DYNEGY

MEC - Ohio Energy Savings & Management Conference

Shopping for an Electricity Supplier

Tuesday, February 27, 2024

SESSION SPEAKER

KATIE KIEFER

Director, Retail Business Development

With over 20 years of experience in the energy industry, I bring knowledge of the market and trends to help our clients make the best decisions to save over the long-term. I have prior experience as a retail sales executive and spent many years on the wholesale generation side of the business.

AN INTEGRATED ENERGY COMPANY

TXU energy

DYNEGY

HOMEFIELD ENERGY A DYNEGY COMPANY

PUBLIC POWER ENERGY SUPPLIER

USG&E U.S. Gas & Electric

Luminant

VISTRAZERO

Vistra's retail and wholesale brands for commercial & industrial customers.

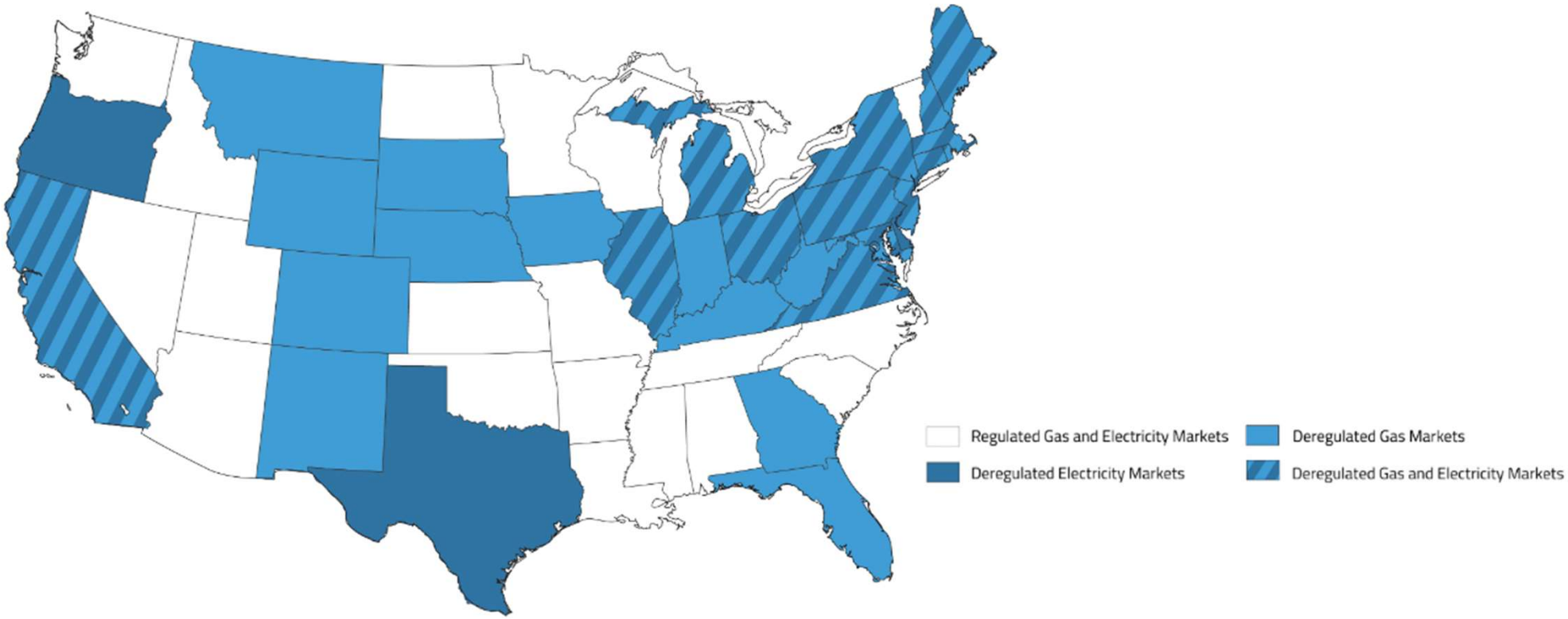
~4 million
residential, commercial & industrial customers
across 20 states & the District of Columbia.

Approximately **37,000 MW** generation capacity.
Enough to power 20 million homes.

VISTRAZERO

~ 7,300 MW
of zero-carbon generation
online or in development.

DEREGULATED ENERGY MARKETS



ENERGY INDUSTRY PLAYERS

Generation, Transmission and Distribution are owned and managed by different players depending on the market.

- Utilities in Regulated States
- Utilities in Deregulated States
- Independent Power Producers (IPP)

