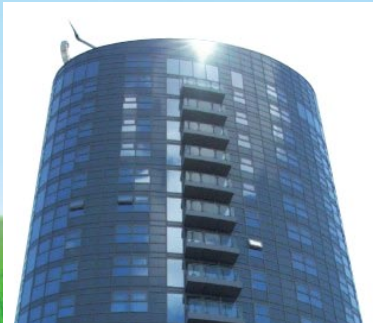


COMPLETE ENERGY SOLUTION



Saving energy through metering, maintenance and control



THE COMPLETE ENERGY SOLUTION

Switch2 - working in partnership

Complementing sustainable development objectives, Communal Energy is the environmentally responsible way for homeowners to reap the benefit of centrally generated, reliable and efficient heating, hot water and electricity. ENER·G Switch2 is an Energy Services Company (ESCO) that works in partnership with the public and private sectors to develop communal energy schemes.

Our strong track record of successful client partnerships illustrates our commitment to deliver comprehensive, innovative solutions. Whilst the number of dwellings connected to each site may vary, the requirement for excellent customer service does not. At ENER·G Switch2 we proactively assist our clients' with operations and maintenance, metering and ongoing consumer management. The effectiveness, efficiency and quality of the systems we install are central to our project delivery standards. Add this to the calibre and professionalism of the people we employ and you have a service that is simply 'second to none'.

We consistently fulfil partnership agreements for:

- The operation and maintenance of communal energy systems
- The removal of any day-to-day issues in dealing with high volumes of residents
- Metering, data management, billing and administrative services

ENER·G Switch2 can design, finance and operate complete communal heating solutions for residential apartments, commercial and industrial buildings. We deliver optimal solutions for all specifications, from small schemes supplying 30 properties to large district heating (DH) schemes, typically using combined heat and power (CHP) technology to supply thousands of homes. Our sustainable solutions are suitable for both new build and refurbished schemes.

Our services include:

Initial concept / scheme modelling

Design and development

Financial modelling and tariff setting

Finance options

Equipment supply

Installation and commissioning

Project management

Energy supply

Plant & equipment operations and maintenance

Meter reading, billing and cash collection services

Scheme management

Customer contact centre



WHAT IS AN ESCO?

An ESCO or Energy Services Company can be a standalone special purpose vehicle (SPV) company specifically established to operate a communal energy scheme. Where funding is required, ENER·G Switch2 (acting as the ESCO) may be able to provide the initial capital investment in the boiler house plant through to the metering and consumer interface units installed in the apartments. The ESCO therefore owns part or all of the heating infrastructure and provides full life cycle operations and maintenance services as well as customer billing and administration functions. Financially, this involves the transfer of capital and operating costs, together with all the technical and operating risks of the plant, from the client to us, the ESCO provider.

Initially, following a wide-ranging dialogue with our client partner, we deploy substantial resources to model the financial operation of the scheme over a given contract length. Drawing on our extensive experience in the group heating industry, this model illustrates indicative costs, investment ability, cash flows, tariffs and system efficiencies.

