PERSEO CHALLENGE REGULATIONS

1. Background to the Challenge

Iberdrola has more than 400,000 Substations (ST) and Transformer Centers (TC) in the United States, Brazil, United Kingdom and Spain. Of these, 4,400 are ST, substations that transform high or very high voltage to lower levels of high or medium voltage <u>Electrical substations: how they work - Iberdrola</u>. These are high-power facilities that form the backbone of a grid that provides a high quality and reliable service to a total of 31 million electricity supply points.

The ST have buildings or control rooms containing electronic devices or other equipment, such as batteries, which are part of the control, protection and telecommunication systems. This equipment is sensitive to environmental conditions and some of them, in case of failure, could produce gas emissions, excessive heat, etc.

The ST have elements that guarantee the correct ergonomics/safety of the ST: lighting, heaters/air conditioners, security cameras, presence sensors, extractors... However, these elements are not always optimally controlled, based on online sensorization, nor are they usually automated.

In these circumstances, the automation of systems affecting the condition of sensitive equipment contributes to maximizing the lifetime of the equipment, while detection systems serve to prevent incidents, making an important contribution to the safety of people, the environment and the facilities.

The situations that the challenge is intended to address include the following aspects:

- Temperatures outside of the appropriate range for the maintenance of equipment, particularly electronics and batteries.
- Condensation due to insufficient humidity control.
- Excessive air conditioning consumption.
- Aging and failure of air-conditioning equipment due to excessive periods of operation.
- Lights on without presence
- Inadequate fume extraction
- Intrusion by humans and animals, including rodents

In addition to local automation, Iberdrola has been committed for years to the digitalization of tasks in order to benefit from its advantages, such as cost reduction, increased productivity, improved user experience, improved competitive positioning, time reduction and improved communication.

Finally, i-DE already has the seeds of a platform developed on AWS that acts as an IoT device manager, runs AI algorithms, manages a digital twin of facilities,... This platform, known as "SmartPoint", aims to abstract the captured data from the manufacturer/sensor that provides it in order to avoid information silos derived from the use of individual manufacturer platforms by generating a "place" with the capacity to "mix" data from different origins for decision making. The initiative within this challenge cannot leave "SmartPoint" aside as it will have to communicate with this platform when the time comes.

2. Description of the Challenge

In this context, Iberdrola, through its PERSEO Startups Programme, is looking for an automation system to improve and guarantee the control of the ergonomic and safety elements of the rooms and spaces with control elements of the substations, through the adoption of devices/protocols that also provide information to the SmartPoint platform and allow remote action.

The use of domotic equipment is commonplace both at industrial and domestic level. It is not uncommon for companies or individuals to have remote access, in many cases even via mobile apps, to sensors that indicate the temperature of rooms, switch lights on/off, etc. Platforms or rather ecosystems such as those of Apple, Amazon and/or Google therby help, in the domestic sphere, by including in many cases, in addition to the sensors themselves and the management platform, a device that acts as an assistant: Apple Homepod, Amazon Alexa, Google Nest.

Specifically, the challenge seeks to replicate market solutions in terms of their simplicity (plug&play) and reduced cost characteristics, as the sensor/information requirements do not differ too much from domestic ones.

However, the requirements for robustness of control devices and sensors, in terms of safety, durability and reliability, are more lax for electronics in the domestic environment than in demanding environments, e.g. in terms of robustness of equipment, in particular in terms of electromagnetic compatibility, and reliability in critical installations, including cyber-safe behavior and integration with i-DE systems, in particular with "SmartPoint".

The **minimum functional requirements** are as follows:

- Smart climate control, adapted to the needs of substation control equipment in terms of temperature
- Indoor and outdoor lighting control
- Alarm generation by local sensor processing, including:
 - gases
 - o climate control failures (unusual temperatures, humidity or lighting)
 - flooding
 - Intrusion of people or animals

This will include the following aspects:

- Selection of sensors
- Manager/gateway acting as signal aggregator, compute in edge
- Cloud communication (AWS) to notify alarms,
- Virtual assistance and call-in capability.
- Remote control, local control by voice, can be automated.
- Electromagnetic compatibility at substation level
- Cybersecurity: encrypted information
- Device fleet management (OTA)

3. Participants

Candidates taking part in this Challenge (the "Participant/s") may be individuals or entities.

In either case, the Participants and/or team members must be at least 18 years old, be of legal age and have full legal capacity in the jurisdiction where they live.

