

# David Energy:

## A new kind of power company



# Our team combines the best of energy and software

David Energy has hired some of the best minds and most successful operators in the energy industry and combined that with world class engineering and tech talent



**James McGinniss, MSE**  
CEO & Co-Founder

Winner of SpaceX Innovation Award for his work on the Hyperloop



**Chaitu Parikh**  
President of Supply

Former COO of Crius, a REP that sold to Vistra for \$500million and former CFO and President of MXenergy



**Ahmed Salman**  
CTO and Co-Founder

Has worked in automation for 13 years at major energy companies and built a proprietary automated HVAC system for R3 Energy



**Gregorio Gomez**  
VP of Strategic Finance

4 years IB at Goldman, Harvard BS and MBA w/ experience at Google's SIP working on VPP's



**Amit Sawant**  
Engineering Lead

Early ZocDoc Senior Engineer and CTO/Co-Founder of RagTrades



**Abhi Mandhana**  
VP of Supply

Early pricing team at MP2 and built EDF's C&I book from the ground up



**Sam Strasser**  
VP of Product

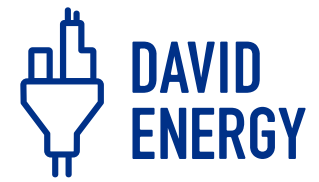
Founding engineer at EdTech startup acquired by Facebook. Head of Eng/Product at Brightwheel



**Sophia Cowles**  
Chief of Staff

CoS to Global Head of Biz Dev at LinkedIn, youngest CoS at the company. UC Berkeley.





# We just raised \$20M from top software and energy investors

We are operational in NY, NJ, and MA and plan to deploy this capital to accelerate our SMB sales engine, enter Texas, and launch our Residential product



Q1 2022

Raised \$20M from investors



Q2 2022

**Secured ERCOT operating license**



Q3 2022

**Launch Resi product in NY + TX**



# The grid is in trouble

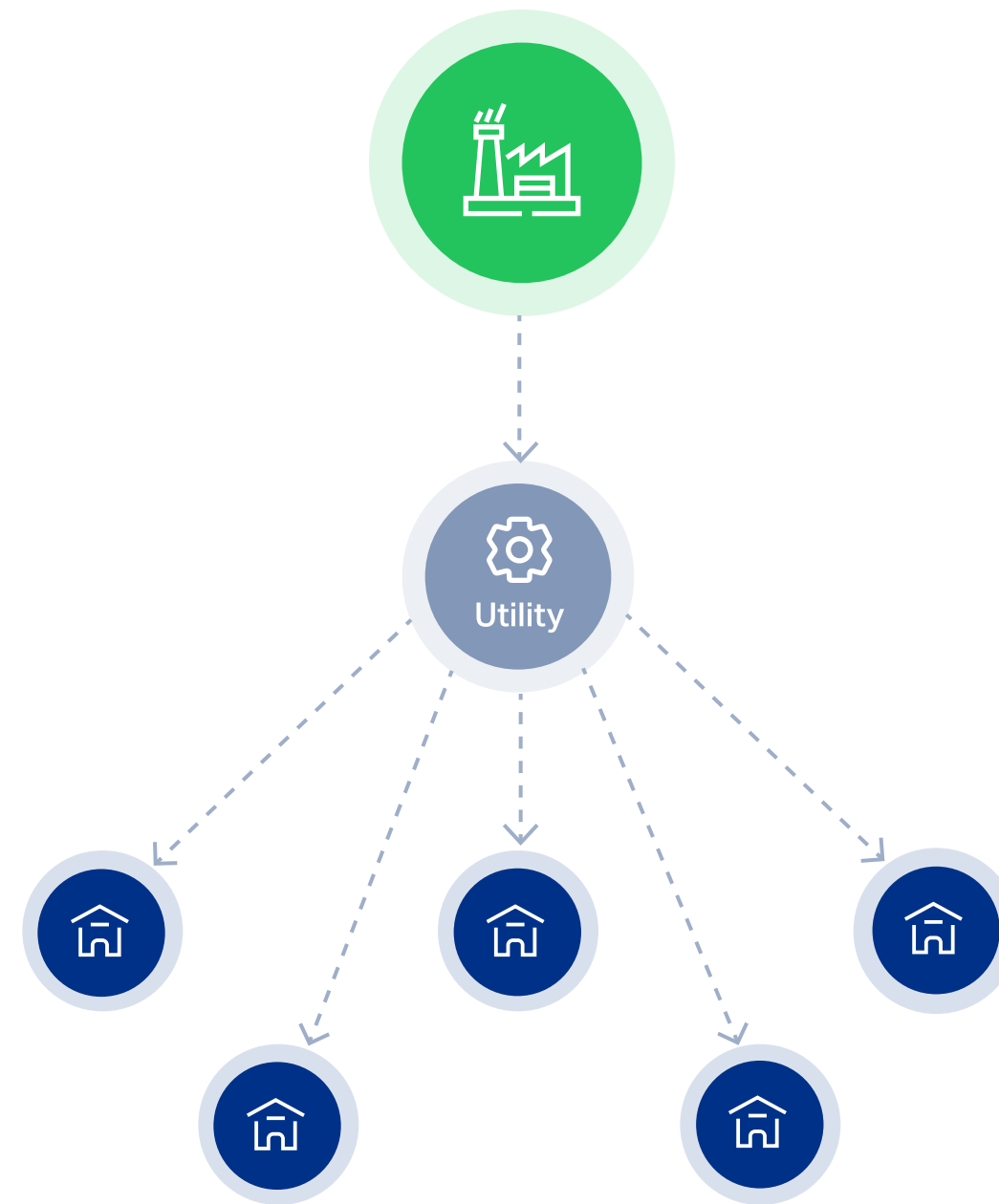
Growing volatility and underinvestment are leading to more outages and higher prices across the country



