

# iLamp Roadmap for The State of **Arizona**

This document covers information required to build a road map to commercial viability for the iLamp territorial license for the state of Arizona.



Arizona Population  
**7.2 Million**

GDP  
**\$337 Billion**

Arizona State Dept.  
for Transportation Budget  
**\$522 Million**

Street lighting is the single largest source of carbon emissions from local government, typically accounting for 30-60% of their total emissions.

The crises in California and Texas are different, in scale and severity. One faced fire, the other an ice storm. But experts say the power outages in both states make one thing clear: neither is prepared for the chaos of the climate crisis.

iLamp.com  
ILOCX.com/iLamp



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ConFlowPower.com  
Batteryware.com  
PowerasaService.com  
Droneready.com  
Investinbatteries.com  
ILOcasestudy.com

## Exclusive License for iLamp in Arizona

Arizona **does not yet** have a statewide adaptation plan despite the fact that they are **the fourth-fastest warming state** in the country. Local communities have taken up the battle as best they can. In 2009, Phoenix, **the 2nd fastest warming city** in the U.S., completed its Climate Action Plan, which it plans to update by the end of 2021. Its goals: to become a carbon-neutral city by 2060 operating on 100% clean energy, with new buildings being net positive by 2050, and **significant greenhouse gas reduction targets** between 2025 and 2050. In July, 2020, Flagstaff **declared a climate emergency**. In September 2020, Tucson, the **third fastest warming city** in the nation, also **declared a climate emergency** and will implement a decade-long plan, "**Framework for Advancing Sustainability**," to become carbon neutral by 2030.

Today, Arizona's corporations and municipalities are playing an active role in climate issues by establishing aggressive goals to reduce their emissions and carbon footprints. They are also placing sustainability at the center of their investment and branding approaches. In short, businesses are aligning their goals to climate action, not just for their shareholders, but for all people who are impacted by the environment and just as businesses are changing, so too are consumers who are basing their buying decisions on a brand's commitment to sustainability.

1. Arizona is served by three primary investor-owned utilities: **Arizona Public Service Company (APS), Tucson Electric Power Company (TEP), and UNS Electric.**
2. All potential partners can be found here, there are multiple and some state owned <https://www.publicpower.org/public-power-arizona>



*Creativity is the power to correct the seemingly unconnected.*

- Nikola Tesla

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## Deal Breakdown

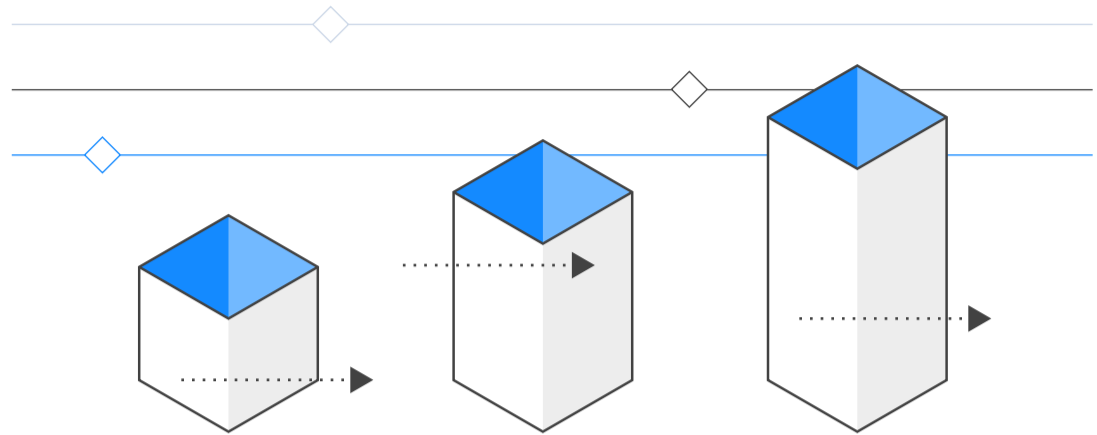
### Steps to enhancing value and recurring revenue