If you take part in the Challenge through a team or a legal entity, the proposal must be presented by a representative who will be the only valid interlocutor during the Challenge and they will be empowered to represent the team and will be liable vis-à-vis the team or legal entity.

4. Overview

The Participant will submit the information to https://connect.startus.cc/iberdrola-startup-challenge-substation-control-room-automation/ in relation to the Challenge described in section 2 (collectively referred to as the "Proposal").

Each Participant may submit one or more Proposals.

Participation in this Challenge does not give any protection regarding intellectual property rights against third parties. We recommend that Participants take steps to protect their intellectual property rights before submitting their Proposal.

By submitting the Proposal, the Participant agrees to this regulation and declares, under their own responsibility, that they are the owner of or have rights to use any intellectual property rights relating to the proposal and there are no conflicts of interest.

Perseo and/or the relevant Iberdrola group company reserve the right to reject any Proposals that do not comply with this regulation.

5. Prize

The challenge is launched within the framework of Iberdrola's new smart grid innovation centre, the Global Smart Grids Innovation Hub, a global benchmark in smart networks, through open collaboration and coworking among i-DE suppliers, start-ups and different organisations worldwide.

The team of experts from Iberdrola's Networks business will be responsible for selecting the innovative solution(s) that will enable the integration and demonstration of cybersecure environments.

The prize will consist of a collaboration and test agreement with PERSEO or any other Group company, which will bear the cost of these activities and provide the winner with all necessary technical support, as well as an environment and real data to test the solution, providing access to equipment, teams, infrastructure, high technology sites and shared work areas. The selected project will be developed in collaboration with technical specialists from i-DE, the distribution company of the Iberdrola group in Spain.

It will also be included directly in the **Global Smart Grids Innovation Hubs** registration process, as a collaborator able to benefit from the services, activities and resources that the GSGI Hub makes available.

If the trial or test of the concept is satisfactory, **Iberdrola may offer the winner the opportunity to scale up the solution**, adopting it by means of commercial agreements.

What's more, PERSEO will consider investing in the participating company and/or the winner of the challenge.

If you have any questions, please contact lberdrolaChallenge@iberdrola.es

6. Statements and guarantees:

By taking part in the Challenge, the Participant manifests and guarantees that:

- 1. The information contained in the Proposal presented is correct, reliable and complete.
- 2. The Participant holds all rights, including but not limited to all intellectual property rights and has obtained each and every consent, approval and licence necessary to present the Proposal and take part in the Challenge. No third party rights are infringed.
- 3. Perseo and/or the relevant Iberdrola group company do not need to verify the authenticity of the ownership of the rights over the Proposal and the exclusive responsibility for any problems arising from claims from any third parties that may arise rests with the Participants.
- 4. The Participant has not violated any laws to participate in the Challenge.
- 5. The Participant releases and exempts Iberdrola and/or the relevant Iberdrola group company and its subsidiaries, affiliates, employees and agents, from all responsibility for any injury, loss or damage of any kind derived from or related to the Proposal and the Participation in the Challenge.
- 6. The Participant has been notified of the zero tolerance to corruption by Iberdrola and complies and will comply with principles equivalent to those assumed by Iberdrola in its Code of Ethics, which is available at https://www.iberdrola.com/corporate-governance-system/purpose-values-code-ethics.

7. Applications

Proposals will be submitted via https://connect.startus.cc/iberdrola-startup-challenge-substation-control-room-automation/ and must be written in Spanish or English.

Each Proposal must include:

1) General information:

 Participant data. If the participant is a team or a legal entity, the representative submitting the application must identify themselves as such and will include a certificate of their power of attorney to represent the team or legal entity.

- Link to the website (optional).
- Address (city, country).
- Contact information (contact person, job title, email, telephone number).

2) Description of the Proposal:

- Description of the solution in 50 characters.
- Presentation of the company/organisation.
- Demo or video link (optional).
- Maturity of the solution (R&D, proof of concept, entire commercial proposal).
- Preliminary investment and improvements in times and CAPEX
- Description of required construction activities (see above chapter 2: "Description of the Challenge")
- Contractual agreements.
- Reference numbers.

3) A list of all the intellectual property rights owned by the Participant, granted to the Participant under licence and/or created by or on behalf of the Participant and included in the Proposal.

8. Schedule

Proposals must be submitted between 11/Dec/2023 at 00:00 (GMT) and 21/Jan/2023 at 00:00 (GMT). All Participants will receive confirmation that their Proposals have been received. Any proposals received after this period will be rejected.