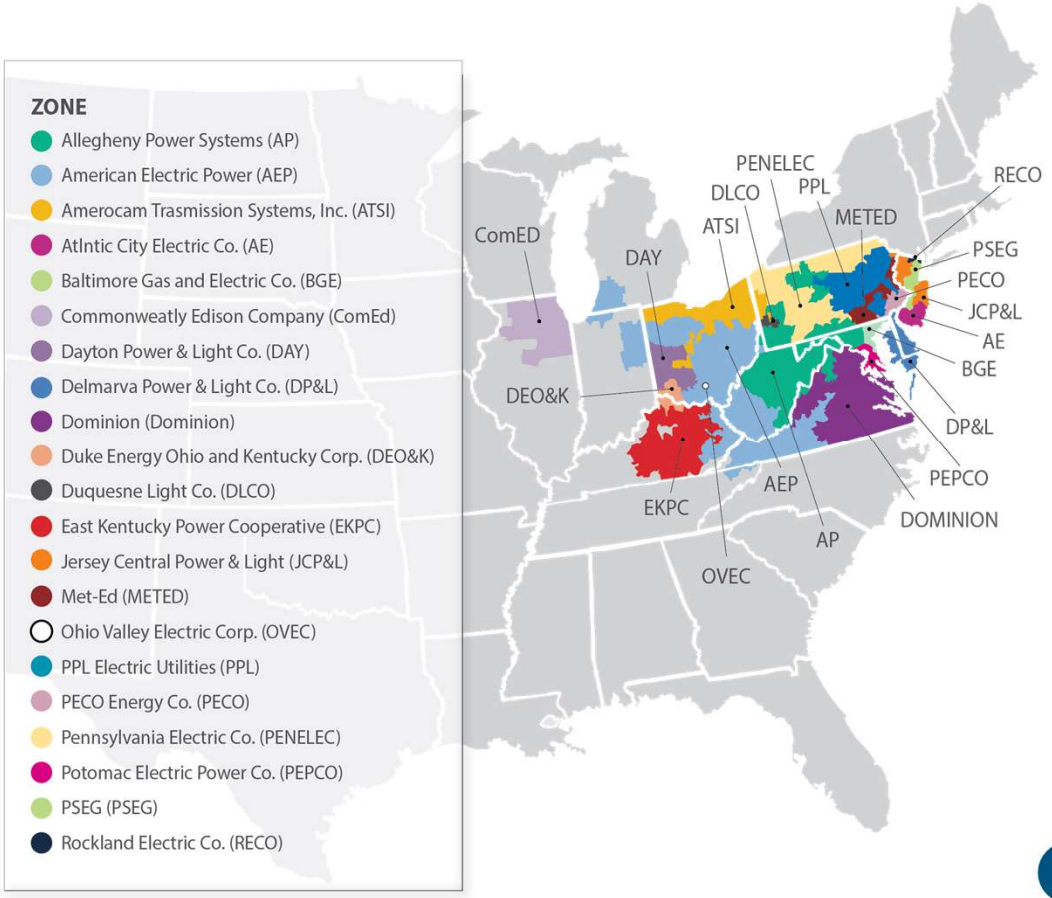
Deregulated markets allow customers to select their electricity provider by contracting directly with a supplier or through a third-party representative.

- Competitive Retail Electric Suppliers
- Brokers, Agents, Consultants

PJM – REGIONAL TRANSMISSION ORGANIZATION

KEY FUNCTIONS

- Grid Reliability – Grid Operations
- Distribution of Wholesale Electricity
- Regional Planning – 15 Year Outlook
- NERC Security Coordinator



HAVING CHOICE

What does that mean for commercial & industrial customers?

GENERATION

Electricity is generated from natural gas, nuclear, coal, solar and other methods.

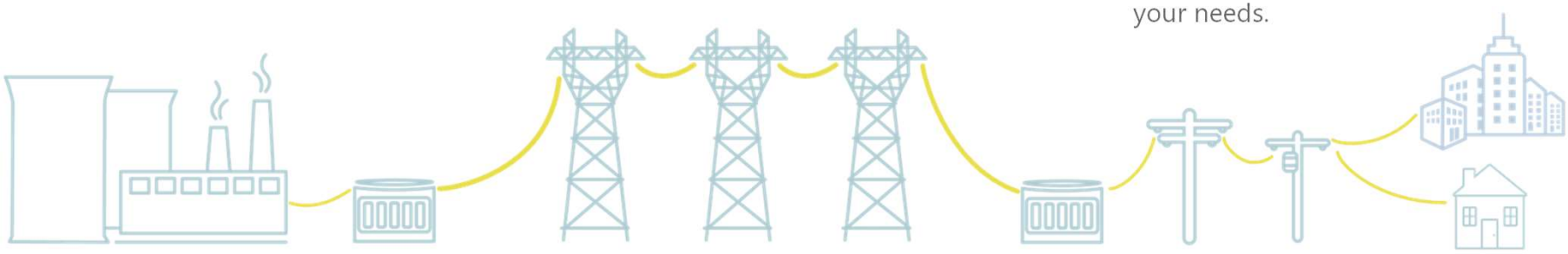
DISTRIBUTION

Transmission systems transport electricity from the plant to the local utility.

SUPPLIER

Your supplier works with your business to create an electricity plan that fits your needs.

