

**we  
power**

**WePower**  
**Token Model**

# WePower token model

## Energy tokenization

The WePower platform allows renewable energy producers to tokenize and sell the energy they produce. A renewable energy producer connected to the platform issues its own energy tokens within the WePower platform, where 1 energy token represents 1 kWh of green energy to be produced in a certain time in the future (usually within 4-6 months from the connection moment).

Each renewable energy plant connected to the WePower platform will organize an auction for the sale of tokenized energy. WePower token holders will have priority access to such auctions and their allocation will depend on the number of WePower tokens they have.

Each new plant will create an auction on the WePower platform for the sale of energy tokens to energy buyers with the minimum price set for each energy token, which will represent energy to be produced and delivered.

### Through tokenization of renewable energy:

1. Renewable energy producers are able to pre-sell their production in a global market and acquire necessary capital, increasing a project's profitability.
2. Investors gain better investment terms (lower costs and higher liquidity) as well as access to green energy projects across the globe in a standardised way. These developments make green energy an appealing asset class.

For example, a renewable energy producer is building 100 MW solar energy capacity plants in Spain. The cost of such a project is estimated at 100 million EUR. The producer lacks 20 million USD to bring the project to life. Using WePower the producer tokenizes the projected production of energy of 20 million USD and sells it up front. To incentivize buyers, the producer is always selling its energy below market price which they can use for themselves or sell on the marketplace.

## Tokenized energy auction

Each new renewable energy plant offers more economical energy to the users of the WePower platform through the auction mechanism, which sets the lowest price for energy per 1 kWh (or one energy token). The auction opens to WPR token holders first. WPR token holders will have 48 hours advanced access. After this period has elapsed, the remaining energy is offered to all WePower platform participants.

The lowest price offering is set by the auctioning party. Current and historical energy prices are visible on the platform. This gives market price reference for energy and acts as a reference ceiling for the maximum energy price.

## Blockchain function

Relational databases are adequate in many applications and situations. However, sustainability and scalability are limited with these databases. From the perspective of sector transformation in trading and digital infrastructure creation, transforming energy production to 100% renewable, the answer was to utilize a public blockchain.

### Blockchain allows:

- Innovative community interaction across applications
- Provide 3rd party liquidity through exchanges and decentralised exchange protocols
- Enhanced efficiency due to smart contract elimination of intermediaries
- Enhanced security due to immutability of data
- Cheaper maintenance vs centralised database
- History of transactions and prediction of transactions
- Fault tolerance for DApps due to decentralised nature of blockchain

We are first building a platform to help finance renewable energy, and welcome everyone to join the platform in a trust-less way where people might not otherwise meet each other basing trust on pure math. With a vision to become independent from centralised authority we aim to develop the perfect platform for optimum value creation for all participants based on market conditions.

Energy is becoming decentralized in nature and the changing reality of it requires a decentralized delivery system. For the short term, a relational database may suffice, but we are building a decentralized application for now and into the future where the energy grid will function and optimize itself, even under extreme conditions. Scalability beyond country borders is more important than short-term pragmatism, as scalability brings more value to the system. 100% renewable energy on the grid, with variable production, on a robust system is more important than a short-term solution. Our platform is scalable through blockchain technology beyond country borders or even continents to be a virtual utility of a new era in clean, decentralized world energy.

## Energy tokens use

Every energy token represents 1 kWh of green energy to be produced by a certain time in the future.

### The owner of these energy tokens has the following options:

1. First - use the energy when it is produced, if the energy was purchased for a development project in the buyer's home market. Note that WePower will physically deliver energy based on the number of energy tokens held, once WePower enters a token owner's home market and begins operation under an independent energy supplier's legal framework.
2. Second - sell the energy before its production within the WePower platform to any other user.
3. Third - automatically sell the energy to the wholesale energy market once the energy is

produced and receive the energy price in fiat or crypto currency. This leaves an ambiguity of the final settlement price as it is done at the market price in that specific moment. However, it provides a safety net for the fund invested in energy. All energy with this option is sold simultaneously on the wholesale market.

If the token holder decides to choose the third option, he can i) cash out the proceeds immediately or at a future date; or ii) reinvest the received amount in green energy and keep storing value via energy tokens. The value of this token will grow with the price of energy as well as the crypto market. However, it will never drop below its book value - the market cost of energy.

WePower is working on an integration with Bancor Protocol, which will provide ultimate liquidity for token holders.

