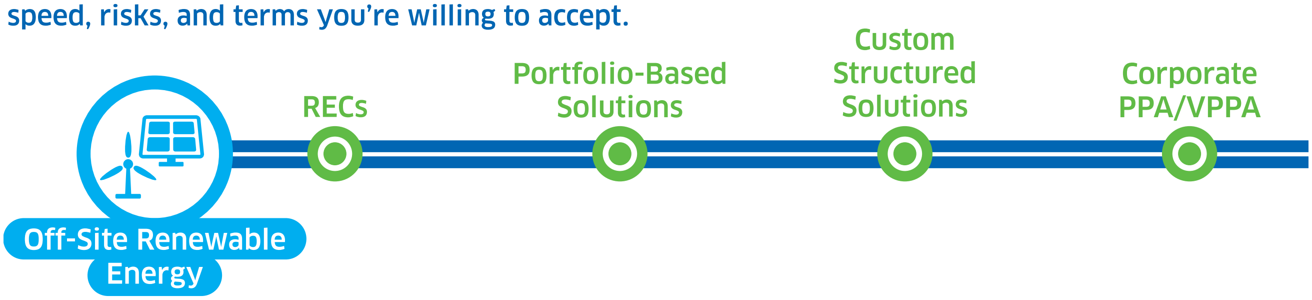
Sustainability Challenges Leaving You Puzzled?

1233

ENGIE Can Help Piece Your Sustainability Strategy Together

With a full range of off-site renewable solutions, ENGIE is uniquely positioned to build the right sustainable solution for your business – one that delivers the value you're looking to achieve at the speed, risks, and terms you're willing to accept.



Opportunity Qualification Questions

A. Where are you located?

○ ERCOT ○ PJM ○ NYISO ○ ISO-NE ○ MISO

B. What is your annual volume?

○ 3,000 – 25,000 MWh ○ 25,000 – 50,000 MWh ○ 50,000+ MWh

C. What is your credit rating?

○ Low ○ Medium ○ High

D. Which renewable technology are you considering? Check all that apply.

○ Solar ○ Wind ○ Hydro ○ Other

12 Steps to Renewable Solution Roadmapping

1. How important is additionality to you?

Although a clear standard is yet to exist for additionality in the renewables market, the term is generally used to describe transactions that support the construction of new clean energy facilities. There are "additional" emissions reductions that happen when companies invest in renewable assets that would not otherwise exist.

① Not Important ② Somewhat Important ③ Neutral ④ Moderately Important ⑤ Highly Important

2. Is the locality/proximity of the renewable energy facility important to you?

Certain renewable product structures allow customers to point to a specific source of power within a certain proximity (same state, RTO, or elsewhere) for their operations. This gives customers the benefit of investing in the local production of renewable energy.

① Not Important ② Somewhat Important ③ Neutral ④ Moderately Important ⑤ Highly Important

3. How flexible are you in the selection of renewable technology to support your sustainable solution?

Some renewable solutions are designed around a specific existing asset while others can be customized to a preference for solar, wind, hydro or other generation options. Understanding your flexibility in the type of renewable asset that supports your solution will be key in building the right strategy for your business.

① Not Flexible ② Somewhat Flexible ③ Neutral ④ Moderately Flexible ⑤ Highly Flexible

4. Is sustainability impact important to you?

Understanding the sustainability impact your company is looking to achieve will help guide you to the most suitable renewable product for your business. If your company has established targets or a green road map, think about where you are in achieving those goals and how much progress you still need to make.

① Not Important ② Somewhat Important ③ Neutral ④ Moderately Important ⑤ Highly Important

5. **How important is referencing the renewable asset in a marketing claim as a result of your renewable energy purchasing decision?**

The ability to point to a specific renewable asset and make marketing and environmental claims reinforces the strength of sustainable brands. A wide range of marketing rights exist in the spectrum of renewable products.

1	2	3	4	5
Not Important	Somewhat Important	Neutral	Moderately Important	Highly Important

6. **Is contract term flexibility (ability to contract shorter terms) important to your company?**

A number of drivers play a role in the term commitments of renewable products. Asset-based PPAs can require anywhere from 15 to 20 or more years, while a retail green supply agreement is typically three or more years.

1	2	3	4	5
Not Important	Somewhat Important	Neutral	Moderately Important	Highly Important

7. **What is your preferred contract time?**

The contract execution timeline required to deliver a renewable product depends on the product type. Some can take one to two months while others can take one to two years, and carry the risk of delays.

1	2	3	4	5
Days	Weeks	Neutral	Months	Years

8. **Are you willing to accept price risks to take advantage of market opportunities?**

Categorize your company as “not willing” or “somewhat willing” if you would rather lock in your price risk and eliminate the potential of material movements in the basis curve.

1	2	3	4	5
Not Willing	Somewhat Willing	Neutral	Willing	Very Willing

9. **Are you willing to accept volume risks to take advantage of market opportunities?**

Categorize your company as “not willing” or “somewhat willing” if you would rather firm up your volume risk to eliminate exposure to real-time spot market volatility when your load is short or long, relative to your renewable supply.

1	2	3	4	5
Not Willing	Somewhat Willing	Neutral	Willing	Very Willing

10. **Is budget certainty important to you?**

Taking into account your appetite for price and volume risks, think about how important budget certainty is to your operations and financial planning. If your company requires consistency and predictability in month-to-month costs, budget certainty may be “highly important” to you.

1	2	3	4	5
Not Important	Somewhat Important	Neutral	Moderately Important	Highly Important

11. **How important is contract simplicity to you?**

Certain renewable products require complex legal agreements that are often accompanied by lengthy negotiations and intricate compliance, tax, and accounting requirements. Your ability and willingness to handle such contract structures will play a significant role in determining the right renewable strategy for your business.

1	2	3	4	5
Not Important	Somewhat Important	Neutral	Moderately Important	Highly Important

12. **Are you willing to accept developer credit risk?**

Contracting with renewable energy developers carries a risk of default or contract termination that stems from the developer’s credit rating. If you would rather transact with a reputable counterparty like ENGIE – whose balance sheet can help mitigate counterparty risks of default or termination – you may be “not willing” or “somewhat willing” to accept developer credit risk.

1	2	3	4	5
Not Willing	Somewhat Willing	Neutral	Willing	Very Willing

Let This Assessment Guide You to the Most Suitable Renewable Product Selection

In the chart below, fill in how you rank in each key characteristic to determine the most suitable off-site renewable solution for your business. A range exists for certain characteristics that can be customized to customer requirements when building solutions. For example, 1-5 means that product can be built to accommodate the spectrum of requirements for that specific characteristic.

Key Characteristics	My Score	RECs	Portfolio-Based Solutions	Custom Structured Solutions	PPA|VPPA
1. Additionality		1	1-5	1-5	5
2. Locality / Proximity		1-2	3-5	3-5	1-5
3. Technology Type Flexibility		1	1-3	3-5	5
4. Sustainability Impact		1	3-5	3-5	5
5. Renewable Asset Referencing		1	5	5	5
6. Contract Term Flexibility		1	3-5	1-4	5
7. Contracting Time		1	1	1-4	5
8. Price Risk		1	1	1-3	5
9. Volume Risk		1	1	1-3	5
10. Budget Certainty		5	5	3-5	1
11. Contract Simplicity		5	5	3-5	1
12. Developer Credit Risk		1	1	1-3	3-5

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