

# OGA Conference 2019

April 3-4 Hilton Mississauga/Meadowvale



## Marc-Antoine Renaud

**Vice-President, Strategic Development  
Eoletric Capital**

Private Equity is Transforming the Ontario  
Geothermal Market





**Private Equity is transforming the  
Ontario Geothermal Market**  
Ontario Geothermal Association Conference 2019





Development



Wind energy



Biogaz

Investor

Decentralised generation

\$500M+ Assets Under Management

Fund Manager

Geothermal

Operator

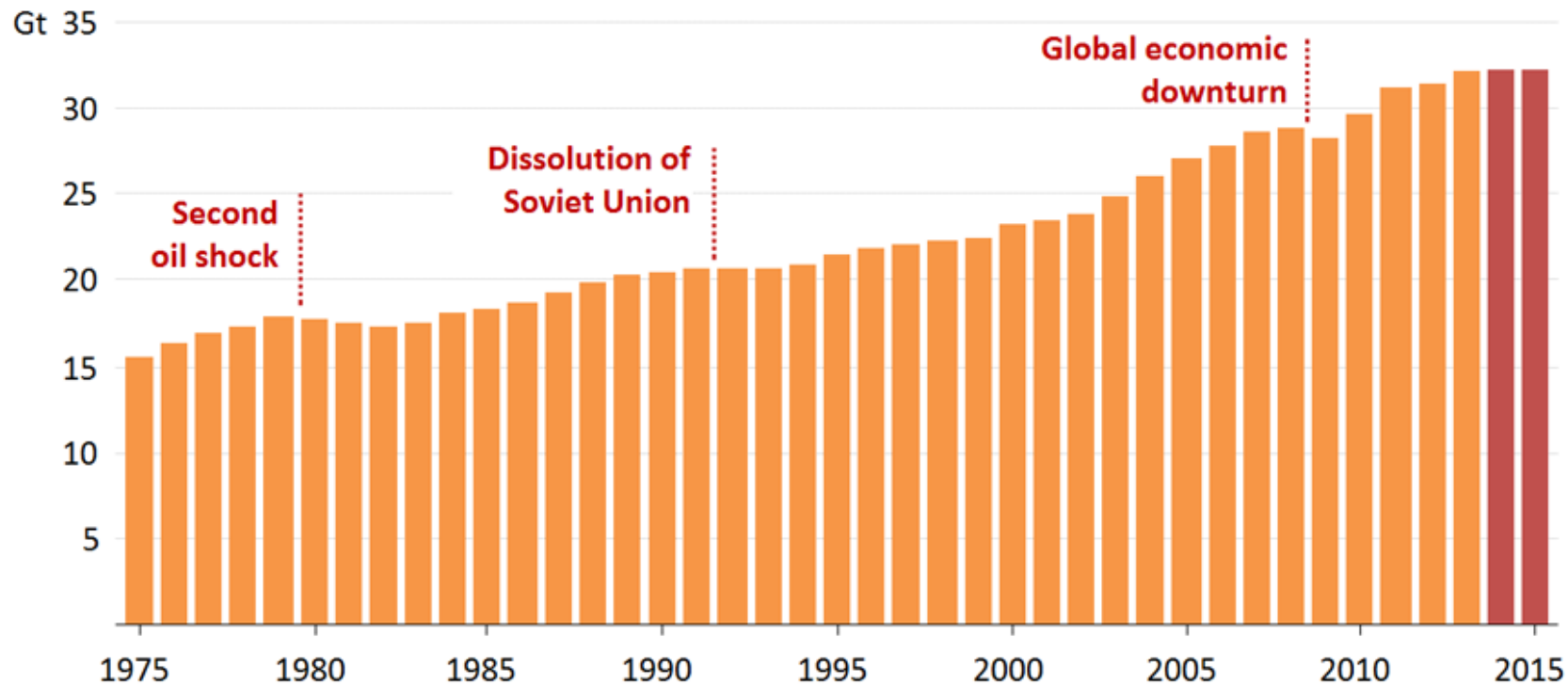
Canadian corporation

Funded in 1994

Combined Heat & Power - CHP

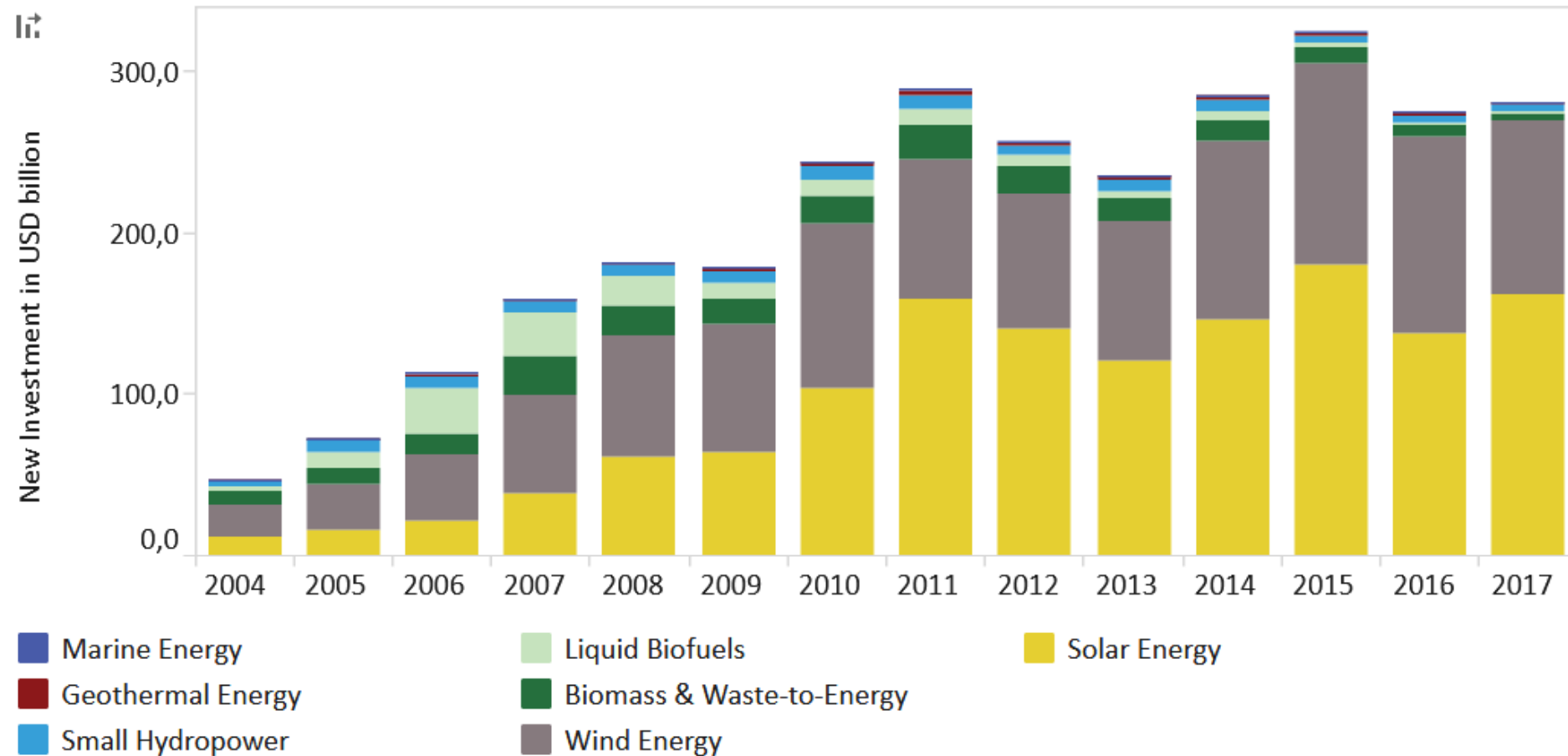


## Global energy-related CO<sub>2</sub> emissions



*IEA analysis for 2015 shows renewables surged, led by wind, and improvements in energy efficiency were key to keeping emissions flat for a second year in a row*

