

ENVIROTECH ENERGY SOLUTIONS NEWSLETTER

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Dear Investor,

'Lack of clarity' is the phrase that springs to mind when speaking about the developments in November regarding the UK battery market. Brexit, the drop in the value of the GBP and ongoing inconsistencies with policy on storage technologies at government level has left the industry in a state of flux and seeking reassurance.

Despite this temporary state of uncertainty, the macro picture, we believe, proves beyond reasonable doubt that this is one of the fastest and essential technologies to ensure the transition from fossil fuels to greener, cleaner technology.

Among other contentious issues facing the industry the European Court of Justice (ECJ) has ruled the UK Capacity Market procurement process as illegal. As a result, the Capacity Market has been suspended until further notice after the ECJ concluded the mechanism could be in breach of EU State Aid rules. This follows a legal challenge brought by clean technology firm Tempus Energy, which argued the mechanism for securing back-up power during the winter months unfairly favoured fossil fuel generators over newer, cleaner technologies.

For further information please see:

<https://www.energy-storage.news/news/uk-capacity-market-suspended-following-landmark-ecj-ruling>

Another issue to contend with (industry wide) is the uncertainty of battery revenues. Vague direction from Government and uncertainty in chargeable services from battery installations, means that the forecastable revenue stack for presentation to funders has become harder to predict.

The problem with all disruptive technologies (such as the invention of the automobile, the advent of the internet etc.) is that progress is always so fast it takes policy makers time to catch up, and as such there is some uncertainty in this arena. This in turn slows the process for build out, as financiers, energy traders and system providers grapple with how to find certainty or rather optimize the situation.

As a result of these vagaries, Envirotech are working with lobbyists to obtain clarity from parliamentary groups and MPs over future energy policy. We have recently met with both Lord Teverson & Mr. Peter Aldous, both of whom sit on the All-Party Parliamentary Group (APPG) concerned with Green Energy & Energy Storage. There is a further meeting planned with Dr Alan Whitehead, who is the shadow minister for the department of Business, Energy, & Industrial strategy (BEIS).

In keeping with our pro-activity, the team attended the 'Future Power System Architecture' event at the London Transport Museum. This is a government funded organization tasked with assessing the future requirements and risks of the UK power infrastructure.

See es.catapult.org/fpsa and www.theiet.org/fpsa for information.

In other news, we are in late stage negotiations with Samsung to finalise the technical specifications of the batteries we wish to install on our sites.

After a prolonged process and tough negotiations, I am delighted to report that we have secured the 49.9MW grid connection which we hope will operate alongside the existing 49MW connection at Twineham and together make this one of Europe's largest battery storage facilities.

In Summary, battery storage is the only commercially viable technology that facilitates the transition from polluting energy generation to carbon free green energy such as wind and solar. Envirotech, is very well placed to both speed this transition and be successful as a result of this.

We wish you a merry Christmas and look forward to updating you in the new year.

Kind Regards



Christopher Hill
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Envirotech Energy Solutions Ltd

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