



UpMetrics

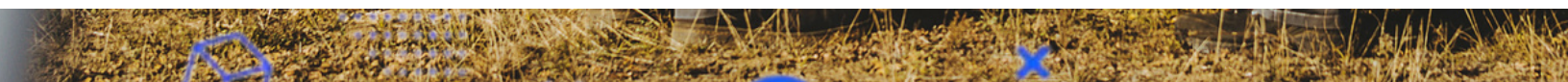


LIME ROCK
NEW ENERGY

PARTNER SPOTLIGHT

Investing in the Future:

How Lime Rock New Energy's impact-driven investment strategy is boldly addressing the global climate crisis



Meeting the Climate Crisis Head On

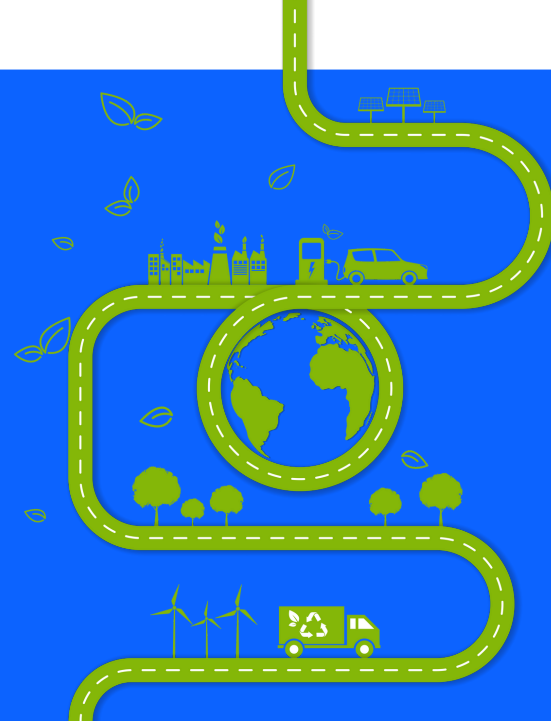
The team at Lime Rock New Energy (LRNE) came together to create a firm with a singular focus of bringing growth equity capital to businesses and entrepreneurs that are tackling the climate crisis. Based in Westport, Connecticut, Lime Rock New Energy pursues investments in companies committed to delivering products and services that abate or avoid CO₂ emissions. Amid the urgent timeline to prevent the worst impacts of climate change, ongoing geopolitical challenges, and the enormous capital needs facing the energy transition, LRNE is proud to join the many public and private organizations that have come together to tackle the climate crisis.

Accelerating Clean Energy Adoption and Penetration

LRNE's investment portfolio consists exclusively of companies that help their customers produce, consume, or decarbonize energy with a measurable positive environmental impact. Specifically, these companies are focused on products and services for renewable generation and grid modernization, energy efficiency for industry and the built environment, and the decarbonization of transportation. Facing the deadline set by the UN's Paris Agreement to reduce global carbon emissions by 2030, LRNE views it as their mission to contribute to this goal through the smart and effective deployment of growth equity capital, sharing their industry experience and deep network in the energy transition sector.

Data-Driven Insights to Grow Impact over Time

LRNE views their rigorous impact measurement and management (IMM) process as a critical component in understanding the impact that their portfolio companies are having on the environment – and how they can improve that impact over time. Through their partnership with UpMetrics, Lime Rock New Energy gathers a comprehensive data set on each portfolio company. This data is employed to create insightful reports on key impact and ESG metrics to help companies better understand the impact of their work, along with potential areas for improvement. The core impact metric that LRNE tracks and reports for every investment is greenhouse gas emissions avoided, and most specifically CO₂ emissions avoided. The team works with each portfolio company to develop a comprehensive framework and pathways for measuring avoided CO₂ equivalent emissions, using company data combined with objective, third-party assumptions. LRNE then uses their framework to quantify the potential lifetime CO₂ emissions avoidance potential of the company.