1. Reserve the territory by purchasing 10,000 Class II units of iLamp (cost \$100,000) - **COMPLETED DECEMBER 2022**
2. Purchase exclusive license in Arizona for \$5,000,000, pay \$300,000 on signing and the remainder in a note payable on share of revenue and capital raised at a zero coupon for the entire term of the note. You will get an exclusive license for Arizona, a pilot pole installed, a localized iLamp.com website (see example here [oregon.ilamp.com](http://oregon.ilamp.com)), a listing on ILOCX for your local fundraising and promotion. A more detailed roadmap with all supporting documentation and training.
3. The ability to sell sub-licences within Arizona.
4. You pay iLamp HQ 5% of all revenue and 20% of the PaaS revenue you generate.
5. Repeat what CPG has done in California and now in 9 other States in the USA: agree to a pilot installation for iLamp. Get a contract for installation and gain 20% of the PaaS revenue from each iLamp year- on-year. 10% of the market in Arizona would yield approx \$360 million in iLamp sales over 10 years and generate \$14,400,000 in annual recurring revenue based on 20% of PaaS revenue and all other revenue sources, camera, sensors, wifi, 5G etc estimated at \$400 per pole per annum. (based on an estimated 300,000 poles in Arizona)

### Three steps to faster returns (Alternative option)

1. Buy \$1 million of iLamp ILO units at current price, and move to step 3 above. The result will be a double in the value of your units before your local ILO is listed.
2. List iLamp Arizona on ILOCX and gain local support.
3. On signing we commit to supplying a sample iLamp to install in a strategic location in Arizona and all other benefits. The \$1m iLamp ILO units purchase counts against the note as amount paid which has a large and positive impact on your opening balance sheet in iLamp Arizona. (see at the end of the document)

# Stages



## 1. Reservation

Reserve the territory on ILOCX using the account of the potential licensee: <https://app.ilocx.com/territory>.

- Once this phase is complete the potential licensee has 12 months to trigger the territorial license or lose the option.
- If you have purchased 100,000 ILO units in iLamp in the alternative offer then all these payments are considered paid.
- **Completed** - the potential licensee now has 12 months to trigger the territorial license or lose the option.

## 2. Get Started

Once triggered the deposit needs to be paid in the case of Arizona this totals \$300,000 this covers all costs to install a pilot scheme in the location chosen.

- This will include delivery and installation of an autonomous iLamp as a demonstration to land sales and mass installations.
- This also covers:
  - The costs to list iLamp Arizona on the ILOCX for all upfront and first year listing fees.
  - This building and delivery of a website for Arizona.
  - All media and images, all data and point of sale aids, email addresses, and this detailed report covering competition, USP's, market size, list of potential partners, HQ assistance for news and localized promotion of iLamp in the territory.

## 3. The Details

Once the option fee and deposit are paid a local legal entity needs to be

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## The Arizona Opportunity

Arizona utilities are making massive investments in utility-scale solar and batteries, backing out of coal-fired power, and setting their own carbon reduction goals. The state's biggest investor-owned utility Arizona Public Service has set its own goal of zero carbon by 2050, starting with 65 percent clean power by 2030. Tucson Electric Power plans to reach 70 percent renewables by 2035, and sprawling municipal utility Salt River Project plans to cut emissions by 62 percent by 2035 and 90 percent by 2050. And while Arizona's utilities have earned a reputation for fighting the spread of customer-owned solar, they're now starting to embrace distributed energy resources (DERs) such as solar, batteries, electric vehicles and smart appliances. That's largely been led by utility managed pilot projects, but it is spreading to include incentive programs to boost customer adoption to help manage the shift to a decarbonized grid.