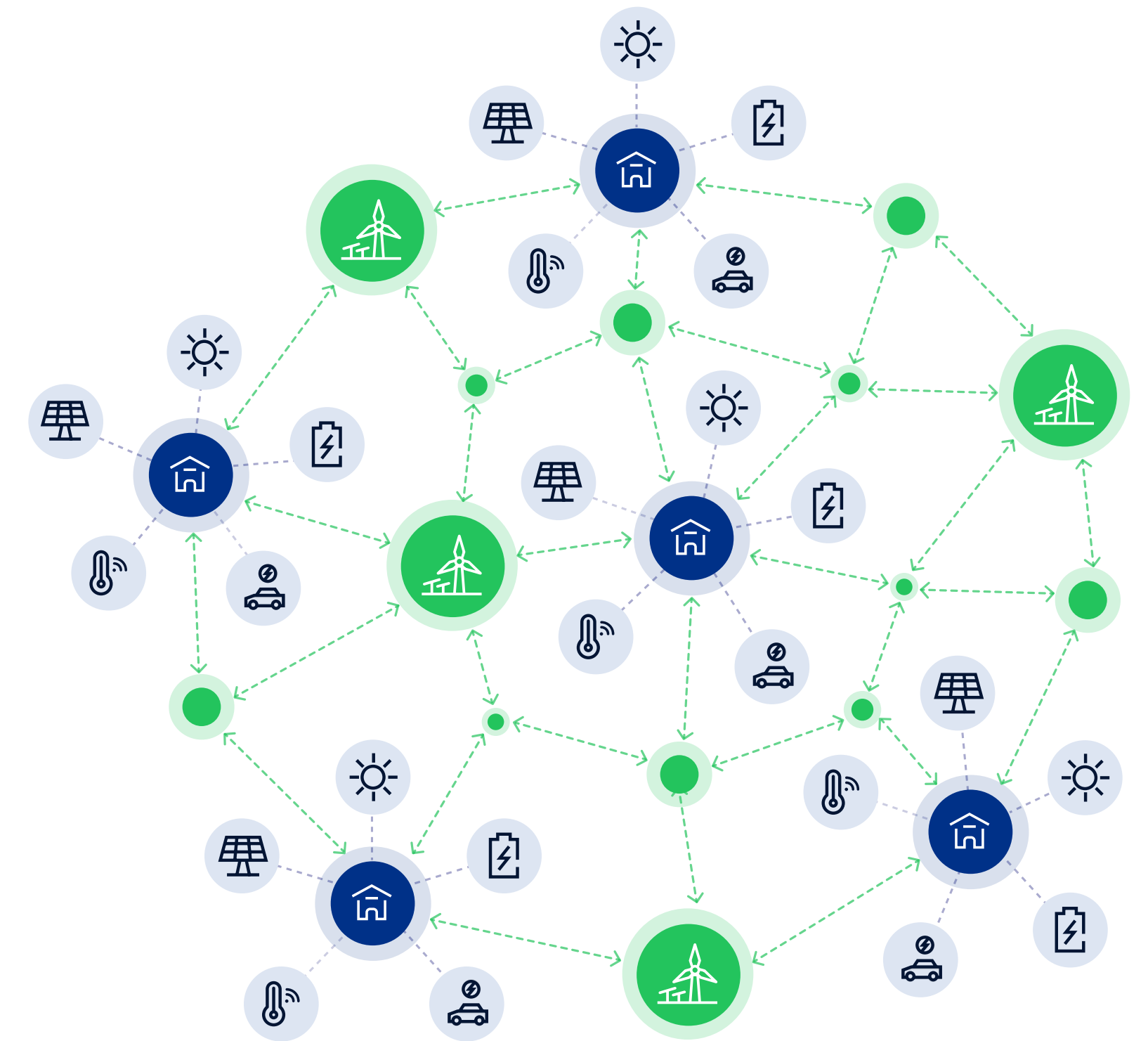


# The grid of tomorrow will be highly decentralized

The grid is rapidly decentralizing as customers adopt Distributed Energy Resources (DERs) - devices like solar, smart thermostats, electric vehicle chargers, generators, and more