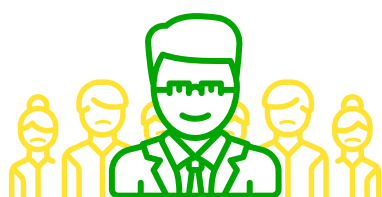
## WePower token sale model

WePower has structured the WePower token sale to comply with applicable regulatory requirements. The token sale will be structured as a reward based crowdfunding campaign, where contributors in return for their donations will receive WePower tokens (**WPR**). If you would like to read our legal analysis, please see our [legal overview](#).

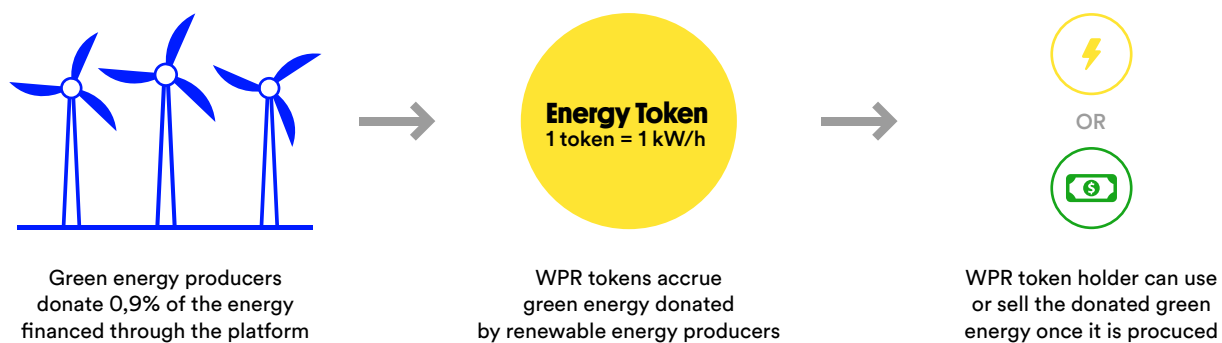
### WPR - Real asset based token

**Participants in the WePower token sale in return for their contributions receive WPR tokens. The WPR token will grant rights to:**

1. Priority access to participate in tokenized energy sales. The WPR token acts as a priority access token for the auction to buy tokenized energy. WPR token holders will be first bidding to acquire energy from each new plant joining the platform. After priority bidding, the remaining energy tokens are sold to any WePower user. Priority allocation for energy token auction is proportional to the amount of WPR the holder has.



2. Receive part of a renewable energy producer's tokenized energy. Under the WePower platform's terms & conditions, each renewable energy producer will be required to donate 0.9% of all tokenized energy to the WPR token holders. Each WPR token holder receives tokenized energy proportionally.



Once the renewable energy producer connects to WePower platform, WPR token holders receive tokenized energy (i.e. energy tokens). WPR token holder's rights are indefinite. This guarantees WPR token holders receive green energy from each producer tokenizing energy and using the WePower platform.

**A WPR token holder can choose what to do with the received tokenized energy (i.e. received energy tokens) as indicated above:**

1. Use.
2. Sell before its production.
3. Sell to the wholesale market when it is produced and reinvest.

### Underlying WPR value

The table below shows intended WePower expansion. Calculations are based on our contracted clients in Spain and Italy, which will connect 1000 MW capacity solar energy farms. These initial clients will tokenize at least 20% of their production.