END USER



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OHIO UTILITIES

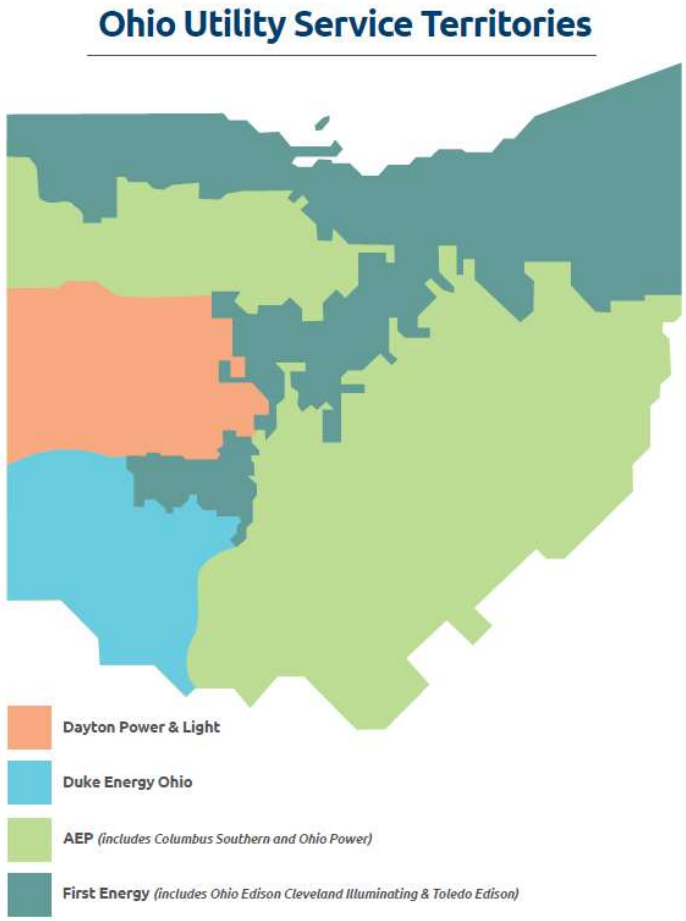
- **Duke Energy Ohio**
- **AES** (fka DP&L)
- **FirstEnergy** *(includes Ohio Edison, Cleveland Illuminating & Toledo Edison)*
- **AEP** *(includes Columbus Southern & Ohio Power)*

DYNEGY®

OHIO UTILITIES AND PRICE TO COMPARE

PRICE TO COMPARE (PTC)

- Customers who do not choose a Competitive Retail Electric Supplier (CRES) receive a price for their electricity from their local utility through a default rate called the PTC.
- These rates are set through an auction process which is run twice a year by each utility.
- Current PTC rates are much higher than the electric market and rates that you can receive from a CRES.



SSO AUCTION RESULTS

New Rates went into effective June 1, 2024 through May 31, 2025.

	Previous Rates		Current Rates
DEO	$56.39	→	$89.38
AES	$98.82	→	$96.56
AEP	$62.21	→	$102.69
FE	$53.61	→	$101.08

EVERY BUSINESS HAS DIFFERENT NEEDS

Electricity is the most volatile commodity traded. Know what you're signing up for and how it will affect your budget.

PLAY IT SAFE
Budget Certainty

- Non-profit or Governmental.
- Fixed price products.
- No pass throughs.

RISK TAKERS
Betting on Savings

- Industrial or Manufacturing.
- Willing to gamble for savings.
- Consider index or real-time products.
- Ability to reduce load.

BEST OF BOTH
Budget with Savings

- Business whose electricity expense is significant portion of overall spend.
- May choose fixed price for base load and index price for additional.
- Opt to pass through some components.

GETTING STARTED

MANAGE THE PROCESS IN HOUSE

BENEFITS:

- Direct communication with supplier.
- Additional services offered.
- No broker/consulting fee.

CHALLENGES:

- Multiple supplier contacts.
- Time and resource constraints.

HIRE A BROKER/CONSULTANT

BENEFITS:

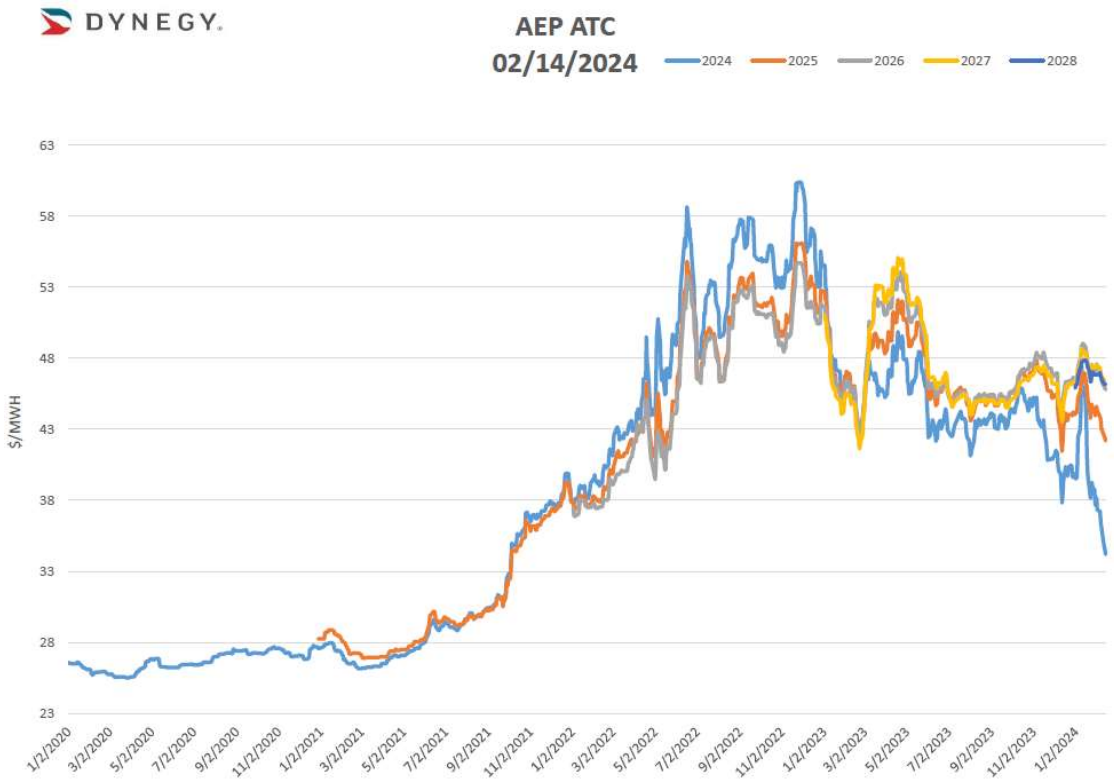
- One point of contact.
- Provide multiple supplier prices.

