Looking for the 'Apple' Moment in Energy
An Interview with Richard Brys, CEO, Utilidex

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By Commodity Technology Advisory LLC

Commodity Technology Advisory: For those not familiar with Utilidex, can you give us a flavor for the company? How it got started and perhaps a history so far?

Richard Brys: Utilidex is a technology company, which started trading just over 3 years ago. Our team have been involved in the development of a range of technology solutions from large market leading ETRM systems, to SCADA systems, Customer Billing and Settlements Systems. So we've had wide experience building things before moving into the energy sector!

What excited us most when we started was that, in our view, energy hadn't had its "Apple" moment as we call it. That is, it hadn't had a revolutionary tech company come in and dramatically change the game. And with all of the exciting technology that was coming out from cloud, mobile, big data, machine learning – it seemed the right time to launch something fresh and exciting.

As with all new ventures, it was challenging. Pitching an "innovation story" and using the latest in tech a few years back was a bit of an uphill struggle in energy. Most of the customers we spoke to were not looking at tech as something that could revolutionize their industry; it was something that was a necessity and something the IT team looked after. And whilst cloud, big data and machine learning were around, they were at the time untested buzzwords, and something not ready for industry. Fortunately, we had a few customers that backed us and shared the vision. And I'm pleased to say today, we have going on 10 customers across Retail, Generation & Large End Users, and are growing with some great partners & customers – all sharing a vision for something better.

Commodity Technology Advisory: The footprint of the

software is different to the usual ETRM solution and plainly, it can serve a number of target markets. Can you give us a summary of those target markets and the overall functional footprint?

Richard Brys: In answer to the question, it's probably worth first explaining who our customers are. So we typically work with large energy users (who spend more than £5m on energy per annum) whether that be large Industrial/Commercials or Corporate Clients, Energy Generators and Energy Suppliers. To date we have focused in the UK market, however our product has been built with the flexibility to operate in other markets, and we hope to launch later this year in other European Countries, as well as Australia.

What unites our customers is that they all need to complete a range of jobs in energy from purchasing/hedging, billing or bill reconciliation and energy management. What is also true is they care about the fully delivered price of energy – so not just the wholesale price – but the wholesale, plus renewables, plus third party charges; items which today are making up a greater proportion of the energy mix.

They also typically have smaller teams managing energy, which doesn't translate to any less sophistication. In fact, in some cases, we've seen teams managing several hundred million in energy spend, operating with very few people, with lots of challenges to address, from 'did I buy at the best price,' 'what is my risk to market' to 'are my bills correct & how can I reduce energy spend?' All challenging questions in themselves – let alone all together.

The Utilidex | Hub is perfect for these types of customers. It includes metering management, billing and bill reconciliation, energy purchasing/hedging and cost management. So it covers a lot of ground. And we've focused hard on delivering enough sophistication to manage our customers' complex operations, but at the same time stripping away the unnecessary functionality they just wouldn't need or use. In our early days, we use to show a picture of a ghetto blaster and an iPod and point to the iPod and say that's what we need to do! We want to deliver something very sophisticated, but make it much more intuitive and easy to use.

Commodity Technology Advisory: Part of the Utilidex story is the technology innovation that is alluded to on your website – can you provide more details and examples of

this?

Richard Brys: Yes, technology innovation is absolutely part of our story. And it's been a key challenge as technology is perhaps the best and worst place to be right now. It's hard to keep up and call yourself an innovator when things are moving so fast. But implementing game changing tech is important to us and we're constantly looking at how we do more.

Last year those changes included the likes of distributed computing, in-memory computing (all tackling scale), cloud, web and mobile. This year we're looking at PaaS, DevOps and are about to start an exciting project, which includes wearable tech.

We spend a lot more on R&D than most companies our size, as we have a goal to create an innovation engine, which has the ability to keep delivering exciting changes. And we have to say our ideas don't always come from energy. We've had the privilege of working across the UK's tech accelerators for a number of years and have met everybody from block chain, payment platforms, Peer 2 Peer, cloud to mobile and big data. It's been a real eye opener when you speak to others in different industries – you get a very fresh perspective on things.

As an example, whilst we don't advertise it openly, we now do some work in the FX markets. Before we started the project we had spoken about "big data" in energy and smart meters coming into the industry and what a change that would mean. We later learned in FX there were sometimes 10,000 updates a second, a number which dwarfed the data from smart meters. It's a project which required us to store huge volumes of data and retrieve it at lightning speeds – and it's that technology that now underpins our metering management – and thanks to its road testing in FX, has likely dealt with more data than most big energy companies will ever need to.