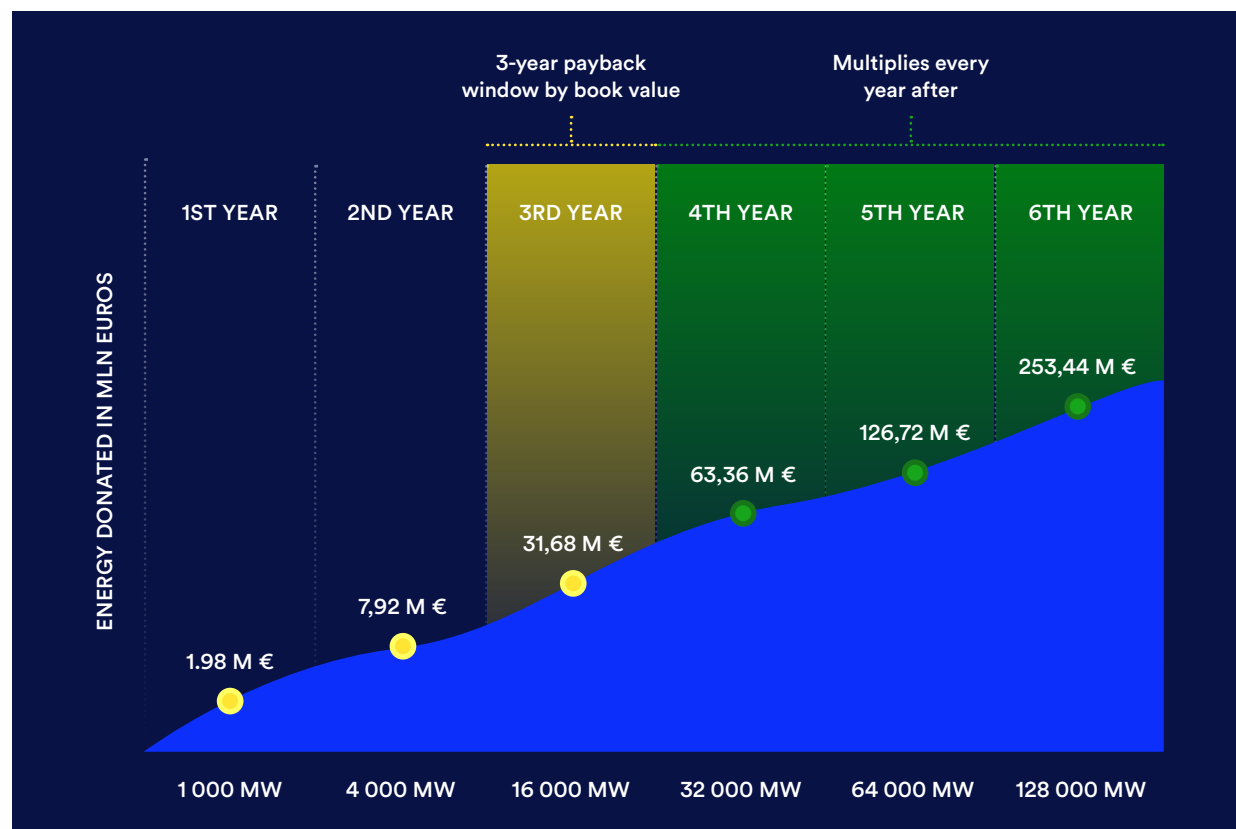
### WePower growth projections:

\*kWh price 0,04 EUR

Year	1st year	2nd year	3rd year	4th year	5th year	6th year
1. MW financed through WePower	1 000	4 000	16 000	32 000	64 000	128 000
2. Facilitated financing through WePower kWh	5 500 000 000	22 000 000 000	88 000 000 000	176 000 000 000	352 000 000 000	704 000 000 000
3. Facilitated financing through WePower EUR	220 000 000	880 000 000	3 520 000 000	7 040 000 000	14 080 000 000	28 160 000 000
4. Donation Of Energy 0,9% in kWh	49 500 000	198 000 000	792 000 000	1 584 000 000	3 168 000 000	6 336 000 000
5. Donation Of Energy 0,9% in EUR equivalent*	1 980 000	7 920 000	31 680 000	63 360 000	126 720 000	253 440 000
6. WPR supply (limited amount as an example)	270 838 258					
7. Donated energy per WPR, in kWh	0,3655	1,4621	5,8485	5,8485	11,6970	23,3940
8. Donated energy per WPR in EUR equivalent	0,0146	0,0585	0,2339	0,2339	0,4679	0,9358
9. Energy Received per 10 ETH contribution, in kWh	3655,32	14621,27	58485,09	58485,09	116970,18	233940,36
10. Energy Received per 10 ETH contribution, in EUR	171,80	584,85	2339,40	2339,40	4678,81	9357,61

With each connected energy provider, a portion of the energy will be donated to WPR token holders at the time of tokenisation as is described in Donation Of Energy 0.9% in kWh. This energy may be retrieved proportionally to the amount of WPR tokens held and either consumed or sold in the marketplace. Tokens not distributed during the token sale will be locked up and unable to retrieve energy. The lockup will last 3-4 years.

Based on the WePower intended business growth and expansion, the intended amount of donated energy should have a payback window by book value of 3 years. Every year starting from the 5th year the reward should multiple<sup>1</sup>.



## WPR - The next generation token

WePower is the next stage in token economy evolution. The great majority of tokens currently released in the market, tokenize equity or company future cash flows, both of which do not have an existing intrinsic value. WePower tokenizes energy, which has a well established market and measurable value.



<sup>1</sup> Note that this paragraph is a forward looking and does not necessarily ensure that contributors will get green energy in the form of energy tokens. The WePower expansion depends on various circumstances, which do not depend on the WePower team.