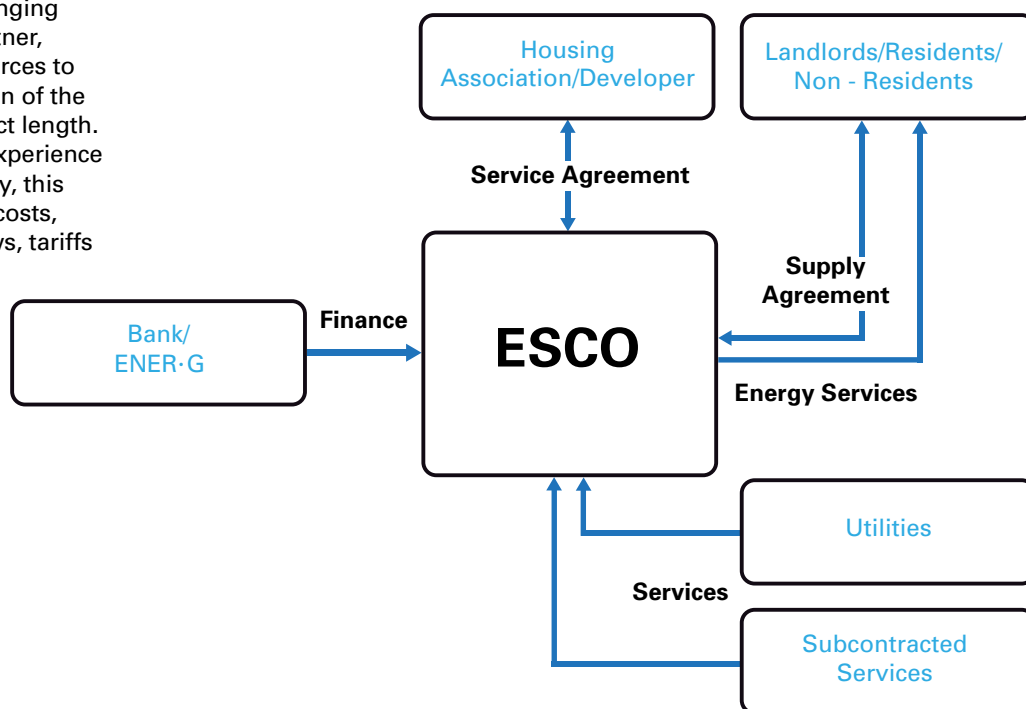
The aim of setting up ESCO projects through partnership arrangements is to deliver sustainable low carbon energy solutions to meet the increasing energy demands in the UK.

The nature of the long-term contract delivers benefits to the customer through reduced maintenance spend in addition to lower energy costs. We develop an “energy efficiency partnership” with our customers, which involves educating our clients in their own energy use patterns.

The underlying advantage of an ESCO contract is that the energy services we provide represent the core business activities of ENER·G Switch2. This has a number of benefits including the availability of technical and commercial expertise, trained and experienced staff, a proven track record and our ability to deliver high level service at low cost.

Finance options

The ENER·G group’s solid financial status and independence provides the freedom to offer a range of finance options by joining up self-funding, bank finance or grants. From ESCO contracts to finance lease options we personalise the solution to meet our clients’ needs.



APPLICATIONS

Four main areas of application:

- Housing associations are responsible for providing affordable housing that fulfils local needs while meeting high energy efficiency requirements. Communal heating schemes offer reduced running costs to alleviate fuel poverty and improved quality of life with controllable warmth. The solution offered by ENER·G Switch2 removes the operational and administrative burden from the management organisation.
- Local authorities manage large housing stocks where there is a constant need for new housing developments and refurbishment of outdated schemes. The development of modern, efficient and energy saving communal heating schemes usually incorporating modern boilers and CHP units, provide low cost heat and electricity to residents and potentially to other local authority establishments in the area. This has the benefit of delivering significant financial savings to the local authority.
- New build residential and mixed-use developments are emerging in city centres around the UK, offering city-centre accommodation. Regulation requires the incorporation of energy efficiency technologies in these buildings, providing reductions in CO₂ emissions.
ENER·G Switch2 offers turnkey solutions for heating, cooling and electricity supply by applying CHP and advanced metering technologies.
- Urban regeneration aimed to reduce the environmental impact of residential and commercial buildings. Both local government and private sector developers are required to make our cities more sustainable for which ENER·G Switch2 offers expert advice, design and supply of the energy systems and ongoing long-term service arrangements.

Operation and maintenance services

All our systems are designed to operate at optimum efficiency, expertly engineered, and installed to a high standard. However, the level of the continuous operations and maintenance service (O&M) has a major effect on the lifetime of the schemes. Various O&M packages are available throughout the lifetime of a project, covering all or part of the communal heating or CHP scheme, depending on the scope of the project.

Our highly qualified service engineers are available 24/7 delivering the highest standard of service. All our engineers are trained on the complete range of our product portfolio at our state-of-the-art training centre at our head office in Salford, using simulated control conditions.



