

Press Release

Energy Pool, Schneider Electric, Sojitz, TEPCO Launch Industrial Demand Response Demonstration Project for the first time in Japan after Being Chosen for Government-led Next-Generation Energy & Social System Project

Tokyo (Japan), November 22nd, 2013 -- Energy Pool Développement SAS (Headquarters: Le Bourget du Lac, France; CEO and Founder: Olivier Baud. “Energy Pool”), Schneider Electric, Inc. (Headquarters: Minato-ku, Tokyo; President: Serge Goldenberg. “Schneider Electric”), Sojitz Corporation (Headquarters: Chiyoda-ku, Tokyo; President: Yoji Sato. “Sojitz”) launch a demonstration project of successful European industrial Demand Response in TEPCO area (“The project”). Sojitz works as managing company, Schneider Electric and TEPCO as project partner and Energy Pool works as consignee of Schneider Electric on the project. The project was selected in third round of open recruitment of the Next Generation Energy and Social System Demonstration Project for FY2013 regarding demand response being conducted by the New Energy Promotion Council (NEPC).

Characteristic of Industrial Demand Response

The demonstration project of Demand Response for industry (“iDR”) is the first challenge in Japan. iDR has the following characteristic compared to the Demand Response for Building and Residential tested in the past a few years.

	 Industry	 Building	 Residential
Individual curtailment capacities	Large	Small	Very small
Time needed to deploy infrastructure*	Fast	Slow	Very slow adoption
Acquisition cost of demand reduction	Low	Medium	High
Curtable process complexity	High	Low	Low
Solutions	Customized service & technology	Standard technology & service	Mass-market

*For similar volumes of demand response

iDR helps a grid balancing of EPCO, such as during peak electricity demand (summer and/or winter), but also in terms of reserve capacity in the event of a unexpected outage of generation units, as well as balancing capacity for supply volatility caused renewable energy etc, by providing with aggregated large potential to save electricity demand of industrial electricity End-user. In addition to that, iDR also helps the reduction of electricity cost of End-user by providing with remuneration for the reduced electricity demand (nega-watt).

Press Release

Content of the project

The project term is scheduled until the end of March 2015. The project will design iDR model and install system adapted to Japanese electric system and industrial characteristic by using European iDR model as a reference. The project will verify the commercial feasibility of iDR through actual Demand Response (demand reduction). We will deploy a demand response portfolio of 50 MW, equivalent to the residential consumption more than 200 000 inhabitants. Upon the result of the project, the project will make recommendation for regulatory change and operational procedures in terms of the Electricity System Reform.

Roles of each company

The project leverages the expertise and experience of each of the four companies.

Their respective roles are as follows:

- Energy Pool, as the largest DR aggregator in Europe, will contribute its experience with iDR, including industrial process engineering for demand response, Network Operations Center (NOC) setup in Tokyo and operations throughout the project.
- Schneider Electric will be relied upon for its expertise and technology in industrial processes supervision and automation. The project NOC will be set up at Schneider Electric's Tokyo HQ.
- Sojitz, the managing company, will liaise with participating companies, authorities and organizations. Sojitz will bring to the project its network of business relationship with industrial End-users and its know-how regarding business development in Japan.
- TEPCO will use and evaluate DR.

Background of the project

The vulnerability of the large-scale and centralized energy system in Japan has become evident since the East Japan Earthquake, and in addition, the necessity of energy system to absorb the output fluctuation coming from the increase of renewable energies has risen. This has resulted in the need for energy management initiatives such as Demand Response, which can balance supply and demand, on top of current energy management systems in homes and in buildings.

Energy Pool, Schneider Electric, Sojitz, together with TEPCO will deploy this initiative to contribute to a better energy future for Japan.

Press Contact

Schneider Electric Japan, Inc. (and Energy Pool)

Marketing Communication, Mayumi Kanamitsu

TEL : +81-3-6402-2241 Email : Mayumi.Kanamitsu@schneider-electric.com

Public Relations Department, Sojitz Corporation.

