

Peer-based OPEX benchmarking as a tool for identifying areas of improvement and understand the industry baseline

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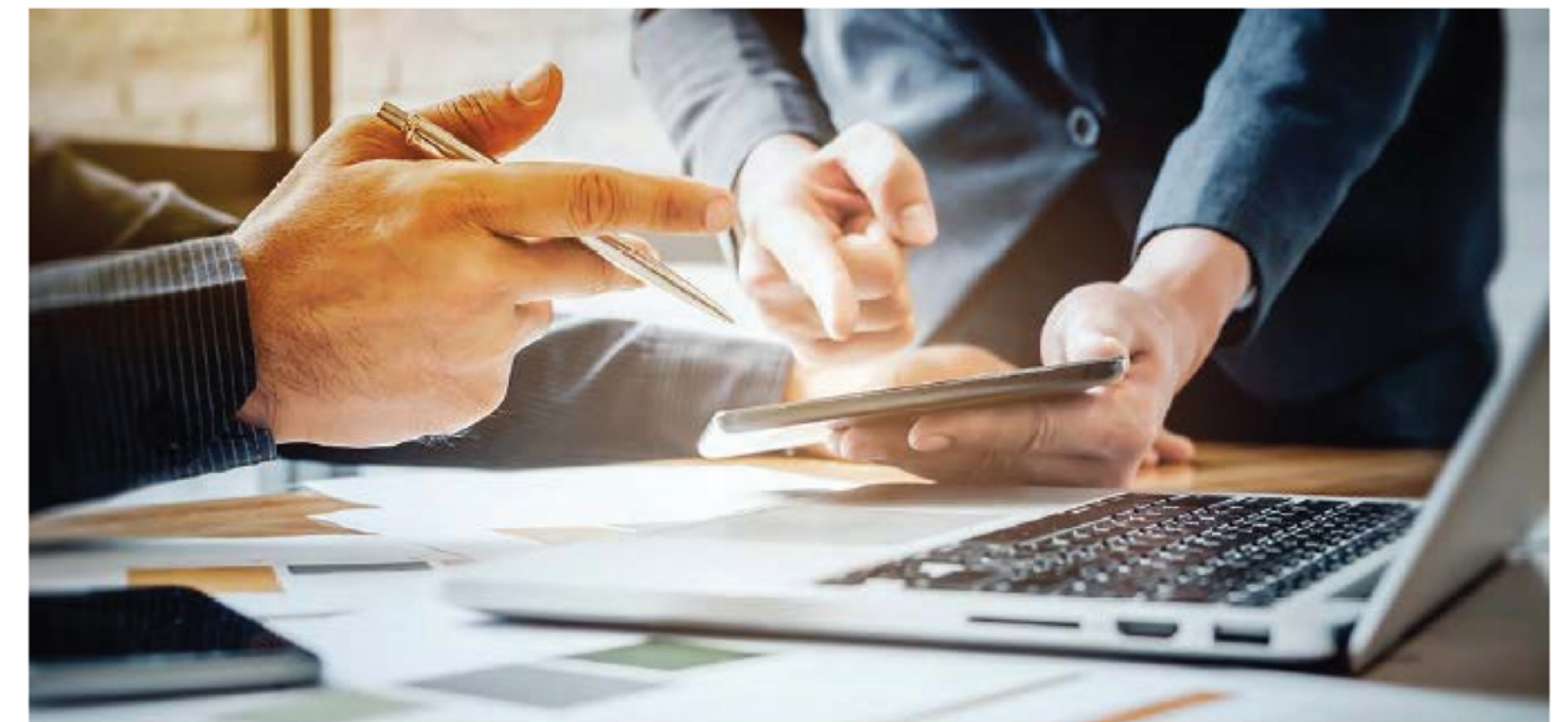
Abstract

There is no unified, standardised methodology for monitoring real operating costs of wind farms, which would allow for creation of meaningful benchmarks across various countries. Each operator has access to its cost data and limited knowledge how his costs compare to market average and best performers.

This inefficiency of the market can be remedied by running an industry wide OPEX benchmark initiative aiming to collect peer information of costs incurred by wind farm operators in different countries. Increasing market transparency shall bring more cost competition and higher return on investments to wind investors, also allowing to better understand industry baseline and trends.

Our idea to solve the issue by creation of an anonymised database of operating costs incurred by wind farm operators. Collected data would be then fed into an online analytical application which would allow to compare onw data with peers by creation of benchmarks. Dynamic filtering would allow to assure comparability of datasets among different wind farms.

