Welcome to the ENGIE Energy Revolution

As many of our Ohio customers and partners know, GDF SUEZ Energy Resources recently changed our name to ENGIE Resources. It was not a decision we made lightly. On the contrary, we rebranded the company as part of our strategy to prepare for – and in many ways facilitate – what we believe is a coming energy revolution.

We understand that “revolution,” on the surface, may sound threatening. But the fact is, there are revolutions that are natural, rather than painful, and deliver a broad range of benefits to society. In our world, the world of electricity, those benefits to consumers can collectively be summed up in this statement: We will work with customers to ensure that they get a dependable supply of power, when they need it, without interruption, at a total cost that is both competitive and reliable.

But to do that will require a shift in the energy conversation.

At ENGIE, we have already begun that shift. In many ways, we’re going through a revolution of our own, and our new name reinforces that. Looking at the energy landscape ahead, it became obvious we could no longer be GDF, the gas company from France, or SUEZ, whose heritage dates back to 1858 and the construction of the Suez Canal. We had to be more. As such, we began to reshape the company with a number of strategic moves, including the acquisitions of OpTerra Energy Services, Green Charge Networks, and Ecova.

Efficiency and Small-Scale Renewables
ENGIE is a pioneer in advancing the sustainable energy economy through OpTerra Energy Services. There are opportunities in almost every facility to reduce energy consumption and cost. Our teams use comprehensive programs in energy efficiency, renewables, and infrastructure development to power progress that transforms the places we live, work, and play.

Energy Storage
Through Green Charge Networks’ cloud-managed energy storage solutions, ENGIE is helping businesses, municipalities, and schools of all sizes use power more efficiently and sustainably. In addition, Green Charge’s ecosystem of solar, EV charging, and energy-efficiency providers allows customers to amplify their cost and carbon reductions by combining energy storage and renewables easily and economically.
Big Data Management

ENGIE combines big data with technology to reduce electricity costs through its subsidiary Ecova. Analyzing meter data, building information, and other metrics, Ecova can rapidly create energy models to identify opportunities for greater energy efficiency and demand savings. Additionally, Ecova’s Utility Expense & Data Management service helps aggregate customers’ utility bill processing, utility site service management, and budget/accruals across an entire organization – reducing cost, improving on-time payments, and managing risk.

One of the striking things about these acquisitions is that they do not reflect the industry’s traditional focus on price. Instead, they focus on how energy is consumed: greater efficiency, reduced emissions, smarter consumption, improved cost management. In other words, our strategy isn’t price-centric, or generation-centric, or infrastructure-centric. It is consumer-centric, characterized by a redefinition of what constitutes “customer value” and the delivery of tools and resources necessary to enhance that value.

That’s the catalyst behind our name change, and it is at the core of the energy revolution.

Although some may argue that this “consumer-centric” strategy is hardly new, a look at the relatively brief history of competition in Ohio and other states might suggest otherwise. Since the introduction of consumer choice, the industry has viewed the market from three perspectives: the cost of acquiring customers; profit margins from serving those customers; and “stickiness,” which refers to the retention of those customers. Upon closer examination, however, it becomes clear that those perspectives place great emphasis – perhaps too much emphasis – on getting money from the customer as opposed to delivering better value to them.

Consider offerings such as rates and bundling, for example.

Retail electric providers offer introductory rates designed to encourage signups; customers like those rates because they believe they’re saving money. Additionally, we’re seeing more examples of companies wrapping multiple products – some related to energy, some not – into their services. But those rates are going to increase eventually, and the bundling of services often amounts to little more than an attempt to bind customers to the provider. At some point, you have to ask: Does any of that really save customers money, or is it just a way for providers to reduce their costs of acquiring customers and increase their profits?

In the context of the energy revolution, the responses are, 1) no, in the end customers don’t save money, and 2) creative rate structures and packaging products that often have nothing to do with energy are not mechanisms for creating greater value for customers. So if the solutions of today aren’t the solutions of the future, where do we go from here?

At ENGIE, we believe the answer is to help customers reduce their total energy spend – not just what they pay for power but how they use it.