**Grid Today:** Hub + Spoke

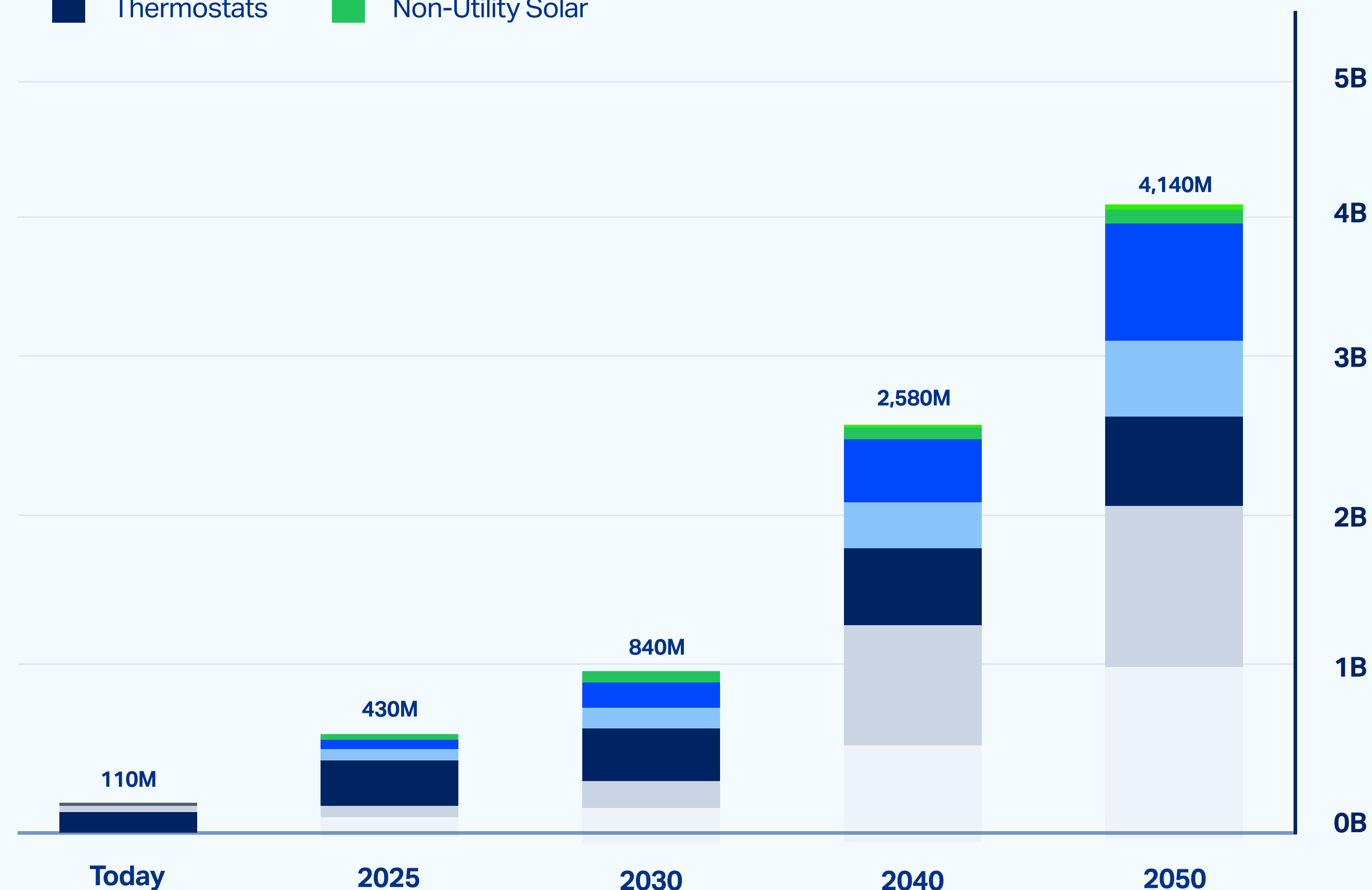
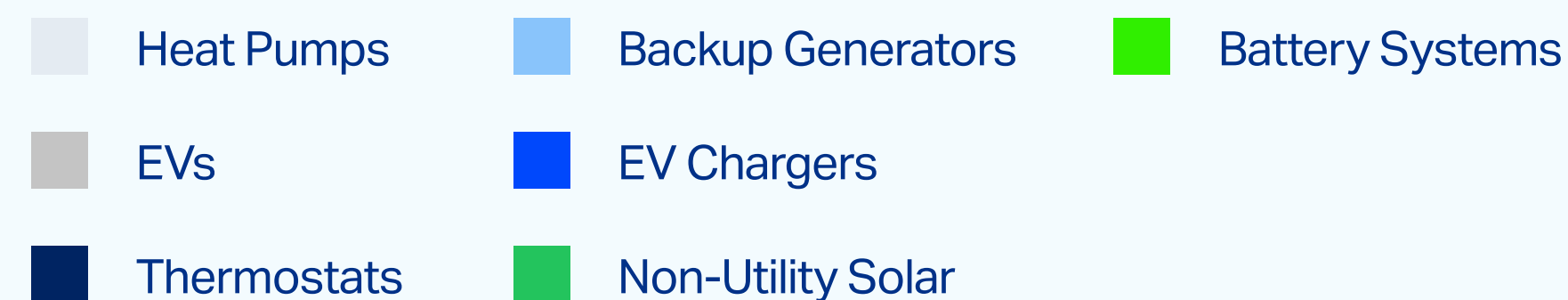


**Grid Tomorrow:** Distributed Network

# DER growth will continue to accelerate

The rapid growth in distributed devices means enormous amounts of load-side capacity are coming online, introducing complexity and opportunity

## Global DERs<sup>1</sup>



<sup>1</sup> Estimates based on data from BNEF, SEIA, Sunrun, and Generac



# We are a REP that connects DERs to power markets

We provide an all-in-one, frictionless, modern customer experience in exchange for access to DERs

