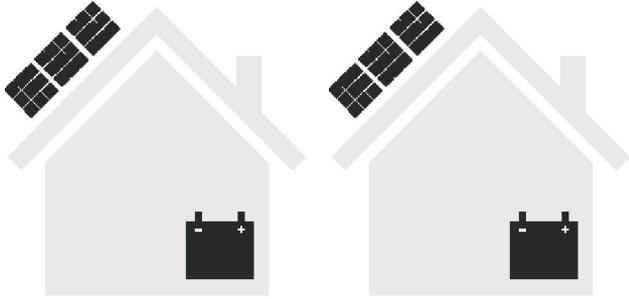


Dream Energy

*The first vertically integrated home energy
management platform.*

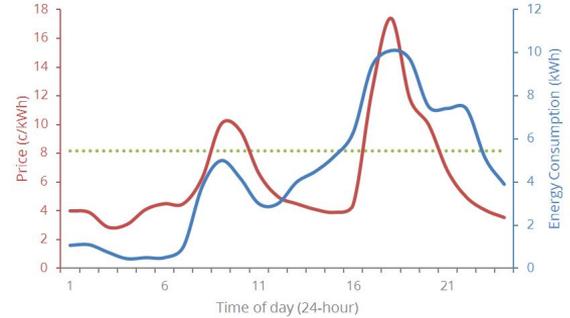
Customer centricity is reshaping the power system



Regulators are beginning to understand the value of distributed energy resources and are enabling consumers to capture that value.



Customers increasingly care about clean energy, efficiency, and reduction of carbon emissions.



Retail electricity rates are based on weighted averages, so there is no incentive to adjust demand to avoid high priced periods and improve system efficiency.



Electricity consumption can increasingly be internet-connected and wirelessly-controlled through smart devices, thermostats, and energy storage.

We are a technology-enabled business model innovation enabling a more customer centric electricity system



Our business model innovation: We are the first vertically integrated energy management business.

Our technology innovation: We use MIT technology to engage in demand response (DR), procure low-cost energy, and identify high-value customers.

What we do:

Retail Electricity:
We procure energy on behalf of high-value customers



Demand Response:
We offer consumer flexibility in capacity and ancillary service markets



High Customer Returns:
We provide valuable products to our customers that enhance our value proposition

Vertical integration creates business model synergies

As a retail electricity provider, we can attract a larger base of customers, which allows us to reduce costs of customer acquisition for high-value demand flexibility products (i.e. automatic control of A/C, car chargers, or behavioral demand response).



We can increase customer value versus a traditional retail electric provider by selling demand response capabilities, and we can use demand flexibility to reduce the costs of energy procurement.

Customer targeting creates higher value opportunities

By only focusing on low-cost customers or those with demand response capabilities, we can make more money per customer, allowing us to pass on larger average benefits per customer.



Home automation products are increasing in popularity (Nest, Ecobee). However, enthusiasm outpaces current adoption, with price as a significant factor. We provide these products to customers through a service-based contract, adopting the model that drove adoption of high-tech devices in the mobile industry. The flexibility these devices provide further enhances our value proposition.

Incumbents can't compete without alienating existing customers or accepting lower margins

Retail Electric Companies



Can't target high value homes without alienating existing customers, and therefore can not offer a valuable combined product.

Demand Response Providers



Unable to expand to lower margin product (energy) because their existing customer acquisition costs are too high.

