

The background of the slide is a photograph of industrial machinery, specifically large circular flanges with multiple bolts, which are part of a piping system. A semi-transparent green rectangular overlay covers the upper portion of the image, providing a background for the text.

Volker Beckers
Chairman of Albion Community Power

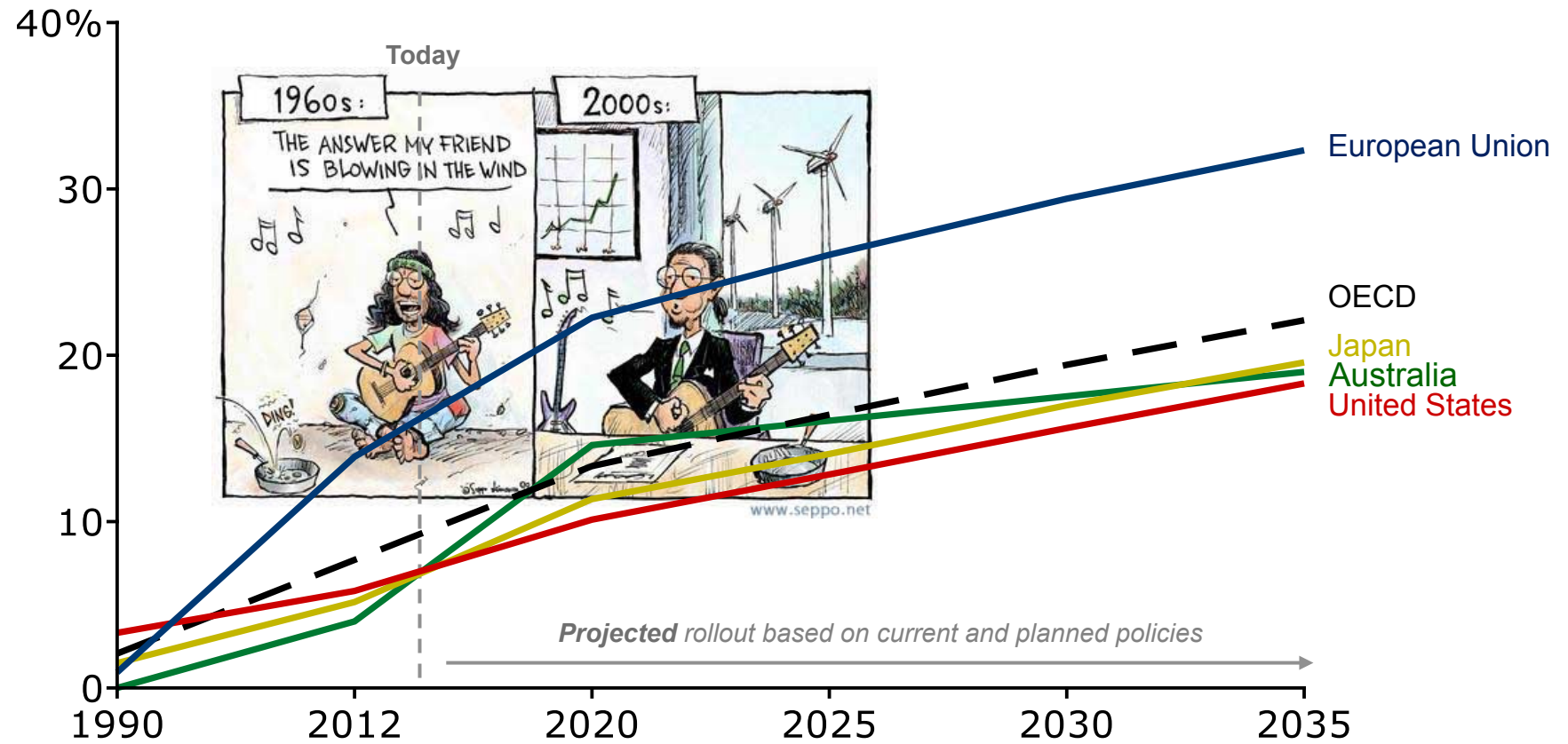
IGCC 2015 - Melbourne

Introduction

- The global energy industry is undergoing a transition from the age of the centralised market place dominated by a small number of large fossil fuel based suppliers to a network of larger numbers of small, flexible producers connected to localised consumers
- The European Energy Roadmap has set the challenge of an 80% reduction in greenhouse gases by 2050, in a large part through the decarbonisation of the energy sector