TECHNOLOGY AND METERING MATTERS

Reducing costs and carbon

Working in partnership with our customers, we aim to reduce harmful carbon emissions while adding value and, just as importantly, tackling fuel poverty. We incorporate the latest technological advances to all our projects for the benefit of our customers.

Plug-and-play technology, such as CHP systems can be incorporated into the communal heating solution providing both heat and electricity from a single fuel at high efficiency. The future-proofing of schemes is important because many new more fuel efficient technologies will be introduced during the lifetime of a typical contract.

At a time when domestic energy efficiency and affordable warmth is on most housing professionals' agendas, the viability of flat-rate charging of residents should be critically examined. Using the latest advanced metering technology, the ENER-G Switch2 solution enables full monitoring of energy consumption throughout a development. As a result of individual smart metering, residents can benefit from monitoring and controlling their own supply, leading to reductions in cost and carbon emissions.

Utilising our intelligent data solutions, client managers, housing professionals and scheme owners can view consumption master data in order to proactively assist in the management of the scheme.

In order to reduce consumption we need to firstly fully understand how and when energy is used. A uniquely tailored metering strategy will be established for each site/energy scheme. The metering strategy or infrastructure will consist of two main parts: the actual meters installed within the apartments and at other strategic points across the scheme and the automatic meter reading (AMR) system to capture and report precise readings which is then turned into consumption data.

Energy meters can be applied for heating and cooling systems, measuring both volume and temperature, providing real time energy data and direct tracking of energy savings. We only use meters from leading European manufacturers to guarantee precise data and long lifetime.

The AMR systems applied in small to large residential schemes provide accurate daily data readings of both bulk and domestic energy meters. The innovative system enables meters to be read remotely, thereby reducing the need to access properties, which is time consuming, costly and inconvenient for consumers.

The AMR solution delivers both environmental and financial benefits to the community by reduced energy consumption. The ability to control and monitor heat and hot water use in individual homes can help reduce the number of the UK households in fuel poverty.



Benefits

Our metering services are beneficial for residents, landlords and the environment.

Operational benefits

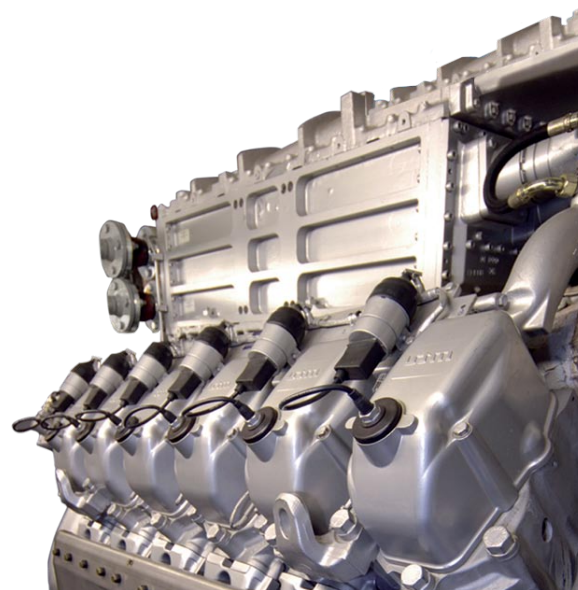
- Safe, reliable, controllable and instant heating
- Higher levels of comfort for residents
- Improved efficiency
- Improved security of supply
- One telephone number for all resident enquiries relating to billing queries, payments, or maintenance
- Longer building life time through reduced condensation

Environmental benefits

- Lower CO₂ emissions
- Reduced heat usage and waste
- Reduced use of primary fuel

Financial benefits

- Reduced heating costs
- Reduced operational and maintenance costs
- Flexible payment methods
- Reduced investment in individual equipment (boilers)
- Funding available to alleviate Capital projects
- Low cost electricity when applying CHP



RESIDENT SUPPORT

Residents' comfort is always in the focus of our services. Our support services include the following activities:

- On-site customer support
- Prepayment systems
- Customer support centre
- Monthly billing and cash collection
- Online account management

On-site customer support

Our professionally trained engineers cover the whole of the UK providing guaranteed response times for meter maintenance and heating system services. This means we can guarantee that all our equipment is serviced and commissioned by our own engineers who have real time access to our back office management systems.