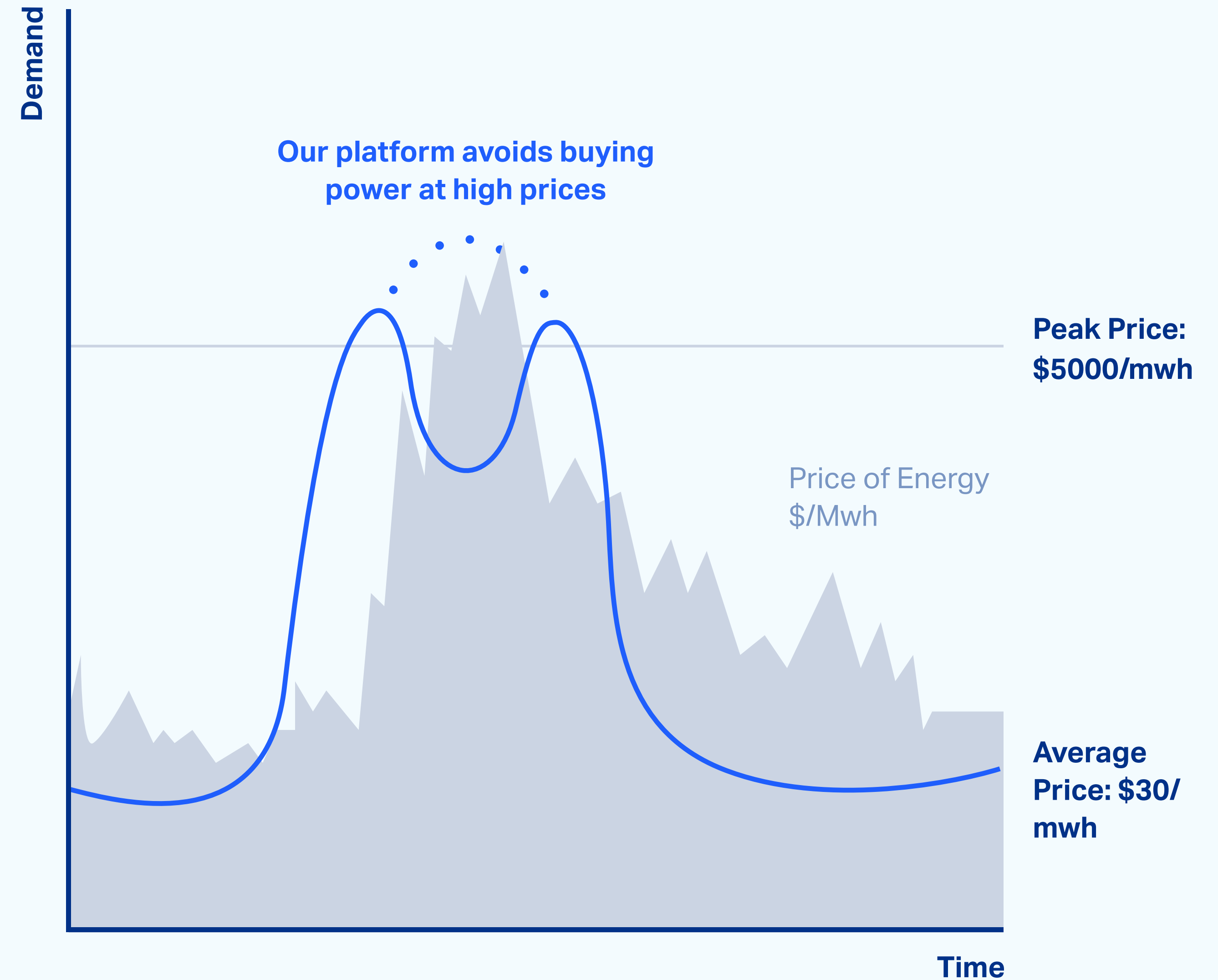


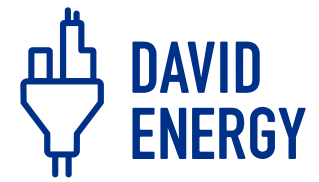
David Energy is vertically integrated in electricity markets as a REP, using real-time controls from our DER network to buy power smarter and cheaper



# How we do it

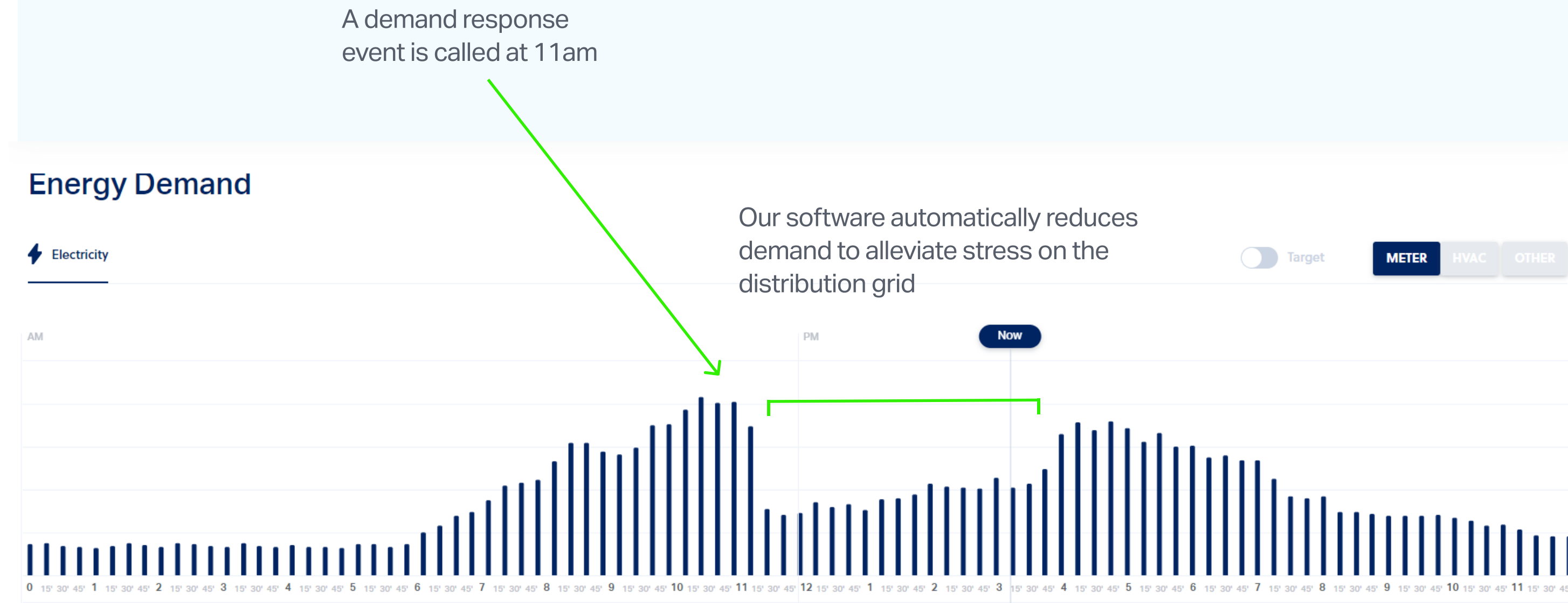
Our software automatically adjusts customer demand via DERs in real-time to avoid buying power when it is priciest. Other power providers can't do this