2030 Paris Agreement

The Paris Agreement is a legally binding international treaty signed by 196 parties at the UN Climate Change Conference (COP21) in Paris on December 12, 2015.

It states that to limit global warming to 1.5°C, greenhouse gas emissions must peak before 2025 at the latest and decline 43% by 2030.

In the years following the agreement, more and more countries have been able to establish carbon neutrality targets and zero-carbon solutions have become competitive across economic sectors, representing 25% of emissions.

Source: [UNFCCC Paris Agreement website](https://unfccc.int/paris-accord)

This metric, which was developed by LRNE, is called Carbon Enterprise Value. Similarly, LRNE measures the annual and cumulative carbon emissions avoided for each portfolio company and then compares these results against the company's forecasted impact to determine if emissions avoidance targets are being met. On their journey to become an SFDR Article 9-compliant fund, LRNE also tracks a broad range of additional impact and ESG metrics, including Scope 1, 2, and 3 emissions, gender and ethnic diversity, and several other metrics.

LRNE originally managed all impact measurement and ESG data internally via email outreach and Microsoft tools, a system which they found difficult to manage year-over-year. It was not only hard to manage data from prior years, but ensuring an apples-to-apples comparison across years became increasingly challenging. Recognizing the importance of consistent, high-quality data collection and year-over-year comparisons for understanding the impact progress of their companies, the Lime Rock New Energy team was drawn to UpMetrics. Specifically, LRNE sought out an impact reporting platform that was easily digestible by limited partners and portfolio companies alike.



“The ability to provide our Limited Partners (LPs) and other stakeholders with comprehensive impact data through a clear and updatable dashboard was very appealing, especially in the context of the urgency surrounding the energy transition. We also believed it was important to make the data accessible and consistent across portfolio companies so that LPs could understand the impact of their capital in a simple yet thorough, consistent, and comparable manner.”

- **Mark Lewis**
Managing Director, LRNE

Power and Grids

PRODUCTS AND SERVICES FOR RENEWABLE ENERGY AND GRID MODERNIZATION

Engineering, installation, O&M services, energy storage ecosystem, supply chain, distributed and industrial power, grid modernization

Energy Efficiency

ENERGY EFFICIENCY FOR INDUSTRY AND THE BUILT ENVIRONMENT

Energy/building management, HVAC solutions, industrial efficiency applications, utility efficiency programs, AI/ML-enabled solutions

Transportation

PRODUCTS AND SERVICES TO DECARBONIZE TRANSPORTATION

EV value chain, battery value chain, charging technology/services, power management and power electronics, automotive supply chain, advanced manufacturing technologies

- RENEWABLES
- SUPPORT SERVICES
- RELIABILITY
- INDUSTRIAL EFFICIENCY
- ENERGY EFFICIENCY
- ENVIRONMENT AND ADAPTATION
- VEHICLE ELECTRIFICATION

WHAT DOES QMERIT DO?

Ease EV home charger installation by partnering with auto manufacturers to deliver best in class services via company owned and franchised electrification specialists.

Qmerit

STATUS: EXITED

WHAT DOES POWER TAKEOFF DO?

Delivers energy efficiency programs and savings identified using sophisticated AI/ML data mining to utility customers via a fully-remote offering.

Power TakeOff

STATUS: ACTIVE

WHAT DOES APERIA DO?

Tire auto inflation technology for medium- and heavy-duty trucks that increases fuel economy, tire life, and road safety.

Aperia

STATUS: ACTIVE

WHAT DOES EPE DO?

Engineering consulting services to developers, utilities, ISOs and asset owners to accelerate interconnection of renewables and solve other power systems bottlenecks.

EPE

STATUS: ACTIVE

WHAT DOES SMART WIRES DO?

Enable grid operators to decongest their grids and interconnect more renewables by installing Smart Valve hardware to push and pull power in real time.

SMART WIRES

STATUS: ACTIVE



68M+ metric tons of CO₂

by the numbers...

