



PRESS RELEASE

California Dairies, Inc., Skyven and Kyotherm Launch Heat Recovery Project in Visalia, CA

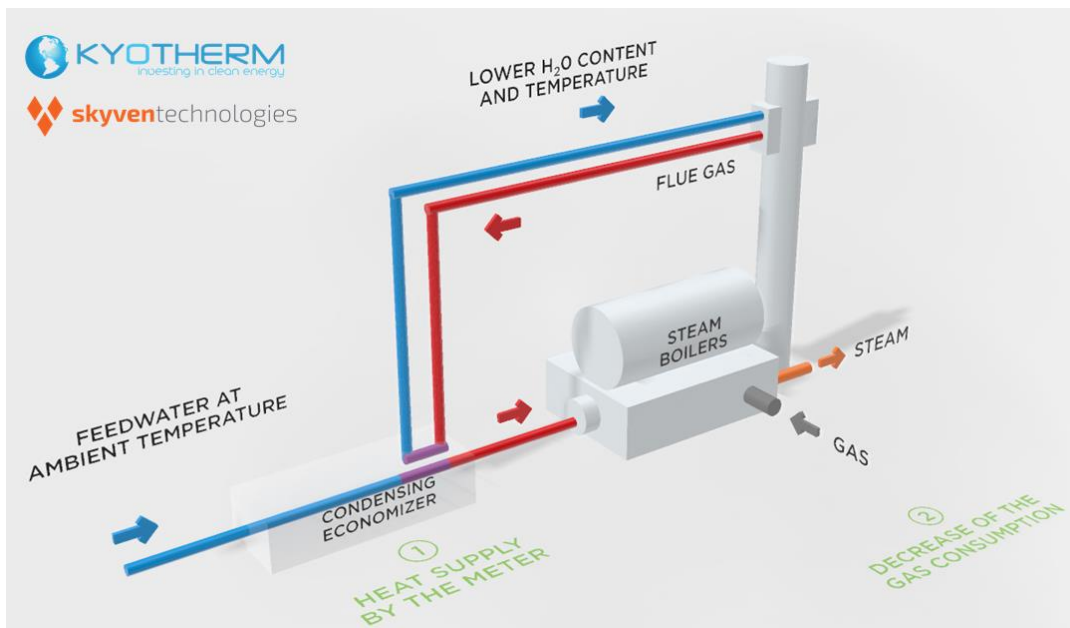
VISALIA, Calif. – August 31, 2021 – California Dairies, Inc., Skyven Technologies, Inc., and Kyotherm, Inc. are pleased to announce the launch of the first GHG reduction project in Visalia. Once completed, the project will allow California Dairies, Inc.'s (CDI) Visalia, CA manufacturing facility to reduce carbon dioxide (CO₂) emissions by 3,100 metric tons per year. The project, which is expected to be commissioned beginning of 2022, is being implemented by Skyven and Kyotherm based on an Energy-as-a-Service approach whereby the project is financed, and heat is supplied to the facility by the meter.

“CDI will continue to partner with like minded companies and look for solutions to reduce our impact on the environment,” said Darrin Monteiro, Vice President, Member & Government Relations at CDI.

Dairy food manufacturing facilities require large amounts of steam and hot water during the pasteurization and manufacturing processes. In order to decrease the CO₂ emissions of the facility, a condensing economizer will be installed. This equipment will transfer heat from the gas boilers' flue gases to its feedwater by recovering part of the energy otherwise lost in the water vapor and hot gases.

The gas consumption of the CDI Visalia facility is expected to be reduced by around 50,000 MMBtu each year, which represents around nine percent of the current consumption of these boilers. This will prevent the release of around 3,100 metric tons of CO₂ in the atmosphere each year, the equivalent of the yearly average natural gas consumption of around 940 households in California¹.

Condensing economizers are often installed due to the ease with which they allow facilities to quickly generate a significant reduction in natural gas consumption. The condensing economizer at the CDI Visalia facility will be installed outside of the flue-gas stack and can, if needed, be easily bypassed, thus preventing any negative impact on the existing process.



Simplified technical scheme of the Visalia waste heat recovery project

¹ Source : Natural Gas Monthly Household Use of 45 therms - PG&E's ClimateSmart program, authorized by the California Public Utilities Commission in Decision 06-12-032

An Energy-as-a-Service approach

The project is developed by Skyven Technologies, Inc. and financed by Kyotherm, Inc. through a joint subsidiary that has entered into a 10-year Thermal Energy Service Agreement (TESA) with CDI. Under that agreement, the Visalia facility will not bear any upfront costs and will share part of the project's financial savings with the energy supplier.

The condensing economizer will be installed by Bay City Boilers and designed by Combustion & Energy Systems limited.

The project is also financially supported by the California Energy Commission through its Food Production Investment Program. This project will allow to share knowledge with other food processors that could use the same technology.

"Thermal energy is notoriously the most difficult aspect of industrial decarbonization. We're proud to be working with CDI to implement sustainable capital projects through innovative models, and achieve meaningful impact."

said Arun Gupta, CEO and Funder of Skyven Technologies, Inc.

"This project is the proof that the industrial sector can lower its CO2 emissions all the while increasing its competitiveness. A key to reducing the cost of the kWh saved and accelerating the implementation of such projects is the ability to attract competitive financing. As an investor specialized in the financing of renewable heat and energy savings projects, Kyotherm has access to such competitive capital, and we look forward to implementing more of these off-balance sheet Energy-as-a-Service projects in the US, with organizations that want to lower their utility costs and reduce their carbon footprint, without taking performance risk nor impacting their balance sheet"

said Arnaud Susplugas, CEO of Kyotherm Inc.



California Dairies, Inc.'s manufacturing facility in Visalia, CA



ABOUT

California Dairies, Inc.

California Dairies, Inc. is the largest member-owned milk marketing and processing cooperative in California, producing approximately 40 percent of California’s milk. Co-owned by over 300 dairy producers who ship nearly 17 billion pounds of Real California Milk annually, California Dairies, Inc. is a manufacturer of quality butter, fluid milk products and milk powders. In addition, California Dairies, Inc. is the home of two leading and well-respected brands of butter – Challenge and Danish Creamery. California Dairies, Inc.’s quality dairy products are available in all 50 United States and in more than 50 foreign countries.

Skyven Technologies, Inc.

Skyven Technologies is an industrial development firm that funds and de-risks capital projects to eliminate carbon emissions caused by process heat. Skyven’s step-changing model ensures alignment between three key goals: plant priorities, verified energy savings, and environmental impact. Skyven fixates on the best decarbonization path for a facility’s unique operation, and executes. From concept development to monitoring and maintenance, Skyven helps manufacturers make sustainability pay.

Kyotherm Inc

Kyotherm is an investment company that specializes in the financing of energy performance contracts (drives, lighting, HVAC systems, heat recovery, ...) and renewable heat production projects (geothermal heat pumps, biomass boilers, solar heat for industrial process, ...), notably in the industrial sector. Kyotherm originally started in Europe and now also provides financing in the US. Its team has developed a leading expertise in financing energy efficiency projects in collaboration with energy service companies, technology providers and developers, under “Energy-as-a-Service” or “Savings-as-a-Service” agreements. Kyotherm owns and manages 110 MW of energy efficiency projects (waste heat recovery, geothermal, solar thermal, biomass, heat pumps, LED...) in 8 different countries that will generate about 1,200,000 metric tons of CO2 savings over 20 years.

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