# We do this for customers today

Our platform enables customers' DERs to automatically respond to demand response events


















# David Energy x Texas: How we plan to help in ERCOT

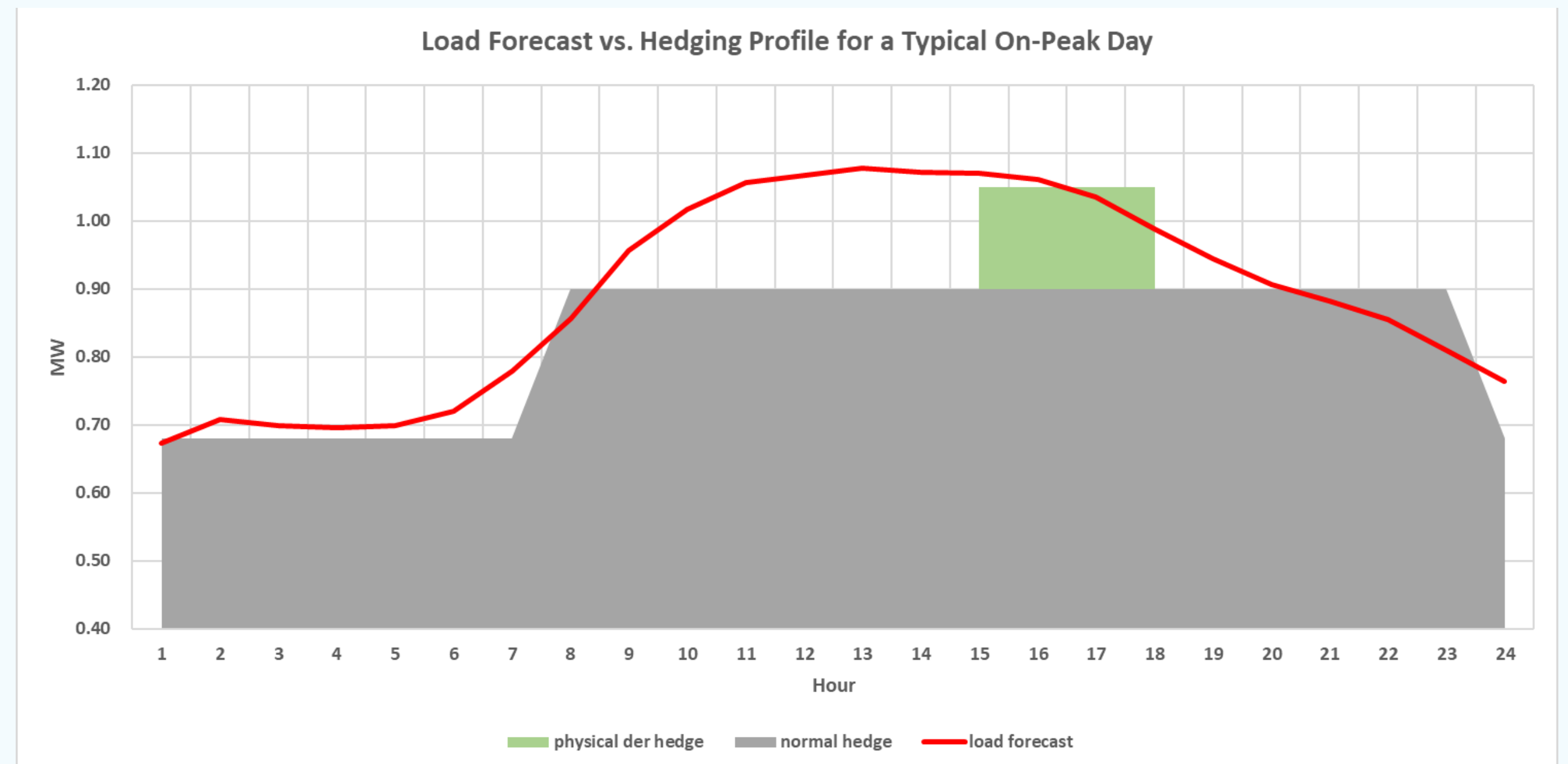
# We monetize DERs for customers historically excluded from demand response

We target Residential, SMB, and Mid-Market customers, enabling entirely new segments beyond Large C&I to participate in energy markets

	For Home	For Business
Thermostats	 	  
Generators		
EVs	   	
Solar		

# We view DERs in our book as legitimate, physical hedges

We leverage our customers' capacity to manage risk in our book, but the market at large does not recognize those resources as risk management tools the way we do



