

A landscape photograph featuring several wind turbines silhouetted against a vibrant sunset sky. The sky transitions from a deep orange near the horizon to a pale blue at the top. The foreground is filled with dark, dense foliage. A white rectangular box is positioned in the upper left corner of the image.

Decarbonizing Your Corporation and Achieving ESG and Sustainability Goals

enel

Today's Speaker



Drew Lessard

Key Account Manager
Enel

- Works with national and international commercial and industrial organizations to meet their energy goals
- Focused on delivering value through renewable energy, demand response, PPAs and energy markets
- MBA with a focus on sustainability from Duquesne University, Bachelor's and Master's degrees in Economics from Boston University and 10 years in customer-facing and relationship development roles



Agenda

1. **Who we are**
2. **Why decarbonization is a fiduciary responsibility**
3. **Build an energy transition team**
4. **What is an energy transition roadmap**
5. **Unpacking the major decisions on the roadmap**
6. **Summary**



Part 1

Who we are

We are Enel, a global leader in the energy transition



Enel has pledged
carbon neutrality by 2040

\$190 B

Invested in clean
energy by 2030



Enel is the world's largest
private player in **renewables**

By installed capacity. Includes renewable managed capacity.

53 GW

Renewable capacity

154 GW (incl. storage) by 2030



Enel has a large global
customer base

4,500

Business customers
in North America



Enel is a world leader in
demand response (DR)

7.7 GW

DR capacity



Enel is recognized for its leadership in sustainability



Named in Fortune Magazine's "Change the World" list (2015, 2017, 2018)



Included in the "A" List for Tackling Climate Change (2021)



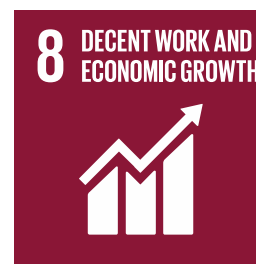
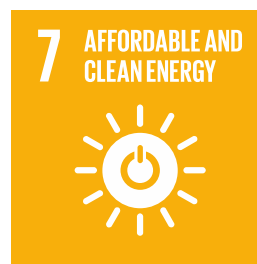
Top spot Dow Jones Sustainability World Index (2021)



Named for making EV charging cleaner (2021)

Net Zero by 2040

Enel pledges complete decarbonization



Enel commits to these UN Sustainable Development Goals

Proven Track Record in Manufacturing in Ohio

+400 Ohio manufacturing companies are enrolled in Enel's DR programs



With expertise, resources and scale, Enel delivers holistic end-to-end energy solutions



- On-Site Solutions
- Off-Site Solutions





Part 2

Why decarbonization is a fiduciary responsibility

Trends driving energy transition



Climate Change Risk



- Feeling impacts of a more volatile global climate
 - “Western megadrought is worst in 1,200 years, intensified by climate change, study finds” – *LA Times*
 - “July 2022 featured hottest nights in U.S. history” – *Washington Post*
- 58% of Fortune Global 500 have made commitments to reduce emissions

Trends driving energy transition



Stakeholder Influence



“Climate risk is investment risk. We focus on sustainability not because we’re environmentalists, but because we are capitalists and fiduciaries to our clients.”

— BlackRock CEO Larry Fink,
Q2 2022 Earnings Report

Trends driving energy transition



Growing Need for Resiliency



Natural Gas drives US energy pricing



Shown are 12-month forward prices for the NYMEX Natural Gas Index.

Trends driving energy transition



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What inflation – and the Inflation Reduction Act – mean for the clean energy sector

Policy Changes

 [Kavya Balaraman](#)
Senior Reporter



Solar panels, wind turbines and a transmission line. *loveyday12 via Getty Images*

- IRA incentives push US GHG reduction likely to 40% by 2030
- Secures solar Investment Tax Credit (ITC) of 30% for 10 years
- ITCs extended to storage projects with boosters up to 70% for qualifying projects
- New Production Tax Credits for Clean Hydrogen

What does all this mean?

- Reconsider every clean energy project again with a qualified partner. The economics have just fundamentally changed.
- Do it now.