\*Please note that the value growth depend on the number of green projects willing to use the WePower platform. The whitepaper provides only projections.

## Token sale

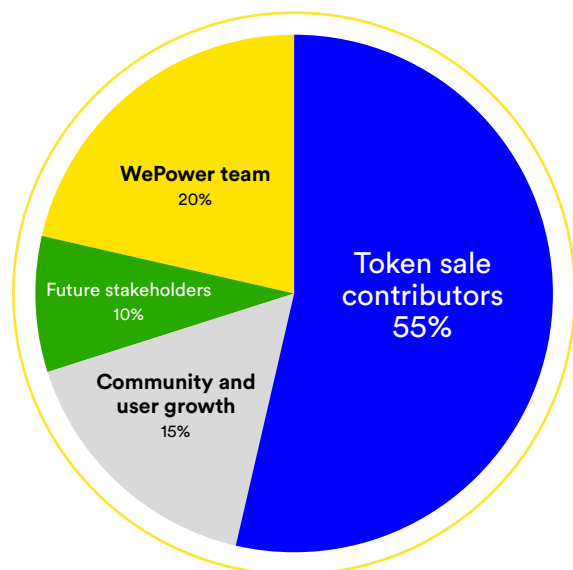
### Main terms of WePower token sale:

Total WPR token supply (100%)	Total token supply will be determined and announced closer to the token sale date to account for the ETH price fluctuations. Token supply will be based on the fund-raising targets outlined below.
Total WPR token supply for sale (55%)	Tokens sold during pre-sale and public sale events will comprise 55% of the total token supply. Total token supply for the sale will amount to 35 million USD (our hard cap).
Team, community and user growth (45%)	The number of tokens depend on the number of sold tokens
Unsold tokens	Burned
Soft cap	5 million USD
Exchange rate for token sale until the soft cap	1 ETH - 4600 WPR
Exchange rate for token sale above the soft cap	1 ETH - 4000 WPR
Minimum investment amount	200 USD in ETH
Main token sale date	1 February 2018
Public token pre-sale	Completed on 22 October 2017 after raising 3 million USD.
Period of the token sale	14 days (block number TBD)
Token contract address	Will be available and published only at <a href="https://wepower.network">https://wepower.network</a>

Token creation will end when either the maximum number of WPR is issued or the contribution period has ended. If less than the minimum soft cap of tokens are issued, token sale contributions may be retrieved. Unsold tokens will be burned. Tokens allocated to the team (20%) will be locked for 3 years with a vesting schedule and tokens for the future (10%) use will be locked for 4 years. Community and user growth tokens (15%) will not be locked.

## Token Distribution

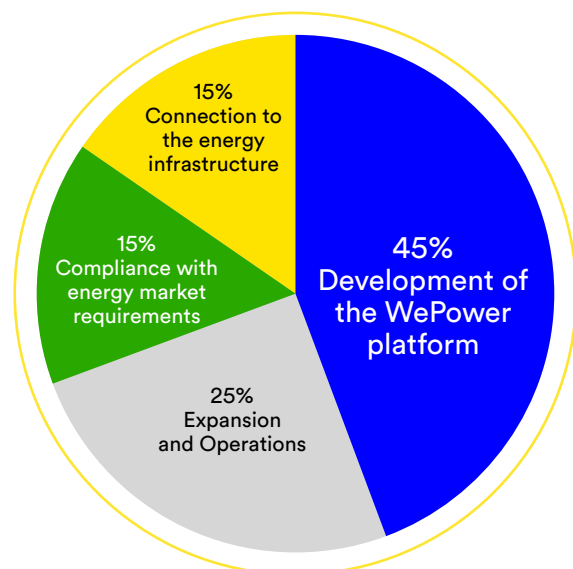
The WPR token supply will be distributed as follows:



WePower will sell 55% of all token supply during the pre-sale and main sale. The sold WPR tokens will comprise 55%. Unsold tokens will be burned. Tokens allocated to the team will be locked for 3 years with a vesting schedule and tokens for the future use will be locked for 4 years.

## Token Sale Objectives

Funds raised during the contribution period will be used solely for the development and benefit of WePower. A budget has been outlined below, representing a scenario where our soft cap has been reached:



WePower will use 45% of the received funds for the WePower platform's development. 15% of funds will be used to integrate the WePower platform to the existing energy infrastructures across target markets. Other 15% of funds will be allocated to ensure WePower compliance with the energy sector requirements. Expansion and operations – 25% of received funds. If WePower reaches its hard cap, the team should implement all 3 stages of the project as described in this Whitepaper.





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