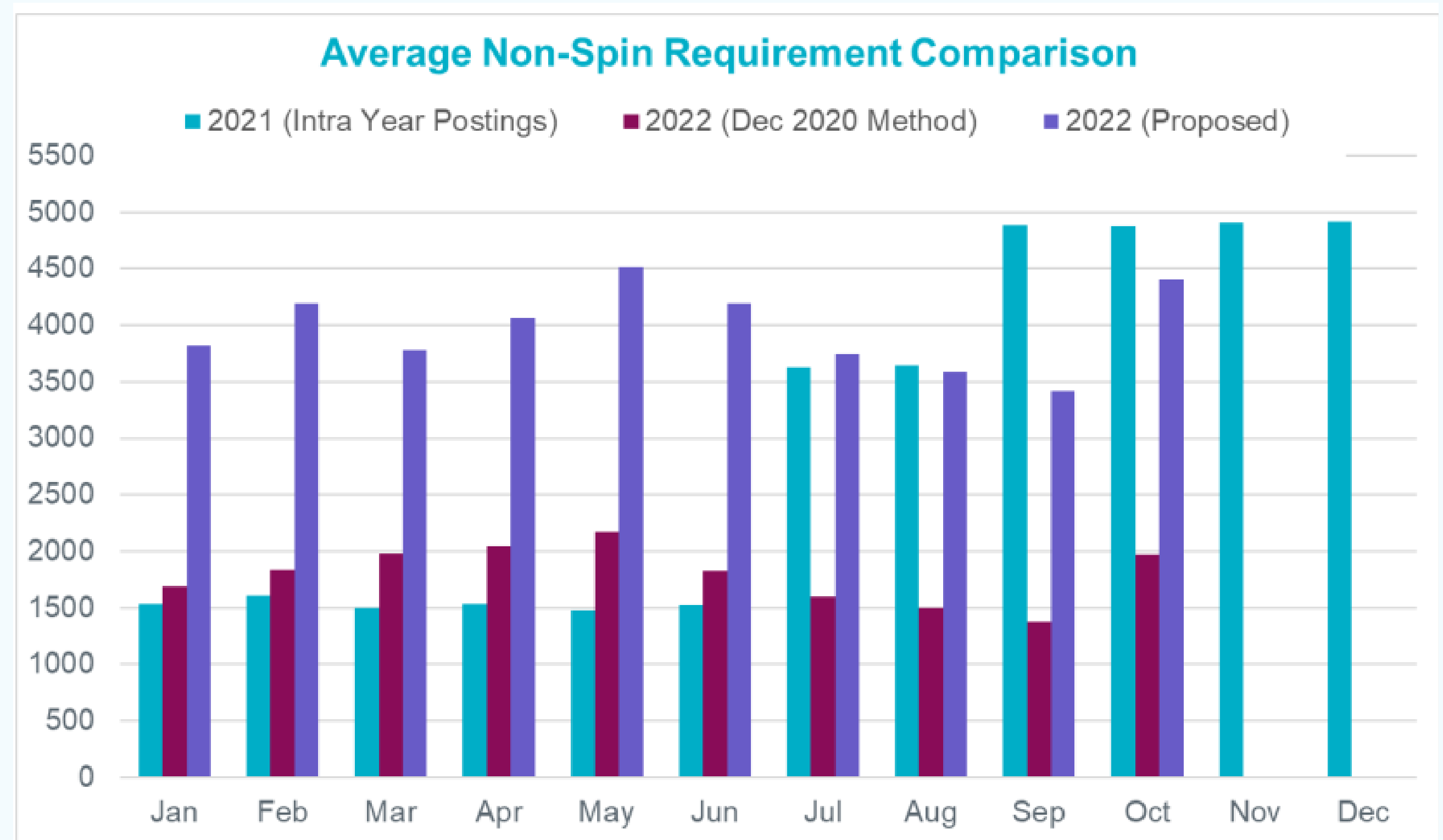
# Levelling the playing field

## Why ALR is key to expanding reserves



# ERCOT began procuring more firm capacity following Storm Uri

Winter Storm Uri acutely changed the dynamics in ERCOT, with non-spin capacity procurement skyrocketing to avoid supply shortfalls

