



## EXECUTIVE SUMMARY

### *In California, Clean Energy Costs Less*

California is leading the national transition to renewable energy with more than 9 gigawatts (GW) of solar and more than 4 (GW) of wind power at times. As intermittent resources delivered on a natural schedule, solar and wind power only produce electric power when it's sunny or windy, so supply is balanced with demand by fossil fuel burning plants; usually natural gas-fired combustion turbines (CT Plants). CT plants ramp up quickly to meet demand, but are not efficient in terms of energy consumption or cost to operate.

California spends around a million dollars per hour on electric power generation, but as the state's renewable energy supply becomes increasingly variable, marginal hourly costs swing wildly throughout the day depending on the weather. Integrating this natural power supply with consumer demand is a growing problem as California marches towards 50% renewable power generation by 2030. To solve this problem, Sabreez shows energy consumers when their energy supply is cheaper and cleaner. Our patent-pending Wind Number method of reducing energy costs will become the "Weather Channel for Energy," and help promote Smart Home integration with clean energy production.

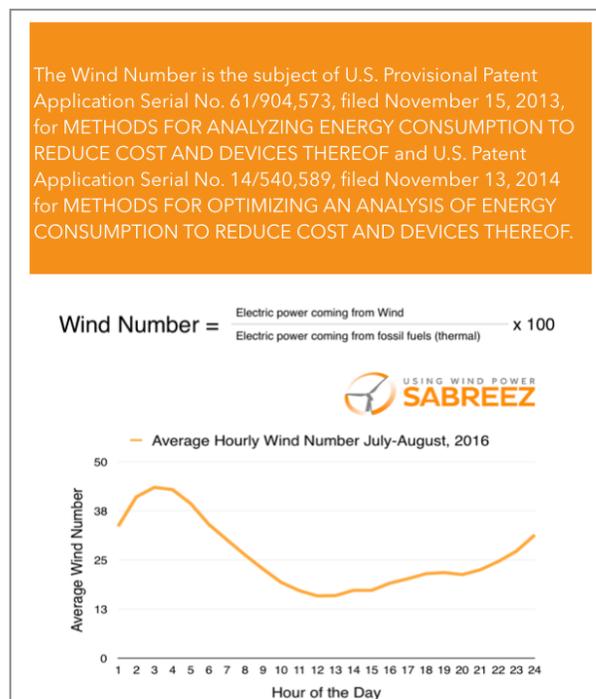
### ***The Wind Number is a Real-Time Clean Energy Forecast***

Sabreez developed the "Wind Number" from 2011 to 2013. The Wind Number is a single variable information system that serves as the basis for a "clean energy forecast" for California's sustainable energy system.

The Wind Number is defined as the ratio of power coming from wind divided by the power coming from fossil fuels, multiplied by 100. It is calculated using data provided by the California Independent System Operator, which manages electric power supply to approximately 11 million households. Wind Numbers are typically higher at night when electric rates are low. Conversely, Wind Numbers are low when CT plants are cranking up to meet demand or when wind power has decreased during the middle of the day. As solar resources come on line, they increase the Wind Number because they decrease the run time of CT plants. In short, Wind Numbers increase when it's windy and sunny and decrease during peak demand. **By forecasting the hourly Wind Number and solar output for the day, Sabreez tells energy consumers when their energy supply will be cleaner and cost less.**

### ***Our Solution: Help Consumers Enjoy Using Cleaner Energy***

The Wind Number was first introduced to consumers on Facebook as a social media pilot program conducted during the Summers of 2014 and 2015. The Wind Number App was featured in the United States Department of Energy's "Apps for Energy" contest. Using our Green Button App which combines the user's hourly smart meter data with our Wind Number database, we created a contest that encouraged users to adjust their energy use patterns and compete to garner social recognition. Overall, participants that had home solar and electric vehicles won, they liked winning, and the community had an overwhelmingly positive experience.





In 2016, we re-introduced the Wind Number as a clean energy information system on social media. Posts included real time Wind Numbers, forecasts of daily clean energy production, and products from Tesla, Nest, and Solar City. Consumers liked and shared our messaging. Product development late in 2016 included our free Wind Number App for iPhone and Android showing California's clean energy production in real-time.

For 2017, we have re-designed our website, newsletter, and social media platforms to provide a valuable user experience to energy consumers. The typical household can reduce their electric costs by 10-20% using LED lighting, a time of use rate tariff, and the Wind Number. As users are guided through increasing levels of engagement, their energy costs drop as they replace their dirty energy consumption with clean energy. Users can opt-in to receive their own Wind Number, which can be shared on social media to win a contest and associated prize. We are gamifying energy use and helping users become more savvy energy consumers.

### ***Our Position in the Clean Tech Sector of California's Economy and Beyond***

Sabreez is a residential demand response company in the clean tech sector of the utility industry. Initially, this sub-sector was comprised of hardware companies like Nest, Ecobee, Energy Hub, and other smart thermostat companies, but consumer-facing energy management companies like Opower and OhmConnect are emerging with a focus on engaging the consumer to shift demand.

Opower is the leader in normative reporting for the utility industry. Their reports show energy consumers how much energy they use relative to their neighbors, and their program has been shown to reduce users' energy consumption by 1-2%. OhmConnect is conducting a pilot program for residential demand response in California that pays people to not use energy during "Ohm Hours" when CT plants are cranking up. By contrast, Sabreez offers our users a valuable service: real-time energy information. We will include incentives (in lieu of direct payment), but our sales-cycle is based on consumption, not attrition. In addition, the Wind Number contains the normative reporting demonstrated to be effective by Opower.

The clean energy information system developed in California can next be applied and adapted to Texas, which has similar renewable energy production attributes. Within 5 years, additional electric grids can use the system to engage consumers.

### ***Summary***

Sabreez was founded in 2014 by W. Scott Hoppe, a geologist with a background in the design of environmental remediation systems and real estate development and investment. The limited liability corporation will incorporate this year and become a B Corporation with a strong commitment to employee ownership and community engagement, while returning rapid growth to investors.

Consumers value clean energy, and smart home technologies like wi-fi enabled appliances, electric vehicles, whole-house battery systems, and solar are rising in popularity. The Wind Number helps consumers easily automate their energy use with these technologies, but even better, you don't need the new technologies to use cleaner energy! Every homeowner can benefit from the Wind Number. The Wind Number will be promoted across social media, by mobile app, through APIs like the Apple Home Kit, and eventually through traditional media like radio, print advertising, and other media. Our program will promote a range of partners in this ever-growing ecosystem, generating growing sponsorship revenue from smart home product partners to fund our money-saving clean-energy message to consumers. Clean Energy Costs Less!