looking for more capital to help us meet demand. [REDACTED] We realized that capital markets had no idea who we were and what we did and it was a nearly insurmountable battle of constantly being told that what we were doing was impossible (of course, ignoring the fact that we had literally already done it).

Conversation 5: How did One Energy get this far? (cont.)

Capital Growth Story (cont.)

Finally we snapped and prepared a Regulation D, 506(c) offering we called “Wind Bonds” to go directly to the markets. That attracted a lot of attention from institutional investors, most of whom said they loved it but the \$30MM initial size was too small. During that process we met with a capital provider who loved the model, and decided that the best way to approach it was to combine the corporate and project functions into one “fully wrapped” facility, and to use both subordinated and senior debt facilities to provide capital for both corporate growth and projects. In retrospect, that facility was both the best and worst decision we ever made as a company. It got us where we are today, but it also really hurt us as we tried to go to the next tranche of capital.

[REDACTED] Because of that facility, we built One Energy into the largest installer of on-site wind energy in the United States. We proved that our vision was possible, our projects could be safely delivered over and over, and that we could scale. It was, however, harder than we thought and took longer than we imagined to get there. What we had hoped would take 18 months took closer to 3 years. [REDACTED]

We mutually decided that we needed to raise a new tranche of capital to take out the existing facilities; the problem was that we had scaled out of the sweet spot in deal size for an integrated capital provider. We needed to have separate growth and project capital, and we were big enough to justify it. We hired an investment bank to help us run a large process.

During that raise we went to market looking for both corporate growth capital and project capital. We had some pretty strict guidelines put on us by our existing investor, and that resulted in a challenging raise. Despite that, we were able to run a competitive process for project capital and ended up within 50bps of our target return levels with multiple competitive offers. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

This was not a pleasant process for anyone, but it is the reality of how we got to where we are today. It taught us a lot about the type of capital and capital structures we think we need going forward.

Conversation 5: How did One Energy get this far? (cont.)

Capital Growth Story (cont.)

In September 2020, we completed our restructuring. We completed all of the projects that were in process. We have cleaned up our structural issues, and have raised and closed on a new term debt facility on our operating projects to clean up our balance sheet. That, to our knowledge, is the first full-term fixed-rate debt facility in on-site wind energy in the U.S.

As of today, all of our original equity holders have had their interests preserved. All of our vendors have been paid. All of our projects are running. We have sufficient cash on hand. And we believe we have the right structural mechanisms in place to completely separate Corporate Growth Capital and Project Capital.

Although it was a struggle, all of our vendors ended up getting paid. And, we maintained our solid customer relationships throughout the entire ordeal. We are a much more disciplined company for having gone through that process. We believe this discipline will make us a much better company to work with in the future.

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Conversation 6: How does One Energy sell projects?

Our *Wind for Industry* Sales Process

One Energy sells *Wind for Industry* to world-class companies. These are extremely complicated initial sales. One Energy uses a version of the Miller – Heiman strategic selling methods, Whale Hunting, as a framework for our strategic selling. Whale Hunting is a methodical, deliberate process that earns customer trust and helps quantify a complicated and hard-to-predict sales process. The process draws an analogy to the Inuit process of hunting and harvesting whales. This applies well to the sale of unique complicated projects such as selling 20-year contracts for behind-the-meter wind energy.

The fundamental thesis of Whale Hunting as a sales methodology is that the process is long, hard, and unique to each “whale” – but when the hunt is successful, the yield from the sale is huge and lasts for months or even years. After all, whales all swim in their own unique way and have their own attitudes that affect how they are approached. To “harpoon” a whale, one must obsess over that whale’s patterns and decisions and create a harmony between the movement of the boat and the whale. You can never control the whale, but with patience you can understand and predict it.

The Whale Hunting process has five discrete steps:

1. Scouting: *In this phase, One Energy is learning about the potential customer. It is learning about specific facilities, corporate goals, organizational structures, and is deciding if the potential customer is worth approaching and how to specifically approach.*

2. Harpooning: *In this phase, One Energy is engaging the potential customer to get them hooked on the idea of a project. This includes engaging the potential customer and completing an Initial Evaluation on the specific location(s) to determine technical and financial viability of a project. The potential customer then uses this report to gain preliminary management approval for a project. This phase lasts 1-6 months and should result in 50% drop-out.*

3. Beaching: *In this phase, One Energy works through commercial and technical details to make a project a reality. This phase is where the Detailed Evaluation is completed and commercial/legal negotiations take place. This phase results in the execution of a REA or construction contract. This phase lasts 1-6 months and should have a 25% or less drop-out rate.*

4. Harvesting: *This is the construction phase of the project.*

5. Eating: *This is the operating phase of a project.*

The Whale Book

The Whale Book is One Energy’s internal sales reference manual.

One Energy has taken the strategies from the Whale Hunting method and further adapted and focused them to reflect our strategy and tactics. We have written and internally use our Whale Book to guide our sales process.

Conversation 6: How does One Energy sell projects? (cont.)

The Whale Book (cont.)

This book quantifies our priorities:

1. *We only hunt whales that meet certain requirements – wind resource, FAA clearance, land availability, energy consumption, etc.*
2. *We identify and prioritize “good whales” and “good companies.”*
3. *We frequently assess if this is a whale that we want to continue hunting. We do this by answering four questions:*
 - a. *Is this worth our limited time?*
 - b. *Is this a project we want to have our name on?*
 - c. *If this is a fight, is it the right time to have that fight?*
 - d. *Can we articulate a viable path to get this project approved?*

The Whale Board

The Whale Board is how we track our whales.

One Energy has built a proprietary CRM, based on the Whale Hunting process, to track sales.

We built our Whale Board as a scalable tool to standardize our sales process and information as we grow.

Land and Expand with World-Class Companies

The first *Wind for Industry* sale is very difficult. It is unpredictable and it is frustrating. However, once we have gone through the Whale Hunting process with a world-class company and delivered them a successful project, the subsequent sales go through a very different process.

After the first project, everyone from the plant manager to the CEO of the company (no matter how big it is) knows about us and our project. Our *Wind for Industry* project is usually the cover of at least one of their annual reports and the project is a common conversation topic within the enterprise. People call us for tours when they are in town to show off “their” turbine. We go through the microscope the first time, and that is a great thing because it builds trust.



Our obsession with our customers' eccentricities is why we have been successful.

Conversation 6: How does One Energy sell projects? (cont.)

Land and Expand with World-Class Companies (cont.)

Once we have done a project with a customer, we are very likely to do another project with them. And, that project is far easier to get approved. There is an established organizational process, there are internal advocates with experience, and there is an understanding that there are no hidden traps when doing a project with One Energy.

We invest so heavily in the first sale because we want the second, third, and fourth sale afterwards.

Landing and expanding is also where One Energy's long-term mega-disrupter strategy materializes. Once we have done an on-site wind energy project, a customer is much more likely to want to talk about what else we can do for them – enter ManagedHV. Once a customer realizes that they have options beyond the grid, our real work is just getting started.

One Energy seeks to land and expand with all of its customers at all of their locations, domestically and eventually internationally.

Sophisticated, Proprietary Underwriting

The primary basis of our project value to the project capital markets is our long-term take-or-pay offtake agreements (our REAs). The problem is that credit ratings were never intended to look at individual facilities or to look at 20-year time horizons. The rating methodologies used by rating companies are completely inadequate to take a 20-year position on a company. Industries become obsolete in 20 years, for example.

So, once again, One Energy set out to find a better way. We decided to look at underwriting that was designed to predict 20 years of success and to quantify the risk to the revenue stream. More importantly, we wanted to figure out how to quantify our downside alternatives so we were capturing the full and correct risk associated with each project.

For example, if we just look at credit ratings of the corporate parent, all of the following projects could have the same risk:

1. A single industrial facility located 20 miles from any other large energy user.
2. A facility located in the middle of an industrial park with 3 other large energy users next to it.
3. A dotcom data center for a new cool app company.
4. An internal combustion engine manufacturer.
5. A cement miner and manufacturer.

Most of the companies we work with have dozens or even hundreds of facilities and that is tremendously valuable for us as we “land and expand” with them.

We don't need 200 customers to do 200 projects. We need 50 customers to do 200 projects. Those 50 customers are just very hard to initially land.

ONE ENERGY
WIND FOR INDUSTRY™

**RENEWABLE ENERGY
AGREEMENT - HIGHLIGHTED**

Conversation 6: How does One Energy sell projects? (cont.)

Sophisticated, Proprietary Underwriting (cont.)

Clearly all of the above have very different risks when it comes to our ability to get paid for 20 years (and beyond). Under our underwriting policy, all of those facilities are examined very differently.

We look at all of the factors that affect risk. The right capital providers will realize how valuable that is. The right capital providers will ask us what underwriting category we are using for a project and what the Composite Default Score is. The wrong capital providers will just keep asking what the credit ratings are.

Pipeline and Valuation Talk

Capital providers often ask us about our “pipeline” of projects. Growth capital providers want to use it to value us. Project capital providers use it to ensure we will deploy capital at an acceptable pace. We respectfully submit that the pipeline question is the wrong question.

Pipelines are typically used to talk about the size of energy developers for a few reasons:

1. Projects take years to work through state and grid permitting.
2. Projects are market takers that are competing to find off-takers. They are operating in a defined process where the process is the obstacle.
3. Projects are all interacting with sophisticated energy parties (with the possible exception of a financially settled PPA counterparty).
4. There is a precisely timed series of steps and large investments that occur in order to get the project to the finish line.
5. It is easy to compare projects on a one-to-one basis.

Unlike traditional projects, our *Wind for Industry* projects have different characteristics:

1. Our projects can be developed in a few months.
2. Our projects are market makers. They are creating new market space and are not directly competing with others.
3. Our projects are centered on customer acceptance, and the customer is an energy consumer who is not a sophisticated energy party. The customer acceptance curve is not a pipeline paradigm.
4. Our projects are comparatively cheap to develop because of our vertical integration. Therefore, there is not a large accumulated investment in the pipeline.
5. Our projects rapidly shift order and priority in a generally unpredictable way, based on customer corporate priorities. Projects can skip steps and be fast-tracked.
6. We look at the project, the market, and the corporate relationship when valuing projects.

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“By investing in on-site wind energy, we’re ensuring that Whirlpool Corp is set up for success now and in the future, while also expanding the commitment to sustainability that is vital to our company.”

- Ron Vogelwede, Global Sustainability Director, Whirlpool Corporation

“By expanding our use of wind turbines to deliver power to our plant, Ball is increasing its support of renewable energy while ensuring a fixed-rate cost for a significant amount of our Findlay power needs for decades.”

- Glenn Jost, Findlay Plant Manager, Ball Corporation

“This is a move to prepare for the future.”

- Steve Shiparski, Plant Manager, Valfilm North America

Conversation 6: How does One Energy sell projects? (cont.)

Pipeline and Valuation Talk (cont.)

For all of these reasons, our sales should not be valued as a pipeline. It should be looked at as a large, complicated retail sale with a new product. This complicated strategic selling is based on market acceptance, market verticals, relationships, and market position. None of these concepts are relevant in a traditional pipeline development analysis.

The questions that should be used to value our enterprise as a growth company are the following:

1. Who do you have existing business relationships with and how strong are those relationships?
2. What new customer relationships are you currently cultivating?
3. How big is the serviceable market?
4. What is the rate of market acceptance and what is the tipping point for that acceptance?
5. How many different customer verticals are you active in?
6. What is your position in the market?

We believe that all of these questions, except for the new customer relationships, are answered in this PIM. We closely guard our customers' privacy and time. We are happy to share more information once our relationship with a potential capital provider has advanced.