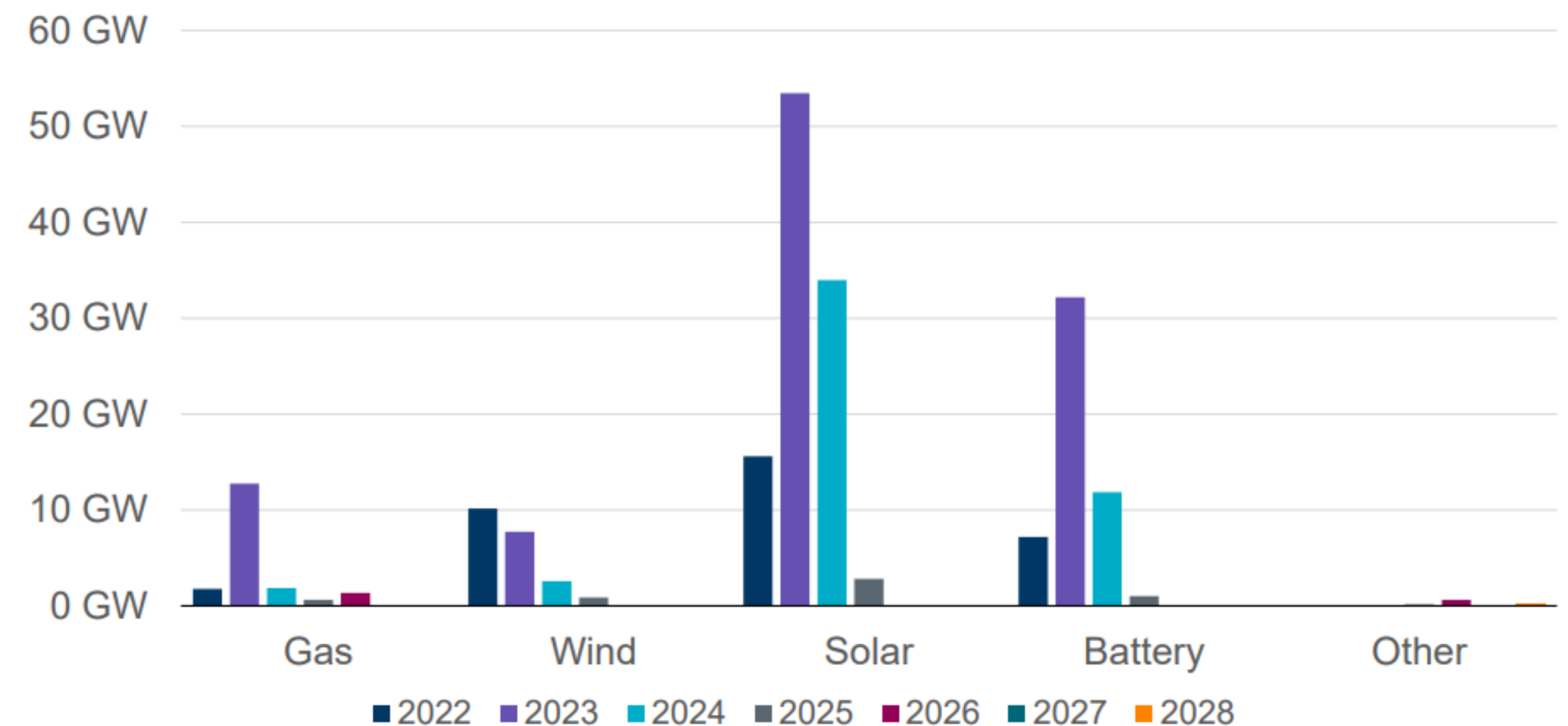


# But it's unclear if there's enough firm capacity in the queue

The wholesale interconnection queue shows primarily intermittent renewables, and potentially not enough firm capacity

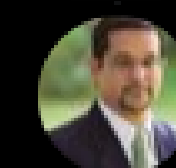
## Interconnection Queue Capacity by Fuel Type

Queue totals: Solar 106 GW (53.2%), Wind 21 GW (10.7%), Gas 18 GW (9.2%), Battery 52 GW (26.3%)  
(Excludes capacity associated with Projects designated as Inactive per Planning Guide Section 5.7.6)



# Despite healthy reserve margins on paper, the reality is quite different

ERCOT estimates reserve margins of 29% for Summer 2022, but we are already seeing conditions tighter than that in May 2022



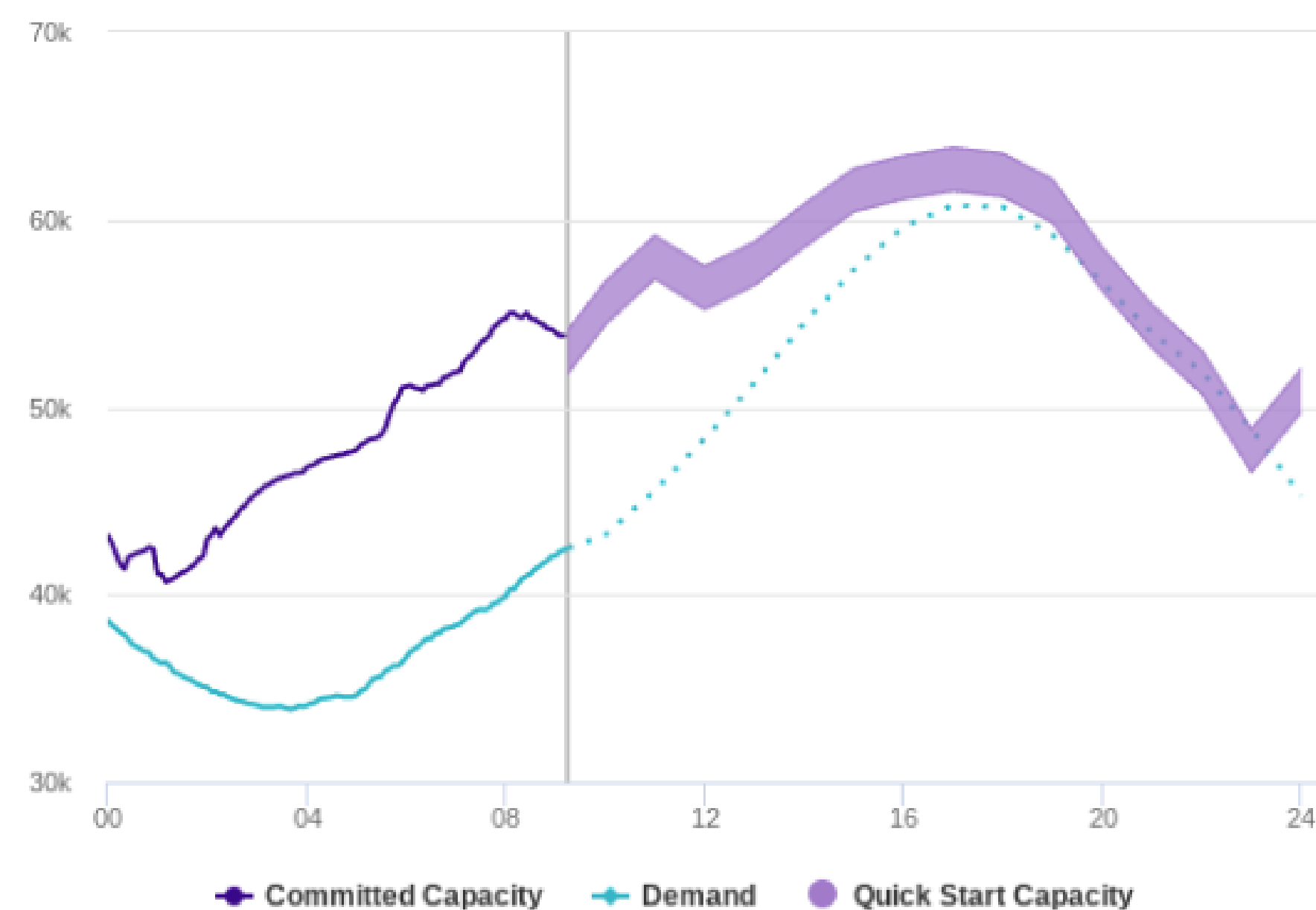
Doug Lewin  
@doglewinenergy

16.4GW (~25%) of thermal plants offline at 9am.  
Reliable and dispatchable... except when they're not.