CHALLENGES:

- Fee-based
- Lack of direct communication with supplier.
- Offers are typically commodity only.

EXECUTION TIMING

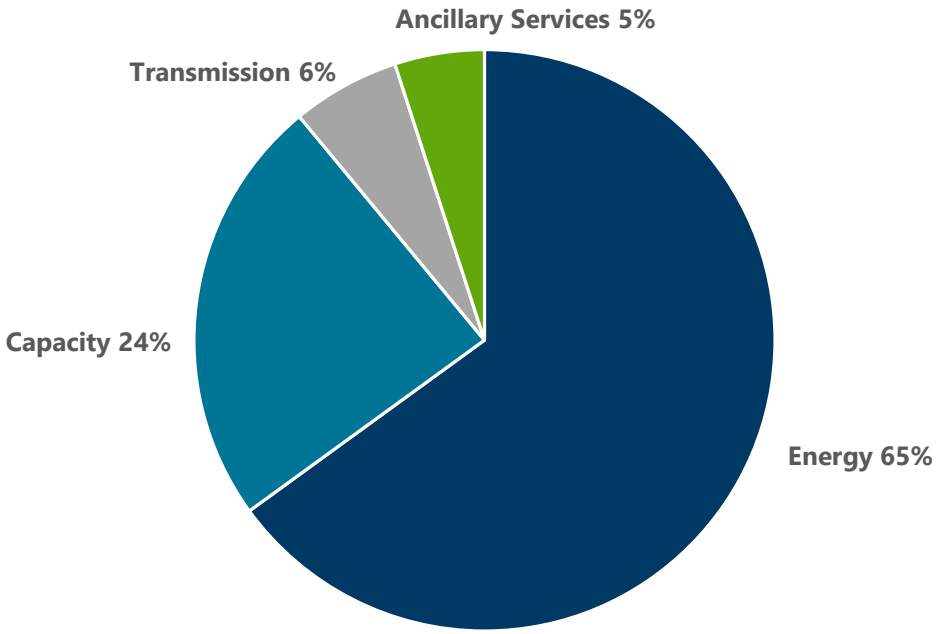
- Energy makes up ~70% of the commodity cost.
- Understanding the market can help you make strategic purchases.
- What impacts the market?
  - Weather is more volatile
  - Grid is less reliable and less stable
  - Coal retirements/fuel mix
  - Natural gas is the new oil
- When is the best time to buy?
  - Depends on contract term, budget needs, and fundamental impacts



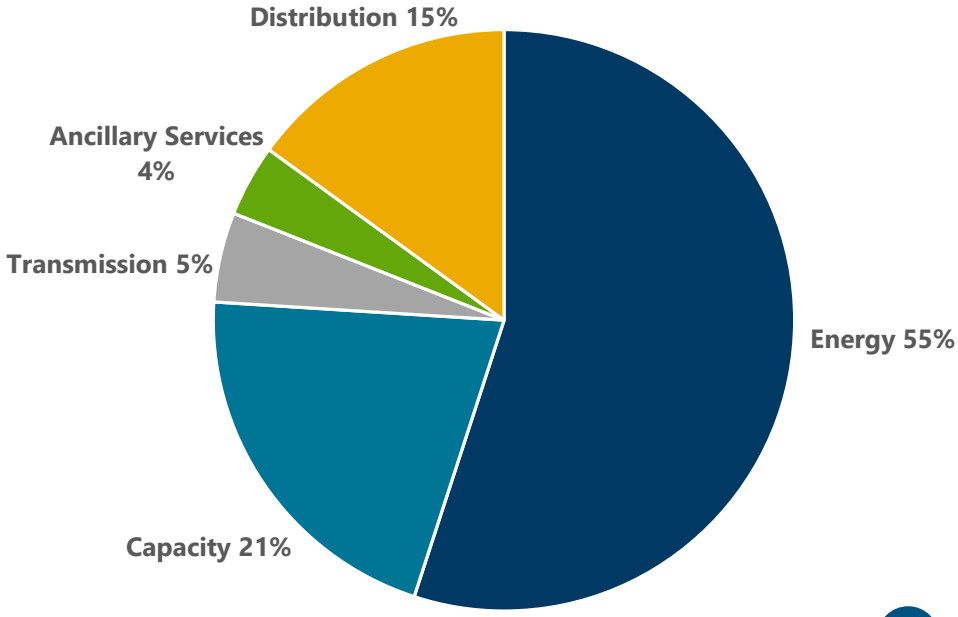
ELECTRICITY PRICING

Although energy makes up a large portion of the costs that customers see on their bill, other components can be confusing.

COMMODITY CHARGES*



TOTAL CHARGES**



** Estimated percentage breakdowns.* ***Includes delivery charges from the utility.*

A FIXED PRICE ISN'T ALWAYS "FIXED"

There are many components that go into a "fixed" price. Contract language can allow a supplier to pass-through components even if the customer initially thought they were fixed.