Arizona's vertically integrated utility regulatory structure doesn't provide wholesale energy market opportunities for DERs, which are set to expand significantly under Federal Energy Regulatory Commission Order 2222. But APS' integrated resource plan relies heavily on customer-sited DERs and efficiency and demand response incentives to reach its goals of 65 percent carbon-free energy by 2030. And its vision for integrating those resources in a way that merges traditional grid planning with incentives and pricing to enlist customer-owned DERs offers an intriguing model for other utilities.

Arizona consumes more electricity than almost two-thirds of the states, but its total per capita electricity retail sales are lower than in more than two-thirds of the states. Arizona's residential sector, where about 3 in 5 households rely on electricity for home heating and more than 9 in 10 homes have air conditioning, uses more electricity than the residential sectors in nearly three-fourths of the states and more per capita than half the states.

In 2021, 9% of Arizona's total net energy generation came from solar, more power than all of Arizona's other renewable energy sources combined, according to the U.S. Energy Information Administration..

Arizona law provides a solar energy credit for an individual who installs a solar energy device in his or her residence located in Arizona.

The solar energy credit for buying and installing a solar energy device is 25% (.25) of the cost, including installation, or \$1,000, whichever is less. If you install another device in a later year, the cumulative credit cannot exceed \$1,000 for the same residence.

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## Street Lighting Arizona

The purchase of solar equipment in Arizona is exempt from sales taxes, which means more upfront savings. Some cities also have their own renewable energy programs and green energy commitments that include phasing in solar and other clean energy sources.

The City of Mesa maintains over 43,000 streetlights throughout Mesa. Most streetlight fixtures within the City of Mesa are still High-Pressure Sodium (HPS).

Back in 2019, Tucson City swapped about 23,000 street lights and connected most to a wireless network that allows for dimming and data collection at an estimated conversion cost of \$16.5 million with a pay back in savings over 10 years

The City of Chandler maintains more than 24,200 streetlights along its major streets and in residential areas. City crews do not repair street lights in private gated communities. Problems with street lights in private communities are referred to the homeowners association who, in general, coordinates with utility companies..

Street lights in El Mirage are serviced by APS. Residents may request new street lights along any residential public roadway within the City limits under the Residential Street Lighting Program introduced in July 2021.

In The City of Bullhead street lighting districts are created by the local government agency to pay for the costs associated with lighting on and around public streets, highways, parks and alleyways. A surcharge is placed on the annual property tax bill for each property owner which is determined by various factors related to the costs of lighting in each district.

### **APS Outdoor Lighting Program**

Dusk to Dawn lighting program allows contractors to lease streetlights and other electrical equipment to save on energy costs while keeping their gated properties, parking lots and alleyways safe and well-lit. You can also supply your own equipment, then pay for set-up and maintenance in installments to avoid higher up-front costs.

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## Recent Solar Lighting Incentives in Arizona

- **Mohave Electric Cooperative - Renewable Energy Incentive Program**

<https://programs.dsireusa.org/system/program/detail/4345>

<https://www.mohaveelectric.com/sunwatts-renewable-energy-incentive-program>

Mohave Electric Cooperative provides incentives for its customers to install renewable energy systems on their homes and businesses. For commercial and government customers, the incentive is 0.05 \$/W, and the incentive has a maximum of \$2500.00.

- **Solar and Wind Equipment Sales Tax Exemption**

<https://programs.dsireusa.org/system/program/detail/119>

Arizona provides a sales tax exemption for the retail sale of solar energy devices and for the installation of solar energy devices by contractors.

- **Duncan Valley Electric Cooperative - SunWatts Rebate Program**

<https://programs.dsireusa.org/system/program/detail/5401>

<http://www.dvec.org/content/sunwatts>

Duncan Valley Electric Cooperative is providing rebates for the purchase of renewable energy systems through its SunWatts program. Incentives are \$0.05/W-DC for a maximum of \$500.

- **Energy Equipment Property Tax Exemption**

<https://programs.dsireusa.org/system/program/detail/1683>

Get a property tax exemption for the increase in value to your property from the installation of a solar lighting system.