Things looking tight for this afternoon. Here's your regular reminder: it doesn't have to be this way!  
[#Energyefficiency](#) & demand flexibility would fix this!  
[#txlege](#)

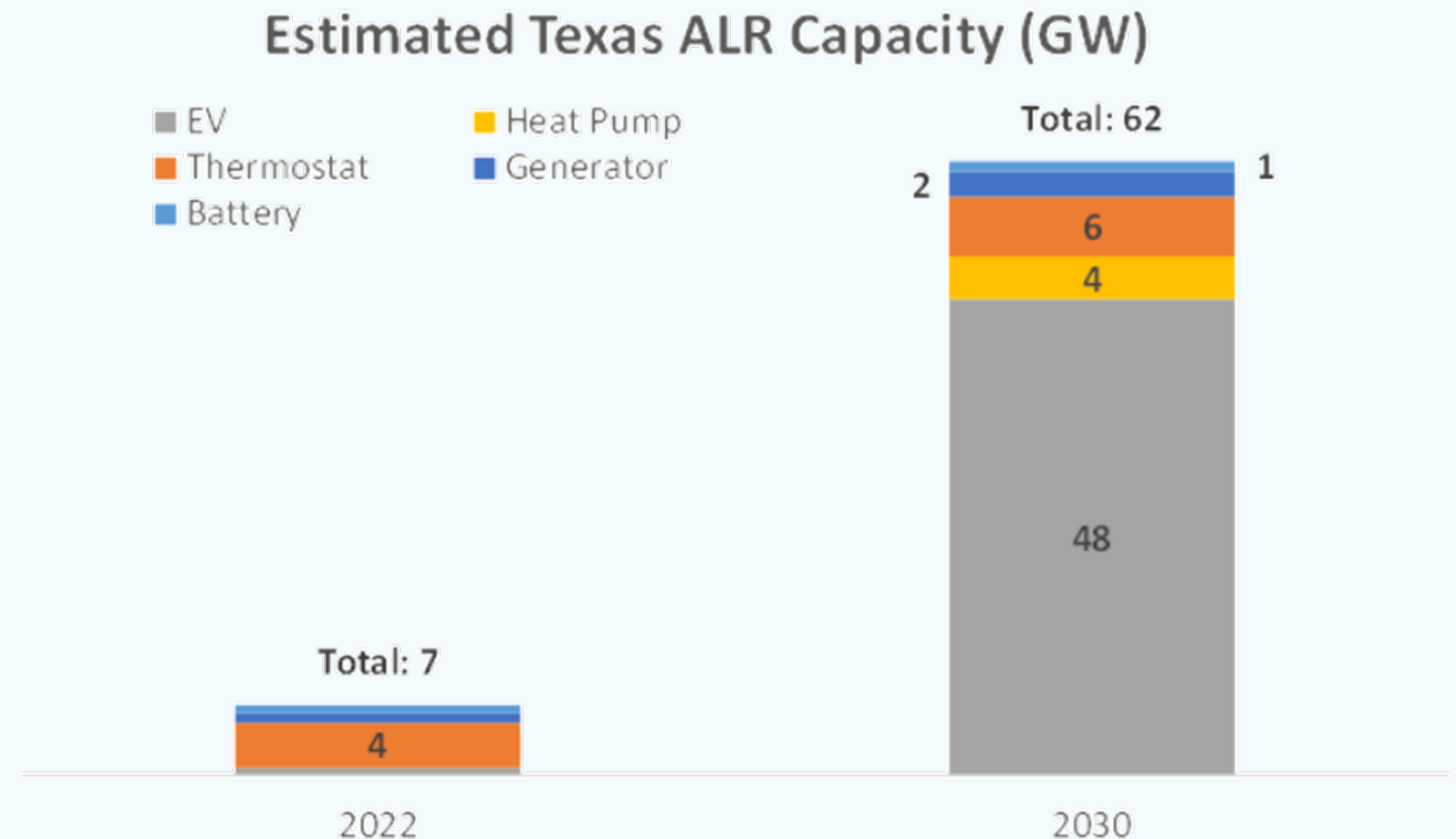
## Supply and Demand

Last Updated: May 26, 2022 09:10 CT



# On the load side, there are at least 7 GW of latent, cheap capacity today

This capacity could be utilized by the market if there were sufficient price signals to incentivize participation





# Existing programs do not fairly compensate for value

ERS compensation is much too low relative to the value of these resources, and arbitrage and responding to LBMPs is complex and uncertain

Days of Operation

Hours of Availability

Event Notification

Event Duration

Number of Events

Performance Requirements

Earnings Potential

## Utility CLM

Commercial Load Management

Summer Weekdays

1pm – 7pm

30 Minutes

1-4 Hours

1-3

100% Performance

~\$35k/MW-Year

## ERS

Emergency Response Service

24/365

Various

30 Minutes

<1 up to 12 Hours

1-3

95% Performance

~\$50k/MW-Year

## LR

Load Resource

24/365

Around-the-Clock

Instantaneous

Unlimited

Unlimited

SCADA + UFR

~\$100k/MW-Year

# We can unlock more cheap capacity if we provide strong prices + certainty

Developers we are actively working with need a stronger price signal. The ALR program will unlock GWs of latent capacity on the demand-side while filling today's gap in reserve capacity



## PearlX has a plan to bring solar and batteries to apartment buildings

Multifamily housing lags single-family homes in solar and storage. A novel project aims to reach this market.

14 January 2022



A Houston apartment building that's getting solar power and batteries via a new program from PearlX and SolarEdge (Harvest Moon Development)



Jeff St. John