Part 3

Build an energy transition team

The Journey Requires a Strong Team

Companies achieve their goals through one of three paths



Build In-House Team of Experts



Hire Energy Advisors



Align with Energy Partner

The Journey Requires a Strong Team

Companies achieve their goals through one of three paths



Build In-House Team of Experts

- Build expert team, dedicate FT/PT staff that analyze, procure, execute, monitor, and operate your decarb roadmap.
- Requires highly skilled and experienced team that are hard to find.
- Only the largest organizations pursue this path. Google, Microsoft, Walmart, Berkshire Hathaway.

The Journey Requires a Strong Team

Companies achieve their goals through one of three paths



Hire Energy Advisors

- Remain delivery agnostic to procure the best partner for solution
- Keeps all options on the table (or does it?)
- Assumes market competition is vibrant and can meet your RFP requirements – e.g. a buyer's market
- Advisors goal is to place your deals through RFP to earn their placement fees from vendors

The Journey Requires a Strong Team

Companies achieve their goals through one of three paths



Align with Energy Partner

- Align with a partner who can deliver the energy products and solutions that you'll need on the energy transition roadmap.
- Partner does the delivery and execution, not just analysis and procurement.
- Tailored solutions for specific projects and / or combined solutions lead to additional value and ROI.
- Simplifies ongoing management by consolidating energy transition among fewer vendors and middlemen.

Part 4

What is an energy transition roadmap?

What is an energy transition roadmap?



Long-term strategic plan to transition from current state to end goal



Visualize emissions sources and set project milestones that offset projected Scope 1, 2, and 3 emissions

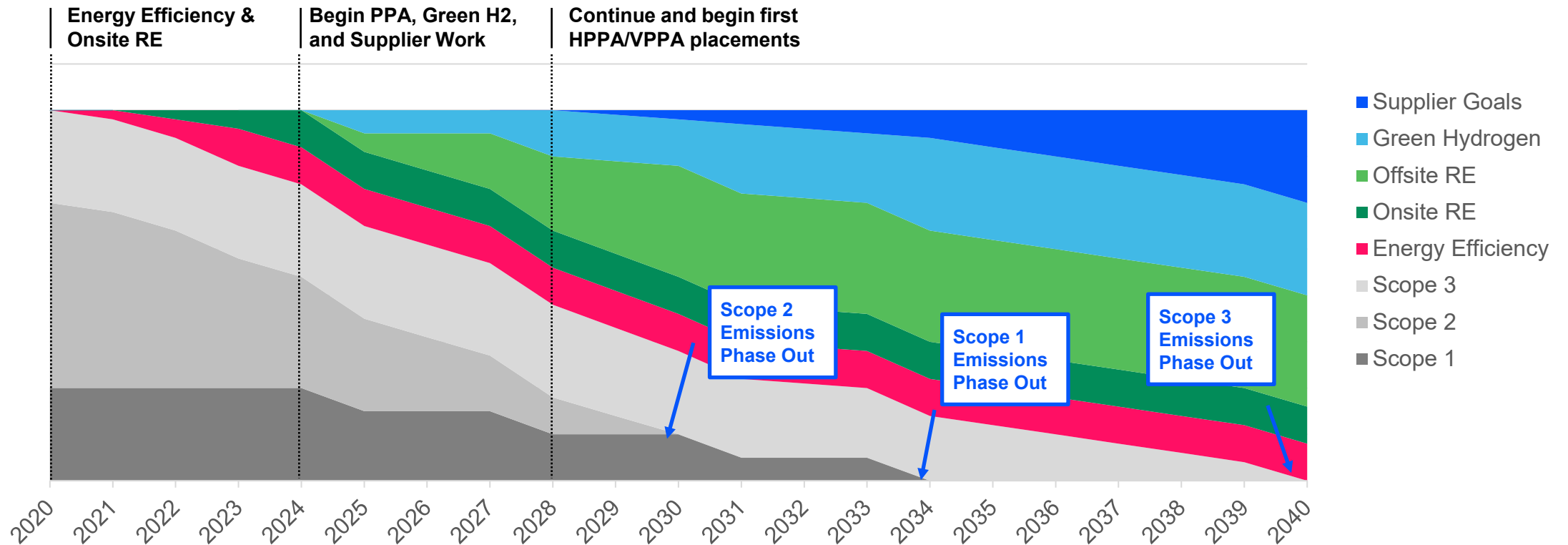


Provide organizational leadership with clarity, alignment, and actionable steps. And a plan to share with stakeholders.