## Renewable power sector has reached a maturing point



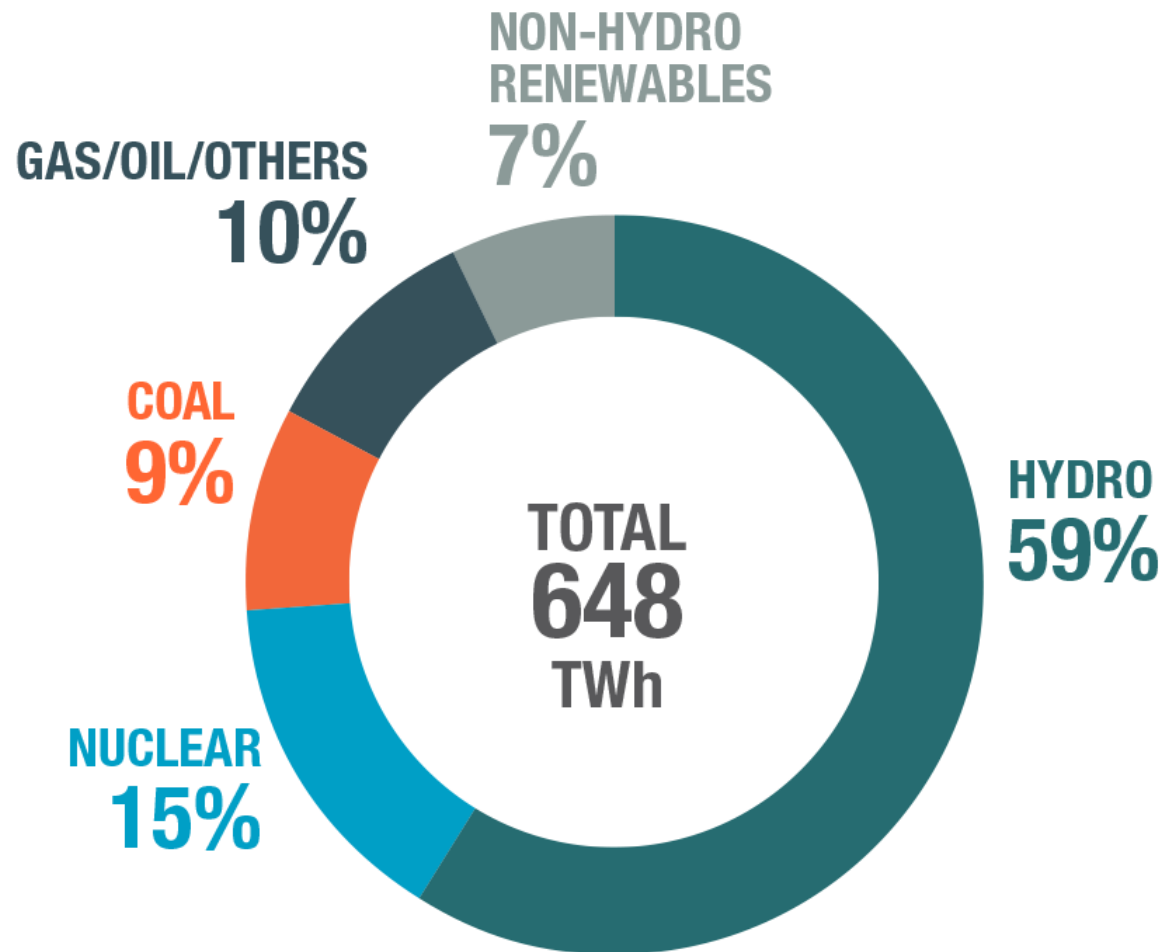
**Source** Frankfurt School-UNEP Centre/BNEF. 2018. Global Trends in Renewable Energy Investment 2018, <http://www.fs-unep-centre.org>. Note: Investment volume adjusts for re-invested equity. Total values include estimates for undisclosed deals.