In rough metrics, we have sufficient existing and new relationships to deploy more than 200 megawatts. We can easily grow that project potential by increasing our sales efforts. Since we are generally market makers in a very large market, we are not constrained by a multi-year pipeline. The question is, how do we align capital, turbine supply, our capabilities, and market acceptance to deploy the initial 200 megawatts as fast as possible.

We believe a valuation of the enterprise for corporate growth capital should be based on a forward-looking sales metric.

"Distributed wind energy is a first for LafargeHolcim in North America and something we are excited to leverage."

- Jamie Gentoso, CEO of US Cement Operations, LafargeHolcim

"Ball's sustainability progress is powered by projects throughout our company, and our expansion of the use of wind power in Findlay is yet another example."

- Glenn Jost, Findlay Plant Manager, Ball Corporation

"Well we have the clean energy part of it, but it also is going to provide 31% roughly of our energy of our utilities, which is a really big impact for us on a cost perspective."

- Jenni Hanna, Plant Leader, Whirlpool Corporation

"We make over 15,000 dishwashers a day. In terms of how we operate here, you would not know that 15% of our power is generated by wind energy."

- Dale Laws, VP Manufacturing, Whirlpool Corporation

"This project is an excellent way to reduce our plant's carbon footprint, while helping to lower the cost of manufacturing our high-quality products."

- Steve Shiparski, Plant Manager, Valfilm North America

Jump to other conversations:

- CEO's Introduction
- Conversation 3: Tell us about One Energy's team?
- Conversation 8: How do you grow and scale?
- Introduction
- Conversation 4: What is the market potential for One Energy?
- Conversation 9: What are the nuts and bolts of the company?
- Conversation 1: What OE does & its unique value prop.
- Conversation 5: How did One Energy get this far?
- Conversation 10: Risk Disclosure
- Conversation 2: What does One Energy believe?
- Conversation 7: Why vertical integration?
- PIM Conclusion

Conversation 7: Why vertical integration?

One Energy's Take on Vertical Integration

If you take a sampling of Blue Ocean companies, Good to Great companies, or Mega-Disruptors, it's easy to observe that almost all of them have embraced vertical integration. We don't think that's a coincidence. Innovative companies – especially first movers – must control their critical activities. As a market becomes saturated with competitors and qualified contractors, that need changes – but that's a long way away for One Energy.

Vertical Integration has been the key to our success thus far. It has allowed us to substantially reduce installed project costs while reducing delivery time and improving safety and quality.

One of the main reasons that you don't see successful paper-only developers in *Wind for Industry* is because there is no good source of external service providers available to enable that business model. A paper developer cannot find the skills or knowledge necessary to make these projects work in the open market. In the cases where paper developers have tried, they typically have had exorbitant development costs, delayed projects, and have damaged the relationship with their customer so much in the process that they were never able to do another project.

The problem is that no one knows how to do what we do.

- No one knows how to accurately predict a site's wind resource using little or no on-site wind data.
- No one knows how to cost effectively due diligence a single turbine wind project located in the middle of an industrial park.
- No one knows how to cost effectively and safely mobilize to build a single wind turbine.
- No one knows how to design an IEEE 1547 compliant wind project on a radial distribution feed.
- No one knows how to raise capital to support the growth of a company that does all of these firsts.
- No one knows how to cost effectively raise project-level tax equity for a single turbine project.
- No one knows how to operate these projects in harmony with the grid and the customer's needs.

There was no one we could hire who already had the answers. When we started, we still hired "experts" because that's what you do. We soon realized that we were spending all of our time teaching the "experts", solving the problems they couldn't solve. We were fixing their mistakes and paying for the privilege to teach them, all while fighting their "on the last job" culture and generally unaccountable entitled complaintive attitudes.

As a vertically integrated power company, we are a wind resource consultant, a development engineer, a salesforce, a design engineer, an EMS agency and training organization. We're a school, a contractor that does civil, electrical, and heavy rigging, a system operator, an asset management company, an investment banker, a competitive retail electric supplier, and a whole host of other things. But, it is because we are all of these things that we are able to safely deliver financially attractive projects that we believe will change the world.

And, because of the complexity necessary to make this business model work, we don't have any direct competition. We kind of like that part.

Conversation 7: Why vertical integration? (cont.)

How We Make Vertical Integration Decisions

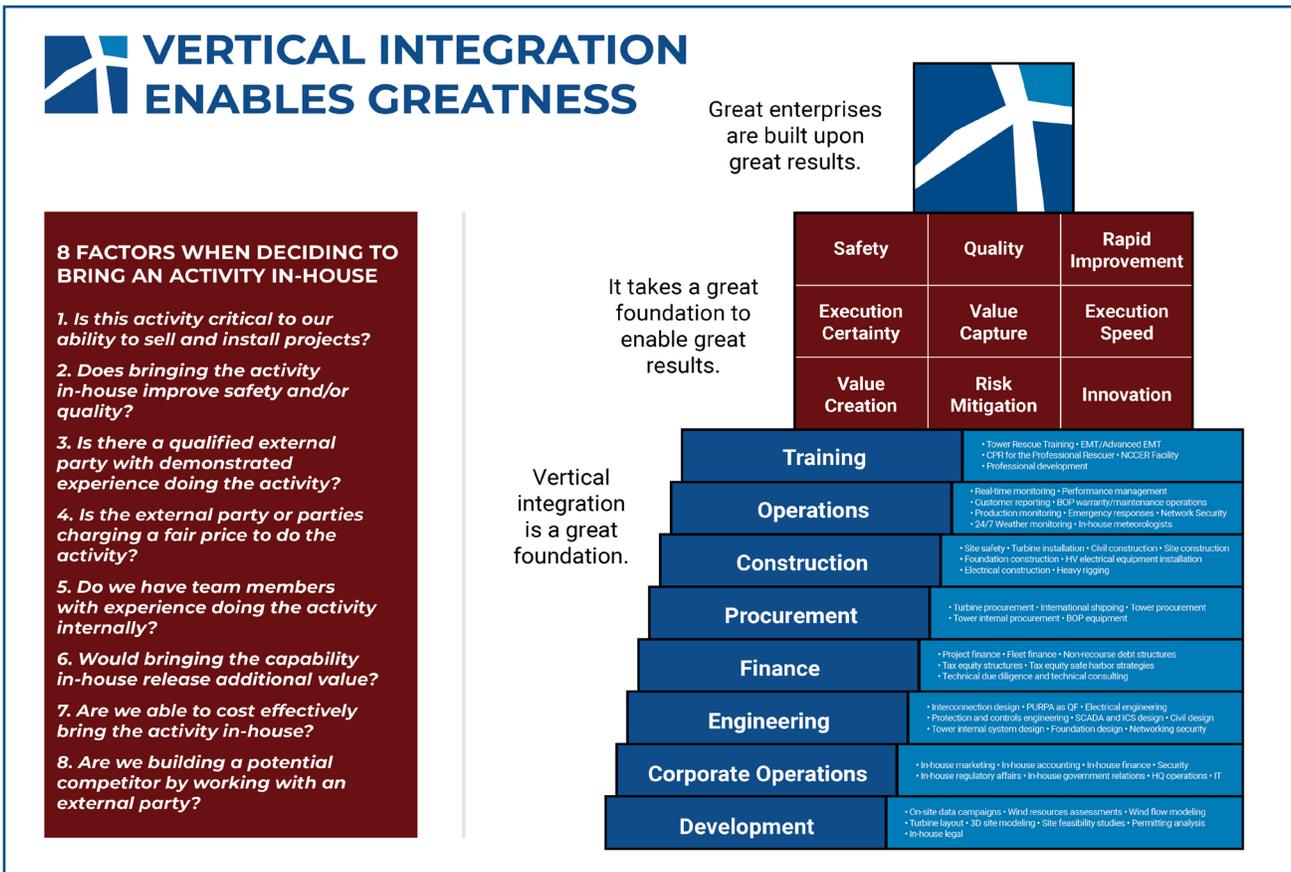
We would prefer to have experienced and qualified external parties who charge a fair price for the activities that are necessary for us to develop, design, build, and operate a *Wind for Industry* project. Unfortunately, in many cases that option is not available to us. Blind vertical integration is a great way to waste money. To prevent this, all decisions to bring an activity in-house need to be closely evaluated.

We look at eight factors when we are deciding if we should bring an activity in-house (shown in the graphic below).

One Energy believes that if vertical integration is only used as a last resort or a strategic tool to create a barrier then it can be very valuable. As an innovative enterprise, and as a first mover, we have, after careful consideration, made the decision to vertically integrate a lot of our activities. We believe that makes us a stronger enterprise.

What We Have Integrated

This infographic lists out the primary capabilities that One Energy has decided to vertically integrate. The activities and capabilities below have been brought in-house, and are executed by the One Energy team, as part of our *Wind for Industry* projects and/or ManagedHV services.



Conversation 7: Why vertical integration? (cont.)

Our Entities and How They Fit Into Vertical Integration

The enterprise was designed to integrate the various activities that are necessary for success, while still providing a risk-isolated structure that gives us the flexibility to comply with the range of trade, local, state, and federal rules, regulations, and operations that each of these activities require. Our organizational structure was deliberately designed to protect all of our stakeholders while enabling vertical integration.

One Energy Enterprises (OEE)

OEE is the top enterprise entity. It captures the corporate functions and operations of the entire enterprise and is the employer of the staff that is shared throughout the enterprise.

One Energy Solutions (OES)

OES does the “work” so to speak. It does the engineering, the development work, the construction, and the physical work for all of the enterprises. It is typically the general contractor for all of our projects. OES does the “risky” construction activities. OES also does the majority of project procurement for all non-turbine components.

One Energy Capital (OEC)

OEC is our management company. It is the manager in all of our ProjectCo and FleetCo entities. It is also the manager for most of our enterprise entities. It also owns all of our enterprise LandCos.

One Energy Capital Corporation (OECC)

OECC is our finance arm. OECC has the primary cash interest in each of our ProjectCos and FleetCos. OECC also makes purchases for major assets, like turbine equipment. OECC is intended to be the risk-isolated arm of the enterprise that is able to attract project capital.

One Energy Training Institute (OETI)

OETI is our heavily regulated training arm. It has state and federal accreditations and licenses that are best held in a dedicated training arm. OETI provides training primarily to our team members, but it has also provided external training to other entities and community stakeholders including local fire departments.

OE Retail Services (OE Retail)

OE Retail is our retail service arm. It is an accredited competitive retail electric supplier (broker) in Ohio and will serve a similar function in other states. Given the regulation and oversight that these entities encounter, it is best structured as a standalone entity that supports other enterprise activities.

Jump to other conversations:

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Conversation 8: How do you grow and scale?

Our 20-Year Plan

“Thus we may know that there are five essentials for victory:

- 1. [They] will win who [know] when to fight and when not to fight.*
- 2. [They] will win who [know] how to handle both superior and inferior forces.*
- 3. [They] will win whose army is animated by the same spirit throughout all its ranks.*
- 4. [They] will win who, prepared [themselves], [wait] to take the enemy unprepared.*
- 5. [They] will win who [have] military capacity and [are] not interfered with by the sovereign.”*

– Sun Tzu, The Art of War [Inclusive edits by One Energy]

If you want to fundamentally change a 100-year-old industry, you have to operate under a long-term strategy. If you want to succeed against the entrenched utilities, you have to think long term.

One Energy has spent the last 10 years proving that *Wind for Industry* was viable and attractive. We had to break down barrier after barrier and solve problem after problem to get this far. We have built our foothold and now we are leveraging that position to grow both in Ohio and other state markets. We will continue to land and expand with new customers in new geographic markets.