CAPACITY

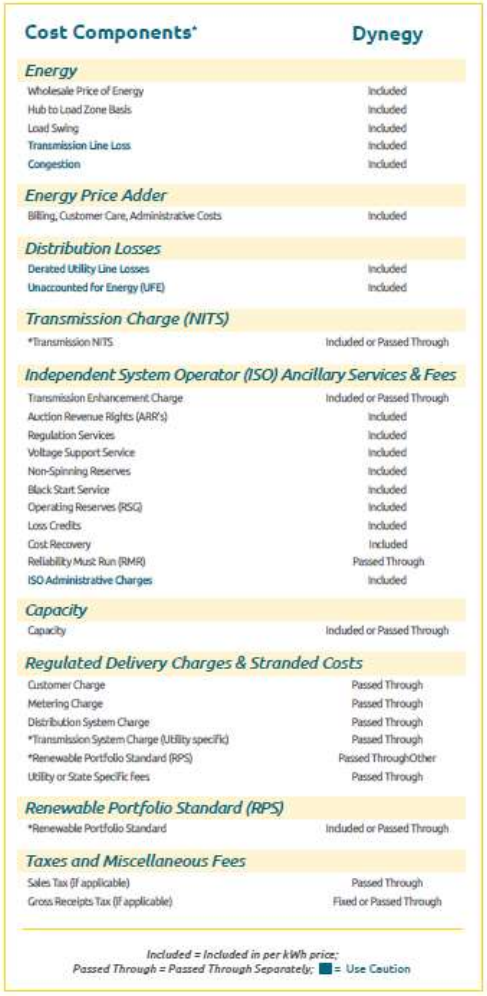
- Make sure to clarify if the supplier/contract can pass-through PLC changes or if they are fixed.

TRANSMISSION (NITS)

- Not typically part of retail electric supply in Ohio, but several utilities have programs to let customer manage their NSPL.

UTILITY LINE LOSSES

- Make sure pricing includes derated losses.
- Compare "apples-to-apples" on the energy adder.

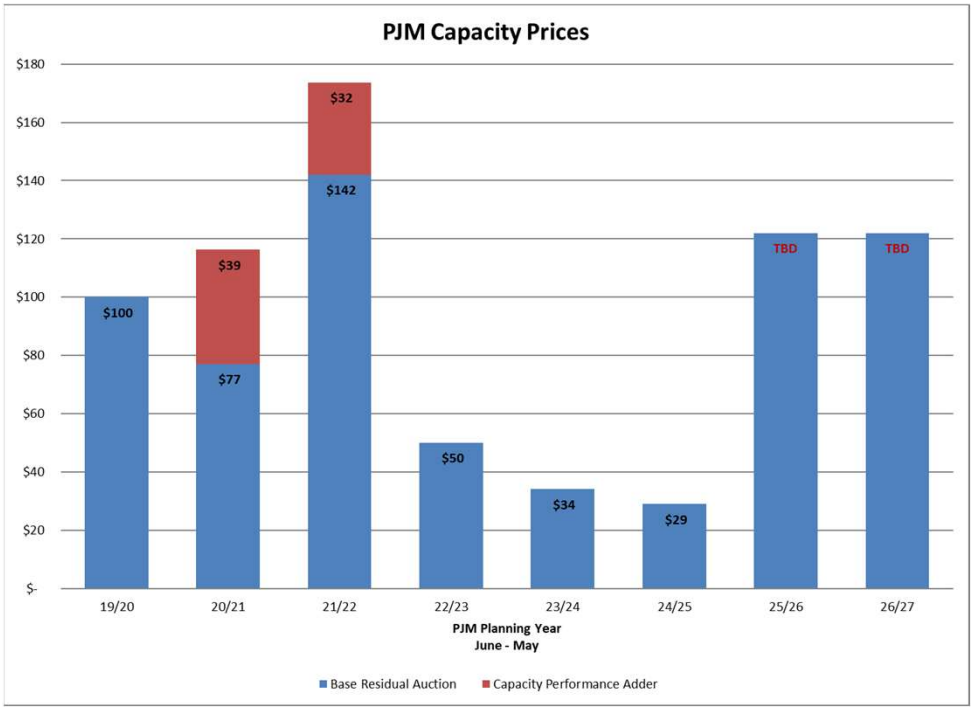


Cost Components*	Dynegy
Energy	
Wholesale Price of Energy	Included
Hub to Load Zone Basis	Included
Load Swing	Included
Transmission Line Loss	Included
Congestion	Included
Energy Price Adder	
Billing, Customer Care, Administrative Costs	Included
Distribution Losses	
Derated Utility Line Losses	Included
Unaccounted for Energy (UFE)	Included
Transmission Charge (NITS)	
*Transmission NITS	Included or Passed Through
Independent System Operator (ISO) Ancillary Services & Fees	
Transmission Enhancement Charge	Included or Passed Through
Auction Revenue Rights (ARR's)	Included
Regulation Services	Included
Voltage Support Service	Included
Non-Spinning Reserves	Included
Black Start Service	Included
Operating Reserves (RSG)	Included
Loss Credits	Included
Cost Recovery	Included
Reliability Must Run (RMR)	Passed Through
ISO Administrative Charges	Included
Capacity	
Capacity	Included or Passed Through
Regulated Delivery Charges & Stranded Costs	
Customer Charge	Passed Through
Metering Charge	Passed Through
Distribution System Charge	Passed Through
*Transmission System Charge (Utility specific)	Passed Through
*Renewable Portfolio Standard (RPS)	Passed ThroughOther
Utility or State Specific fees	Passed Through
Renewable Portfolio Standard (RPS)	
*Renewable Portfolio Standard	Included or Passed Through
Taxes and Miscellaneous Fees	
Sales Tax (if applicable)	Passed Through
Gross Receipts Tax (if applicable)	Fixed or Passed Through