Example Energy Transition Roadmap



Acme Co. Emissions by Source



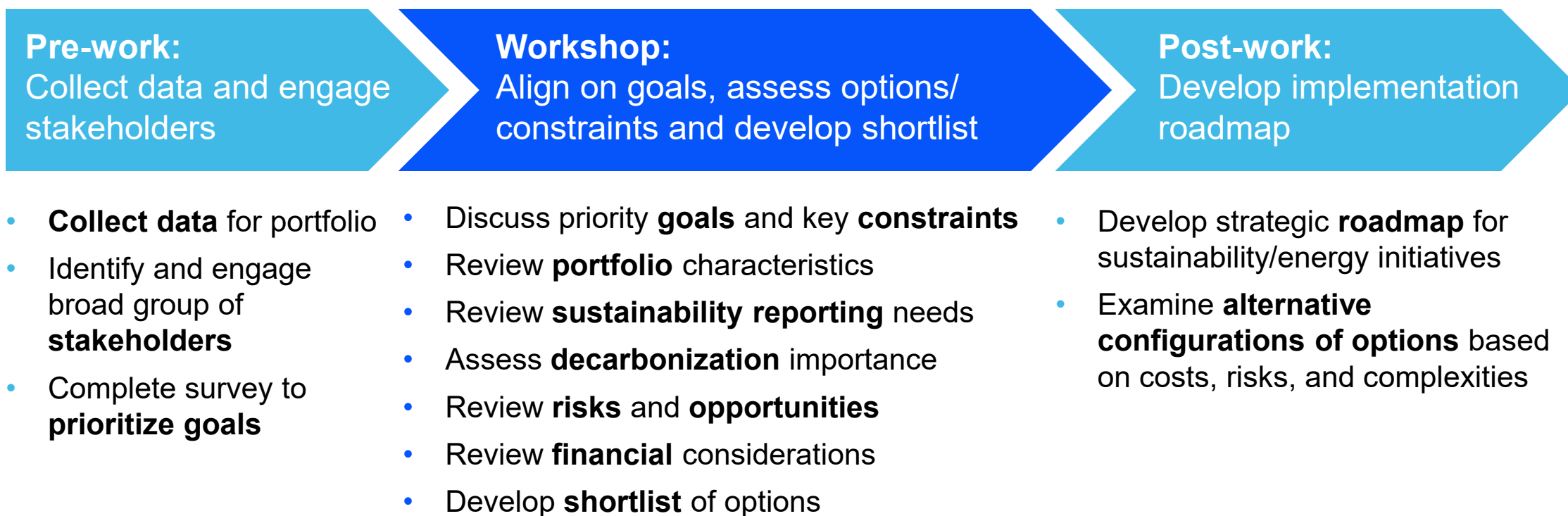
Sustainability
Goals

Sustainability
Reporting

100% Renewable
Electricity by 2030

Net Zero
by 2040

Getting to your roadmap through a Renewable Energy Workshop



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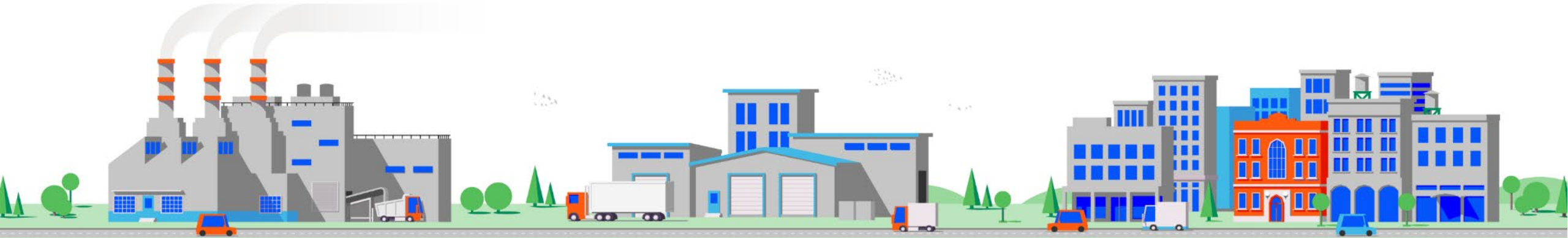
Part 5