- **City of Scottsdale - Green Building Incentives**

<https://programs.dsireusa.org/system/program/detail/265>

<http://www.scottsdaleaz.gov/green-building-program/incentives>

Scottsdale's Green Building Program encourages environmentally friendly residential building projects. Incentives include technical assistance, green building permits and inspections, monthly educational lectures, a homeowner's manual, recognition on the city website, and free promotional green building materials, including a job site sign.

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## The warning signs for Arizona

Arizona already averages more than 50 dangerous heat days a year, the second highest in the nation. By 2050, Arizona is projected to see almost 80 such days a year. By 2050, the severity of widespread summer drought is projected to more than triple in Arizona, the second largest increase behind Washington.

### Wildfires and Changing Landscapes

Higher temperatures and drought are likely to increase the severity, frequency, and extent of wildfires, which could harm property, livelihoods, and human health. On average, more than 2 percent of the land in Arizona has burned per decade since 1984. Wildfire smoke can reduce air quality and increase medical visits for chest pains, respiratory problems, and heart problems.

Urban areas, like Phoenix and Tucson, are especially susceptible to rising temperatures from climate change, as dark pavement, buildings and other structures absorb heat and make temperatures even hotter – a phenomenon known as urban heat island effect. **The effects can be deadly.** Exposure to extreme heat can cause heat stroke and dehydration, among other serious issues.

Collectively, Maricopa and Pima counties could see upwards of **120 additional deaths** per 100,000 in the next 20 year period from extreme heat.

Maricopa county, home to Phoenix, could expect to see 56 additional heat-related deaths per 100,000 over the next 20 years – or a potential 64% increase in heat-related deaths every single year. And Pima county, where Tucson is located, could expect to see 64 additional heat-related deaths per 100,000 over that same period – or a potential doubling in heat-related deaths every single year.

### Electricity bills will climb

As Arizonans seek cool shelter from the rising heat, electricity bills for households and businesses will climb. In Arizona, a quarter of the energy consumed by homes goes towards running an air conditioning unit – that's more than four times the national average in the U.S. Running the air conditioner, which could be considered an essential health service, becomes increasingly expensive for households with more extreme heat days.



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Over the next 20 years, residents could pay up to \$110 of extra cost annually in electricity bills or \$2,200 total added cost by 2040. Businesses could face a total added cost of over \$5,500 by 2040 with unchecked climate change.

These added electricity costs will not be felt evenly. Lower-income households will be the most affected because they spend a higher proportion of their income on energy. Some 722,000 Arizona households with incomes lower than \$30,000, allocate about 20% of their after-tax incomes to energy. For households like these, an additional \$110 on top of yearly electricity bills over the next 20 years could prevent them from making ends meet on other essential needs.

## Hotter Temperatures May Wreak Havoc on Energy Infrastructure

Higher temperatures will increase demand for electricity while decreasing the carrying capacity of transmission lines. Two options for coping with and avoiding decreased capacity are to 1) reduce line capacity requirements by producing a larger fraction of power at or near the destination, and 2) place transmission lines underground.

Higher ambient temperatures and high minimum temperatures can affect transformer performance and reduce the peak-load capacity of banks of transformers in substations. Based on the projected number of days with maximum temperatures greater than 95°F, the southern and eastern parts of the Southwest are more at risk of reduced substation peak capacity.

Wildfire risk to electricity transmission: Not only can wildfires—which are predicted to increase in size and frequency due to climate change—physically destroy transmission lines, but they can also affect the capacity of a line through heat, smoke, and particulate matter. The effects of firefighting, such as aircraft dumping loads of fire retardants or preventive shutdowns, can also affect transmission operations.

Any increase in energy prices due to climate change, such as increased demand and higher temperatures putting stress on the system, will have a direct impact on consumers. Climate policies limiting greenhouse gas emissions, while beneficial for limiting climate change and reducing air pollution, have the potential to increase energy costs to consumers.