Included = Included in per kWh price;
Passed Through = Passed Through Separately; ■ = Use Caution

CAPACITY CHARGES

- Capacity is a charge each customer pays to PJM for the generators to ensure access to immediate power as demand increases.
- A customer's capacity cost is derived by the cleared auction value (price) and the individualized Peak Load Contribution (PLC) quantity.
- When a customer chooses to fix capacity, the PLC and rate can be fixed by the supplier or passed through annually as it changes. **A truly Fixed Product Locks Capacity Rates and PLCs. Even for unknown Capacity Auction Years.**
- Customer can choose to pass-through the price and PLC, which will adjust each planning year so that the total cost is passed through with no markup.



**Prices shown are $/MW-Day.*

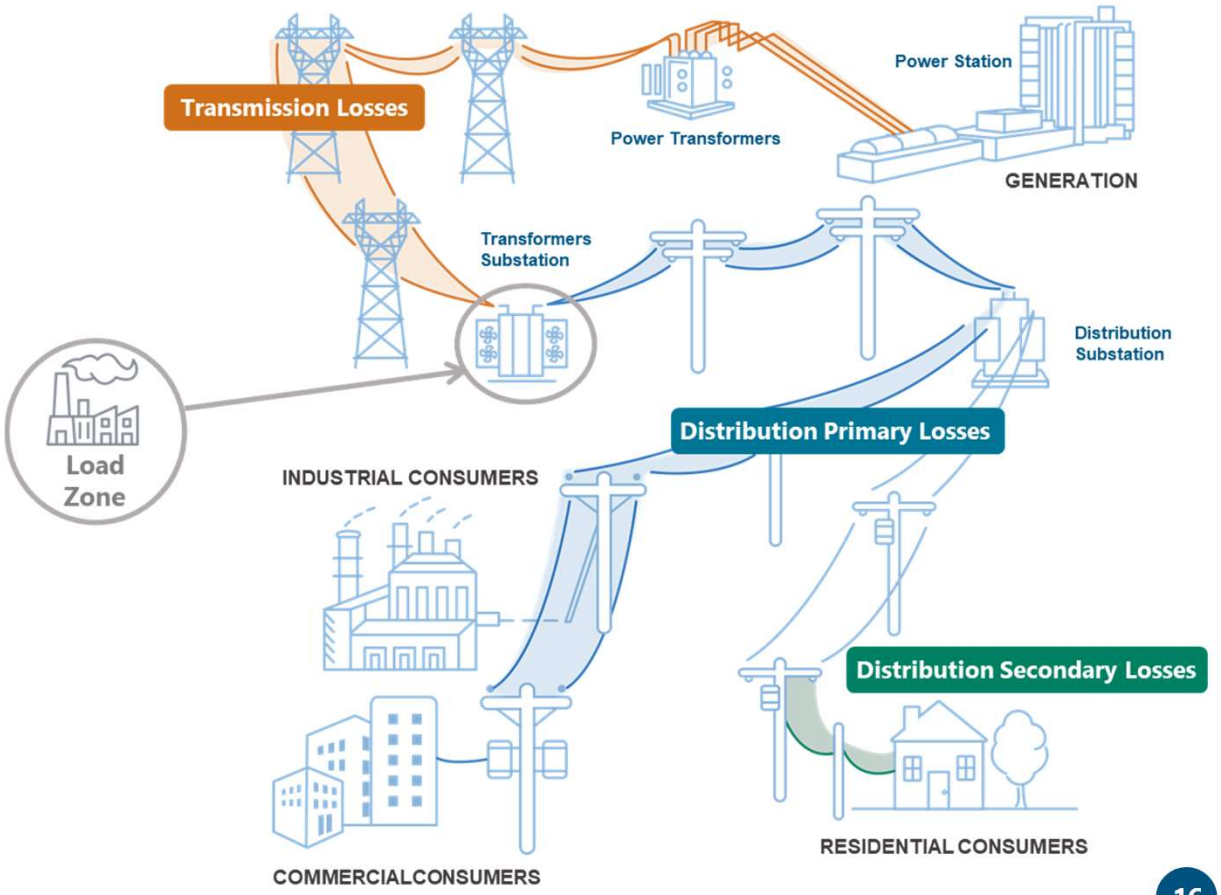
PJM CAPACITY MARKET REFORM

- PJM filed proposed changes to its capacity market to promote reliability of the electric grid.
- Changes are being made to ensure adequate resources are available amid more extreme weather events and the changing generation fleet.
- On 1/30/24, FERC approved several key changes to PJM's capacity market.
- These changes could result in higher capacity clearing prices, starting with the upcoming July auction for Planning Year 25/26.