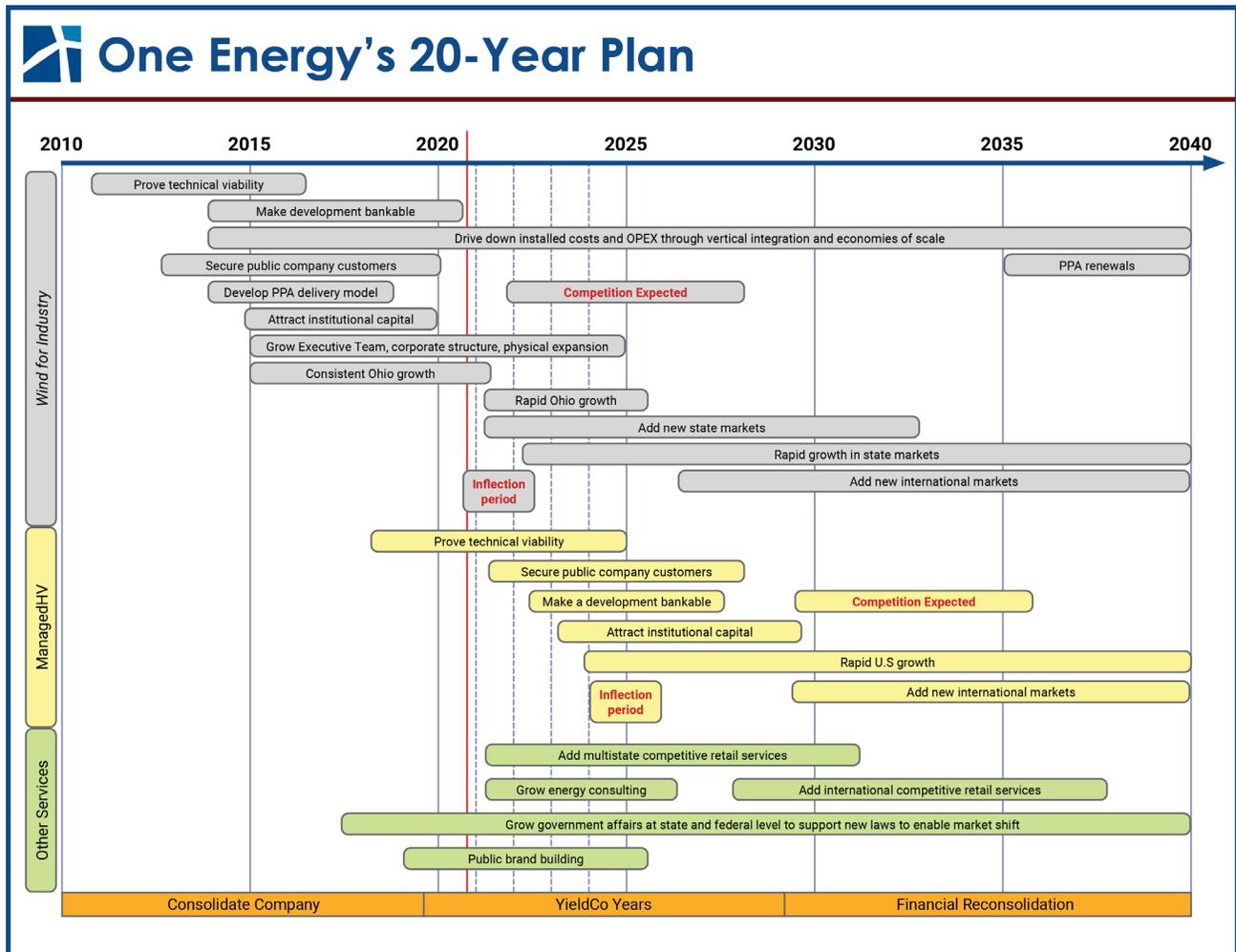
We are currently going through the same prove and improve process with our ManagedHV services. ManagedHV will benefit from the strength of our *Wind for Industry* capabilities, and will leverage the enterprise resources we have already developed. We are currently operating two fully functional ManagedHV projects; we turned down several additional opportunities in order to learn from those facilities. We have learned from Gen1, and now we are ready for the second generation of ManagedHV projects (Gen2). Those projects will need to be installed and operated for a period of time before we expand into a much broader Gen3 ManagedHV, which will represent the large rollout of the systems.

While we expand our *Wind for Industry* territory and grow our ManagedHV presence, we will continue to build out the corporate infrastructure necessary to operate the multi-state network of power projects we are building. We will start to look more and more like an operating power company, just, you know, one built with technology from this decade. We will have a market pull to expand our support and consulting services. There will be a continual investment in accounting, asset optimization, R&D, government affairs, and brand building. Those investments will follow growth in the core businesses.

Conversation 8: How do you grow and scale? (cont.)

Our 20-Year Plan (cont.)

This is a timeline of our 20-year plan:



Charting Our Geographic Expansion

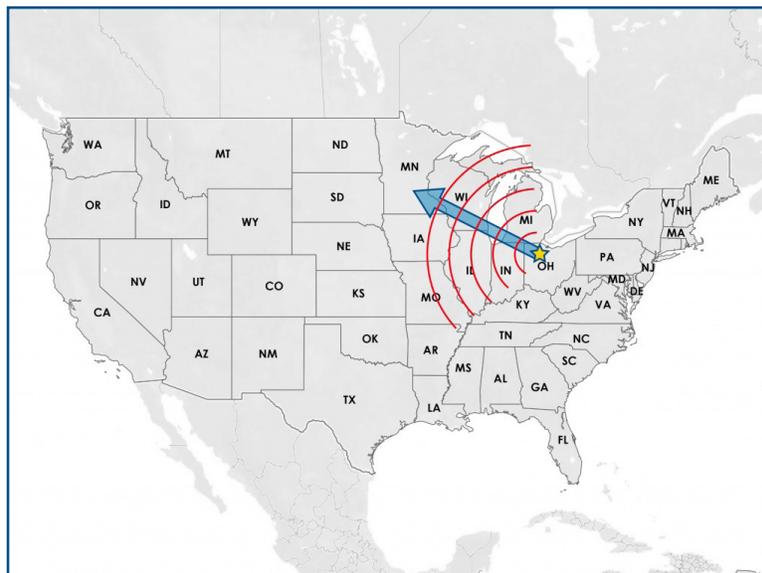
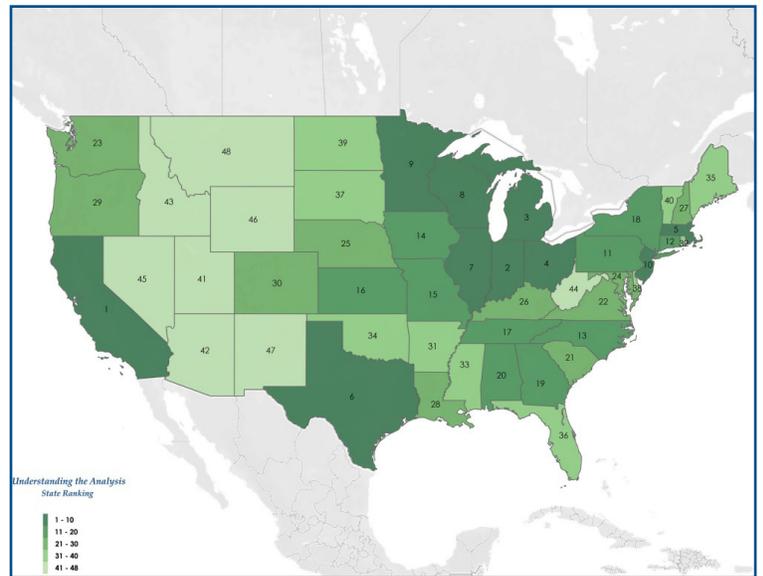
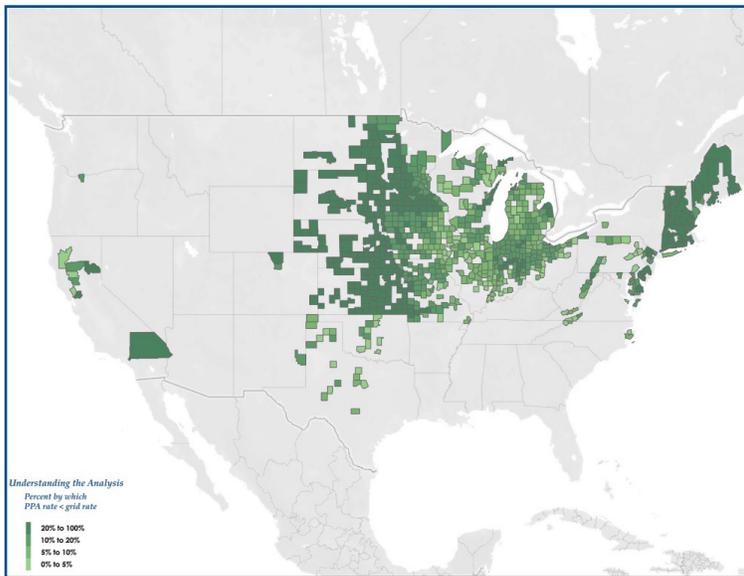
The first map on the following page is “Map 33” from our U.S. Market Analysis. This map represents the counties where we expect to see economic viability for *Wind for Industry* and a strong manufacturing presence in a short-term, incentive-free market. This is the case we believe we should base our expansion plans on.

In the same Market Analysis report, One Energy developed a “State Score” to quantify and prioritize the expansion of *Wind for Industry*. These State Scores are displayed in the second map on the following page (which is Map 34 from the report).

Conversation 8: How do you grow and scale? (cont.)

Charting Our Geographic Expansion (cont.)

When you overlay Map 33 and 34 (the first and second slides), the geographic strategy becomes pretty straightforward. We are going north and we are going west – as illustrated in the third slide. In the short term, we plan to use the following states to scale: Indiana, Illinois, Michigan, Wisconsin, Minnesota, and Iowa. This territory is all within a day's drive from headquarters in Findlay, Ohio (it's almost like we have been planning this for a decade).



Conversation 8: How do you grow and scale? (cont.)

Short-Term Scaling

Wind for Industry has a clear self-improving cycle of success drivers. This chart shows that scale drives buying power (in OEM and capital markets) and efficiency, which results in lower cost projects which, in-turn, results in expanded sales. This a self-accelerating expansion cycle and we are entering it as an enterprise right now. This cycle is why we need to invest in growth now. The faster we move through this cycle, the further we solidify our first mover advantage.

Investments Needed as We Scale

When we talk to capital providers, the one question we are guaranteed to be asked is “what do you need the capital for?” We wish there was a simple answer.

For Project Capital providers, the answer is straightforward: we need your low-risk, long-term capital to build and operate *Wind for Industry* projects. We prefer capital that is available at the start of construction (NTP), but we will consider capital that is available when a project begins commercial operation (COD). This project capital will be walled off from all of our other operations and will exist in a special purpose FleetCo. We will size FleetCos to capital provider goals, and each FleetCo will then invest that capital in the individual ProjectCos below it. For simplicity, we will only do FleetCo-level deals with Project Capital providers.

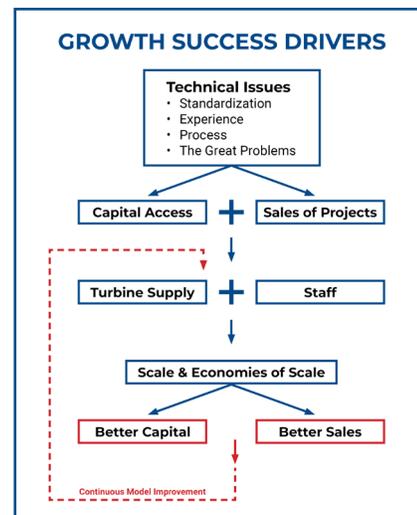
For Corporate Growth Capital providers, it’s a much more complicated question. We know where we are going. We think we know what it will take to get there. But we don’t know exactly how things will play out. We will regularly adapt our strategy and tactics (in consultation with the appropriate stakeholders) and we will make good decisions for the company. That is what real growth capital is, and we believe the right Corporate Growth Capital provider will understand that.

