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# ENGIE's Formula Forward

Evolutions in climate change, technology, and customer preferences are revolutionizing our industry. Energy companies are responding with new offerings, spurring the proliferation of decarbonization, decentralization, and digitization. As these trends continue to drive significant opportunity for providers to redefine customer value, stakeholders push to simplify the complexities of today's energy landscape and remove industry barriers inhibiting true innovation in competitive markets.

With this rapid industry transformation, the traditional power system is being challenged to move beyond its current limitations. Leading energy providers like ENGIE are pursuing strategies that leverage the changes of today's energy landscape to amplify outcomes and address the ever-growing, ever-changing demands of customers.

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ENGIE has developed a new approach to building sustainable energy strategies – one that enables customers to create the economic value required to invest in renewable energy opportunities, while achieving other energy targets.

With ENGIE's Formula Forward, customers leverage a proven, systematic approach for managing energy price and quantity consumed – both how and when energy is used. By shifting the focus to optimize usage and demand, customers benefit from strategies that can achieve sustainability targets while ensuring outcomes specific to their operations – whether it's capital flexibility to invest in energy initiatives, improved resiliency, or greater budget certainty or efficiency.

Not only does this method enable more control of electricity consumption, it represents a significant departure from

traditional procurement models, in which electricity providers focus on price risks alone.

Leveraging the supply expertise and capabilities of ENGIE across the entire energy life cycle, this six-step progression gives customers the ability to unlock value, freeing cash flow, improving operational efficiency, and strengthening sustainable brands.

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## 01 Step 1: Minimize

The cleanest kWh is the one that is never consumed. As one of the greatest low-risk, cost-reduction opportunities, energy efficiency enables customers to

reduce the need to procure energy. In ENGIE's Formula Forward, equipment upgrades, such as LED retrofits and HVAC optimization; technology upgrades, such as controls optimization; and maintenance and monitoring all minimize usage to create economic and sustainable value. Customers set a foundation to benefit from reductions in consumption and costs while improving infrastructure and workplace safety and reducing maintenance costs.

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## 02 Step 2: Measure

Information services enable further cost and consumption reduction opportunities by measuring historical



activity and providing insight into energy use, demand, and cost trends. These tools aggregate complex data in ways that are easy to understand and act upon. Leveraging these insights adds clarity to demand response and other optimization opportunities while establishing and tracking benchmarks for efficiency and cost performance.

### 03 Step 3: Optimize

Demand response optimizes efficiency and cost performance. Price alerts, demand alerts, and real-time metering enable customers to participate in direct load control, reliability-based, and economic/ancillary demand response programs, where reductions in consumption are initiated for periods of two hours or less at frequencies dictated by the market and/or the ISO.

### 04 Step 4: Streamline

Utility advisory and consulting services bring transparency to energy, water, waste, and carbon activities to enhance sustainability efforts, drive stronger brands, and mitigate risks. Engineering expertise to design, construct, and deliver asset and infrastructure-based improvements – from energy efficiency to on-site generation installments – ensures accountability in budgeting, timelines, and performance. And experienced operations and maintenance add further value, reducing costs and

risks through preventive strategies, fast-response repairs, and condition-based techniques to maximize efficiency and minimize downtime.