Delivery Year	Base Residual Auction Schedule
2025/2026	July 2024
2026/2027	December 2024
2027/2028	June 2025
2028/2029	December 2025
2029/2030 (back on Tariff schedule)	May 2026

LOSSES & DERATION FACTORS

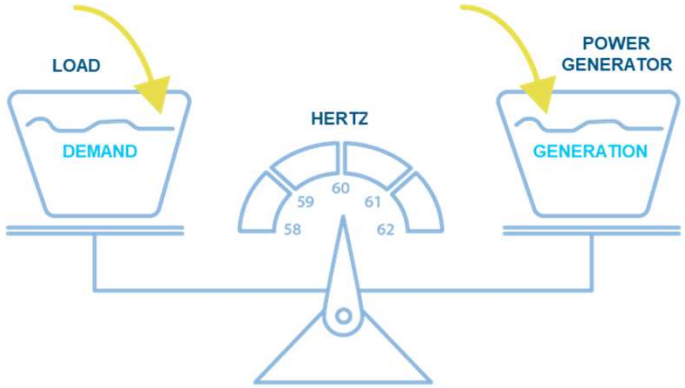
- Deration credits are meant to prevent double payment of transmission loss costs.
- Transmission losses are included in utility loss factors.
- Transmission loss costs are also included in the PJM Locational Marginal Pricing (LMP).
- Load Zone LMP:
  - System Energy Price
  - Transmission Congestion Cost
  - Cost of Marginal Losses
- Transmission loss credits (TLC) should NOT be considered equivalent to deration credits.



ANCILLARY CHARGES

Ancillary charges represent the additional services needed to balance the transmission system to support and maintain reliable electric grid operations. Types of ancillary charges include:

- **Regulation Service** - Used to match generation to demand on a minute-to-minute basis to keep the grid balanced and running at a frequency of 60 Hertz.
- **Synchronized Reserve Service** – The ability of a generator to move its output up or down within a 10-minute window.
- **Day Ahead Scheduling Reserve** – Voluntary, supplemental reserves used by the grid operator to balance the system.
- **Reactive Service and Voltage Control** – Maintains the voltage, or the pressure of the flow of electricity, at acceptable limits on the transmission lines.
- **Black Start Service** – The process of restoring power to part of the grid after a black out event without external power sources.



OUR PRODUCT OFFERS

ELEMENTS	FIXED PRICE	LOAD FOLLOWING INDEX	BLOCK AND INDEX
	The same price for the life of your deal for all of your usage protecting your business against price and market volatility.	Allows for some protection by locking in a percentage of your hourly load at a fixed price with the remainder purchased at the index market-based price.	Lock in a predetermined portion of your electricity load at a fixed price with the remainder purchased at the index market-based price.
Level of involvement by customers actively managing usage and complexity of product.			
Budget Certainty.	✓		
Options to pass through items (Capacity, Transmission, etc).	✓	✓	✓
Operational flexibility to respond to market changes.		✓	✓
Ability to purchase blocks above the block commitment.			✓
Opportunity to change the percentage of the load following block.		✓	
Option to convert to a fully fixed price.		✓	✓

SUSTAINABILITY OBJECTIVES

To identify the best sustainable supply option for your organization, consider the following:

1. ## WHAT ARE YOUR SUSTAINABILITY GOALS?
   Renewable energy targets require RECs, but Scope 2 emission reductions or zero emission goals can be achieved by both EFECs and RECs.

2. ## HOW MUCH BUDGET IS ALLOCATED TO MEET YOUR GOALS?
   If cost is the key factor, EFECs might be the right choice, as they are typically less expensive than RECs.

3. ## WHAT CLAIMS DO YOU WANT TO MAKE ABOUT YOUR ENERGY PURCHASE?
   Claims vary based upon the generation source technology. Claims related to longer-term sustainability commitments or specific locations may be more impactful, but also come at a premium cost.

4. ## DO YOU NEED TO MEET DEFINED SUSTAINABILITY PROGRAM CRITERIA?
   Some programs such as LEED Certification, RE100, and EPA Green Power Partnership require the use of renewable electricity, so RECs would be the most appropriate choice if you participate.

SUSTAINABLE SUPPLY

	EMISSION-FREE ENERGY CERTIFICATES (EFECS)	RENEWABLE ENERGY CERTIFICATES (RECS)		POWER & RECS FROM NAMED RENEWABLE SOURCE
		GREEN-E® RECS	NAMED PROJECT RECS	
OUR SOLUTIONS:	*Zero carbon emission energy attributes from nuclear sources.*	*Attributes from wind or solar energy resources meeting Green-e® certification standards.*	*RECs from a named wind or solar energy resource.*	*Energy and RECs from the same named wind or solar energy resource.*
BEST SUITED FOR:	*Cost-conscious businesses with carbon emission reduction as a primary goal.*	*Businesses committed to renewable energy or a specific renewable program.*	*Businesses wanting to claim renewable attributes from a specific location or resource.*	*Businesses seeking sophisticated solutions that meet specific needs or aggressive sustainability goals.*

EMISSION FREE ENERGY CERTIFICATES

Emission Free Energy Certificates (EFECs) are an easy way to support sustainability goals and claims to reduce Scope 2 emissions at a lower cost than Renewable Energy Certificates (RECs). This option provides:

- Nuclear Energy Source
- Flexible Term Length
- Any Fixed Load Percentage or Stand-Alone Purchase
- Support for Hourly Matching Targets
- Simple Participation
- Standard Retail Contract
- Price Certainty

EMISSION FREE ENERGY CERTIFICATES (EFECS)

GREEN-E® CERTIFIED RECS

The easiest way to go green, Renewable Energy Certificates (RECs) are ideal for businesses committed to renewable energy or a specific renewable program by providing:

- Green-e® Certified RECs from an Offsite Renewable Energy Source
- Flexible Term Length
- Any Fixed Load Percentage or Stand-Alone Purchase
- Simple Participation
- Standard Retail Contract
- Price Certainty