There are a number of areas where we expect to invest as we grow. Some will be funded by growth in operations and some will be funded by capital. All of these investments will be rolled out in a deliberate manner; those driving sales will lead. The majority of investments will follow sales, to enable scaling and to support our success drivers.

Expanded Programming and Data Processing

One Energy has had tremendous success with our software. It has enabled us to develop, sell, and operate projects more efficiently. Repetitive, definable, computational tasks are best solved with software. We will invest in a small, in-house dedicated coding and data team. That team will maintain our current software, build new software, and will perform data analysis on the plethora of data we generate to optimize our operating fleet. As we expand both our ManagedHV and *Wind for Industry* lines, we will generate high value data that tells us more about the power grid than the distribution utilities know.

Understanding that data will create immense value for all of our stakeholders. This investment is critical for growth, and internalizing this value is both responsible and prudent.



For Project Capital providers, we need your low-risk, long-term capital to build and operate *Wind for Industry* projects.

For Corporate Growth Capital providers, it’s a much more complicated question.

Conversation 8: How do you grow and scale? (cont.)

Build and Operate a Four-Season Warehouse

One of the keys to our ability to drive down the cost of our projects has been our standardization and modular construction approach. We have demonstrated the value of kits, a parts warehouse, maintenance programs, tool yards, and standardization – all while working out of a quonset hut, a fenced yard, and a gravel yard. While this has been tremendously valuable to date, it will not get us to the next level as a multi-state enterprise.

We are fortunate that the North Findlay Wind Campus has plenty of room for us to expand and build a four-season warehouse. We intend to build a 20,000-square-foot climate-controlled building with a paved and secured lot. The building will have a mechanics bay and will support all of our operational needs. It will allow us to take better care of our tools and equipment, to increase efficiency, and to further drive down project costs. We expect that the entire warehouse complex can be built and operational for \$2 million in six months.

Site Autonomy and Remote Operation

We have learned that our sites present interesting operational issues. We are operating facilities that need to work in harmony with industrial loads, in industrial operating areas, and on a weak distribution grid. That means that we have to do things like not automatically reset our breakers, because of the safety implications. We have to do regular inspections, deal with security issues, and investigate issues before we blindly reset equipment.

Right now, much of this work must be done in person by our technicians. We have been researching and implementing various site automation schemes to allow for much more remote control of our facilities. This drives down the need for on-site technical resources and improves safety and quality. It also means that we are able to extract more long-term value out of our operating projects over their lifetime. We are experimenting with things like putting thermal cameras permanently inside of switchgears, using long-range cameras to do remote blade inspections, and automating normal manual tasks. We expect to spend between \$250,000 – \$500,000 to optimize these tools. We will then roll them out at all new projects (as a project cost) and consider upgrading existing projects. Perfecting this automation is what will allow us to drive down the cost of scaling our operations geographically. We cannot compromise on safety or quality, but we can engineer the technician out of as much on-site work as possible.

Build and Operate an Operations Center

Right now, we run a 24/7 on-call team of system operators and technicians. We are not far away from that no longer being sufficient. We will ultimately need to have a staffed operational center that has engineers on staff to remotely supervise, operate, and control our projects. That center will be located in Findlay at the North Findlay Wind Campus. Construction and outfitting will cost about \$500,000. It will be built out to accommodate our 10-year growth plans. It will ultimately be paid for by operating costs at the project level, but the investment will precede the revenue stream.

Invest in a Larger Equipment Fleet

When we started self-performing construction five years ago, we knew what we were getting into. We worked to keep our capital costs down by renting equipment. As we began to move faster, we invested in a few key pieces of equipment while continuing to rent others. As we achieve a steady project deployment pace, it makes operational and financial sense to invest in more heavy equipment.

Conversation 8: How do you grow and scale? (cont.)

Invest in a Larger Equipment Fleet (cont.)

We will continue to invest in civil equipment (dozers, excavators, etc.), crane equipment (yard and project cranes), service vehicles, and specialty tools and equipment. We know that one way or another, we will be paying for the equipment – we’d rather own it, take care of it, and get more value out of it. We will always supplement with rental equipment, but our core equipment fleet will need to grow as we expand. Doing so will also provide us with more control and lower installed costs in the long run. There are millions of dollars that can be responsibly spent in this area. In most cases, we can provide equipment-specific debt to lower the capital burden, if we are willing to accept the debt on our balance sheet. Alternatively, putting this equipment on our balance sheet looks better for basic banking facilities and lines of credit. There is a financial optimization question that needs to be looked at, but the equipment is ultimately necessary for growth.

Build Out Our Instrumentation Fleet

Developing projects requires instrumentation. It requires LiDARs (small expensive machines that use lasers to measure wind speeds), sound collection instruments, survey equipment, and other capital equipment. Those costs lead sales by 6-12 months.

They are ultimately recouped over time through design and engineering costs that are incorporated into the projects, but they require an upfront investment. A LiDAR costs around \$130,000 and can typically be used on 1-3 projects per year. They last for 5-10 years. One Energy currently owns four LiDARs and has been very successful in their usage.

Build Out Our Core Operational and Administrative Groups

All of our core groups will need to expand as we grow. We will need to grow our project planning, construction, regulatory, accounting, legal, and asset management groups. Ultimately those costs will become a part of a larger G&A profile for a larger company, but building them out and getting them trained usually has some measure of upfront cost. These groups will scale as driven by project sales.

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Conversation 9: What are the nuts and bolts of the company?

Let's face it. There are a bunch of random but important questions that fit into the "details" category. In this conversation, we discuss the key details that did not fit into one of the more specific conversations, but are nonetheless key elements of our story and our enterprise.

The following topics are discussed in the conversation below:

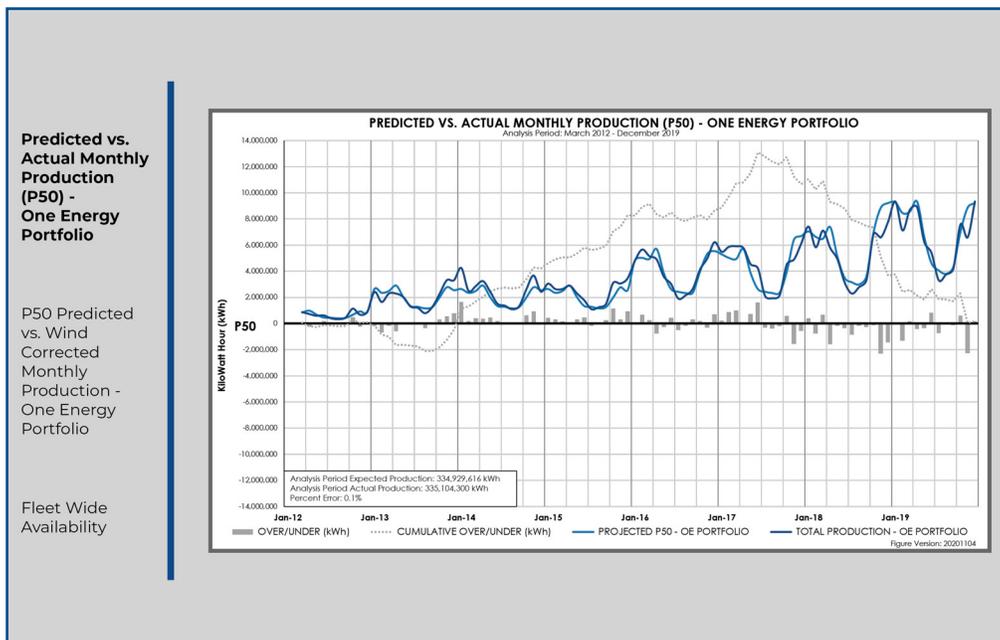
- Project Operating History
- Tax Equity and TIBE
- ITC / PTC Phase-Out
- Corporate Structure
- Operating Entities
- Using Special Purpose Entities
- Employee Organizational Chart
- North Findlay Wind Campus / Office Headquarters
- Security and Resiliency
- Component Yard
- Intellectual Property
- Land Holdings
- International Expansion
- Research and Development
- Governance and Board of Advisors
- Media Exposure
- Websites as Communication Tools
- Quantifying Our Industrial Decarbonization
- Building and Operating Higher-Quality Projects
- Financials
- How We Make Money

Project Operating History

Challenge Everything. That is what we preach internally and externally. When we tell you that **"our projects run extremely well and our forecasts have an accuracy on par with utility-scale forecasts,"** you should challenge us.

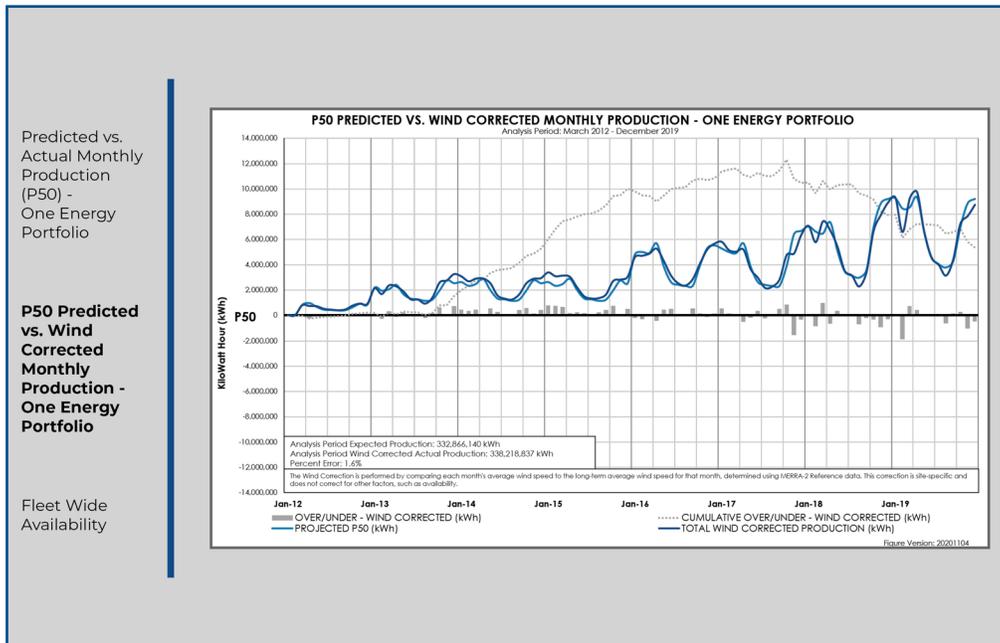
So, we respectfully submit our forecasted vs actual production for all of our projects (both raw actual and annual wind adjusted). We also respectfully submit our project availability, both OEM and overall.

We challenge every wind consultant, developer, or wind operator to do the same (especially before they say they're qualified to review us).



Conversation 9: What are the nuts and bolts of the company? (cont.)

Project Operating History (cont.)



Predicted vs. Actual Monthly Production (P50) - One Energy Portfolio

P50 Predicted vs. Wind Corrected Monthly Production - One Energy Portfolio

Fleet Wide Availability

Fleet Wide Availability		
Year	OEM	Total
2014	98.3%	N/A
2015	99.2%	97.2%
2016	98.3%	96.5%
2017	98.7%	94.9%
2018	99.4%	96.5%
2019	99.7%	96.0%
2020	99.8%	97.6%

Conversation 9: What are the nuts and bolts of the company? (cont.)