Proposals will be evaluated internally by Perseo and/or by employees of the relevant Iberdrola group company.

Perseo and/or the relevant Iberdrola group company may contact Participants at any time to request such additional information as they consider necessary.

Participants should send their questions and suggestions by email to: lberdrolaChallenge@iberdrola.es.

The evaluation process will end in **February 2024**, when Perseo will notify the winner.

Perseo will declare the competition void if none of the Proposals meet Iberdrola's expectations.

After notifying the winner, Perseo and/or the relevant Iberdrola group company will publish the name and details of the winner, with a description of the winning Proposal and the reasons that it has been chosen, on the Iberdrola website and on Iberdrola group social networks.

9. Changes to the Regulation

Perseo may amend this regulation at any time and at its own discretion. This includes changes to the deadlines established, modifications to events, locations and specifications of the Challenge. Perseo will publish/notify participants of any changes to this regulation on the https://connect.startus.cc/iberdrola-startup-challenge-substation-control-room-automation/ website.

10. Cancellation, modification or suspension of the Challenge in case of irregularities

Perseo reserves the right to cancel, modify or suspend participation by unfair participants and/or the Challenge as a whole if it considers that a participant has cheated or has introduced a virus, worm, internet bot, etc., or if a catastrophic event occurs, or any other unforeseen or unexpected event that cannot reasonably be controlled or anticipated (also called force majeure) which may affect the impartiality and/or integrity of this Challenge.

Perseo and/or the Iberdrola group company may disqualify or prohibit participation of any unfair participant in any future competition.

11. Data protection

Inversiones Financieras Perseo, S.L., with registered address at Plaza Euskadi 5, Bilbao 48009, Spain, hereby informs that the personal data of the Participant included when registering the Proposal will be processed by Perseo as the data controller for the purpose of operating this Challenge.

The legal basis for processing the Participant's data is the Participant's consent, granted when the Participant registers for the Challenge and accepts this Regulation. The Participant has the right to withdraw the consent given at any time without this affecting the legality of the data processing by virtue of the consent granted by the Participant before it was withdrawn.

If, as a result of the participation by the Participant in the Challenge, the Participant provides personal data belonging to third parties, before submitting this personal data, the Participant must inform those third parties that their personal data will be processed in accordance with the aforementioned documentation.

The Participant's personal data will not be communicated to any third parties. This notwithstanding, the personal data will be made available to service providers in connection with the management of the platform https://connect.startus.cc/iberdrola-startup-challenge-substation-control-room-automation/.

The personal data provided by the Participant will be stored for as long as needed to comply with the Challenge, as detailed above. Also:

- If the Proposal is not selected, the personal data will be deleted.
- If the Proposal is selected, the personal data processed by Inversiones Financieras Perseo, S.L. will be governed by the corresponding agreement.

However, the personal data provided may be kept, duly blocked, for the time required by law and the applicable regulations.

Perseo has implemented the necessary technical and organisational measures to protect Participants' data from accidental loss or unauthorised alteration, access, use or disclosure, and has also established procedures to react to any security incident that could affect Participants' data.

The Participant has the right to access their personal data being processed, as well as the right to request the rectification of incorrect data, or, where appropriate, request the deletion of their data when no longer necessary for the purposes for which they were obtained, and also has the right to object to or limit the processing of their data. Participants may also withdraw their consent at any time.

Participants may also exercise their rights, free of charge, by writing to the data protection officer at perseo@iberdrola.es.

If the Participant is not satisfied after exercising their rights, they may submit a complaint to the Spanish Data Protection Agency.

12. Costs and taxes

Participants will assume any costs and taxes related to their participation in the Challenge and to their receipt of the prize, if applicable. It is recommended that Participants check the costs, charges and taxes applicable in the laws of the jurisdiction in which they reside or in which they are obliged to pay taxes.

13. Limitation of liability

Perseo or the relevant Iberdrola group company are not liable for problems related to computers, networks or any other problems that could cause the delay, loss or damage of any participation.

14. Translation of this Regulation

This Regulation has been drafted in English, Spanish and Portuguese. In case of any discrepancies between the original and the translation, the Spanish version will prevail.

15. Applicable law and jurisdiction

This Challenge and its regulations are governed by Spanish law. The courts of Madrid, Spain will have exclusive jurisdiction to settle any disputes.