Hardware Companies



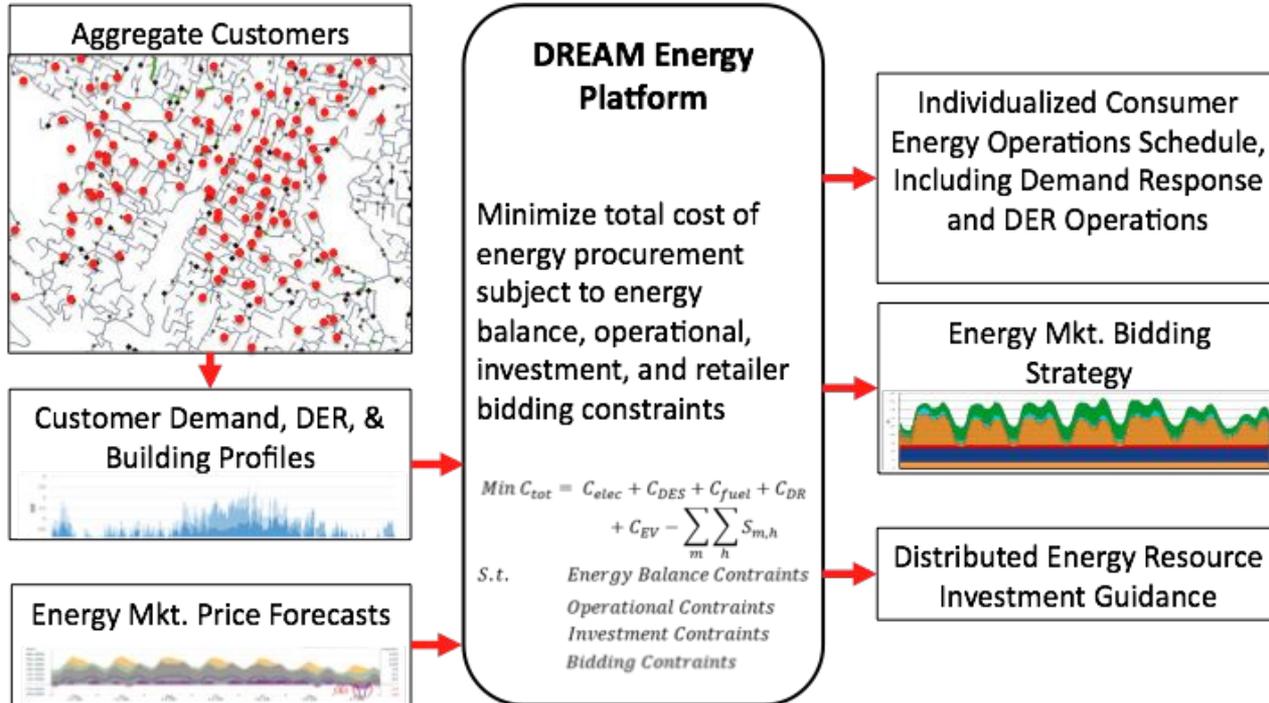
Lack infrastructure and expertise to compete in sale of energy products. Expertise and management focused on hardware products.