Tax Equity and TIBE

Tax equity is an important part of the capital stack for most renewable projects, including ours. However, the existing tax equity markets were not set up to efficiently do projects of our size. Moreover, the few institutional tax equity investors who have expressed a willingness to do multi-project tax equity facilities have a poor understanding of our projects, onerous and inefficient requirements, and generally have made it inefficient to work with them. To solve this problem, One Energy brought raising and funding tax equity in house. We call it TIBE (EBIT spelled backwards), and we have been very successful with it.

One Energy offers TIBE investment opportunities to companies and high net-worth individuals who can effectively utilize the tax credits that our *Wind for Industry* projects generate. TIBE is marketed as an investment that puts the I&T in EBIT first. TIBE is tax equity made simple.

Tax equity in 100 words:

Certain investments generate large tax credits. These tax credits produce so much tax value that the company generating these credits – a company building a wind farm, for example – cannot fully utilize the value. Instead of wasting the tax credit, the company creates a structure to partner with a larger company that can actually utilize the tax credit.

The small company keeps the cash, and the big company gets the tax value. Instead of paying taxes, the big company invests the money they would have paid and gets a mid-to-high-teen return on money that would have instead been “wasted” paying taxes.

In 100 words, tax equity is simple. Modern tax equity, however, has become highly complex. We believed there had to be a better way. That is why we created TIBE. We have successfully completed seven TIBE transactions to date.

We sell TIBE in highly structured packages, often to regional companies who are not traditionally exposed to or able to participate in the tax equity market. Our target audience is one of the following:

1. Public or Widely Held Corporations with an annual tax liability in excess of \$5,000,000
2. Closely Held Corporations with an annual tax liability in excess of \$5,000,000, including LLCs taxed as Corporations
3. Family Offices or High Net Worth Individuals with enough passive income to utilize the credits and loss allocations against their passive income
4. LLCs taxed as partnerships, or partnerships with enough passive income to utilize the credits and loss allocations against their passive income



Conversation 9: What are the nuts and bolts of the company? (cont.)

Tax Equity and TIBE (cont.)

TIBE deals are partnership-taxed investment opportunities that are targeted at creating I&T returns and are thus valued based on their effect on the owner's net income. TIBE deals are different than traditional tax equity in a few very important ways:

1. Small deal size
2. Standardization
3. Higher returns
4. No large commitments
5. ITC, fixed-time partnership flip structures only

We believe that we will continue to be able to successfully raise future TIBE capital for our projects and that TIBE is still the most efficient capital source for us to use for that portion of our capital stack for projects.

ITC / PTC Phase-Out

Our *Wind for Industry* projects enjoy tax benefits in the form of the Investment Tax Credit (ITC) or the Production Tax Credit (PTC), as well as MACRS depreciation that can be monetized with upfront "tax equity" investments. This monetization reduces net project costs and provides better project economics.

We have elected to use the ITC based on project economics; however the ITC is currently being phased out, which will stress the business model. The ITC is only available for equipment purchased through the remainder of 2021 (18%). One Energy assumes that after 2020 there will be no further tax incentives available (i.e. the ITC will be zero as currently legislated) however safe-harboring strategies can extend the benefits for a few years.

In our United States Market Analysis report, One Energy thoroughly modeled the U.S. market, determining how our Serviceable Market could be impacted by the ITC phase-out, and how we will adapt and improve our business model as a result. We expect to see three areas of business-model improvement: higher turbine efficiency, greater project cost efficiency, and higher grid rates.

Note that the *Wind for Industry* Serviceable Market in the continental U.S. is estimated at \$66 billion in deployable capital based on a 0% ITC, under current business model conditions (35,345 MW). As economies of scale and known technology improvements become fully effective, we believe that this market should increase to \$95 billion in deployable capital, without any ITC (57,185 MW). One Energy will continue to take advantage of the Investment Tax Credit while it is available; however, as our U.S. Market Analysis shows, the ITC is not critical to the success of the *Wind for Industry* market or One Energy.



Download the TIBE PPM.

[To understand the basics of TIBE, visit page "1.5 Introducing: TIBE" of this website.](#)

Conversation 9: What are the nuts and bolts of the company? (cont.)

Corporate Structure

The One Energy Enterprise is made up of primary operating companies, ProjectCos, FleetCos, and LandCos. There are also non-operating entities that are set up for future usage.

In general, all of our entities are either Delaware or Ohio entities. Ohio is where we are physically headquartered and Delaware is a common jurisdiction the financiers are comfortable with.

We have a series of regarded and disregarded entities in this structure. The tax strategy associated with this enterprise structure is optimized for TIBE providers, capital providers, and equity owners. A detailed discussion of the strategy behind this structure is beyond the scope of this document.

Operating Entities

Our primary operating companies are as follows:

One Energy Enterprises LLC	 ONE ENERGY	Enterprise parent entity. Employer and main G&A provider.	OEE
One Energy Capital Corporation	 ONE ENERGY CAPITAL CORPORATION FINANCING WIND FOR INDUSTRY®	Project/Fleet equity owner. Yield vehicle.	OECC
One Energy Capital LLC	 ONE ENERGY CAPITAL LLC MANAGING WIND FOR INDUSTRY®	Providers of management services.	OEC
One Energy Solutions LLC	 ONE ENERGY SOLUTIONS BUILDING WIND FOR INDUSTRY®	Development, Engineering, Construction provider.	OES
One Energy Training Institute LLC	 ONE ENERGY TRAINING INSTITUTE LLC	Training arm.	OETI
OE Retail Services LLC		Retail Service Arm.	OERS

Using Special Purpose Entities

Each *Wind for Industry* or *ManagedHV* project is owned by a ProjectCo. ProjectCos often end up organized into FleetCos for financing. A FleetCo owns an equity interest in multiple ProjectCos. FleetCos are finance SPEs. Our ProjectCos and FleetCos are all Delaware LLCs. Our LandCos own land and are all Ohio entities.

Capital providers will typically deal with One Energy Enterprises LLC for Corporate Growth Capital. Project Capital providers will deal with either One Energy Capital Corporation or a FleetCo.

Conversation 9: What are the nuts and bolts of the company? (cont.)

Employee Organizational Chart

One Energy is currently organized into the following operating groups:

1. Project Planning and Technology
2. Construction and Operations
3. Regulatory and Legal
4. Accounting

While these groups have all absorbed or house additional operational duties, they are organized by their primary function.

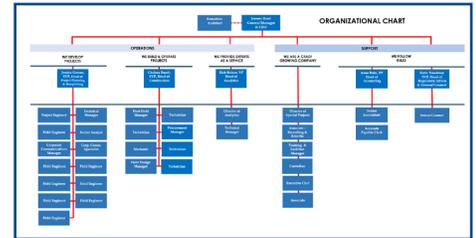
As we grow, One Energy will separate out the following additional operating groups (which existed when the company was larger):

1. Operations (split out from Construction)
2. Legal
3. Corporate Operations
4. Research and Development

Each group is run by a “Head.” Heads are direct reports to the CEO and are responsible for their operating group. They are either Senior Vice Presidents or Vice Presidents. Senior Vice Presidents take operational or execution risk for the company. Vice Presidents do not have operational or execution risk but still can bind and represent the company. The SVP and VP titles are primarily to make outsiders comfortable with our titles. Functionally, we just use “Head” internally. All Heads are leadership. Above is our current organizational chart. For simplicity, we have removed employee names below the Head level.

North Findlay Wind Campus / Office Headquarters

“Wind Campus” is a trademarked term that describes an energy-centric development. It is intended to describe an energy-centric integration of commercial operations. Our Wind Campus Headquarters in Findlay, Ohio is where our corporate office, construction yard, and component yard are all located. It also happens to be right under three of our operating projects.



Conversation 9: What are the nuts and bolts of the company? (cont.)

North Findlay Wind Campus / Office Headquarters (cont.)

Our corporate headquarters is a 22,000-square-foot metal building that is located just over 600 feet away from the closest operating turbine. (We practice what we preach and put our office far closer to a turbine than we would ever put a neighbor's home). The building was built in 2017 and was designed to be a scalable hub for our growth. The plan was simple – build an affordable metal building and then make it an interactive tool to train our stakeholders. The result was a pretty cool workspace that encourages collaboration and creativity.

The building is hardened and built with resiliency in mind. After all, we are a power company.

Security and Resiliency

One Energy designs all of our projects to comply with state and federal critical infrastructure protection standards including NERC standards. Our projects are not subject to most of these requirements; however, we believe that we have a duty to meet and exceed these standards to protect our customers' facilities and the grids we operate on.

While we will not discuss specific physical and cyber security in this document for obvious reasons, we have a robust Defense in Depth approach to security and have never experienced a physical or cyber breach of our projects.

All of our corporate and project data is protected, backed up in real time, and designed so that there are no single-point failures that can adversely affect our operational abilities.

We are paranoid, and our customers like us that way.

Component Yard

International logistics for large components is hard. In the best of times it is organized chaos, most of the time it is worse. We have learned that we put the same time and effort into bringing a single turbine into the U.S. as we do bringing in a dozen turbines. The difference is that when we bring in a larger number of turbines, we are much more cost effective.

We also realized that the wind industry supply chain struggles with small turbine orders. The economies of scale curve is initially very steep, and so there is a lot of cost savings in ordering ten units as opposed to two. Finally, we have learned that it is impossible to cost effectively deliver a single turbine to a *Wind for Industry* project site directly from the OEM. There are too many variables in international and long-distance domestic shipping to control arrival times effectively on a site. And, being ready with



Conversation 9: What are the nuts and bolts of the company? (cont.)

Component Yard (cont.)

heavy equipment too early, or too late, is extremely expensive. There has to be a local supply chain buffer to control costs effectively.

In 2017, we tested this approach by creating our Component Yard in Findlay. The five-acre reinforced yard is designed to allow for efficient loading, unloading, and storage of components. It is designed to hold up to 20 turbines and it is reinforced to allow for crane operations year round. The yard provides an inventory buffer that allows us to give customers the predictability they want, delivers the costs we want, and takes the

system wants inventory, we have found that this is an appropriate and necessary use. The value proposition is sufficient to justify the time value of money associated with the inventory, provided we turn through it at a predictable tempo.

Intellectual Property

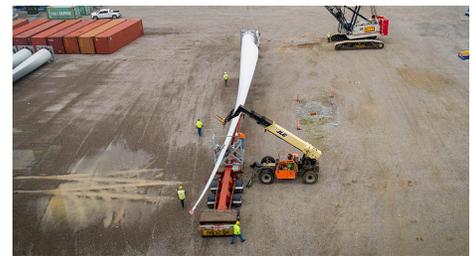
One Energy actively protects its intellectual property. At any given time, we likely have new patents and trademarks pending. We will continue to develop intellectual property as we grow. All employees have signed an appropriate IP Protection Agreement during the term of their employment.

One Energy currently has five issued U.S. patents:

1. Suspended Deck Systems, Kits, and Methods of Installing, Inspecting, and Repairing a Suspended Deck System
2. Reinforcement Assemblies, Fixtures, and Methods
3. Devices, Systems, Methods, and Kits for Remotely Operating a Switch
4. Method of Evaluation of Wind Flow Based on Conservation of Momentum and Variation in Terrain (Wind Flow Model Algorithm)
5. Method of Evaluation of Wind Flow Based on Conservation of Momentum and Variation in Terrain (Site Calibration Algorithm)

One Energy currently has four Registered Trademarks:

1. Wind for Industry®
2. Wind Campus®
3. Green Campus®
4. Continuum®



US 9,487,960 B2
Nov. 8, 2016

(12) United States Patent
Kent et al.