NAMED PROJECT RECS

Project named Renewable Energy Certificates (RECs) provide a more impactful option for businesses that prefer renewable attributes from a specific location or wind or solar resource. This includes:

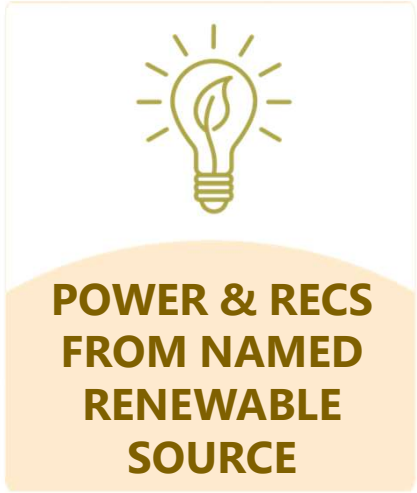
- Renewable Energy from an Offsite, Named Project
- Marketability of Your Local, Named Source
- Term lengths of 3 Years or More
- Any Fixed Load Percentage
- More Meaningful Participation
- Standard Retail Contract
- Price Certainty

POWER & RECS FROM NAMED RENEWABLE SOURCE

Businesses seeking sophisticated solutions that meet specific needs or aggressive sustainability goals should consider sourcing both energy and Renewable Energy Certificates (RECs) in a contract customized to their use.

This solution provides businesses with significant loads the opportunity to access power from a specific renewable source through a retail contract with:

- Renewable Energy & RECs from a Specific Project
- Marketability of Your Local, Named Source
- Standard Contract
- 5-7 Year Term Length
- Renewable Energy Price Certainty
- Fully Balanced Retail Volume



REBATES & ENERGY EFFICIENCY PROGRAMS

Find available funding from the government, your utility, or retail electric provider to fund energy improvements that deliver on-going, long-term savings.

- Inflation Reduction Act
- Utility programs in Ohio
- Dynegy's GreenBacks Rebate Program

DEMAND RESPONSE

- Retail Electric Provider Programs
- Regulated Utility Programs
- Coincident Peak (PLC, NSPL)
- Real-Time Price Signal to Reduce Load

PEAK NOTIFICATIONS

5 COINCIDENT PEAK (5CP)

Receive notifications to reduce usage when demand peaks on the PJM system and save save thousands of dollars in capacity charges the following year.

A customer's Peak Load Contribution (PLC) value changes every 12 months. It is based on their average usage during the 5 highest peak hours (5CP) throughout June to September.

5CP Notification programs offer forecasts to help identify when these peak hours could occur. Customers can then use this information to reduce their load which will then lower their PLC value for the next year and decrease electricity costs.

Additionally, there are Transmission Opt-Out Programs in FE, AES and AEP territories. Some suppliers offer Network Service Peak Load (NSPL) notifications for customers participating in these programs.

ONLINE REPORTING TOOLS

- Ability to track and optimize usage across multiple buildings/locations.
- Leverage timely market data to make informed decisions.
- Analyze real-time, interval data to optimize product selection.
- Utilize emissions reporting to meet corporate and regulatory requirements.

Invoice Data Acquisition & Metric Validation

Invoice Management

Usage & Cost Reporting

Facility Benchmarking

Weather Normalization

Greenhouse Gas & Emissions Reporting

Facility Management Tools & Custom Groupings

Interval Data Reporting

WHAT MATTERS MOST?

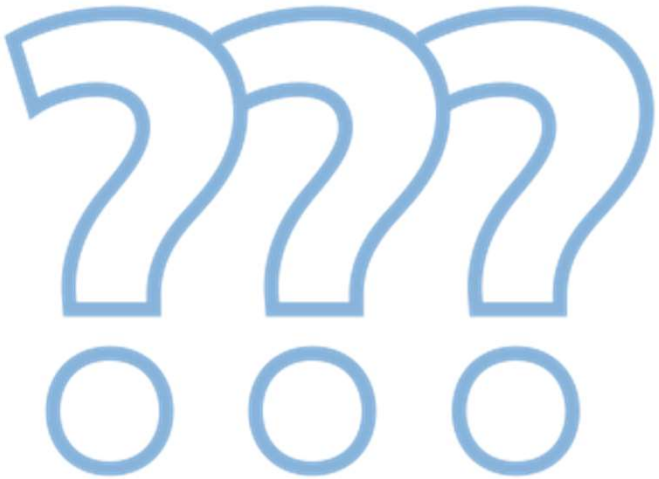
EXECUTION TIMING

- Timing does not need to based on current contract end.
- Executing based off market pricing.

CONTRACT TERMS

- Term Length – 12, 18, 24, 36 months
- Customizable Term Start/End Dates
- Short-Term and Long-Term Challenges & Benefits
- Pass-Through Components
- Favorable Contract Language
- Sustainability Components
- Additional Supplier Offerings

QUESTIONS



LET'S CONNECT!

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DYNEGY

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BIOGRAPHICAL INFORMATION

Katie Kiefer
Director
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Dynegy

Katie Kiefer serves as Dynegy's Director of Retail Business Development in the east markets. Prior to her current position, she served as a Senior Sales Executive, providing pricing and direct sales support to commercial and industrial customers. She has been in the energy industry for 20 years with prior experience on Cinergy's trading floor and in the wholesale generation group at Duke Energy. She joined Dynegy's retail sales group in April 2015.

Katie has a Bachelor of Science degree in Marketing and a Bachelor of Fine Arts degree from Mount St. Joseph University in Cincinnati, OH.