Gross Portfolio Carbon Enterprise Value in 2022
(Check out LRNE's [white paper](#) to learn more about how the CEV is calculated)



2022

Year UpMetrics + LRNE partnership was established



+20

Increase in impact metrics collected after partnering with UpMetrics



7

UN Sustainable Development Goals met in 2022

Optimized Impact Measurement

Since partnering with UpMetrics, the team has expanded their suite of impact metrics and made the IMM dashboards accessible to LPs online, with the corresponding data also presented in LRNE's Annual Impact Report. LRNE reports on both company and fund-level data to give LPs updated impact metrics, whether it be through carbon emissions avoided or improvement in gender and ethnic diversity. With each new investment, LRNE creates an UpMetrics dashboard for the organization as part of their onboarding process and continues to report their impact on an annual basis using a survey created by the UpMetrics team that is hosted and launched from within the platform.

According to LRNE, UpMetrics has been instrumental in streamlining the data collection, management, and presentation processes of their impact reporting strategy. These updated processes have allowed them to increase the amount of impact data gathered, and thus gain a better understanding of ways in which they can improve the impact of their portfolio companies moving forward.

Access to UpMetrics' team has also proved extremely valuable to Lime Rock New Energy's involvement in multiple impact reporting organizations. Remy Garderet, UpMetrics' Managing Director of Impact Investing and LRNE's main point of contact at UpMetrics, suggested that they join the ESG Data Convergence Initiative (EDCI). Joining this initiative has allowed LRNE to see how their portfolio companies compare to others in their industries, giving them a clear depiction of impact categories in which they are flourishing as well as areas of potential improvement. Similarly, Remy has been a valuable consultant to the LRNE team in their quest to become SFDR-compliant, assisting them in collecting all mandatory Principal Adverse Impact (PAI) indicators in 2022 and thus expanding the depth of metrics gathered for their portfolio companies.

"Working alongside Remy has been invaluable to LRNE over the past year. He is passionate about his work, readily accessible, and provides thoughtful and honest insights that have improved the quality of our impact work at LRNE. We are very pleased with our UpMetrics partnership and look forward to continuing to expand our impact reporting alongside Remy and team moving forward."

- Mark Lewis
Managing Director, LRNE

Generating Strong Financial & Impactful Returns

Moving forward, LRNE seeks to continually improve upon the measurement and management of the Fund's impact metrics, as they strongly believe in the adage that you cannot fix or improve what you don't measure. By evaluating both the qualitative and quantitative impact metrics measured at their portfolio companies, LRNE aims to identify further opportunities for impact and ESG advancement.

Given the nature of their investment strategy, LRNE's environmental impact is unequivocally linked with the financial success of their portfolio companies. Each climate-related metric LRNE reports on highlights the core mission statement of the Fund by providing concrete, quantitative evidence that businesses can deliver positive environmental impacts and strong financial returns simultaneously.

"For Lime Rock New Energy, streamlining our data collection process has not only saved time and energy for our team, but also improved the quality and depth of our reporting. We would recommend organizations prioritize measuring and managing impact within their organization, strive for continual improvement, and consider partnering with UpMetrics!"

- **Mark Lewis**

Managing Director, LRNE

In addition to climate-related impact metrics, the team also sees immense benefit to gender and ethnic diversity within an organization. They believe increasing diversity at both the employee and leadership levels not only improves a company's impact but also has simply been proven as good business. LRNE believes building a workplace with a breadth of diverse employees enables more room for creativity, fosters smarter decision-making, and ultimately leads to a stronger business.



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Thank you for reading!

For information on how UpMetrics can support your IMM strategy, [connect with our team](#) today!

Visit our [Resources Page](#) for more customer stories, guides, and blogs created to support impact investing organizations in their journey towards impact measurement.

A special thank you to the entire Lime Rock New Energy team and everyone on the UpMetrics team who helped produce this case study.



Visit <https://www.lrnewenergy.com/> to learn more!