Unpacking the major decisions on the roadmap

Energy Transition Roadmap



Quantifying your GHG Emissions is the first step



Upstream Partner

Scope 3: Other indirect emissions, e.g., from purchased goods & services, waste generated from operations, leased assets



Reporting Company

Scope 1: Direct emissions, e.g., from on-site generation
Scope 2: Indirect emissions from purchased electricity



Downstream Partner

Scope 3: Other indirect emissions, e.g., from transportation and delivery, use of goods sold, end-of-life treatment for goods sold

Measurement, Reporting, and GHG Emissions



Carbon Disclosure Project (CDP)

>13,000 reporting companies
(64% of global market cap)

Science Based Target Initiative (SBTI)

2,253 reporting companies

GHG Emissions Reporting Software and Utility Bill Management



Squeezing out waste in your emissions



Operational scanning for inefficiency

Building and facility engineering teams engaged

Procure lighting-as-a-service companies

Case Study: TOYOTA

Toyota North America achieved its goal to reduce GHG emissions from its operations by 15%

Highlights:

- Auto temp controls installed on ovens in paint shops
- Exhaust fans on roof to control building pressure and reduce run time
- HVAC units now controlled by BMS system along with variable speed controls

What is the value of flexibility?

Grid operators compensate for flexibility as a way to address system stress



Decreasing Costs



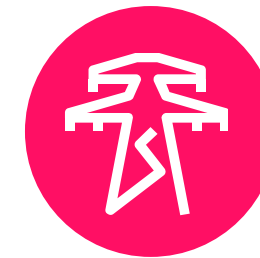
Bill Savings



Peak Reduction



Increasing Revenues



Demand Response



Incentive Earnings

All driven by *when* you consume energy

Decrease costs and increase revenues to drive most economic value to the customer

Paths to unlock these value streams

- Work with an **aggregation partner** to enroll in demand response programs and curtail your load during times of grid stress
- Install a **distributed energy system** to amplify revenue opportunities while minimizing disruption to business operations
- Leverage the technology of an energy partner to **receive alerts** on when to curtail, helping you maximize all available market opportunities



On the roadmap to net zero, companies maximize on site renewables with favorable ROI



- Behind the meter (BTM) projects where power generated is consumed or stored on site
- Directly offsets power intake from the grid
- Total value of projects evaluated with all potential value streams incorporated into financials
- Wide range of project solutions available from full ownership to zero capex solutions