TEL: +81-3-6871-3404

Press Release

<Appendix 1>

Image of industrial Demand Response:

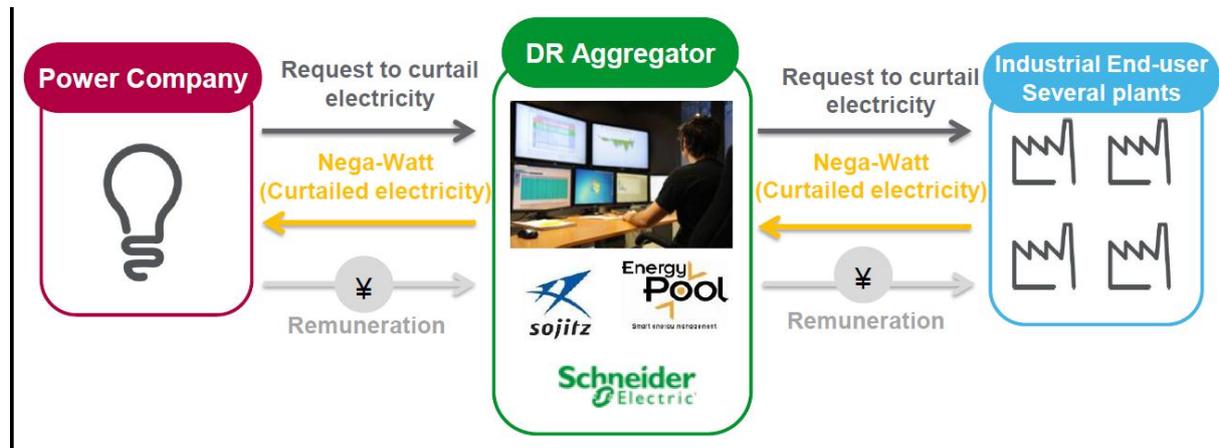


Image of industrial Demand Response:

* Nega-watt means that an utility purchases electricity saved by consumers as if the same amount were produced by a power plant.

Demand Response Project in Japan

Japan's Ministry of Economy, Trade and Industry and NEPC are working together to promote a next-generation energy and social system demonstration project as part of the national effort to achieve significant reductions in energy and power consumption while making more effective use of renewable energy. These goals will be achieved through the development of smart communities – distributed energy systems that manage energy generation and consumption on a local basis – and the introduction of new services and flexible rate structures. The aim of this demonstration project is to set up a smart community, and in the effort to make this community a reality, a number of demonstration programs are now being implemented to tackle various challenges – such as visualization of energy use, control of home appliances and water heating systems, and dynamic-pricing or point-based demand response.

Press Release

<Appendix 2>

Company Profile

About Sojitz

Sojitz is developing solar generating operations and fossil fuel generating operations (Equity holding generating capacity 777 MW) in Japan and overseas.

After the East Japan Earthquake, the necessity to control electricity consumption on demand side has been increased. In addition to that, the market to be able to trade the curtailed electric capacity by End-user (Nega-watt) is assumed to be established until when the retail electricity sales is assumed to be liberalized in 2016. Sojitz aims at developing nega-watt business.

<http://www.sojitz.com/en/index.html>

About Schneider Electric

As a global specialist in energy management with operations in more than 100 countries, Schneider Electric offers integrated solutions across multiple market segments, including leadership positions in Utilities & Infrastructure, Industries & Machines Manufacturers, Non-residential Building, Data Centers & Networks and in Residential. Focused on making energy safe, reliable, efficient, productive and green, the company's 140,000 plus employees achieved sales of 30.8 billion US dollars (24 billion euros) in 2012, through an active commitment to help individuals and organizations make the most of their energy.

www.schneider-electric.com/

About Energy Pool

With over 1200 MW of demand response capacity under management, Energy Pool is the European leader in Demand Response. At critical times for the power network, the Company provides relief to the electric grid by aggregating and managing large end-users' loads.

Energy Pool brings unprecedented industry knowledge, expertise and experience to offer the most reliable, adaptable and cost-effective smart demand side management programs.

From its headquarters and Network Operations Center in Savoie Technolac, France, Energy Pool provides 24/7 monitoring and control of its partners' assets.

www.energy-pool.eu