

Meet tem. changing the way renewable energy is bought, sold and powered

As part of our quick founder questions series – or QFQs – we spoke to Joe McDonald, cofounder and CEO of tem. about Big Energy, reimagining renewable energy and the urgency for greener options.

Temps de lecture : minute

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I've worked for over 12 years in the energy industry, and during this time, the winners and the losers in the energy market have largely remained the same.

Smaller businesses buying from Big Energy have always been hit with high fees, volatility, and no guarantee of true renewable energy. They're stuck in a system that doesn't put people first. The lack of affordable clean energy is one of the biggest challenges for both businesses and the planet. We wanted to ensure any business can access the renewable energy they need forever.

For me and my co-founders, that meant creating a platform that could balance the playing field away from 'Big Energy wins' towards 'all businesses win'. That's why in 2021 we founded tem. in order to reimagine how renewable energy is bought, sold and powered forever. We cut out the middlemen and intermediary fees of the big energy and the wholesale market to allow businesses to buy their energy directly from the renewable generator themselves.

Tell us about the business – what it is, what it aims to achieve, who you work with?

Bypassing Big Energy, our platform directly matches businesses' energy needs with the right generators at the right time – without heavy compromise or cost. We call this Renewable Energy Direct (RED). We do this through our unique AI matching algorithm, which forecasts energy supply and demand, optimising over 1.8 billion matches every second and, importantly, settling this through a payments system that means our customers receive the benefits of direct transactions with little to no behaviour change.

This innovative approach bypasses the inefficient wholesale market and promises to save businesses up to 30% on their energy bills while providing 100% traceable, renewable energy. We work with over 200 businesses, from a family-owned bakery to powering the British Grand Prix with Silverstone.

We want to serve the 99% of businesses that have been left behind in the renewable energy transition, giving them better purchasing power than even Google or Amazon have today. Ultimately our aim is that firstly, low-carbon electrons should be cheaper to buy than fossil-fuel electrons; secondly businesses should know for every £ they spend the origin of the energy they have bought, and finally, to ensure that the transaction also returns much better value to the renewable generators selling their electricity.

How has the business evolved since its launch?

We started building our platform back in 2021, over the first two years of building the platform, we realised that combining the role of 6 different

intermediaries and every human trader into one simple eloquent matching algorithm was harder than we could have imagined!

From our experience building a previous traditional energy trading company, we knew the technology would be hard but possible to build; however, we quickly understood that our success hinged on a deep focus on customer behaviour. If our platform required any behavioural change in the way a business buys or a generator sells its electricity, then we knew we would fail to adopt 99% of businesses. Most businesses don't have the purchasing power, time and team that, say, Google and Amazon have when looking at their next energy contract. Through many iterations, we learned that the transaction experience needed to be frictionless and familiar, while we reimagined the process behind the scenes - like a swan gliding on a lake.

After speaking to our earliest potential customers, we also realised that there was a chance when building a bottom-up reimagined approach to enhance the experience with more delightful moments. We drew inspiration from paradigm shifts like Tesla with electric cars, Stripe with business payments or Google with search. While many businesses have resigned themselves to poor experiences with traditional utilities, we saw our new transaction model as a way to also improve the experience and reconnect our businesses with their source of energy. Ironically, by replacing inefficient human processes with algorithms, we've ensured that transactions feel more human than ever. If we turn a major business frustration into a source of joy, then we can create a really powerful movement.

Ultimately it took us until December 2023 to launch the first version of our platform into the market, a milestone made possible by the invaluable feedback from our founding customers. Fortunately for us the growth ever since has been beyond our wildest expectations!

Tell us about the working culture at tem?

We don't take lightly the fact that at this moment in history, only a few people in the world have the experience, skills, and resources to change the future of energy and put power back into the hands of the system's users. We do not doubt that humans will find a way to solve climate change, but our impact lies in how quickly we can drive change and minimise pain points while rebalancing a system that has favoured the same winners since 1890.

Founded by four energy experts and a passionate team, our company is built on mission, belief, and people. We bring everything to the table to advance the renewable energy movement.

Our edge against Big Energy is our ability to think smarter and move faster by attracting top talent. To do this, we provide a flexible, remote-first environment that values diversity of thought and supports high performance. We give our team the freedom to work wherever they excel, with autonomy and ownership. We invest in meeting structures, decentralised information access, and decision-making to empower our teams to focus on strategic thinking. We create a safe space to fail and succeed together, whether from a café, our Battersea Power Station satellite office, or anywhere in the world.