- In order to meet the challenge, companies and their business models must change and adapt to the environment around them, be willing to innovate and make the right investment choices to build the necessary infrastructure and take the sector forward
- New investor types need to be attracted requiring a stable regulatory/ policy environment
- Can green energy and in particular, community scale renewable energy such as ACP, fulfil its role in the energy mix, connecting small scale green producers directly to local consumers?
- There are a number of challenges to getting there, and a number of lessons to be learned along the way

Europe has led the OECD in the roll-out of non-hydro renewables

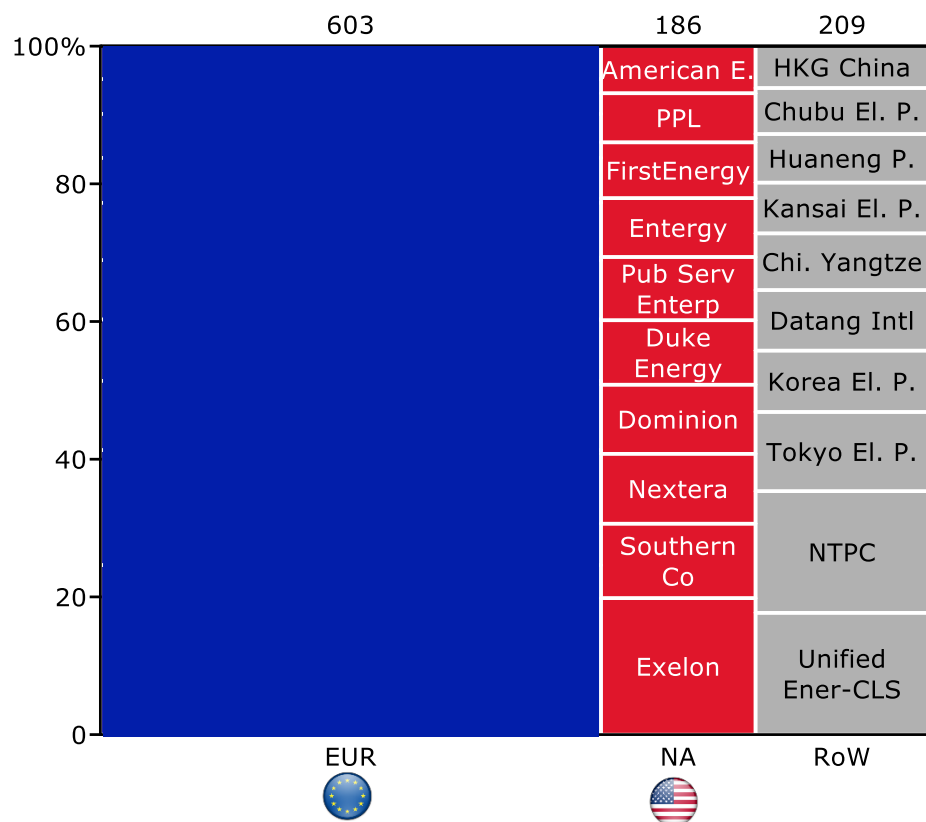
% non-hydro renewable generation of total



But since 2008, several hundred billion Euro of value has been wiped off the European utilities industry