Solar



Solar + Storage



Finance your DER system through Enel

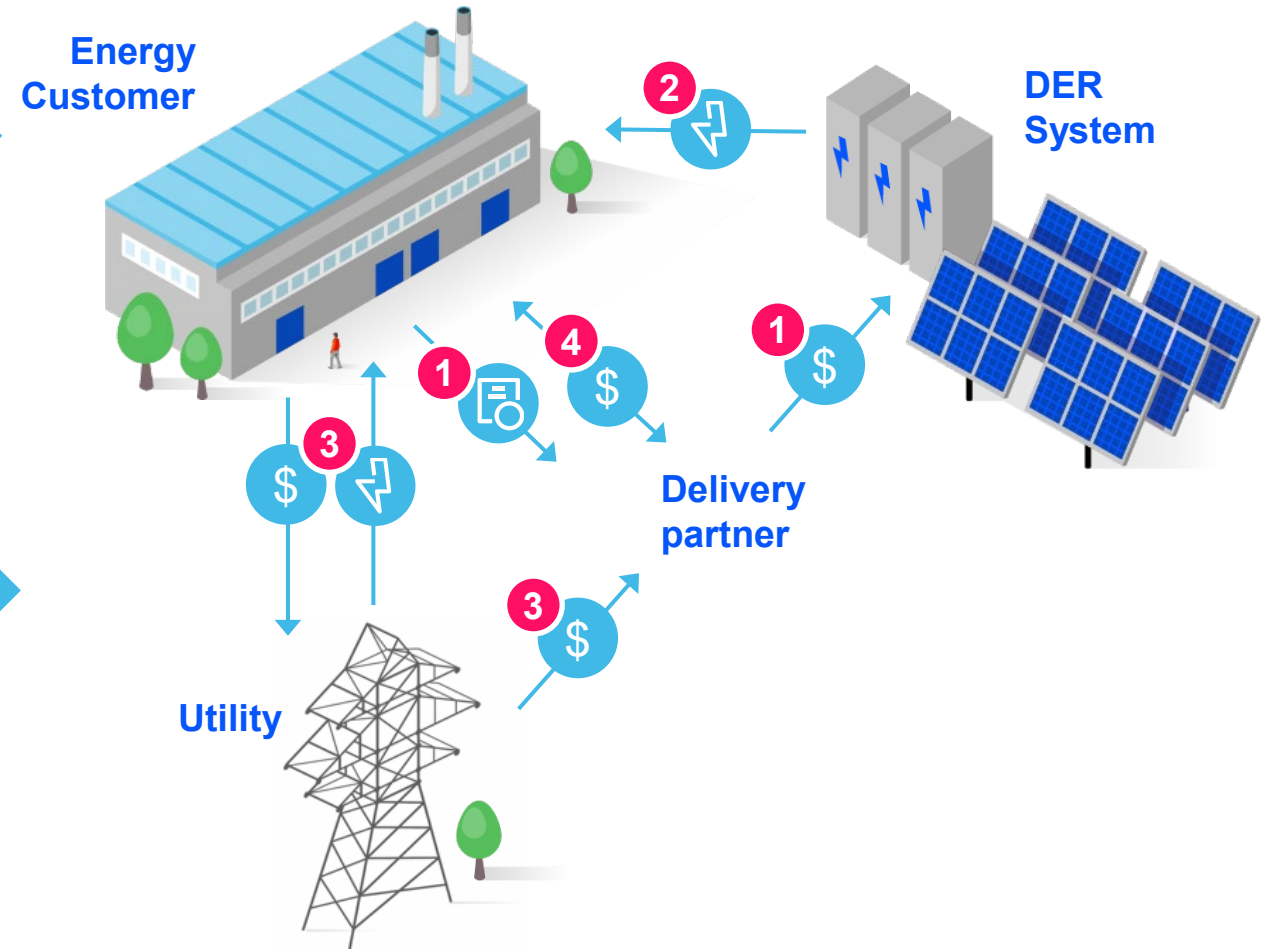


1 Partner finances the DER system, and the customer enters either a fixed PPA contract or a benefit share agreement

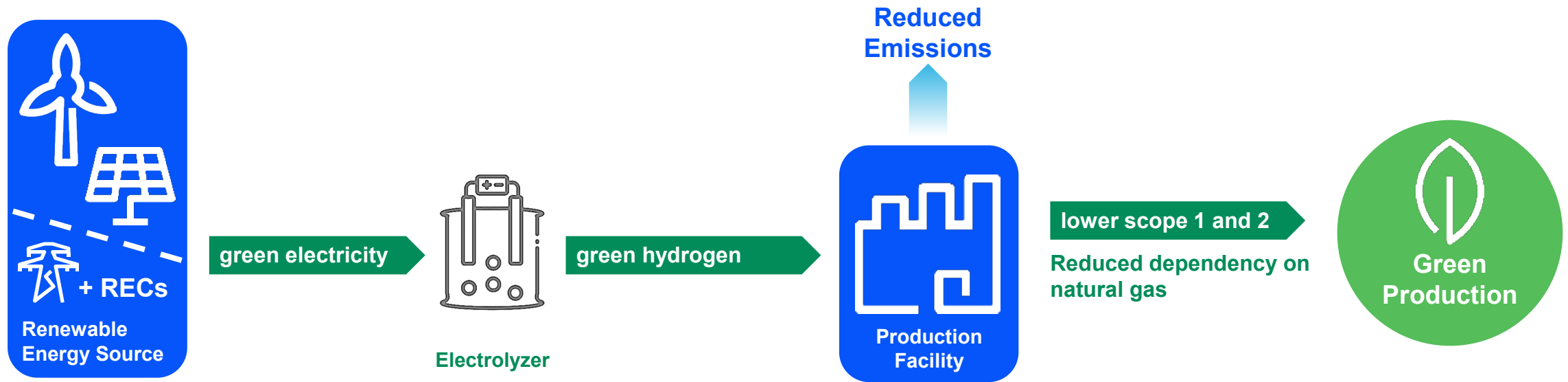
2 DER system offsets customer's total energy consumption and peak demand, reducing total utility bill