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## Potential partners

### Arizona Public Service Company (APS)

<https://www.aps.com>

Arizona Public Service is the largest electric utility in Arizona, United States. Since 1985, it has been the principal subsidiary of publicly traded S&P 500 member Pinnacle West Capital Corporation, known as AZP Group until 1987. Pinnacle West Capital made a profit of \$500 million in 2017.

### Tucson Electric Power Company (TEP)

<https://www.tep.com/>

Tucson Electric Power is an electric utility company serving southern Arizona in the United States. It is a subsidiary of Fortis, which announced its acquisition of parent company UNS Energy in 2013. Kino Veterans Memorial Stadium, a baseball stadium on Tucson's south side, was once named Tucson Electric Park for TEP.

### Salt River Project (SRP)

<https://www.srpnet.com/>

The **Salt River Project (SRP)** is the umbrella name for two separate entities: the **Salt River Project Agricultural Improvement and Power District**, an agency of the state of Arizona that serves as an electrical utility for the Phoenix metropolitan area, and the **Salt River Valley Water Users' Association**, a utility cooperative that serves as the primary water provider for much of central Arizona. It is one of the primary public utility companies in Arizona.

### UNS Electric

<https://www.uns.com/>

UNS Energy is the Tucson, Arizona-based parent company of Tucson Electric Power (TEP) and UniSource Energy Services (UES). TEP serves more than 432,000 customers in and around Tucson, while UES provides natural gas and electric service to about 256,000 customers in northern and southern Arizona.

UNS Energy is a subsidiary of Fortis, the largest investor-owned electric and gas distribution utility in Canada. Fortis' regulated utility subsidiaries serve more than 3 million customers across Canada and in the United States and the Caribbean. Fortis also owns non-regulated hydroelectric generation assets in Canada, Belize and upstate New York.

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## **Trico Electric Cooperative**

<https://www.trico.coop/>

Trico Electric Cooperative Inc. is a non-profit electric distribution cooperative serving more than 46,000 Members in communities surrounding the City of Tucson, including portions of Pima, Pinal, and Santa Cruz counties. The majority of Trico's service territory is to the west of Tucson and spans approximately 66 miles east to west and 80 miles north to south, extending to the border with Mexico. Overall, Trico's service area encompasses 2,346 square miles.

## **Navopache Electric Cooperative**

<https://navopache.org/>

Formed in 1946, Navopache Electric Cooperative is an electric cooperative nonprofit membership corporation, serving over 39,000 members with over 45,000 meters across the White Mountains of eastern Arizona and western New Mexico. Our service territory is over 10,000 square miles with 3,500 miles of line.

## **Sulphur Springs Valley Electric Cooperative**

<https://www.ssvvec.org/>

Sulphur Springs Valley Electric Cooperative is a not for profit, member-owned distribution cooperative providing electricity to more than 60,000 services over some 4,100 miles of energized line. Located in southeastern Arizona, the cooperative's service territory covers parts of Cochise, Graham, Pima and Santa Cruz Counties and includes the communities of Sierra Vista, Huachuca City, Patagonia, Elfrida, Benson, St. David, Bowie, San Simon, Willcox, Sonoita and Pearce-Sunsites.

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## Further potential contacts

### Solar Topps

Phoenix, AZ  
+1 480 940 1201  
[solartopps.com](http://solartopps.com)

### Elevation

Chandler, AZ  
+1 480 492 42321  
[poweredbyelevation.com](http://poweredbyelevation.com)

### Method Solar

Tucson, AZ  
+1 520 499 4130  
[Method.solar](http://Method.solar)

### Sunshine Saves Inc

Tucson, AZ  
+1 704 890 0336  
[Sunshinesavesinc.com](http://Sunshinesavesinc.com)

### Simple Solar

Phoenix, AZ  
+1 602 587 5981  
[Simplesolar.io](http://Simplesolar.io)