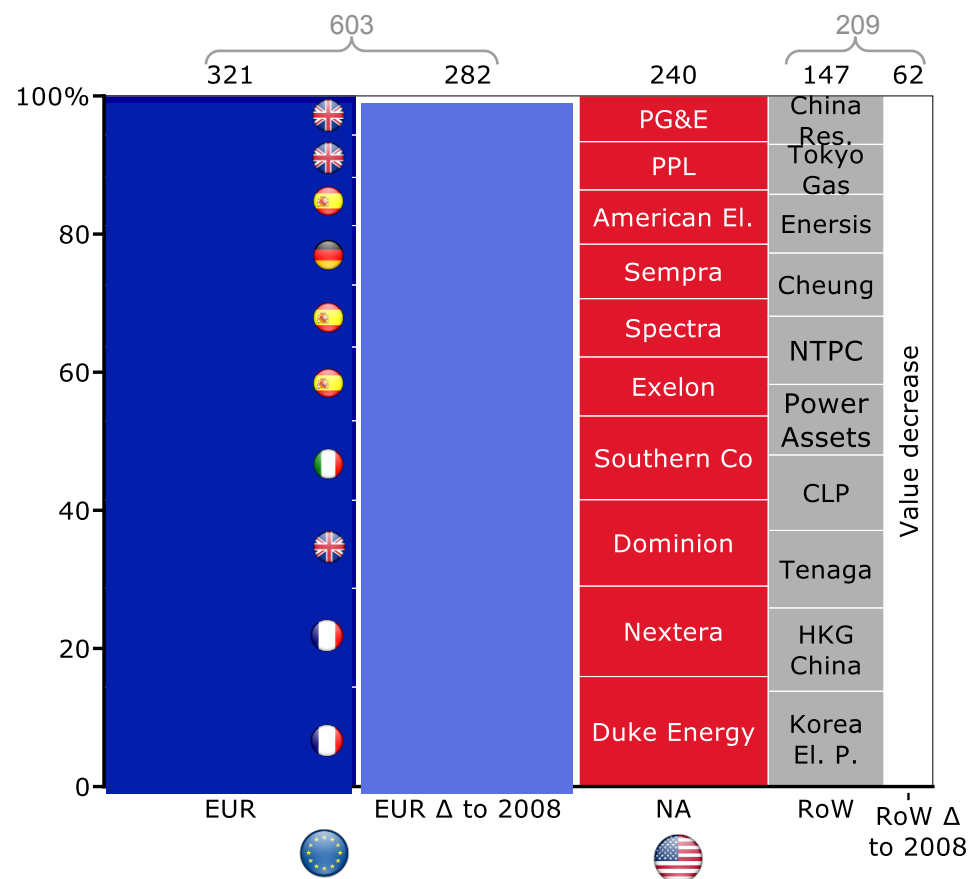
LARGE EUROPEAN INCUMBENTS ...

Market capitalization of top 10 players per region (January 1st 2008, in € B) Total = ~1,000



