

TO: <a.coulome@ampeer.info> Augustus "Gus" Coulome, Founder and CEO
FROM: <n.teslau@ampeer.info> Nicki Teslau, Business Analyst
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SUBJECT: Trends analysis

Gus,

Loved the demo of the device you showed the team last week. I've done some research and am ready to make a business case for the product. The short version: this could be something big, if we market it well, work with energy companies, and respond promptly to the push-back that I anticipate.

As you know, the basic idea of a personal energy monitor isn't new—Black & Decker's Power Monitor came out three years ago, although it doesn't seem to have sold very well (see <<http://allthingsd.com/20090708/gadgets-showhow-much-power-your-house-eats/>>), but Ampeer is very different in that it gives a breakdown of energy consumption on a per-device basis. It's like looking at the power consumption of all the different processes on an Android phone.

The message we want to tell our customers is that better data about power use will help them save energy. This is a good thing in two ways: saving the planet and saving money. While there's some cultural resistance to the notion of "Big Data," it's hard to argue with objective data like power consumption. Once people see how this device will break down their actual energy consumption, they'll be able to see what devices are wasteful and how their own behavior (e.g. turning off the heated drying feature of the dishwasher) can make a big difference. It's hard to do this when you just get a bill once a month summarizing your usage and showing how it compares to last month's usage, or what you used a year ago. With so much attention focused on global warming, electric cars, and alternative energy solutions, capitalizing on the green aspect of the Ampeer will be critical in marketing the device.

Pushing the social aspect of the device—the public sharing component of Ampeer—capitalizes on the enormous (and still growing) social network/social platform direction of technology. We're bound to get pushback from certain circles claiming it's an invasion of privacy, but as long as customers voluntarily choose to make this data public, we shouldn't have any legal problems. We may be able to incentivize sharing by selling the unit at a reduced price in return for a user making his energy consumption public. Putting a positive spin on sharing—perhaps calling it "collaborative saving" would be one way to emphasize the positive aspects of making this information public.

We could move a reasonable number of units selling them at \$250-\$300—comparable to what Nest has been doing with the thermostat—but it may appeal just to technophiles. We should not ignore the value of the unique data that Ampeer collects. Energy companies would love to have this information, since it tells them exactly how and when their customers are using electricity, which just isn't possible with a regular power meter. This kind of information will allow them to pursue new pricing models, such as charging

different rates for time of day, type of use, and even potentially on a geographic basis. We should explore partnerships with utilities whereby the utilities will subsidize the cost of the device to their customers, in return for the detailed energy use data that the device gathers. Utility companies could even give Ampeer users an ongoing energy discount—perhaps cutting the price of energy on the order of 2-3%.

Let me know what you think. If you have any questions, you know where to find me!

Nicki