(11) Patent No.: US 9,487,960 B2
(45) Date of Patent: Nov. 8, 2016

(54) SUSPENDED DECK SYSTEMS, KITS, AND METHODS OF INSTALLING, INSPECTING, AND REPAIRING A SUSPENDED DECK SYSTEM

(57) Abstract: Suspended deck systems, kits, methods of installing a suspended deck system, and methods of inspecting and/or repairing a suspended deck system are described herein. An example embodiment of a suspended deck system comprises a plurality of beams, a plurality of links, and a deck. Each beam of the plurality of beams is attached to a cross section between the lower section (first flange) and the lower section (second flange) (first link) of the plurality of beams and that is attached to a base of the plurality of beams and a link second end. The deck is attached to the link second end of each link of the plurality of links.

20 Claims, 8 Drawing Sheets

Conversation 9: What are the nuts and bolts of the company? (cont.)

Intellectual Property (cont.)

One Energy has several proprietary software packages, the major ones are listed below:

1. Continuum – a wind flow and project development tool
2. Athena – a digital job book and record-keeping tool
3. Whaleboard – a custom CRM

Learn more about our intellectual property on our webpage “5.9 Patents and Trademarks.”

Land Holdings

Some of our *Wind for Industry* projects are located on customer land and some are located on land that we purchase (as an enterprise) for the project. We have not developed a corporate preference for land ownership on a project since there are pros and cons to both approaches. It is easier if a customer owns the land, but there is a risk of trapped assets after the initial 20-year term if the customer does not want to renew the project. We honestly have no idea what a renegotiation looks like after 20 years. There really is no precedent. So, our stance has been that we will use customer land if available, and if not, then we will purchase land.

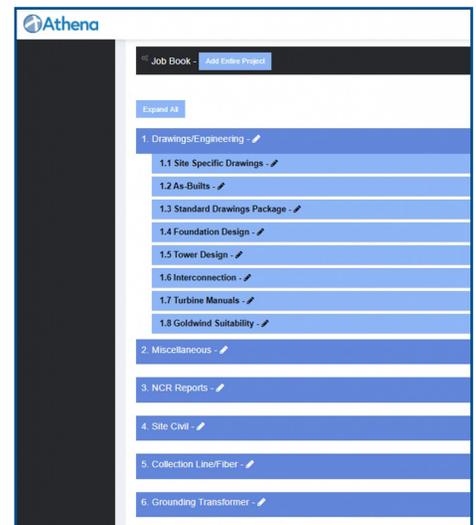
The result is that we several hundred acres of industrial land.

International Expansion

We are constantly being pulled into the international market. We have avoided it. Our fear is that we do not have the expertise in local permitting, construction, and grid regulations to make a project successful. We know how hard it was to develop that expertise in the U.S.

We want to expand internationally, but our focus right now is on the domestic market. We are exploring ways to “get our feet wet” internationally, so to speak. We may offer consulting to others, but we are also concerned that might create future competitors.

A Corporate Growth Capital provider with experience in international expansion would be attractive. We are similarly seeking out advisors with this skill set.



Conversation 9: What are the nuts and bolts of the company? (cont.)

Research and Development

We are an innovative enterprise. We routinely have to solve problems that have never been solved. And, we have a decade-long history of being successful at it.

We invest in our “Skunktank.” (Apparently “skunkworks” is trademarked). Our Skunktank is where we work on projects that solve current or future problems for the rest of the company.

We don’t talk a lot about our R&D because it is where we build barriers to entry and answer questions no one else even knows to ask yet. Our research ranges from ways to extend turbine operational life to ways the power grid of the future can be self-healing, to ways to more efficiently store power on site.

One Energy plans to continue to invest in big and small Skunktank projects as we grow.

Board of Directors

One Energy’s Board of Directors is comprised of energy and manufacturing experts who bring proven experience and leadership to guide the company’s strategic direction and growth.

The Board is comprised of former Chairman of the Federal Energy Regulatory Commission (FERC) Jon Wellinghoff; retired Marathon Petroleum Corporation CFO Don Templin; retired Cooper Tire & Rubber Company Vice President of Treasury & Tax Tom Lause; and Advanced Power CEO Thomas Spang.

Wellinghoff has more than 40 years of leadership experience in federal, state and local energy policy, regulation, and market development. He served as Chairman of the FERC for nearly five years and served as Commissioner for more than seven years.

Templin served in a number of roles at Marathon Petroleum Corporation over the course of a decade, including as: CFO; Executive Vice President, Supply, Transportation and Marketing; and President, Refining, Marketing and Supply.

Lause spent more than 35 years at Cooper Tire & Rubber Company in several finance and operations roles. He is currently Vice President of Business Affairs and CFO, Treasurer at the University of Findlay.

Spang is CEO of Advanced Power, a world-class developer and manager of independent power generation and related infrastructure projects. He has more than 25 years of experience in the development, financing, investment and management of electric generating facilities.

Learn more about One Energy’s Board of Directors.



Conversation 9: What are the nuts and bolts of the company? (cont.)

Media Exposure

One of the biggest mistakes we have made over the years was to stay hidden for too long. Part of our original strategy was to stay under the radar. We did not want to attract attention from adverse utilities before we were ready for the fight. That strategy went on for too long.

One Energy now actively seeks to tell the world about its business model, its projects, and its view of the future. We believe that a larger public profile makes customer acquisition, capital raising, and community relations easier. It is now in our best interests for everyone to know who we are and what we are doing.

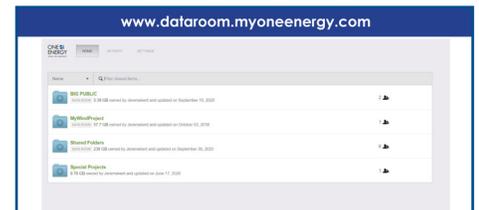
We have engaged a public relations firm to assist us in raising our public profile and expect to see our profile increase substantially in the next 12 months.

When we engage publicly with our stakeholders, we try to embody one of four personas: the educator, the thought leader, the recruiter, and the responsible community member. That is how we want all of our stakeholders to see us.

Websites as Communication Tools

One Energy maintains various websites, in order to communicate with our stakeholders, including:

- **Corporate Site – www.oneenergy.com**
To communicate to the world who we are and what we do.
- **Intranet – www.myoneenergy.com**
To communicate internally to our team. This site is a wealth of knowledge for employees.
- **Customer Portal – [REDACTED]**
To communicate with our customers and project investors. Password-protected portal where customers can access information about their project(s).
- **One Energy Dataroom – www.dataroom.myoneenergy.com**
Database to easily share materials with stakeholders.
- **Scholarships – www.megawattscholarships.org**
To inform the public about Megawatt Scholarships and provide information on how to apply.



Conversation 9: What are the nuts and bolts of the company? (cont.)

Quantifying Our Industrial Decarbonization

This section puts hard numbers to our industrial decarbonization statements.

The wind turbines that One Energy has been installing to date are 1.5 megawatt turbines. A typical project for us has a 30% annual capacity factor and thus produces right about 4,000,000 kilowatt hours per year. According to the U.S. EPA Carbon Equivalency Calculator, 4,000,000 kWh is equal to 2,828 metric tons of carbon dioxide equivalent (CO2 equivalent). That means that, in general, each turbine we have installed eliminates 6,234,000 pounds of CO2 equivalent from being released into the atmosphere each year. Over 20 years, that is 56,560 metric tons (124,000,000 pounds) per turbine.

The actual numbers are equally impressive:

In calendar year 2019, our fleet produced 80,475,203 kilowatt hours.
(56,899 metric tons CO2 equivalent)

In calendar year 2021, we expect our fleet to produce 106,785,934 kilowatt hours.
(75,502 metric tons CO2 equivalent)

Our operating fleet, over its life, has produced 378,867,400 kilowatt hours – as of 6/30/2020.
(267,874 metric tons CO2 equivalent)

To date, our operating fleet has eliminated the need to burn 295,000,000 pounds of coal in a traditional power plant.

**267,874 metric tons
of CO2 avoided and
counting.**

Our customers are proud of the effect our projects have had on their Scope 2 emissions as well. Our projects have been featured in the following sustainability reports, all of which are publicly available:

- **Whirlpool Corporation 2019 Sustainability Report**
(see pages 33 and 34)
- **Cooper Farms Cooper Connections Issue 3 of 2019**
(see pages 5 and 6)
- **Marathon Petroleum Corporation 2019 Sustainability Report**
(see numbered page 15, PDF page 17)
- **Whirlpool Corporation 2018 Sustainability Report**
(see numbered pages 4, 5, and 26; PDF pages 6, 7, and 28)
- **LafargeHolcim 2018 Sustainability Report**
(see numbered page 28, PDF page 30)
- **Whirlpool Corporation 2017 Sustainability Report**
(see cover, numbered pages 2 and 15; PDF pages 3 and 16)
- **Whirlpool Corporation 2016 Sustainability Report**
(see numbered pages 2, 3, and 14; PDF pages 3, 4, and 15)
- **Whirlpool Corporation 2015 Sustainability Report**
(see cover, page 4 and 13)

Conversation 9: What are the nuts and bolts of the company? (cont.)

Building and Operating Higher-Quality Projects

One of the interesting things that has come out of our vertical integration is that we have been able to innovate, improving safety and quality on our projects faster than the industry. The power plant industry was set up to be a series of overlapping parties with different interests building a single project. The contractor was incentivized to make money for the contractor, not to think about the long-term best interests of the project. Similarly the developer, the buyer, the offtaker, the equipment supplier, and the independent engineers all had their own self interests. In some ways that provided protection for the project as a whole, but it also made innovation nearly impossible.

One Energy is the developer, the engineer, the contractor, and the long-term operator. If we cheat, we only hurt ourselves. So, instead, we innovate.

We spec and purchase transformers with safe external disconnect switches because, as the operator, we don't want to have to wear a high voltage arc flash bomb suit to switch the transformer off. The result was increased safety and reduced downtime.

We designed and install compressed air piping in the turbine towers because we realized it helped in both construction and operation of the turbine. The result was reduced cost across all areas of the project life cycle.

We add more cameras and sensors to our projects so we have better remote control of the projects. The result was reduced downtime after a fault.

We designed a tower with a steel ladder and numerous tie-offs so that it is an easier tower to work in. The result was increased safety for our technicians.

We do quarterly in-house drone inspections because we want to identify and fix blade issues before they become problems. The result is a safer fleet with less major blade problems.

The examples go on and on. The results have been profound. The proof is in our operating fleet's performance and our safety record.

Financials

One Energy produces a range of financial reports including project, fleet, and various corporate financial statements. In accordance with GAAP, One Energy Enterprises LLC financials are a consolidated presentation that can make it challenging to understand how the entities interact. The best way to review our financials is by looking at the consolidating statement which shows OEE, OES, OECC, OEC, and each project.

One Energy produced audited financials at the OEE and project level in 2016 and 2017. In 2018, One Energy went through the audit process for all entities but did not complete the audit reports because of the going concern issue with the refinance and default in the debt facility in place at that time. In 2019, One Energy had the project-level financials audited. RSM LLC has been engaged to produce PCAOB-compliant OEE consolidated financials for 2019 and 2020, as well as audited statements for each of the projects.

One Energy has unaudited consolidating financials available for 2018, 2019, and 2020.

Going forward, One Energy will produce PCAOB-compliant audited consolidated financials for OEE and OECC Fleet Alpha LLC, as well as stand-alone audited statements for each project.

Conversation 9: What are the nuts and bolts of the company? (cont.)

How We Make Money

The enterprise makes money as a developer and EPC contractor through One Energy Solutions LLC. We make money as the owner and financier of the project through One Energy Capital Corporation. We also make money as a manager of the projects through One Energy Capital LLC. Finally, we make money as a consultant and training facility, though that is not currently a material revenue stream.