### 05 Step 5: Produce

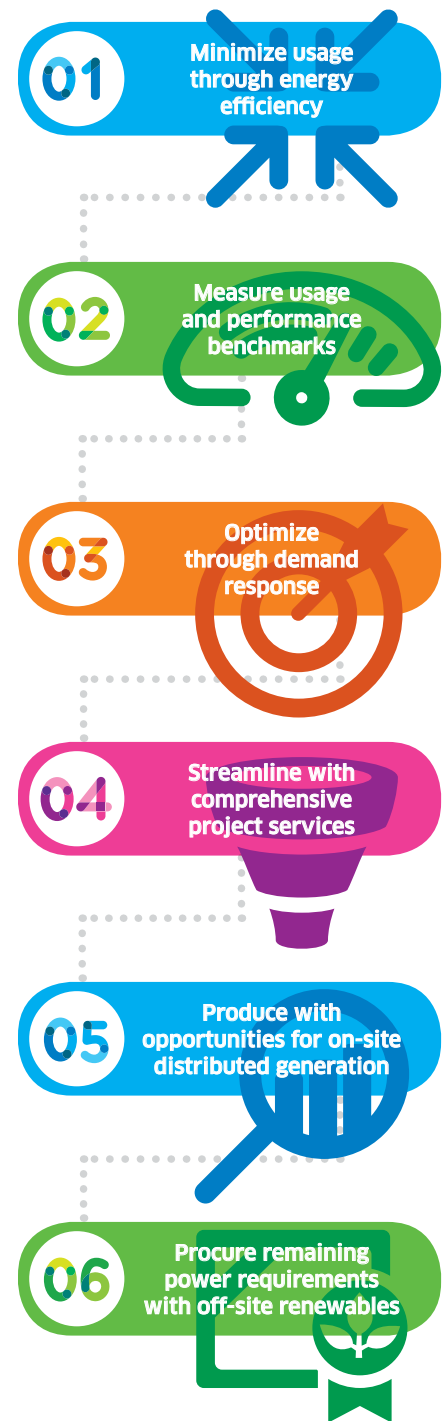
Distributed generation provides the technology and capabilities customers need to produce power at the point or near where it is consumed. Ensure delivery of clean, reliable power to your facility with solar, battery storage, and backup generation opportunities.

### 06 Step 6: Procure

The supply of renewable energy is essential for customers with aggressive renewable targets. Through ENGIE's Formula Forward, customers leverage the value created in energy efficiency, information services, demand response, and distributed generation to invest in clean energy.

ENGIE is a leader in renewable opportunities and is bridging the gap between traditional market offerings of standard renewable energy certificates and long-term, complex power purchase agreements. With customer-centric solutions – including physical green supply, branded as **easyRE**, and custom structured solutions, branded as **customRE**, ENGIE develops solutions tailored to specific goals and objectives.

**A six-step proven approach, optimizing energy strategies by managing energy price and quantity consumed – both how and when energy is used.**



## Delivering Sustainable Value with Fast Progress

ENGIE's **easyRE** gives customers the ability to contract physical volumes of renewable energy, primarily wind or solar, along with project-specific RECs, direct with generators or through intermediaries.

Project-specific physical volumes and RECs are incorporated into traditional retail supply contracts. RECs could be contracted off the same asset or supplemented through the Green-e® certification program.

This unique structure enables customers to make marketing claims that can be tied to a specific source. Firm volume and fixed-price offerings ensure predictability in month-to-month costs.

## Tailored Services for Optimizing Renewable Energy Investments

ENGIE's **customRE** provides tailored strategies facilitated through traditional retail supply agreements with flexible contract terms. They can involve a range of services, including:

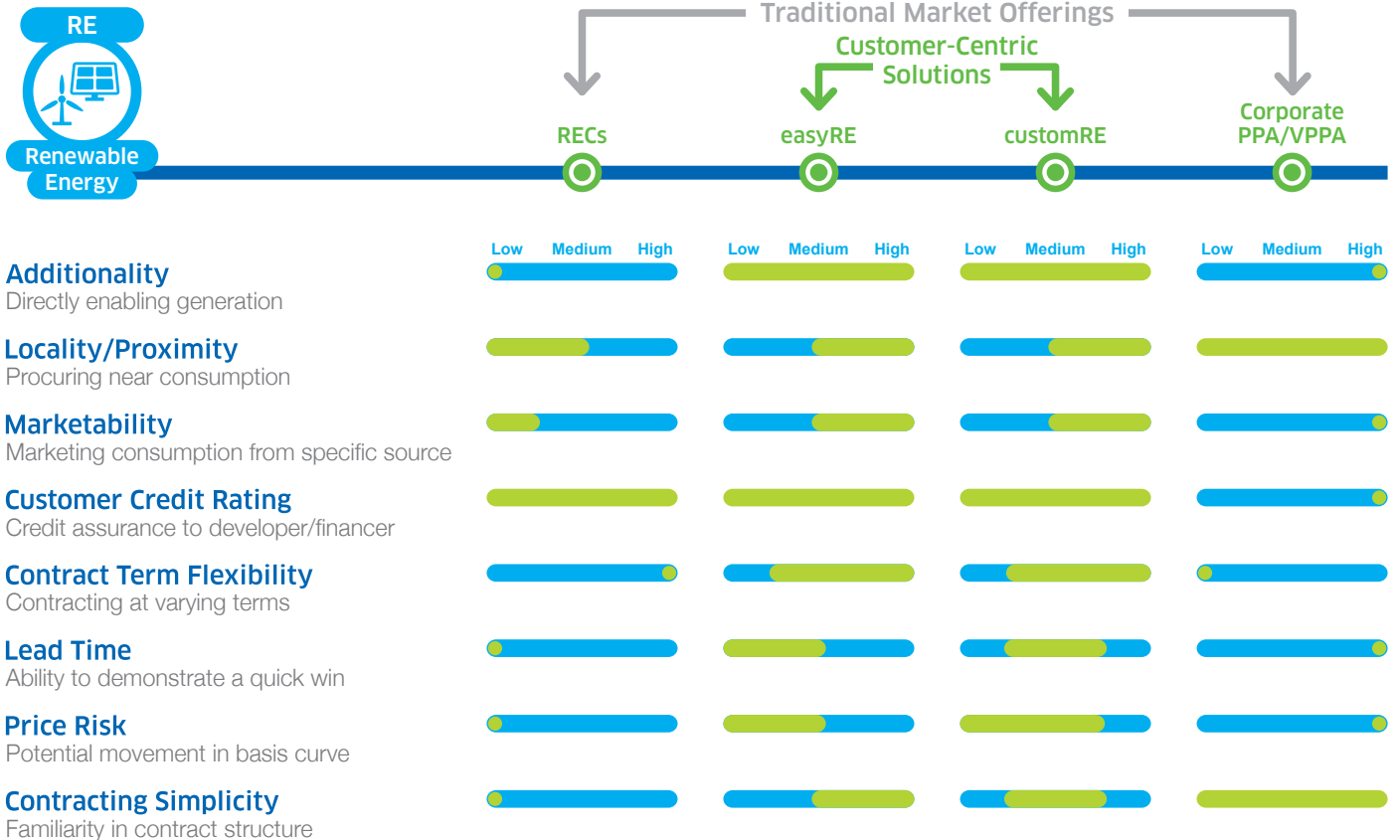
- Risk management of price and volume exposure for power purchase agreements
- Administration of scheduling, settlements, billing, and reporting for power purchase agreements
- Management of accounting and compliance requirements, such as Dodd-Frank record keeping and reporting and FERC licensing, for power purchase agreements
- Small-scale investments in new renewable construction, and off-take arrangements, primarily wind and solar.

## Conclusion

With the six-step progression complete, ENGIE strategically aligns commodity agreements to unlock further value. The company also provides a variety of financing and risk-management services to enable comprehensive and integrated solutions that deliver long-term financial and environmental benefits, if customers are looking for a complete outsource of energy programs.

ENGIE is ideally positioned to bring these solutions to the market. Leveraging our 45-year history of operating in North America, we draw upon our global presence in 70 countries and our 153,000 experts to deliver unrivaled knowledge and capabilities across the entire energy life cycle.