Taking on one of the largest industries requires strong bonds. Without a shared office, we work extra hard on our culture and connections. This is why we host a bi-annual tem.fest, to strategise, connect and celebrate our achievements in person, as well as regular non-work chats and virtual socials.

How are you funded?

To date, *we've raised from the some of best Venture Capital firms in*

Europe but also to ensure network capital and diversity of thought we were also privileged to take investment from some of our founding customers (always a good sign!) and leading Angels including President of Monster Energy, CEO of Bol Foods and fintech founders that have grown some of the most successful payment companies in the world.

Despite growing to profitability in less than 7 months since launching, we are intentional that our mission will require significant capital in order to achieve the impact we want to have on one of the biggest markets on the planet. We have been fortunate enough to pick investors that match our ambition and have some some exciting news coming out in September!

What has been your biggest challenge so far and how have you overcome this?

Many businesses have put up an objection that they believe that our offering is too good to be true and question how we can unlock so much value for them. I know that sounds like a great problem to have, and in many ways, it is, but it plays to a much deeper issue that businesses have been stung by energy startups in the past. Bad customer experiences and, in some cases, startups falling into administration mid-contract has caused much pain to businesses, and many now choose to stay safe with recognised large energy companies rather than optimising for value.

Indeed, the energy system we know today has been around for decades, and many businesses are unaware of any alternatives to the traditional wholesale market. Reducing friction to adopt our new transaction method has been a key focus of ours since day 1, but this isn't a challenge that we'll overcome overnight. It takes continued investment in education, product design, and brand trust with our growing community of customers to bring them on our journey to revolutionise the energy sector together.

How does tem. answer an unmet need?

As mentioned, decarbonising energy is crucial to combating climate change, yet businesses are still constrained by traditional wholesale markets and big energy companies. Despite the urgency, the current system makes it difficult for companies to access greener options.

This means that businesses are stuck paying 30% more on their electricity bills compared to the value sold by renewable generators. We've calculated that this system results in middlemen taking £1.65bn from energy transactions every year in the UK alone. This energy system isn't going to help decarbonise the energy grid and isn't going to pump enough money back into the country's renewable generators.

Tem.'s platform allows businesses to bypass Big Energy and its costly wholesale and utility fees, helping businesses and generators see fairer prices for their renewable energy. We call it Renewable Energy Direct (RED).

A platform like this simply wasn't possible a few years ago, but by harnessing developments in machine learning, data engineering and the increased decentralisation of the electricity grid, - compounded by the growing realisation by both businesses and investors, on just how broken this space is - we finally have the opportunity to meet the needs of both businesses and the planet.

What's in store for the future?

At tem. we're completely reimagining the future of energy. We're fighting for a future which is transparent and accessible, and where renewable energy is presented in a revolutionary new way. Today, we already support hundreds of businesses and generators across the UK, and in the next five years, we're looking to continue to find new ways to help

businesses across the world access affordable 100% traceable energy.

What one piece of advice would you give other founders or future founders?

One is far too hard but this was my playbook taking learnings from my first exit:

1. Use effectual thinking to work out why you are one of the best people in the world to solve the problem
2. Validate your hypothesis early, and don't be afraid to adapt
3. Raise money when you don't need to
4. Enjoy the journey, as the outcome is never as special
5. Don't be greedy

If I had to pick one... Don't be greedy.

And finally, a more personal question! What's your daily routine and the rules you're living by at the moment?

Never set an alarm unless I have to. It's fine if I have to work until 1 a.m., but let my body tell me when it's ready to go again.

Channel my intensity into forms of exercise that are meditative for me. Hyrox or climbing a few times a week stops me thinking about work and keeps me sane!

Always make time for my morning walk with my dog through the local woods. Meandering through trees that are 100+ years old and have seen many entrepreneurs succeed and fail over the generations is a great way to destress before my day begins.

Constantly try to surround myself with diversity of thought - no problem I face is novel and shared experiences have been hugely impactful for me and tem.

Try not to be late for personal or work events. My time isn't more important than others!

Joe McDonald is the cofounder and CEO of tem.



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