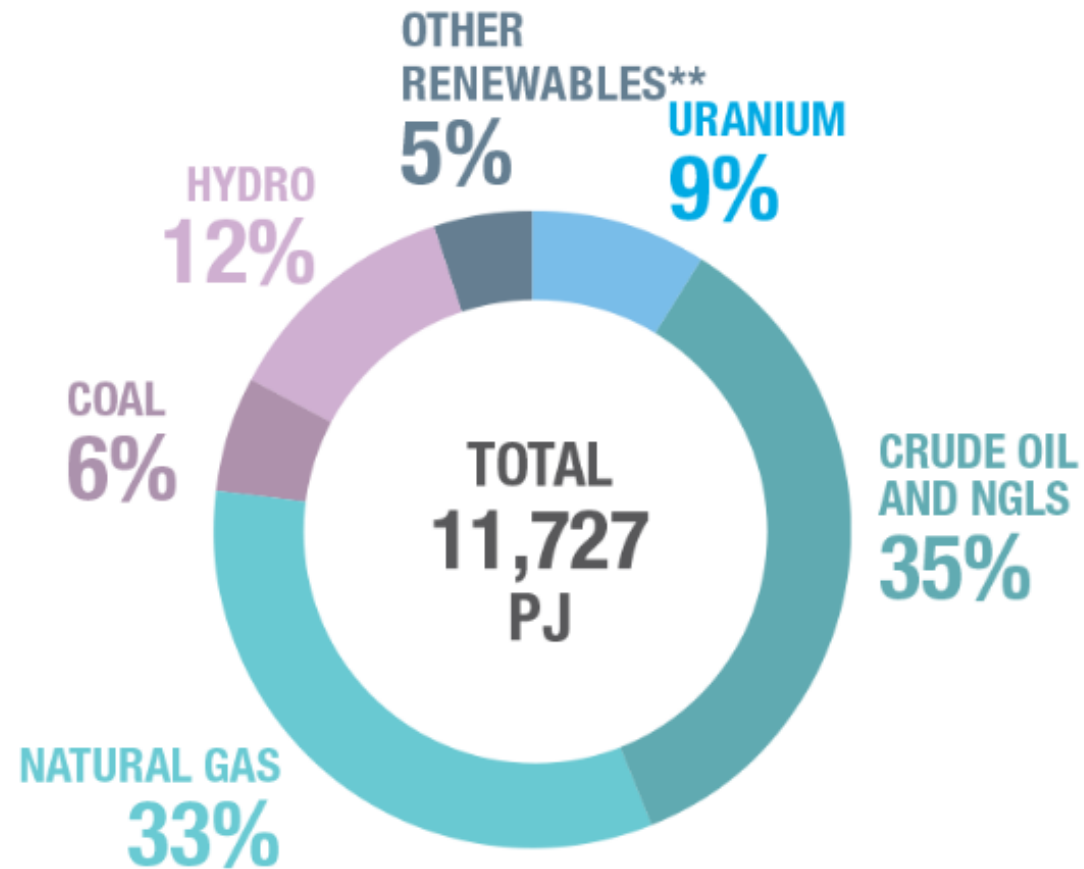
"Decarbonisation *efforts* are  
*disproportionately* focused on  
the *power sector* ... "