So it's been, and continues to be, a really exciting journey on the tech front. We have our internal team that have built billing, trading systems several times before, we have a great and growing customer base that loves to be involved in the design process and wants to do something innovative and we have lots of partners and friends that offer fresh perspectives and insights – all of which create a very unique melting pot to keep innovating!

Commodity Technology Advisory: The UI of the application seems innovative – what drove the design of the UI and why?

Richard Brys: We wanted people to love to use our products, which is probably not a normal thing to say about software. But when you spend so much time in your working days using it, we wanted ours to be the one you love to use. And so we've listened very hard to our customers, their challenges and what they need – and then we've spent a lot of time on the design aspect of our product, trying to add our own magic to our customers' invaluable input.

We think about design in three ways: ease of use, beauty of use and what we call invisible technology. Ease of use deals with how intuitive the product is, how does it flow from one part to another? How does it help our customers do the "job" they are trying to do. So rather than thinking about a set of features – we try and think about a job and get a person from a-b as quickly as possible. We also try and think about how we remove steps or whole chunks of the process. We come back to more features doesn't always mean better – think about the Google Search bar – best tool ever – very few features!

Beauty of use deals with the aesthetics, so we have a team of in-house designers who focus on the product look & feel! Again probably something quite unique to Utilidex. There are not so many people in the industry who place importance on making a product look beautiful – but we do. It's part of the puzzle – which makes you love it.

Lastly, and perhaps the most tricky of them all - invisible technology. This is all about making the product work and the technology seem invisible. And again, the Google search bar is perhaps the best example – so complicated and sophisticated – yet you wouldn't know it. It just works, without you even thinking about it. As Einstein says "you have to make it simpler, not simple" which is always a challenge in tech!

Commodity Technology Advisory: What sorts of issues do you see emerging in the coming years for energy players in Europe that you are targeting in terms of continued product development?

Richard Brys: Many of the Utilidex team have operated in numerous European countries, so we know through first-

hand experience that there are unique attributes throughout Europe which makes energy markets slightly different and nuanced. That said, energy generation, trading and consumption are fairly similar the world over, its price multiplied by volume!

Renewable energy and clean-tech are here to stay and through better technology we can hopefully help to de-risk some of these capex investments using better software, but also give customers choices about when they consume energy and when they don't.

Regulatory reform is continual, we are not much more than 15 years in to competitive energy markets and we feel there has been a lot to learn and there is a long way to go to making the market fair, efficient and getting customers truly engaged. We'll remain focused on this and try to provide attractive solutions, which accommodate and embrace change.

We have smart metering, nothing new for some European countries, but there are amazing insights that can be gleaned from the analysis or even the management of real-time meter data. We believe there is always a danger with more data, there is a risk of more activity and we need to reverse that trend. We wish to create an environment where more data can simplify and reduce activity!

Commodity prices are low at the moment but those of us who have been around for a while know this can change. Markets can move quickly and its important when trends reverse, our software can protect our clients and their energy budgets.

Electricity markets in particular appear to be more volatile and this provides opportunities for customers who can adjust their load profile, whether that be reducing consumption, going off grid or using batteries when prices and costs are high. This will create a whole new market environment and create a more innovative and imaginative energy supply chain, which should be good for all!

Commodity Technology Advisory: Do you see interest in the product emerging in other regions like Asia or North America? Why?

Richard Brys: We've purposefully built the product to cope with multi-country and multi-currency. We see a number of companies now looking at a global solution to managing their energy, and we want to be a big part of helping them

make that happen.

We believe this year we'll be heading into EU and Australia and that's primarily due to the fact our team have experience in these markets, so it makes sense to look at them first. But we're always open to new opportunities, and have had initial discussions with individuals who have an interest in Asia.

For us, we know energy is important in all these markets, and it's now about getting the right partners and people on board, that share our vision to do something different and are excited to be part of the journey.

So in short, no firm plans just yet – but never say never and we're very open to meeting new partners and people that can help make a difference to the energy market.

Richard Brys, CEO, Utilidex

Richard has spent over 15 years in the energy & technology markets, including working for companies like Energy One, EOn, Logica and EnMO (now APX Group) across energy trading, energy retailing & energy market operations.

Prior to founding utilidex, Richard was CEO of Energy One, an Australian Stock Exchange (ASX) Listed company. Whilst at Energy One, Richard built and led the team that turned the company into Australia's leading trading & risk management provider, supplying the region's leading power companies with trading & risk systems.

Richard is an avid supporter of innovation & disruptive technologies, mentoring in technology & business at both the University of Central London (UCL) & Level 39 (Europe's largest technology accelerator for Finance tech).

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