On a consolidated basis, however, our only external source of revenue is the sale of power from our operating projects. So, from a GAAP consolidated point of view, like a utility starting out, our revenue is small compared to the amount of capital we deploy.

If, for example, we have a \$10MM project, we will typically make about 15-20% as the contractor, One Energy Solutions LLC, which is a slightly below market profit margin. We will, however, have had to raise the \$10MM at the OECC level as either debt or equity. So, from a consolidated point of view, all of the intercompany profit consolidates out and essentially everything is a balance sheet transaction. We deploy capital and get a return on that capital. Once our fleet is at about 100 megawatts, the cash generated by the projects will exceed the corporate operating costs of the enterprise.

However, we extract a lot of that value by using debt or equity at the OECC level to fund the projects, which gives them first priority on cash generated by the projects.

From a capital provider perspective, the enterprise is best viewed as two separate operating groups, corporate operations for a growth company, and project financing for the projects themselves. Under that lens, the enterprise is much easier to understand.

Our corporate group develops and constructs the project and sells it to the project finance group.

The reality is that the combination of the two groups is what makes us an industrial power company, but it is also what makes us complicated to understand financially. As long as both groups are making money, we are doing well.

Jump to other conversations:

- CEO's Introduction
- Introduction
- Conversation 1: What OE does & its unique value prop.
- Conversation 2: What does One Energy believe?
- Conversation 3: Tell us about One Energy's team?
- Conversation 4: What is the market potential for One Energy?
- Conversation 5: How did One Energy get this far?
- Conversation 6: How does One Energy sell projects?
- Conversation 7: Why vertical integration?
- Conversation 8: How do you grow and scale?
- Conversation 10: Risk Disclosure
- PIM Conclusion

Conversation 10: Risk disclosure

DISCLOSURES AND DISCLAIMERS

This web page (provided as a web page or in other digital or printed form) is provided by One Energy Enterprises LLC, for itself and its affiliates (collectively referred to in this conversation as “One Energy”, the “Company”, or the “Enterprise”). This presentation does not constitute investment advice or a recommendation, an offer to sell, or the solicitation of an offer to buy, and is not the basis for any contract to purchase or sell any securities or other instruments in any jurisdiction and should not provide the basis for any investment decision. Such offers will only be made, and such subscriptions will only be accepted, on the basis of final offering documents, which may be made available subsequently at the Company’s discretion. Any securities subsequently offered by the Company (i) will not be offered or sold in any jurisdiction or to any person to whom it is unlawful to make such an offer in such jurisdiction and (ii) will be offered on a private placement basis, to investors who meet certain suitability requirements. Any offering documents shall control to the extent they are inconsistent with the information set forth herein. All potential investors should consider such factors in consultation with a professional investment and/or tax advisor of their choosing when deciding if an investment is appropriate.

This web page is intended to communicate some of the risks inherent with an investment, whether equity, debt, or some combination thereof, in the Company (generically referred to herein as an “investment”). No web page can communicate all the risks associated with an investment. Investors should consider all risks, including those outlined herein, when considering any investment in the Enterprise.

The Enterprise has prepared this web page based on the information available, including information derived from public sources that have not been independently verified. No representation or warranty, expressed or implied, is provided in relation to the fairness, accuracy, correctness, completeness, or reliability of the information, opinions, or conclusions expressed herein. The financial models and projections contained in this web page should not be considered a comprehensive representation of the Company’s performance.

No Public Offering Contemplated

One Energy is not a public company. The Company has not filed and will not file a prospectus or similar document with any securities regulatory authority. No securities regulatory authority has evaluated the value of an investment in the Company, made any recommendations as to a purchase of securities of the Company, approved or disapproved of the offering of any securities of the Company, or evaluated the adequacy or accuracy of this document. Any representation to the contrary is unlawful. None of our investments have ever been available to the general public nor does One Energy currently have any current plans to make any form of investment available to the general public.

Our investments have historically relied on the safe harbor from registration contained in Rule 506(c) of Regulation D under the Securities Act of 1933 or a similar exemption. It is reasonable to expect that any future offering would be done in a similar manner.

One Energy will only solicit and discuss investments with investors that are verified as “accredited investors,” as that term is defined in Regulation D, Rule 501. As discussed on this web page, however, One Energy believes that it is responsible to communicate its plans with all of its stakeholders. That is why this web page exists. While this web page is clearly generally available, it is not to be construed as a solicitation or offer of any kind to the general public.

Conversation 10: Risk disclosure (cont.)

Highlighted Risks

Investments in the Enterprise or any of the Enterprise entities are risky and speculative, and the value of any investment is dependent on future operations.

The payment of any return on investment will depend in large part on the ability of the Enterprise (or its affiliates) to successfully operate its business, projects, and management companies, as well as general conditions in the industry in which it operates.

Investments may be made in the holding company, One Energy Enterprises LLC, or any of its individual subsidiaries, and each type of investment will carry its own separate risk depending on the ownership structure of each subsidiary.

One Energy Enterprises LLC (OEE) conducts its business through one or more wholly owned or partially owned subsidiaries. OEE's ability to pay returns on its investments (whether as distributions, interest, or returns of capital or principal) will rely on whether its subsidiaries are able to pay distributions to OEE. Obligations of OEE, including interest payments, are subordinate to obligations of its subsidiaries. Investments made in subsidiaries of OEE that conduct business through secondary and tertiary subsidiaries will likewise be restricted. Investments in an individual OEE project subsidiary, (ProjectCo), are supported by a defined *Wind for Industry* project or projects that serve a single or small number of customers. Investments directly or indirectly supported by a small number of customers or a single customer may be negatively affected if a customer is unable or unwilling to service its obligations to the Company.

ProjectCos, FleetCos, and LandCos are all special purpose entities.

In our terminology, a ProjectCo is an entity that owns a *Wind for Industry* or ManagedHV project; a FleetCo owns an equity position in several ProjectCos, and a LandCo owns land. All of these entities are special purpose entities designed to have a single primary business function. One Energy endeavors to operate each of these entities as separate and distinct entities subject to the relevant governing documents for that entity. By operating each of these entities separately, the intent is that they would not be subject to substantive consolidation in an insolvency proceeding. There is no guarantee that a court or other jurisdiction will treat these entities separately in an insolvency or legal proceeding. If One Energy fails to properly treat the entities separately it could jeopardize the independence of each entity in an insolvency or general liability situation.

Rights and remedies with respect to investments may be limited by the governing agreements and charters of OEE and its subsidiaries, as applicable.

OEE and most of its subsidiaries are limited liability companies, which are governed by their respective operating agreements. Investors in limited liability companies may have limited ability to exercise any remedies under the relevant operating agreement upon an event of default of a security, and may have no or limited rights to commence a bankruptcy proceeding with respect to One Energy. Equity investments in any of OEE's subsidiaries will be governed by controlling corporate documents which will limit rights and remedies.

Investments may not be transferable, except as required by law.

Some investments may not be transferable, except as required by law (such as a court order) or under the terms of customer agreements with ProjectCos (see next paragraph). This means that, absent a legal requirement to affect a transfer of an investment, an investor may be prohibited from selling or otherwise transferring its investments. Operating Agreements and bylaws may specify the transfer restrictions for investments in limited liability companies. Finally, the transfer restrictions may preclude an investor from being able to market or solicit the purchase of investments, which would further limit the ability to transfer them.

Investments in tax partnerships.

Investments in entities that are taxed as partnerships can directly create tax liabilities for the partners. There is no guarantee that the partnership will provide a cash distribution to cover any tax liabilities created. Limited liability companies and corporations can both be taxed as partnerships. It is important that an investor understands the tax structure they are investing in and risk associated with that structure.

Conversation 10: Risk disclosure (cont.)

Highlighted Risks (cont.)

Certain investments in ProjectCos may be subject to purchase by the project customer under the terms of the Renewable Energy Agreement entered into between the ProjectCo and the Customer.

The terms of the ProjectCo's operating agreement incorporate many or all of the terms of the Renewable Energy Agreement, which gives the customer the right to acquire 100% of the membership interests in the ProjectCo, which may include an investment. The timing, conditions, purchase price, and other terms related to this purchase right are more fully set forth in the relevant Renewable Energy Agreement and operating agreement for the ProjectCo. The right of the customer to purchase securities of ProjectCos could affect the value of any investment in a subsidiary of the Company which owns the relevant ProjectCo.

There may not be a suitable market to transfer investments, even if permitted.

Currently there is no market, and in the future there may or may not be a market or a market appetite to purchase investments. We do not intend to sell investments through any underwriters, which consequently may negatively affect your ability to market investments.

One Energy is not required to make an offer or repurchase investments in its subsidiaries upon a change of control of OEE.

One Energy is not required to repurchase investments in its subsidiaries upon a change of control of OEE. OEE could engage in many types of transactions that could substantially affect its capital structure, its management, its capital stock, and the market value of investments in its subsidiaries.

Returns are not guaranteed.

While One Energy is taking prudent steps to ensure the revenue stream will continue as modeled in this web page, there are no assurances that actual revenue will match the model. There is the potential that one or more risk mitigation measures taken by One Energy may fail or an unmitigated risk could negatively affect operations, revenues, and cash flow. All wind energy projects have a significant amount of operating risk.

The Company may incur more debt in the future.

One Energy and its subsidiaries may incur additional debt in the future. This debt may affect the ability to meet obligations, and may affect the future of their businesses. One Energy may be unable to find sources of additional capital or may be unable to acquire cost-competitive capital and this may adversely affect One Energy's ability to operate its businesses.

Investments are not rated, and the Company may not be able to obtain a favorable rating for the investments in the future.

Investments are not rated, and the Company may be unable or unwilling to obtain a favorable rating for the investments or any of OEE or its subsidiaries in the future. Equity in unrated companies usually trades at a discount to similarly rated securities. As a result, any equity investments may trade at prices that are lower than they might otherwise trade if rated by a rating agency.

Change of laws can negatively affect the investments.

One Energy has built its businesses based on current laws. In the event of a change of law, the value of the Company and its profitability could be substantially changed. These changes could include the addition or removal of state or federal laws, court opinions, tax commissioner opinions, tax guidance, or other unforeseen changes in our ability to legally operate as intended.

One Energy provides opinions that others may dispute.

Words or statements that may reflect a statement of opinion, including but not limited to: "best", "believe", and "leading" are statements of informed opinion by the Company and may reasonably be disputed by others. For specifics on these opinions please consult with the Company.

Conversation 10: Risk disclosure (cont.)

Highlighted Risks (cont.)

One Energy is subject to extensive federal, state, and local laws and regulations.

Wind for Industry projects are subject to a variety of new and old federal, state, and local laws and regulations, with which non-compliance could have a negative impact on the Company's ability to operate or maintain its projects and companies.

These regulations include, but are not limited to:

- federal and state securities regulations
- consumer protection laws
- banking regulations
- tax laws, rules, and regulations
- federal energy laws
- state and federal utility and power generation laws
- privacy laws
- environmental laws
- construction and engineering laws

Failure to comply with these regulations, or misinterpreting these regulations, could result in significant fines and penalties, and the Company may lose its ability to effectively operate projects and/or sell investments. While One Energy is not currently regulated as a utility, any future regulation as a utility could negatively affect its ability to operate and raise capital.

Adverse or improper permitting can be detrimental to a project.

Wind for Industry projects involve complicated and sometimes poorly defined permitting processes. In the event that One Energy improperly obtains a permit, fails to obtain a permit, or fails to meet the conditions of a permit, then the Company may be unable to complete or operate a project.

Projects derive power from wind energy and assume constant macro-climatic conditions.

Wind for Industry's sole source of energy is wind energy and it is assumed that the long-term climatic conditions that drive the long-term variation in wind will not change substantially. Changes in global weather patterns that differ from historical information may negatively affect project performance.