Prepayment systems

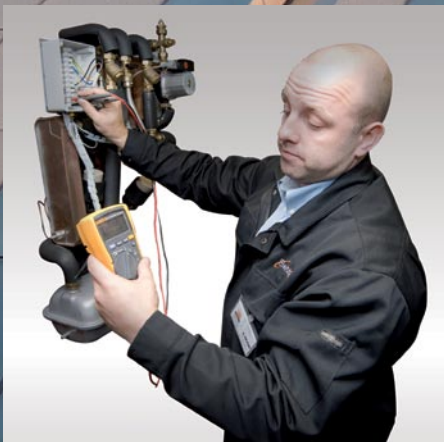
Prepayment systems are available for heat, electricity and other utilities using our own smart card prepayment system. These are typically used on communal and district heating systems as a viable, cost effective and simple alternative to traditional collection of heating charges and the associated administrative problems. The Genesis prepayment system is capable of managing debt accounts and daily standing charge reduction as well as heat supply.

ENER-G Switch2 was among the first to introduce the concept of prepayment for communal and district heating systems and remains the only company able to offer this service together with a complete range of complimentary support services, including automatic downloads and emergency credit facility.

Customer support centre

With just one telephone number for all your enquiries, from payments to service visits or emergencies such as leaks, Switch2 are literally always there to provide assistance and advice when you need it.

Our national centre provides comprehensive support for all customers, 52 weeks a year. Open from 8.00am until 6.30pm, all calls are answered by a friendly service team member. For absolute peace of mind, outside of these hours our duty engineers are on call to deal with emergencies.



Monthly billing and cash collection

We offer a fully supported accounting and bureau service especially for Facility Managers, Energy Managers and Housing Managers with the flexibility to tailor our services to requirements of multiple fuels and tariffs.

Prepayment customers can buy credits at a local point of sale unit dedicated to the scheme. Cash is reconciled and paid across to the scheme operator on a monthly basis. Credit customers can be billed monthly with payments made in a number of ways including variable direct debit, credit/debit card, and the internet, as well as our recently introduced payment card system and bar-coded bills, which enable payments to be made at any outlet displaying the PayPoint logo or at Post Offices.

Online account management

Every user has access to the ENER-G Switch2 online account management system, which can be accessed using web browser-based software. The system provides consumption and account data and has analytical tools such as bill checking and monitoring.

Leaseholders/RSLs can also manage all properties in their portfolio using their online account. In the same way, the managing agents or scheme landlords have access to all the properties on a scheme. This allows site management information such as consumption data that can be easily downloaded into a usable format.



ABOUT ENER·G

ENER·G provides customers with a variety of technologies ranging from the generation of energy to the management of energy use, delivering sustainable energy solutions and technologies on a business-to-business basis worldwide.

Established in Salford, Greater Manchester, in the 1980s, the company offers a 'one-stop-shop' for all commercial and industrial energy requirements, from the efficient generation of energy to the equally efficient control of consumption. The company has partners across the globe.

Our solutions include combined heat and power (CHP), biogas utilisation, ground source heat pumps, efficient lighting, controls, and energy from waste. This is accompanied by our wide range of energy and water consultancy and procurement services.

ENER·G is 100% dedicated to the development of its products and markets, and over the years has seen rapid growth, both organically and through acquisition to achieve a strong global presence within the energy industry. Currently ENER·G operates in the UK, the Netherlands, Norway, Poland, Hungary, Lithuania, Spain, Mexico and South Africa.

Switch2 Energy Solutions Ltd is a wholly owned subsidiary of ENER·G Holdings Plc.



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