### Erus Energy

Tucson, AZ  
+1 888 548 5741  
[Erusenergy.com](http://Erusenergy.com)

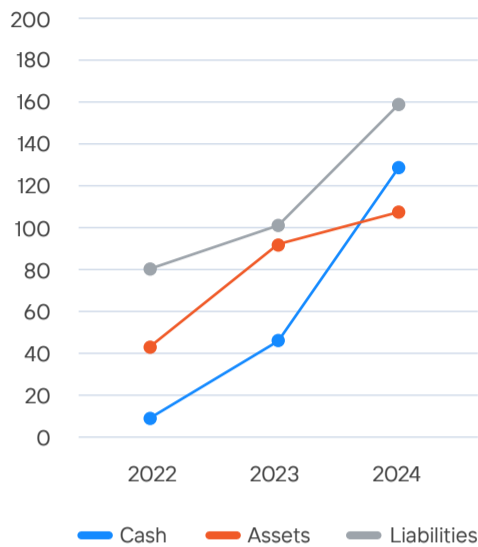
### T&K Electric

San Tan Valley, AZ  
+1 602 497 1754  
[Tnkelectric.com](http://Tnkelectric.com)

### Advanced Electric and Solar

Tucson, AZ  
+1 520 730 2405  
[Advancedelectricandsolarllc.com](http://Advancedelectricandsolarllc.com)

# Financials



## Balance Sheet

Company name, iLamp Arizona Inc

Dec, 31, 202X

### Assets

#### Current Assets

Cash	7,314	-392,686
Accounts receivable		
Inventory	5,560	5,560
Prepaid expenses		
Short-term investments		

<b>Total current assets</b>	<b>12,874</b>	<b>-387,126</b>
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#### Fixed (Long-Term) Assets

Long-term investment	2,310	102,310
Property, plant and equipment	14,442	14,442
(Less accumulated depreciation)	-2,200	-2,200
Intangible assets		5,000,000

<b>Total fixed assets</b>	<b>14,552</b>	<b>5,114,552</b>
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#### Other Assets

Deferred income tax		0
Other		0

<b>Total other assets</b>	<b>0</b>	<b>0</b>
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<b>Total Assets</b>	<b>27,426</b>	<b>4,727,426</b>
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### Liabilities and Owner's Equity

#### Current Liabilities

Accounts payable	9,060	9,060
Short-term loans		0
Income taxes payable	3,349	3,349
Accrued salaries and wages		0
Unearned revenue		0
Current portion of long-term debt		0

<b>Total current assets</b>	<b>12,409</b>	<b>12,409</b>
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#### Long-Term Liabilities