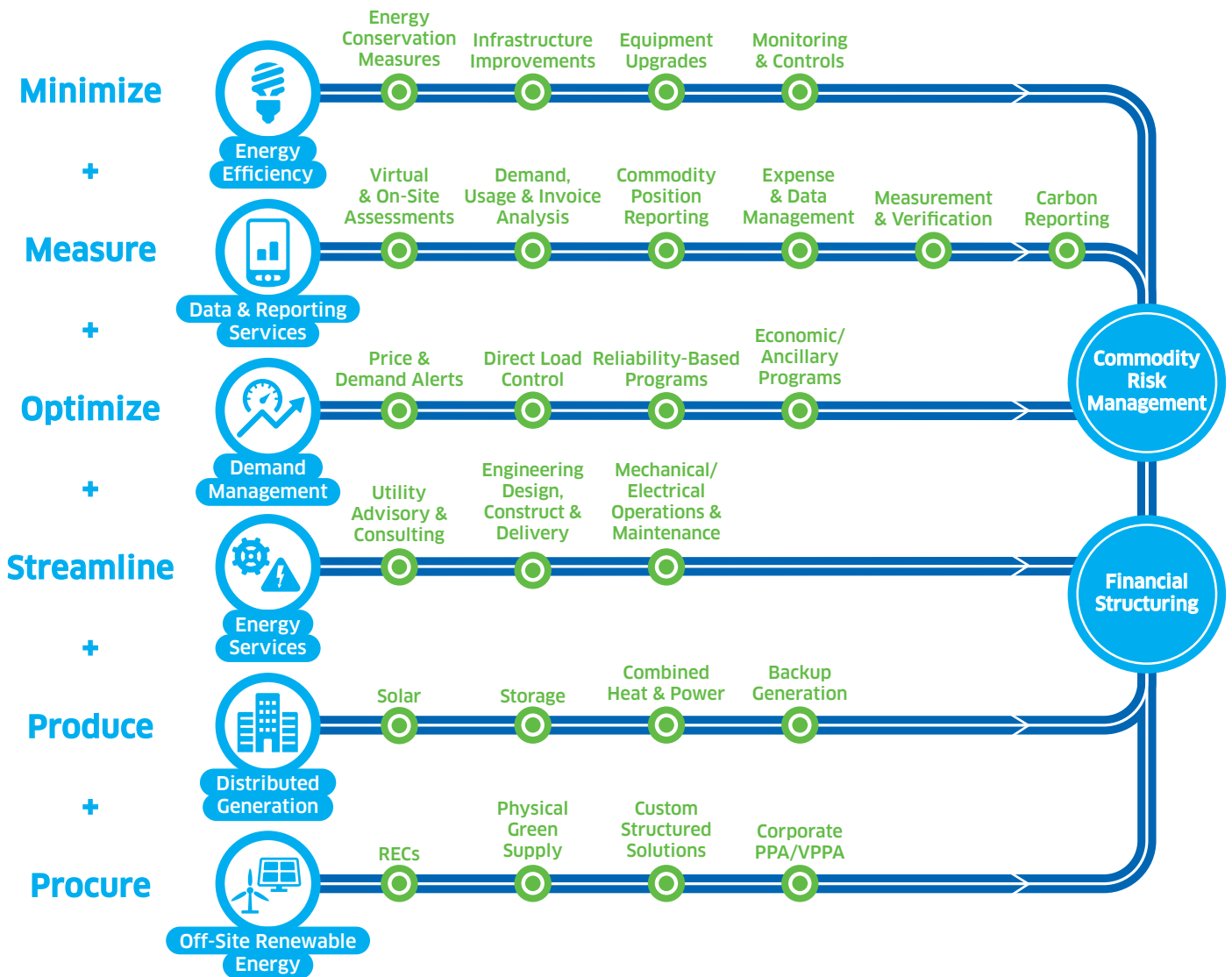
# Let ENGIE Customize the Right Renewable Solution For You



# Are You Creating the Economic Value You Need to Invest in Renewable Energy?

Moving away from strategies that manage price risk alone and toward solutions that optimize both price and quantity consumed enables customers to create sustainable and economic value. With ENGIE's Formula Forward, you can free cash flow to support sustainable initiatives while strengthening environmental responsibility, improving efficiency, and better managing risks.

Unlock More Opportunity with ENGIE's Formula Forward.



Ready to get started? Visit [www.engiesustainability.com](http://www.engiesustainability.com).