3 Utility pays partner for grid services (e.g., demand response participation) provided by the DER system, and customer continues to purchase residual power from utility directly

4 Partner shares benefits with the customer, according to a pre-determined benefits split



Green Hydrogen Replace Scope 1 Emissions



Summary of the Renewable Energy Sourcing Options



| Type | Location | Contract Type | Availability | Green Attributes |
|--------------------------|--|--|--|--|
| Onsite Solar + Storage | Onsite and behind the meter | Benefit Share Model; Can be \$0 Capex | Site and utility zone specific | Physical renewable energy from your site |
| Physical PPA | Within your utility zone | Long-term (10-12 yr) fixed price agreement | Dependent on utility level renewable energy project availability | Locally consumed green electrons with marketing rights |
| Virtual PPA | Outside your utility zone purchasing energy + renewable attributes | Long-term (10-12 yr) agreement with month-to-month settlement | Seller's market right now; First available dates are generally 24 months out | Marketing rights and additionality claims |
| Hybrid PPA | Outside your utility zone purchasing renewable attributes only | Variable term lengths (typically 10-12 yr) agreement for renewable energy attributes | Seller's market right now; Hybrid PPA more available in market with specific developers | Marketing rights and additionality claims |
| Renewable Energy Credits | National; generic | Any term length | Available nationally | No marketing rights, additionality and not tied to specific projects |



Part 6 Summary

In recent decades, the stability of the global economy allowed businesses to be built for efficiency



A dirt road winding through a forest of tall pine trees. The road is reddish-brown and curves to the right. The trees are dark green and dense. The sky is a pale, overcast grey.

**The new reality is that we need
our businesses to be built for
all kinds of terrain**



The energy transition is not a journey with a beginning and end. It's a continuous process. It requires pit stops. And a pit crew.

We're here to help.



- Single partner to deliver across multiple point solutions
- Scale, experience and assets to achieve your goals
- Start by scheduling a conversation with us about decarbonization (or any of our specific point solutions) at your business





Thank You!

Q&A

Drew Lessard
Key Account Manager
Enel

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Additional Slides

7/8/2020

Spotlight: Energy Transition from the Oil Field Services Industry



- Baker Hughes taking short-term pain for long-term gains
- Investing in carbon sequestration – Fed investing \$3.5B in dev
- Investing in hydrogen tech – Fed to invest \$8B in dev
- investing in LNG – growth area for industry
- Took a hit on Q2 quarterly profits compared with competitors Schlumberger and Halliburton

Biographical Information

**Andrew Lessard, Key Account Manager
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Drew Lessard joined Enel in 2020, bringing a robust background to Enel as a Key Account Manager focusing on innovative solutions to energy challenges. He focuses on Enel's national and multinational customers, who are engaged with Enel across multiple energy solutions.

Drew earned a bachelor's and master's degrees in economics from Boston University and an MBA with a focus on Sustainability from Duquesne University. He has worked across several sectors including retail, logistics, technology and energy. His early career focused on analytics, forecasting, and financial management. For the past 10 years, he has been dedicated to customer relationship management roles where he has helped customers to maximize the value of partnership with his organizations.