Long-term debt	3,450	4,703,450
Deferred income tax		
Other		

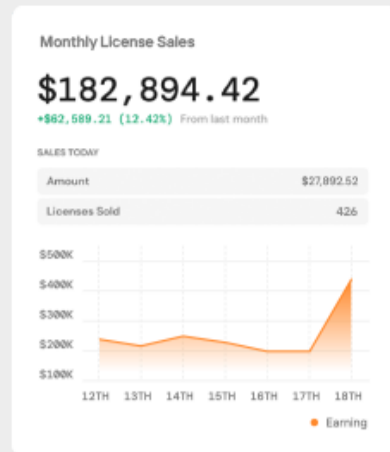
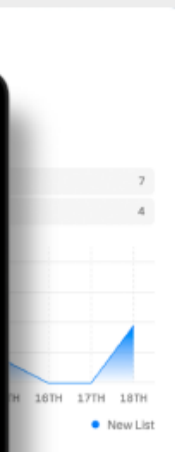
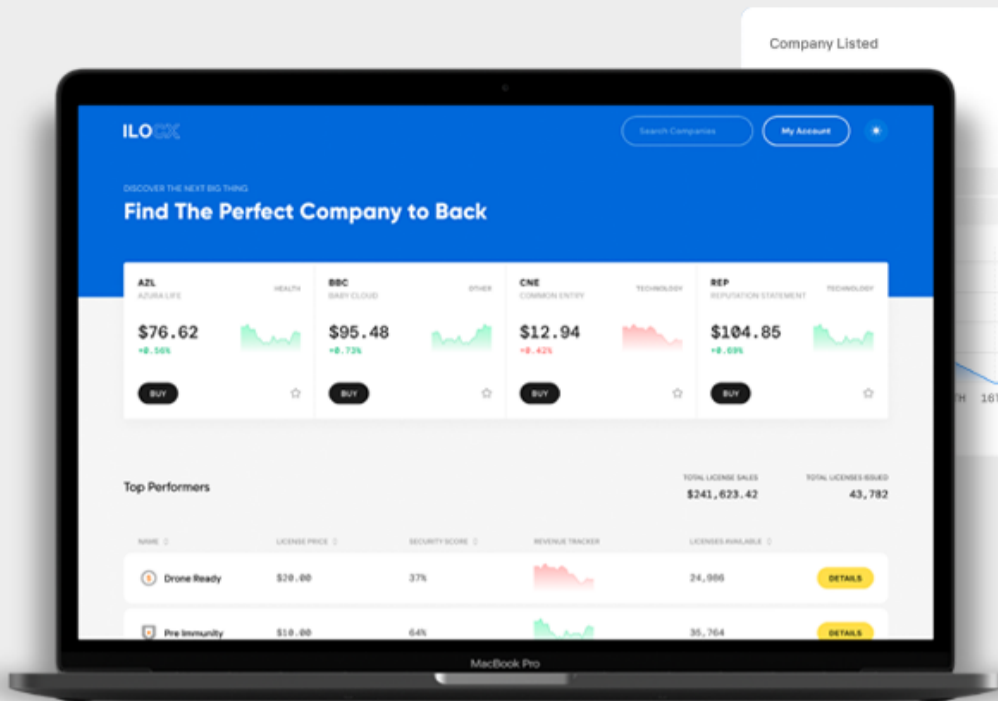
<b>Total fixed assets</b>	<b>3,450</b>	<b>4,703,450</b>
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#### Owner's Equity

Owner's investment	6,000	6,000
Retained earnings	5,567	5,567
Other		

<b>Total owner's equity</b>	<b>11,567</b>	<b>11,567</b>
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<b>Total Liabilities and Owner's Equity</b>	<b>27,426</b>	<b>4,727,426</b>
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## Your ILO listing

List using the ILO Framework to raise money to finance your exclusive iLamp license while building local support and an online sales team to drive pre-sales.



### RAISE MONEY AS YOU NEED IT

Get access to the funds you need, as you need them, smoothing your fundraising process.



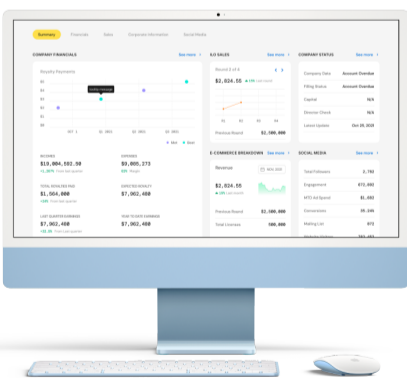
### BUILD A TEAM

ILOCX framework helps companies to build effective teams that are properly rewarded.



### REWARD PARTICIPATION

Incentivize buyers with ILOCX rewards, your own affiliate program, and license classes.



## Listing Requirements

iLamp licenses are prequalified to list and receive an ILO instance and will be priority listed through our streamlined process with a dedicated listing manager.

Listing fees for iLamp licenses are waived for the first year, then only \$25,000 per year.

Listings with over \$1 million in sales are listed on the board at ILOCX.com.

**100+**

Total companies listed

**Millions**

Total licenses issued

**10X**

Returns already booked