For the most part, retail electric providers have been very good at managing price risks for customers. But we need to broaden our offerings to include managing quantity risks, which we have historically left to our customers. Think
about the pricing for cell phone service. In the beginning, you paid for a certain amount of capacity, and there were on-peak and off-peak prices. But the service providers figured out a way to manage capacity and prices, and they said, in essence, just pay us a monthly fee, and we’ll do everything you need.

Why can’t electricity providers do something similar? Why not let customers live in comfort, with the confidence of knowing they’ll have a reliable supply, while we handle the infrastructure so they don’t have to calibrate multiple devices? The fact is, we can manage total price and quantity risk around the house and in commercial and industrial facilities; the tools, technologies, and resources exist. But customers have never asked us to. If they did ask, and we told them we could, there’s every reason to believe that they would likely say, yes.

Our responsibility as a provider is to determine how to best do that. It could be through smarter technologies, improved consumer education, a renewed commitment to energy efficiency and conservation, increased use of renewables – whatever it takes to empower customers to manage their price and quantity risk and, as a result, to reduce their total energy spend. Because by better managing the energy spend, we can better serve multiple energy stakeholders:

1. **ISOs/RTOs**: There is no question that the nation’s energy infrastructure, the regional grids in particular, is facing more stress by the day. But by reducing the amount of energy consumed – again, easing stress on the grid – renewable power can be more easily and efficiently distributed. This has the added advantage of reducing the demand for fossil fuel-fired generation, thus enhancing the potential for a lower-carbon future.

2. **Regulators**: Those who oversee markets and market participants face their own unique set of issues, such as how to contribute to a low-carbon future by integrating clean energy into the grid. Currently, some grids simply do not have the capacity to accommodate more solar and wind power. But by reducing the amount of energy consumed – again, easing stress on the grid – renewable power can be more easily and efficiently distributed.
3. Partners: As noted above, ENGIE Resources has rebranded itself through the acquisition of companies that broaden our footprint in energy efficiency, storage, management, and conservation. Given the potential that technology and data hold for helping control usage and encouraging smarter decision-making, strategic partners can and will play an essential role in changing the dialogue over how – and how much – electricity is consumed.

4. Customers: For all the many beneficiaries of the energy revolution, customers are ultimately the big winners. Smarter usage and reduced stress on the infrastructure add up to lower monthly bills, reliable and affordable pricing, dependable supply, and a grid that can withstand peak demand without blackouts. In other words, power will be available, when it’s needed, at a predictable price.

None of this is to suggest that ENGIE Resources is in any way reducing our presence in Ohio, however.

We’ve been providing Ohio business customers with a diverse range of energy products since 2011. These options allow customers to pass through or fix many different combinations of price components to best suit their needs and risk tolerance. We’ve also offered Renewable Energy Credits and VPower, our proprietary real-time load, price, and demand management tool. That is not going to stop. We will remain active in all of the state’s utility delivery territories. And we will continue to employ Ohioans at our facility in Luckey and our offices in Columbus and Independence. Our commitment to the state, its businesses, and its ratepayers is as strong as ever.

But we still must accept the fact that the energy world is changing, and it is more complex than ever. Prices are volatile. Regulations and their impacts are uncertain. Threats to the energy infrastructure are real. The industry faces a transition, and we must confront new demands coming from every direction – customers, regulators, environmentalists, grid operators, and elected officials.

The only way to meet and satisfy those demands is to work with customers to manage both what they spend for power and how much (and when) they use it. By doing so, we can help assure predictable supply and prices, mitigate the potential for blackouts or brownouts, and better integrate renewables into the grid. Providers won’t have to rely on non-transparent rate structures or offering “other goods and services.” The cost of acquiring customers will decrease, and retention rates will increase. We’ll support a low-carbon future. And for providers, profits will take care of themselves.

For all of that to happen, however, we must shift the conversation away from price alone and begin to focus on how managing price and quantity can reduce the total energy spend. That will require a new mind-set that some may indeed call revolutionary. If so, then welcome to the energy revolution.