*Fatih Birol*: Executive director,  
*International Energy Agency (IEA)*

## GENERATION BY SOURCE, 2016

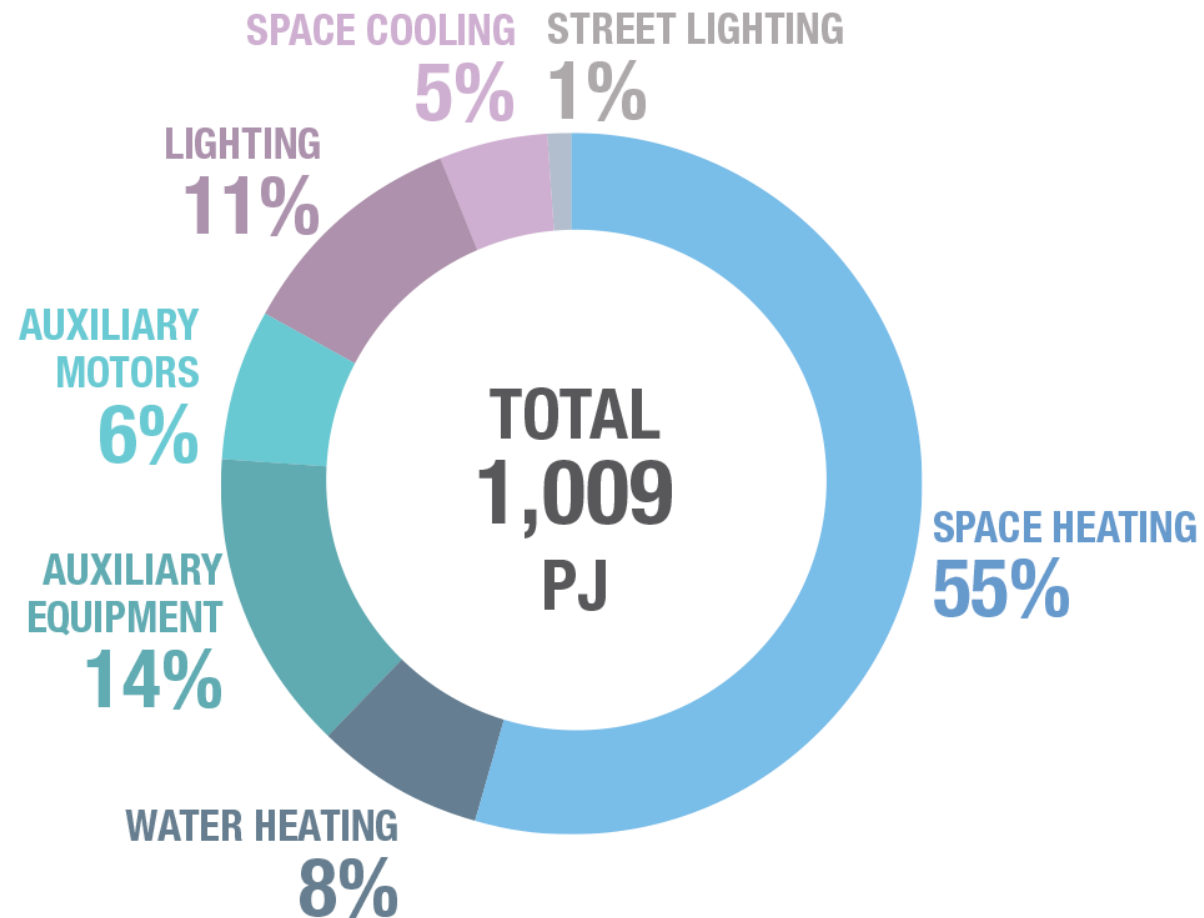


## CANADA TOTAL PRIMARY ENERGY SUPPLY\*, BY SOURCE, 2016





**COMMERCIAL AND INSTITUTIONAL  
ENERGY USE BY END USE, 2015**



A spectrum of risk/return and stage of business

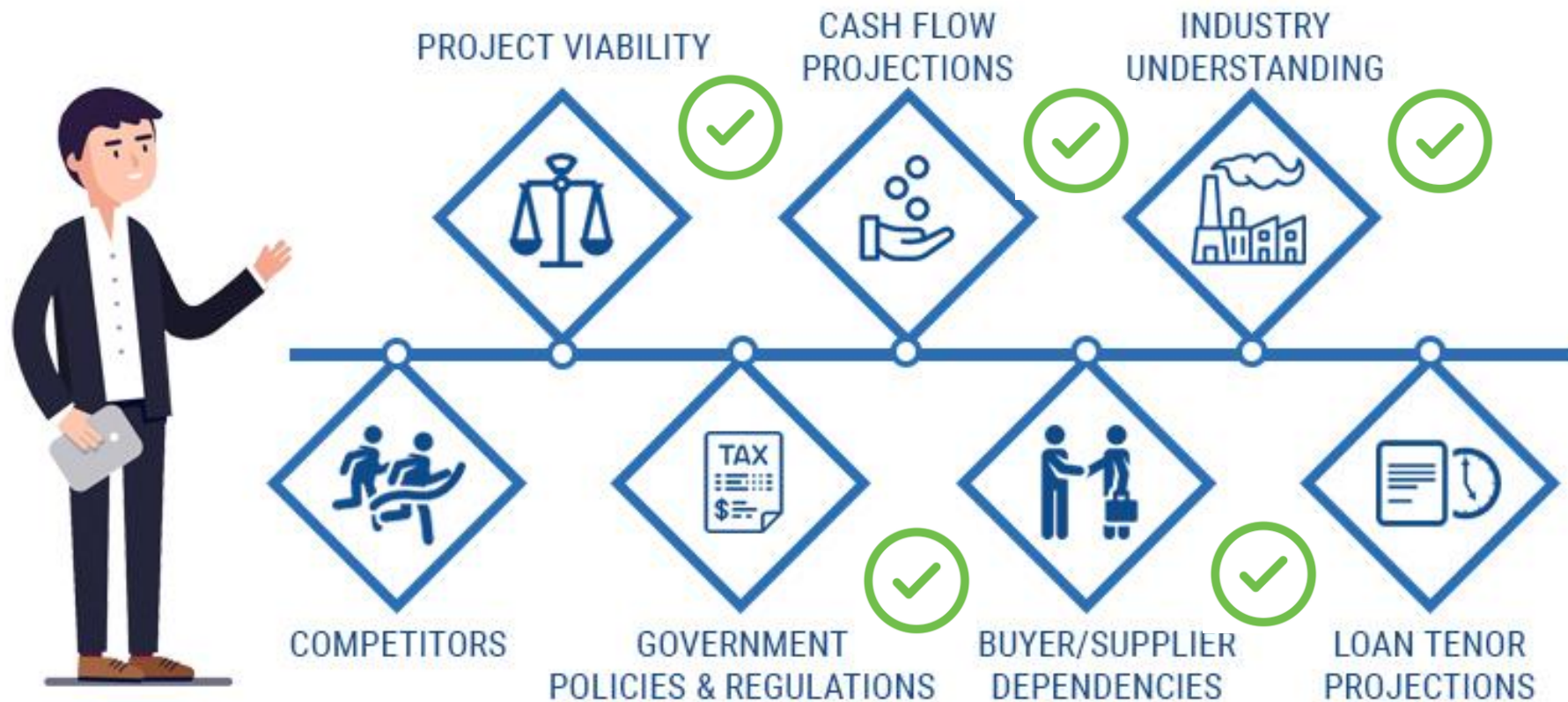
	Seed/Angel	Venture Capital	Private Equity
Stage of Business	Founding, startup, pre-revenue	Early stage, pre-profitability	Mid to later stage, profitable, cash flow
Size of Investment (\$)	\$10,000's to a few million	A few million to tens of millions	Wide range: a few million to billions
Type of Investment	Equity, SAFE	Equity, convertible debt	Equity with leverage
Investment Team	Entrepreneurs / past founders	Mix of entrepreneurs and bankers/finance	Mostly bankers/finance professionals
Level of Risk	Extreme risk, high chance of losing all money	High risk, moderate chance of losing all money	Moderate risk, low chance of losing all money

	MOODY'S		S&P		FITCH		
	Long term	Short term	Long term	Short term	Long term	Short term	
INVESTMENT GRADE	Aaa Aa1 Aa2 Aa3  A1 A2 A3  Baa1 Baa2 Baa3	Prime 1   Prime 2  Prime 3	AAA AA+ AA AA-  A+ A A-  BBB+ BBB BBB-	A-1+  A-1  A-2  A-3	AAA AA+ AA AA-  A+ A A-  BBB+ BBB BBB-	F1+  F1  F2  F3	HIGHEST
	Ba1 Ba2 Ba3  B1 B2 B3  Caa Ca C	Not prime	BB+ BB BB-  B+ B B-  CCC CC C D	B  C  D	BB+ BB BB-  B+ B B-  CCC CC C D	B  C  D	LOWEST





## — WHAT GOES INTO THE ANALYSIS? —





**Diverso**  
energy



**Eolectric**  
Capital