Vertical DR and Energy

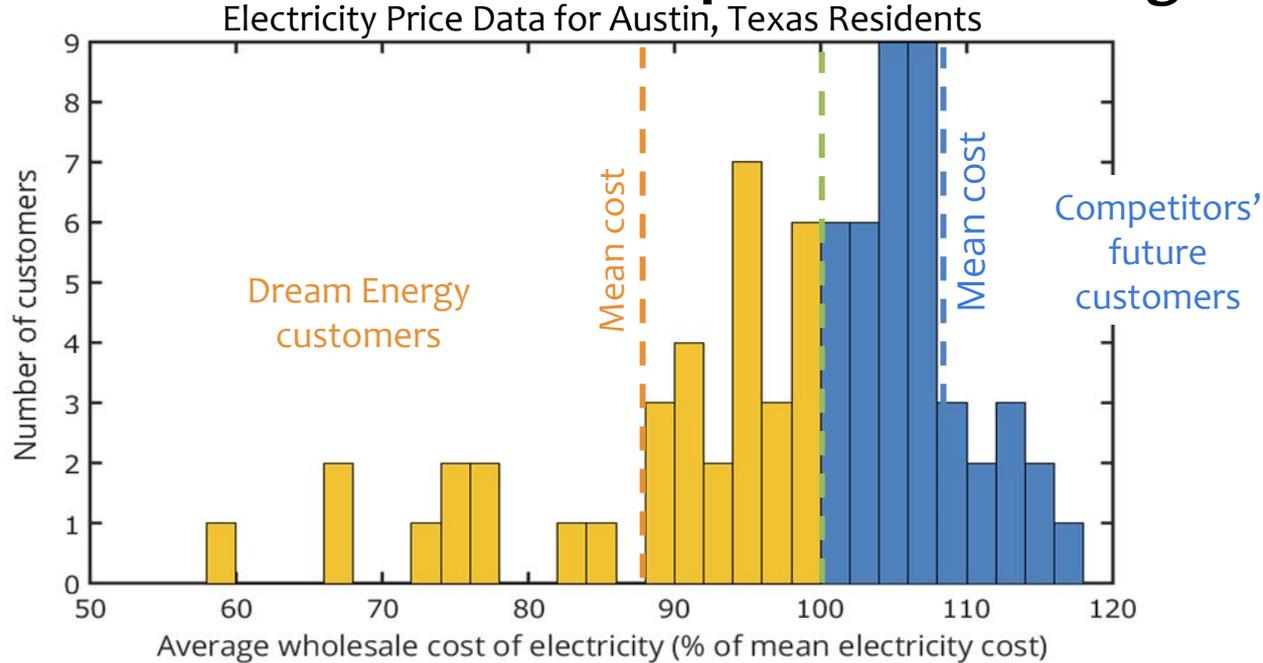


Our technology platform was initially developed in the MIT Utility of the Future group

The Distributed Resource Economic Assessment Model (DREAM) is a mixed-integer linear program built in the Julia/ JuMP language. Our DREAM platform develops minimum cost operational schedules & bidding strategies based on building thermal models, consumer preferences, & consumer technologies.

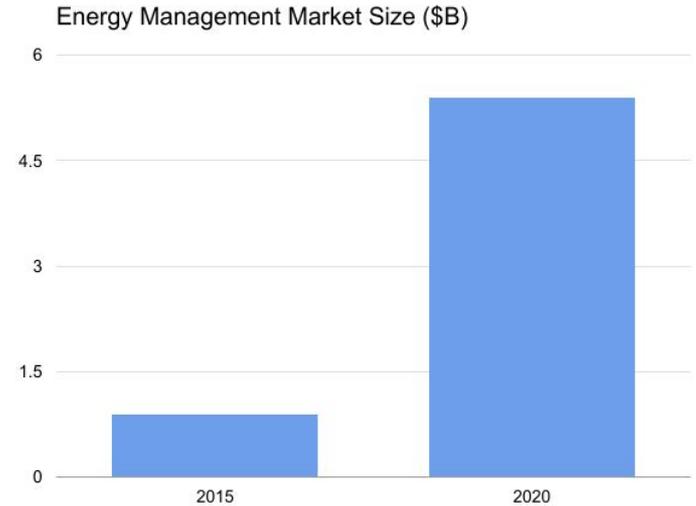
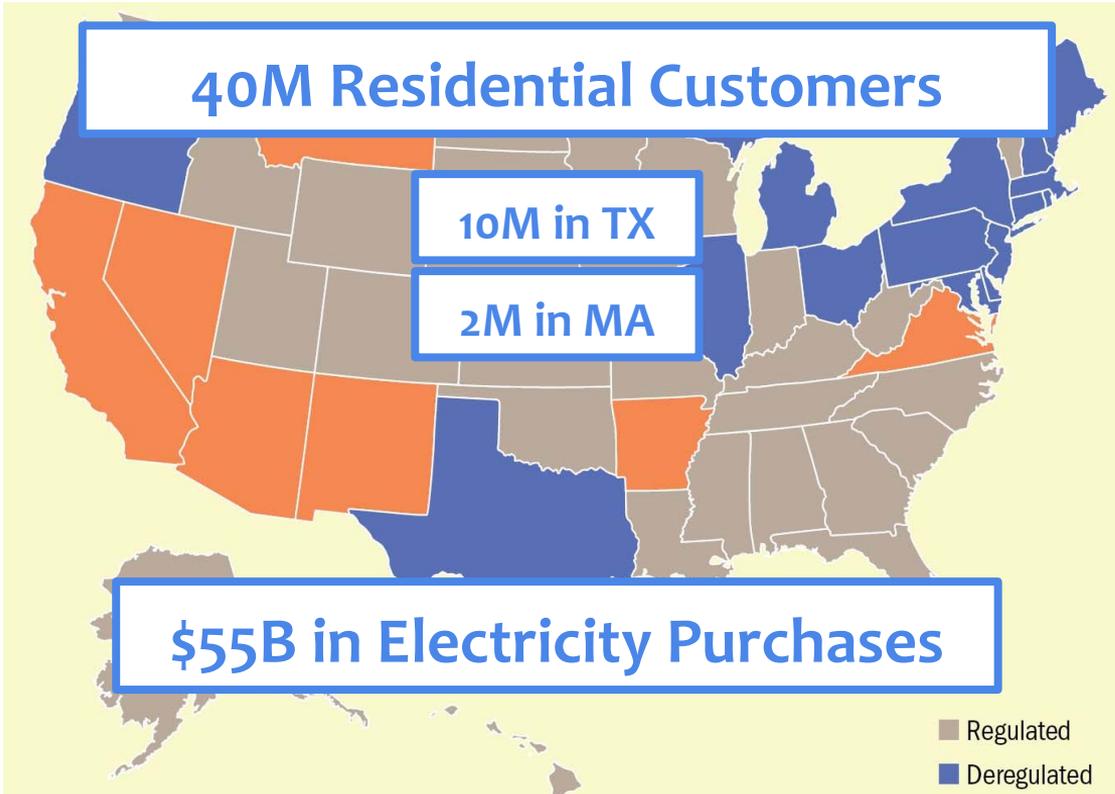