Litigation can restrict operations.

Future litigation could negatively affect the ability of a *Wind for Industry* project to operate or to meet financial projections. Litigation at any level of the Enterprise can be expensive and time consuming. One Energy has, at various times, both initiated litigation against others and had litigation initiated against us. Litigation is, unfortunately, a regular part of our operations and it could have a substantial adverse effect on part or all of our operations.

Changes to insurance can adversely affect risk mitigation.

Wind for Industry projects and our Enterprise operations depend on one or more special forms of insurance. In the event that those policies are discontinued or modified, the Company may not be able to insure for specific risks. Deductibles, rates, and terms of insurance are all subject to change by market forces beyond our control.

International part sourcing exposes projects to risk.

Wind turbines are composed of parts from a series of worldwide suppliers. Any trade embargos, tariffs, or other future restrictions could limit the Company's ability to properly maintain and repair our assets.

Conversation 10: Risk disclosure (cont.)

Highlighted Risks (cont.)

Tax law changes can negatively affect returns.

Any changes to tax policy or tax laws have the potential to negatively affect investment returns and the ability to allocate profits, losses, and credits from operating subsidiaries to OEE. The projections and models set forth in this web page, if any, assume known changes to tax laws and incentives but otherwise assume constant availability of tax credits or tax-based incentives. These credits and incentives may be changed or eliminated in the future. The regulations and legal interpretations of these credits and incentives can change and result in a change in liability or eligibility, including for prior years.

One Energy does a significant portion of the development, design, construction, and operation work itself.

Any failure on One Energy's part to properly develop, design, construct, or operate its portions of the work could result in short or long-term delays and may have long-term adverse effects on projects and operations of the Enterprise.

The Company faces competition.

The Company operates in an emerging industry and regularly faces multiple forms of competition. That competition can negatively affect the Company's ability to get new *Wind for Industry* projects, to grow, and to operate profitably.

Financial modeling contains assumptions that are incorrect.

Financial models are designed to provide a representation of future predictions but are based on assumptions about timing, discrete timing elements, and details about how a project or entity will behave in the future. Financial models are nothing more than sophisticated educated guesses about the future. Models and forecasts are based on simplifications and are therefore always incorrect, even when prepared in good faith. Any errors, omissions, simplifications, or other modeling mistakes can create an ultimate inaccuracy in the financial model. Changes in a part or all of our business or industry will constantly affect the results of the Company and will result in changes that are not captured in a model. You should understand the inherent limitations of financial modeling. The Company makes no representation that it will or is likely to achieve performance results comparable to its historical results or as set forth in the models.

Some entities are domiciled in different states and some are certificated.

One Energy currently has entities domiciled in Delaware, Michigan, and Ohio. Each of those states has unique laws that affect entities domiciled in those states. Those laws vary. One Energy may create a new entity domiciled in a new state or may redomicile an existing entity into any state and that may affect the legal treatment of that entity. Some entities have certificated units and stock.

We are not planning to engage an underwriter or other agent to underwrite, place, or facilitate capital placement.

We are not planning to engage an underwriter or other agent to facilitate a capital raise process. The lack of an underwriter may make any offering riskier than if we were to engage an underwriter or similar agent that would undertake the types of procedures that are customary for similar offerings.

We have contracts governed by various state laws.

One Energy has operations in multiple states. One Energy has contracts that have a wide range of choice of law provisions that restrict our rights under those contracts to various jurisdictions. Changes in the ability to enforce those jurisdictions and choice of law provisions can affect our rights under our contracts.

Conversation 10: Risk disclosure (cont.)

Highlighted Risks (cont.)

One Energy uses unscripted videos which may contain errors.

One Energy frequently uses videos, including unscripted videos, in the PIM and on this web site to better communicate with stakeholders. Videos may contain errors, misstatements, or other misleading information. Videos are provided for clarity of communication and to enable stakeholders to better get to know the One Energy team. Videos should not be relied upon for accuracy. Any information contained in videos that is not otherwise stated in writing by the Company should be verified.

Forward Looking Statements

Certain information contained in this presentation constitutes “forward-looking statements,” within the meaning of the federal securities laws. The forward-looking statements are based on current expectations, beliefs, assumptions, estimates, and projections about the industry and markets in which the Company expects to operate, which can be identified by the use of terminology such as “may,” “might,” “will,” “should,” “expect,” “anticipate,” “plan,” “project,” “intend,” “continue,” “target,” “believe,” “seek,” “potential,” the negatives thereof, other variations thereon or comparable terminology. Due to various risks, assumptions and uncertainties, the results or the actual performance of the Company may differ materially from those reflected or contemplated in such forward-looking statements.

This presentation does not disclose all information required for an investor to make an informed investment decision. Potential investors should read the Company’s offering documents (especially the risk factors related to any offering) which will be provided only to qualified investors that are verified as “accredited investors.” Following receipt of any offering documents, qualified investors will be given the opportunity to ask questions and receive additional information concerning the terms and conditions of any offering and other relevant matters.

Unless otherwise indicated, the delivery of this presentation shall not under any circumstance create any implication that the information contained herein is correct as of any time subsequent to the date hereof or that circumstances affecting the Company have not since changed. The Company does not intend, and does not assume any obligation, to update or correct any information contained in this presentation.



Jump to other conversations:

- CEO's Introduction
- Introduction
- Conversation 1: What OE does & its unique value prop.
- Conversation 2: What does One Energy believe?
- Conversation 3: Tell us about One Energy's team?
- Conversation 4: What is the market potential for One Energy?
- Conversation 5: How did One Energy get this far?
- Conversation 6: How does One Energy sell projects?
- Conversation 7: Why vertical integration?
- Conversation 8: How do you grow and scale?
- Conversation 9: What are the nuts and bolts of the company?
- PIM Conclusion

PIM Conclusion

That is our story, at least so far.

One Energy is unique. One Energy is already disrupting the power grid, and One Energy is just getting started. We are going to continue to be challenged and continue to have to adapt and innovate to overcome those challenges. We know this is going to be hard – if it wasn't then someone else would have already done it – but we wholeheartedly believe that our responsible, vertically integrated enterprise, is very well positioned to succeed.

If, after reading this, you think that you might be the right kind of capital provider for us, then we would love to start that conversation and see if we are a good fit.

If you are one of our other stakeholders and you have read this PIM, thank you, we appreciate the opportunity to share our story with you. We look forward to growing and continuing to responsibly serve all of our stakeholders.



For more information or to start a conversation, accredited investors can contact us at financing@oneenergyllc.com

**WHERE
WOULD YOU
LIKE TO GO
NEXT?**

[Future Customers >](#)

[Meet the Team >](#)

[Video FAQ >](#)

📌 *Sidebar: The History of Industrial Facility Power Distribution*

In the early years of the 20th century, there were no power grids. Large industrial facilities were the first large-scale adopters of electricity, because it enabled mechanization in manufacturing. Factories installed their own electric generators and ran their own power systems (what are now known as “microgrids”). They also ran their own backup power systems to ensure reliability. Neighboring factories realized they could reduce resiliency costs by syncing their power systems and sharing backup resources. This created a local network of overhead power lines; nearby homes were ultimately allowed to connect to these lines, since they were typically owned by the factories or employees of the factories. These local power networks were created and run by factories and ultimately became the steppingstone to form power grids.

From 1920 – 1960, the power grid centralized power production because it was more cost-effective at the time to generate a lot of power at a central location and then distribute it. This is the moment monopolistic electric utilities were formed and end users lost control of the power grid. Factories became customers and the energy supply was no longer theirs.

PURPA was passed in 1978 and The National Energy Policy Act was passed in 1992. These two groundbreaking pieces of legislation built the foundation for deregulation. With deregulation, customers started to gain access to alternative generation suppliers. This introduction of market options for the first time in 70 years prompted industrial customers to realize the shenanigans utilities had been perpetuating. Deregulation woke the sleeping giant of corporate energy purchasing and the power grid has not been the same since.

Building the modern power grid was tremendously complicated and immensely expensive. And, the monopolistic utilities and cooperatives who were charged with building it have utterly failed to maintain it. They have continued to rebuild above ground distribution networks (literally big sticks with wires like it’s 1900). They have failed to invest in automation, smart self-healing technologies, and efficiency. They haven’t even been able to keep the trees cut around their sticks with wires. They have not captured the real cost of maintaining the old grid and they have over-distributed profits to investors. A day of reckoning is coming as the aging grid crumbles. What’s more, those electric utilities are expecting consumers to bail them out again so they can spend trillions more dollars putting more sticks in the ground. Rates will skyrocket, and that’s before you consider other modern factors like putting a cost on carbon.

Corporations who operate energy-intensive businesses are scared, and have spent the last three decades relearning about energy. This period has given rise to energy-efficiency projects, demand response, peak shaving, and on-site generation projects. Corporations want to control their supply chain, and energy is a vital part of that supply chain.

Corporations are now actively exploring ways to further take control of their energy purchasing. And, the single biggest thing they can do to take control of their energy needs is make their own power on-site.

With the advent of super fast computers, high speed switches and control algorithms, fiber optic and wireless communication, IGBTs, and new other modern equipment, there is no need for a centralized power grid. And, there most certainly is no legitimate need to have monopolistic electric utilities or electric cooperatives. They are big inefficient monsters necessitated by the past. They have deep pockets, and they will take a few decades to die off.

After 100 years of not being in control, end-users are fed up and they are taking back the power grid.

✓ **Sidebar: Understanding Industrial Plant Power Distribution Systems**

Electric utilities used to do all the hard work. For decades, electric utilities would bring power to a factory's property, move it around the factory, and then provide and operate transformers to give customers power at the low voltage they required, right where they needed it. The utilities' domain was high voltage, and a factory's domain was its low-voltage system.

As facilities became larger and more sophisticated, factories started purchasing their own transformers and having the utility provide high-voltage services only, at a slightly lower rate.

Utilities came to realize that dealing with large industrial facilities introduced two things utilities struggle with: accountability and customer service.

To solve this problem, utilities started encouraging new industrial facilities to build their own high-voltage distribution systems on-site, and utilities began selling their existing on-site distribution systems to customers, in order to shift responsibility to the customer.

The result is that now, many industrial facilities own the high-voltage networks that move power around their sites, and they take power from the utility at the edge of their property. Utilities prefer this; however, it creates challenges:

1. The inherited systems are archaic; they are based on outdated design principles, are dangerous to operate, and completely lack any digitization or automation
2. The new factory-built systems are designed by people who don't understand high-voltage systems. Most electricians go their entire lives without touching high voltage (15kV and up). Most plant teams don't even understand what technology is available at high voltage – let alone how to implement it.

High-voltage systems are capable of just as much automation and control as low-voltage systems, if not more. Moreover, high-voltage systems are actually safer to operate because they operate at smaller currents than low-voltage systems.

When One Energy installs a high-voltage plant distribution system, it physically inserts itself between the utility and the factory. One Energy, on behalf of the customer, takes power from the utility at the edge of the property and then moves it around the factory's property to where the load is.

The systems One Energy installs are state-of-the-art high-voltage systems that use underground cable (more robust), use modern relay-controlled switchgears (safer and customizable), are designed for expansion (to enable growth or adoption of DERs), and are internet connected to enable remote monitoring and control.

The factory ends up with a system that is ready to grow with them and to protect them using state-of-the-art technology. And, for the first time in history, the electric utility does not directly interconnect with the customer. One Energy physically inserts its system in the middle. Furthermore, it has been One Energy's experience that both the utility and the customer have stated they prefer it that way. Customers prefer it because they don't have to deal with the utility. Utilities prefer it because they don't have to deal with the customers' engineering teams, who are typically not familiar with distribution planning and engineering.