In order to prepare the methodology and validate the market need and expected results a pilot project of OPEX Benchmark initiative is run in Poland with participation of Polish Wind Energy Association. In case Polish edition is a success we plan to extend the coverage of the initiative to wider scale.



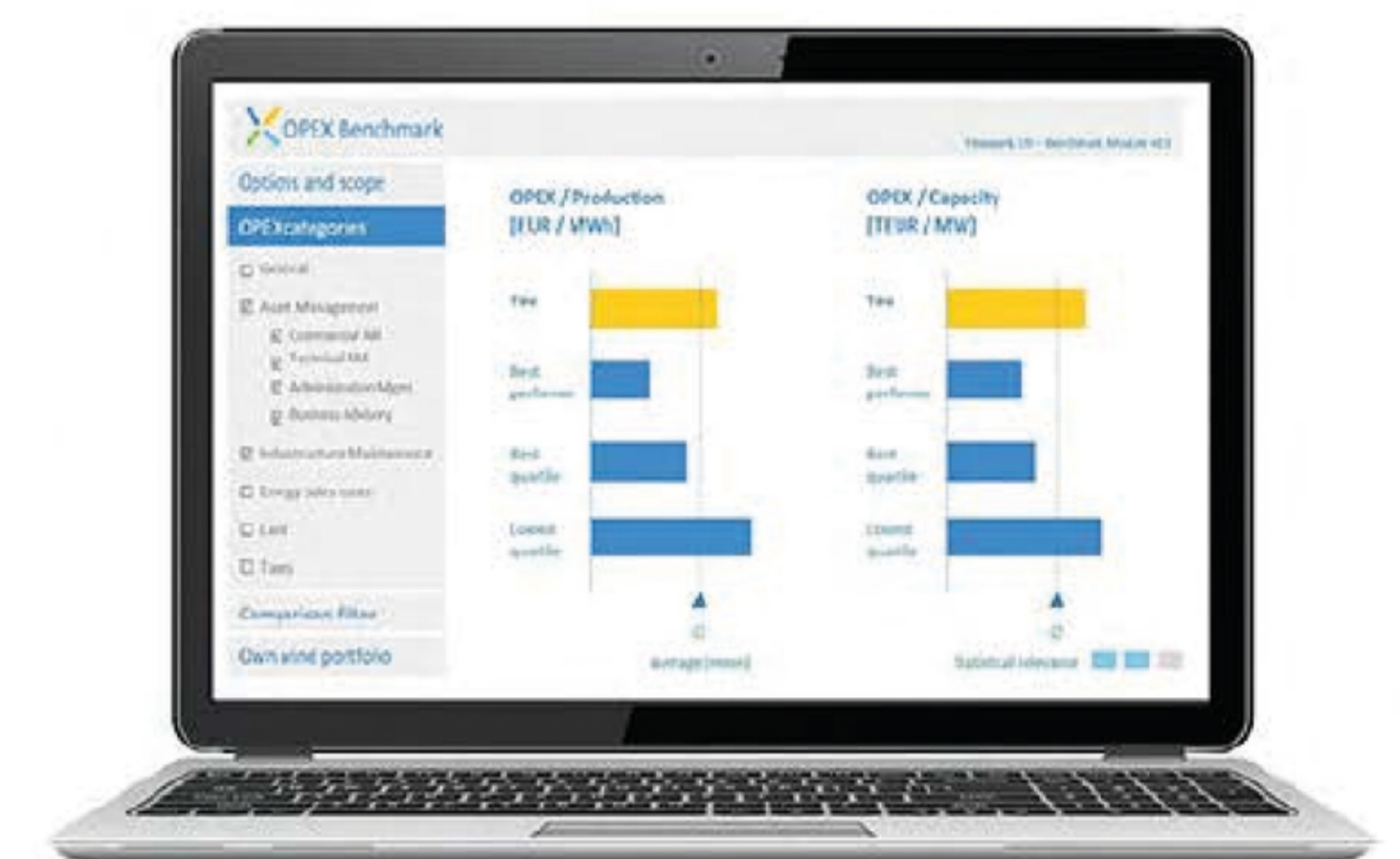
OPEX Benchmark Initiative Pexapark 2018

Main features of OPEX Benchmark application

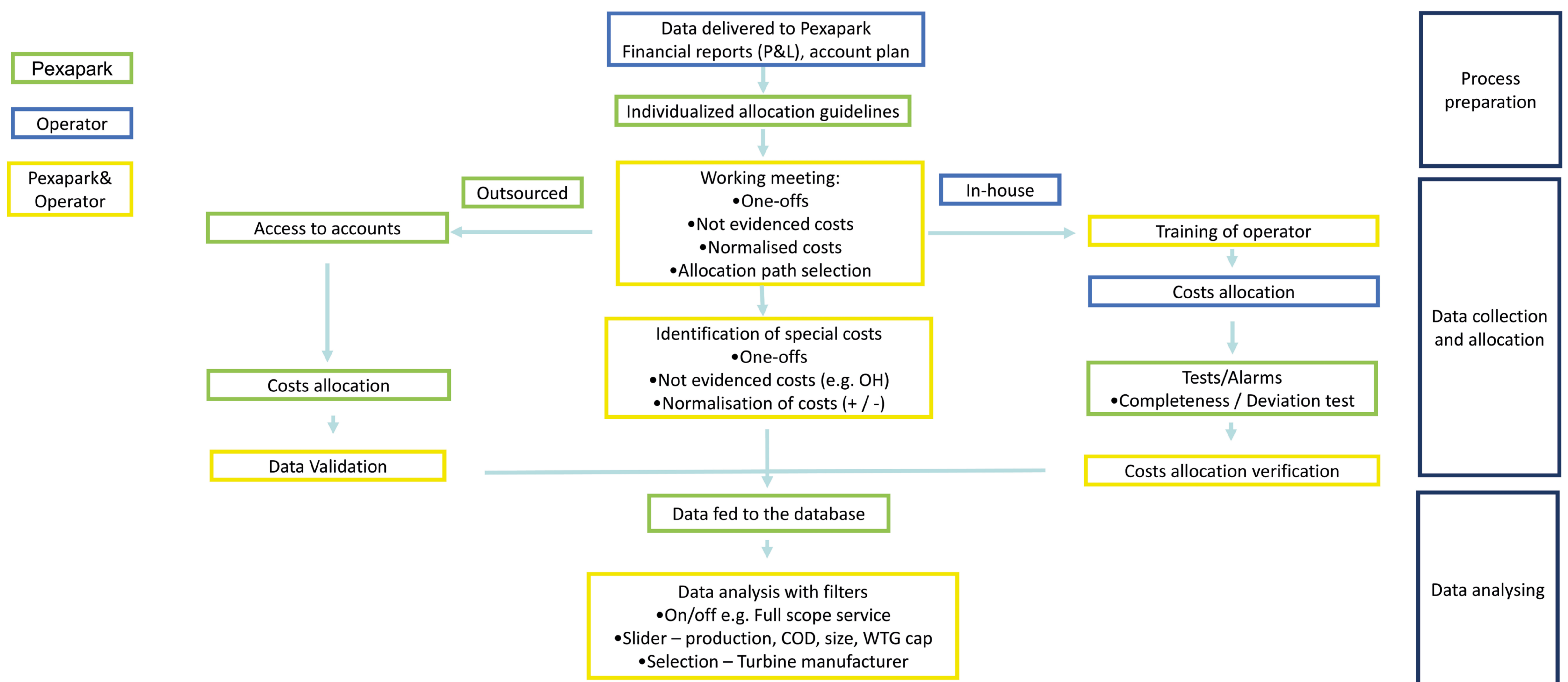
- ✓ Benchmark-as-a-Service, continuous online results displayed
- ✓ Dynamic filtering makes comparisons more relevant
- ✓ Identify areas for improvement and understand the industry baseline
- ✓ Independent and peer-based initiative
- ✓ Exchange with peers at best practice roundtables
- ✓ Starting with 2016 and 2017
- ✓ Anonymized results

Benchmark-as-a-Service

- ✓ Chose relevant year and currency for comparison
- ✓ Select OPEX category (7 main and 20 sub-categories) to be reviewed
- ✓ Apply filters to select relevant comparison group
- ✓ Review OPEX ratios with selected comparison group to compare with **Best Performer, Best Quartile, Lowest Quartile, Average**



Process algorithm



3 benefits of participating in Opex Benchmark initiative

1 Quantify performance

- Compare OPEX across important categories (incl. sub-categories)
- Adjust for asset size, location, technology and commissioning date
- Compare cost ratios on realized production and on installed capacity

2 Identify opportunities

- Identify the market baseline and possible gap to peers as starting point improve bottom line performance
- Seize improvement opportunity based on trends and rankings to prioritize actions

3 Take action

- Connect with peers through roundtables to share insights and knowledge, and team up to prepare for negotiations
- Receive offers from trusted service providers on the platform's marketplace

Pexapark is an independent collaborative intelligence platform for wind energy. It enables commercial managers, investors and owners of wind farms to gain actionable insights and drive profitability based on peer-learning and community insights.

The platform facilitates collaboration with peers to benefit from scale and peer-based intelligence.