High value customers drive our competitive advantage



- ❑ Traditional retailers subsidize high cost customers by offering everyone the same average price.
- ❑ We recruit high-value customers who 1) tend to consume electricity at low-cost times or 2) are willing to offer demand flexibility.
- ❑ By gathering high-value customers, we increase the average customer cost for our retail competitors, driving our competitive advantage.

We are entering a massive market, with strong beachheads in Texas and Massachusetts



Favorable regulatory environments enable growth in beachhead markets



Deregulation

Ability to choose independent retail electricity provider.
40 million US households are in deregulated markets.



Ease of market entry

Dream Energy needs to enter wholesale electricity markets.
Massachusetts and Texas have favorable rules and inexpensive entry.



Meter technologies

AMI and AMR meters give us required data.
40% of all US customers have the requisite technology.

We can create meaningful value for customers and Dream Energy

Average annual energy usage for residential customers

Calculated average savings for target market: ½ of all retail customers

Target enrollment in demand response activities

$$12 \text{ MWh} \times \$105/\text{MWh} \times 12\% + \$300 \times 35\% = \$260$$

Average energy price for residential customers

Estimated DR earnings based on competitor offerings

Annual revenue per customer

Customer Acquisition Cost Goal:

\$350

Includes device offer costs



\$690

Customer lifetime value with 4 year retention

5-Year Growth Goal:

450k customers

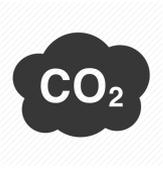
4% of TX/MA (beachhead) markets



\$234M

Net annual revenues

Dream Energy is more than an idea for us



The opportunity: Intelligent energy use is crucial for decarbonizing electricity. In 2017, energy storage and management products are up to the task. Customers are enthusiastic about sustainability and home automation technologies.



The problem: Right now, the full capabilities of smart home devices are not being used to improve the energy system, because no one has unlocked the business model to drive that value creation.



The solution: We will be the energy partner to the residential energy sector. Our business model aligns incentives to help the energy system, while creating savings for consumers and profits for investors.

Our founding team brings expertise in electric power and economics

CTO



Scott Burger

PhD Candidate & MIT Energy Fellow - MIT Energy Initiative

- Co-Inventor of DREAM Software Platform
- Co-author of MIT Utility of the Future Study
- Former venture capitalist @ PRIME Coalition
- Former Director of Engineering @ acquired solar energy startup

CEO



Ian Schneider

PhD Candidate - Laboratory for Information and Decision Systems

- Former ARPA-E Fellow, Department of Energy
- Co-author with Cass Sunstein on use of behavioral economics to create effective electricity pricing response
- Board of Directors, RENW Energy