

# A Straightforward Way to Balance Risk and Opportunity



## BLOCK & INDEX

For energy buyers who want some level of price certainty without incurring risk premiums associated with load following fixed-price supply contracts, block and index plans offer an excellent fit and alternative. These plans provide the stability of locking in the price for a portion of your electricity usage, while the price for the remaining usage floats at the current index.

You start by locking in a price for certain portions of your company's electricity usage. By looking at your historical usage, we can help you identify which type and size of blocks to buy.

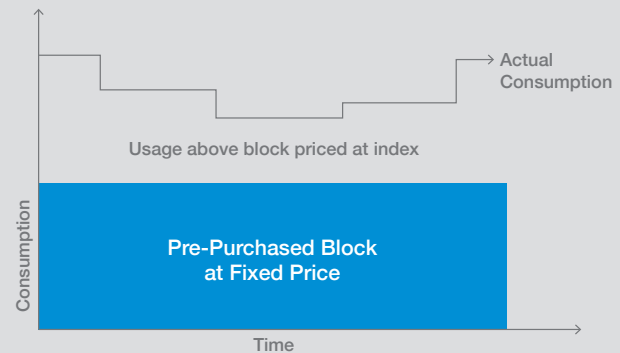
Remaining usage is purchased at market index prices, which allows you to take advantage of changing market prices. During the course of your contract, ENGIE also gives you several options to lock in additional blocks:

- Wholesale round-the-clock {RTC} blocks - 7x24
- On-peak blocks - 5x16
- Off-peak blocks
- Heat rate blocks

Delivery charges can be passed through or fixed, depending on your preference.

Together this gives you the ability to diversify your energy price risk profile while adhering to dollar-cost-averaging principals.

## BLOCK & INDEX EXAMPLE



## INDICATORS THAT A BLOCK & INDEX PRODUCT MIGHT BE RIGHT FOR YOUR ORGANIZATION

- Your company can tolerate some fluctuations in power and natural gas prices
- You would like to take advantage of downward price movements, but not without some protection from upward price movements
- Your company's procurement personnel are familiar with natural gas and power markets

# Electricity | Block & Index

## Bringing Simplicity and Convenience to Block & Index Electricity Plans



### WE HAVE MADE IT SIMPLE

Although block and index products have a 10-plus year history, identifying optimum block characteristics and wholesale block allocations have proven difficult and time-consuming for some energy buyers.

At ENGIE, we've taken an in-depth look at our Block & Index products and simplified everything about them to give you greater clarity, speed, and ease in selecting a product that meets your needs.

Here is what you might want to consider:

Recent customer feedback has highlighted the simplicity and speed in executing our Block & Index product. Our customers really appreciate ENGIE's extensive access to the market and the dedicated care and attention given by our Supply Team.

### WHICH BLOCKS SHOULD I BUY?

We use an easy tool to help you identify the sizes and time periods of blocks that make the most sense for your business.

### CAN I BUY ADDITIONAL FIXED-RATE BLOCKS?

Yes. We make it fast and convenient to purchase additional blocks after signing your initial contract.

- Dedicated sales reps can even transact with you via email
- Dedicated desk for locking gas on heat rate blocks

### IS BILLING SIMPLE?

Yes. We have simplified our Block & Index plans to ensure billing is straightforward.

- Blocks are settled in the same month as consumption
- We allocate proportionately to all meters whether you have one meter or thousands
- A live person is always available at our Customer Care Center

### IDENTIFYING THE BLOCKS ... A HYPOTHETICAL SCENARIO

XYZ Company is on an index product and wants to secure a hedge on a portion of its usage, but is uncertain of the size of blocks to purchase to cover approximately 60% of its historical usage. XYZ Company is comfortable with the energy price for the remainder of the actual usage to float on the index. ENGIE can assist XYZ Company with selecting the size of the block to purchase using a unique block sizing tool. The tool uses a simple sliding bar that calculates the size of the block for each month based on historical usage and the percentage of forecasted demand the customer wants to cover. XYZ Company can utilize the tool to select the size of block that meets its needs for the number of months that fits its budget.

Historical Usage

Month	RTC MW Usage	Monthly On-Peak Usage	Monthly Off-Peak Usage
Jan-16	1.5	2.2	0.8
Feb-16	1.5	2.2	0.8
Mar-16	1.5	2.3	0.8
Apr-16	1.5	2.4	0.9
May-16	1.8	2.5	1.0
Jun-16	2.3	3.2	1.4
Jul-16	2.7	3.7	1.9
Aug-16	3.0	3.9	2.1
Sep-16	2.3	3.2	1.3
Oct-16	1.7	2.6	1.0
Nov-16	1.8	2.4	1.1
Dec-16	1.7	2.3	1.1
<b>Average</b>	<b>1.9</b>	<b>2.8</b>	<b>1.2</b>

Blocks in MW

Block in MW	RTC Block	Block On-Peak	Block Off-Peak
Jan-16	0.9	1.3	0.5
Feb-16	0.9	1.3	0.5
Mar-16	0.9	1.4	0.5
Apr-16	1.0	1.5	0.6
May-16	1.1	1.5	0.6
Jun-16	1.4	1.9	0.9
Jul-16	1.6	2.2	1.1
Aug-16	1.8	2.4	1.2
Sep-16	1.4	1.9	0.8
Oct-16	1.0	1.6	0.6
Nov-16	1.1	1.6	0.7
Dec-16	1.0	1.4	0.6
<b>Average</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>

Percentage of Load Blocked