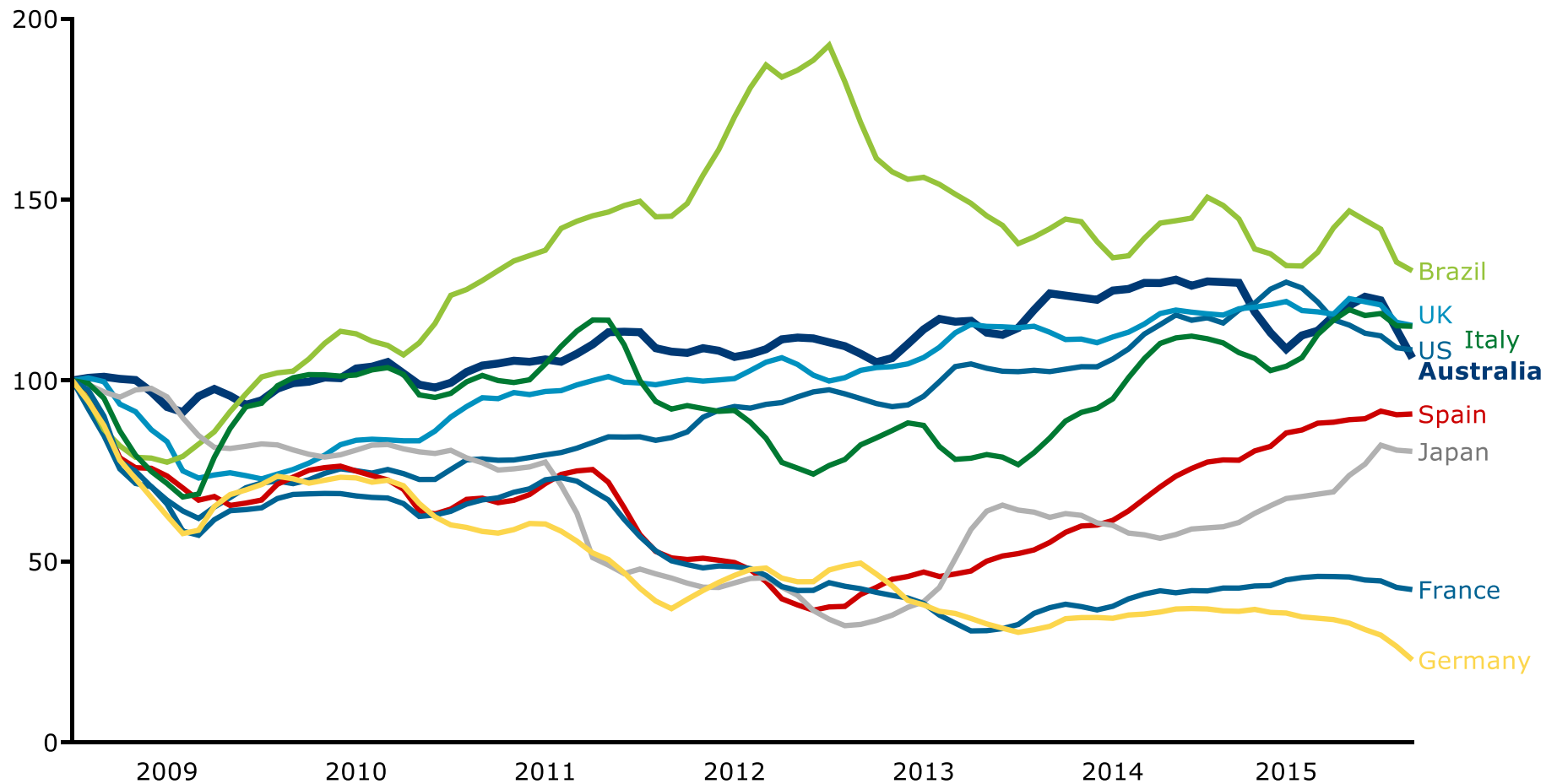
... LOST SUBSTANTIAL VALUE FROM 2008 TO TODAY

Market capitalization of top 10 players per region (August 19th 2014, in € B) Total = ~700



...but markets have been impacted differently by the energy transition

Utilities market capitalizations - indexed (Sep 2008 - Sep 2015)



Note: Indexed to 4 Jan 2007, 3 months moving average
Source: Utility Indices from FTSE

And returns have declined across utilities and renewables players, particularly in the EU “challenging investability”



Albion Community Power



ALBION | COMMUNITY
POWER PLC



Challenges to getting there

- Required infrastructure investment
- Stable Green policy by increasing societal support
- Government support until costs become economical on a stand alone basis removing barriers to competition
- Attract investment by identifying most efficient pathways and adapt business models to focus on flexibility and innovation
 - Smartgrids/ autonomous trading agents
 - Storage & Power-to-Gas/Windgas
 - Focus on diversification etc
- Education of consumers



Volker Beckers



Chairman of Albion Community Power PLC

- Group CEO of RWE Npower plc from 2010 to 2012 having previously been the company's Group CFO from 2003 to 2009
- Member of King's College London's advisory board at the European Centre for Energy and Resource Security and was voted the Outstanding Contribution Award at the 2012 Energy Awards
- Non-executive director of the Nuclear Decommissioning Authority, Elexon Limited, Reactive Technologies Limited, Chairman of Reactive Technologies and SpencerAM, Chairman of the advisory board at the Erasmus Centre for Future Energy Business at Erasmus University, Rotterdam; Member of UK PwC Advisory Board
- Previously a non-executive director of HM Revenue & Customs
- Graduated from Cologne University with a degree in Economics and Business Administration and is a fellow of the Energy Institute.