

SHOPPING FOR AN ELECTRICITY SUPPLIER



SESSION SPEAKER



DYNEGY®

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AGENDA

- Competitive Markets
- Market Impacts on Pricing
- Pricing Components/Budgeting
- Product Types
- Procurement Options
- Contract Considerations
- Sustainable Supply
- Additional Offerings



AN INTEGRATED ENERGY COMPANY



Vistra's retail and wholesale brands for commercial & industrial customers.



~ 4 million residential, commercial & industrial customers across 20 states & the District of Columbia.

~ 37,000 MW generation capacity.*

Enough to power approximately 20 million homes.



~ 7,300 MW of zero-carbon generation online or in development.

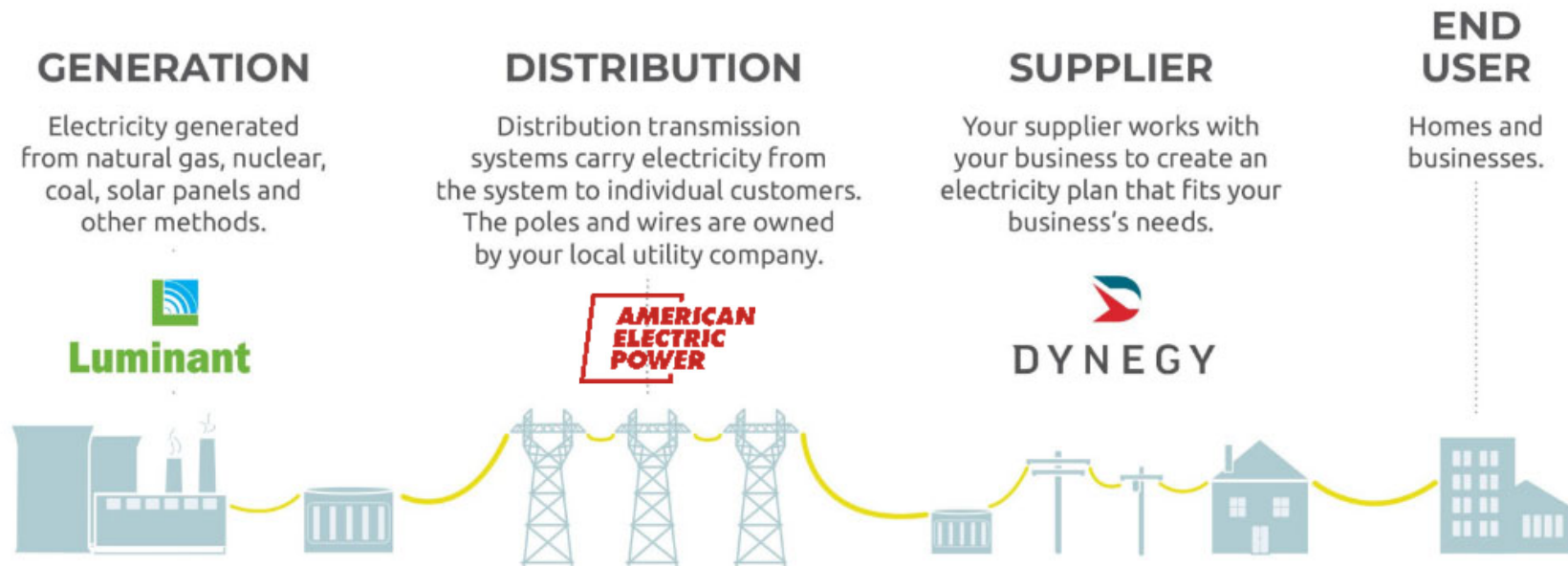
ENERGY INDUSTRY PLAYERS

- Generation, Transmission and Distribution are owned and managed by different players depending on the market.
 - Utilities in Regulated States
 - Utilities in Deregulated States
 - Independent Power Producers (IPP)
- Deregulated markets allow customers to select their electricity provider by contracting directly with a supplier or through a third-party representative.
 - Competitive Retail Electric Suppliers
 - Brokers, Agents, Consultants



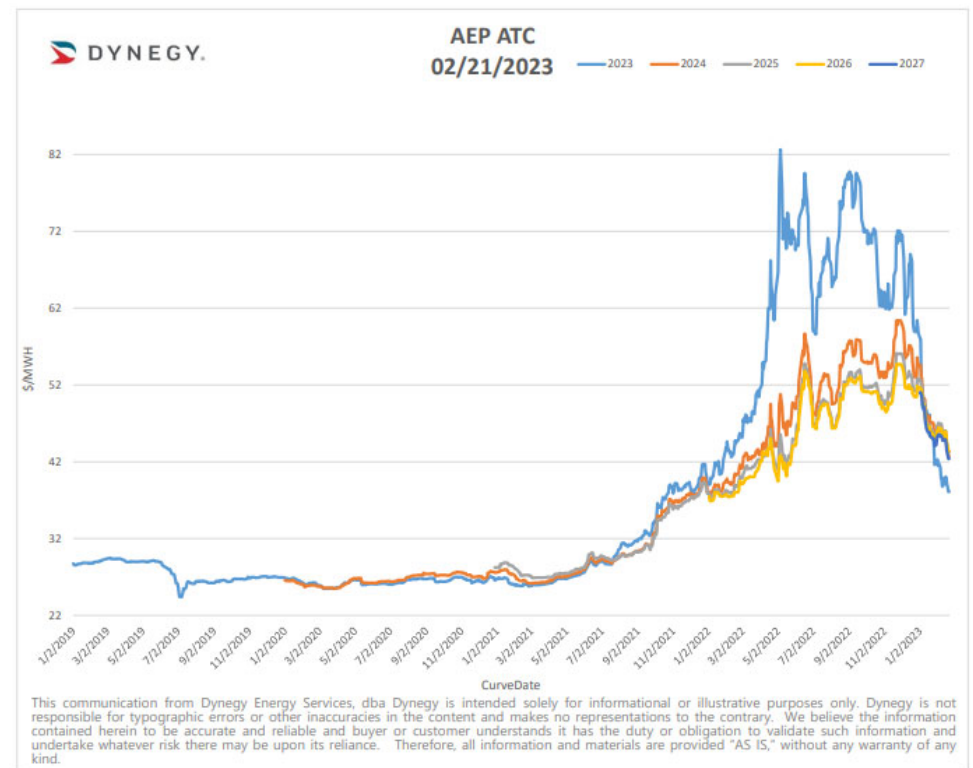
HAVING CHOICE

What does that mean for commercial and industrial customers in Ohio?



EXECUTION TIMING

- Energy makes up ~70% of the total cost.
- Understanding the market can help you make strategic purchases.
- What impacts the market?
 - Weather is more volatile
 - Grid is less reliable and less stable
 - Coal retirements/fuel mix
 - Natural gas is the new oil
 - Natural gas industry has no "obligation to serve"
- When is the best time to buy?
 - Depends on contract term, budget needs, and fundamental impacts



A FIXED PRICE ISN'T ALWAYS "FIXED"

There are many components that go into a "fixed" price. Contract language can allow a supplier to pass-through components even if the customer initially thought they were fixed.

CAPACITY

- Make sure to clarify if the supplier/contract can pass-through PLC changes or if they are fixed.

TRANSMISSION (NITS)

- Not typically part of retail electric supply in Ohio, but several utilities have programs to let customer manage their NSPL.

UTILITY LINE LOSSES

- Make sure pricing includes derated losses.
- Compare "apples-to-apples" on the energy adder.

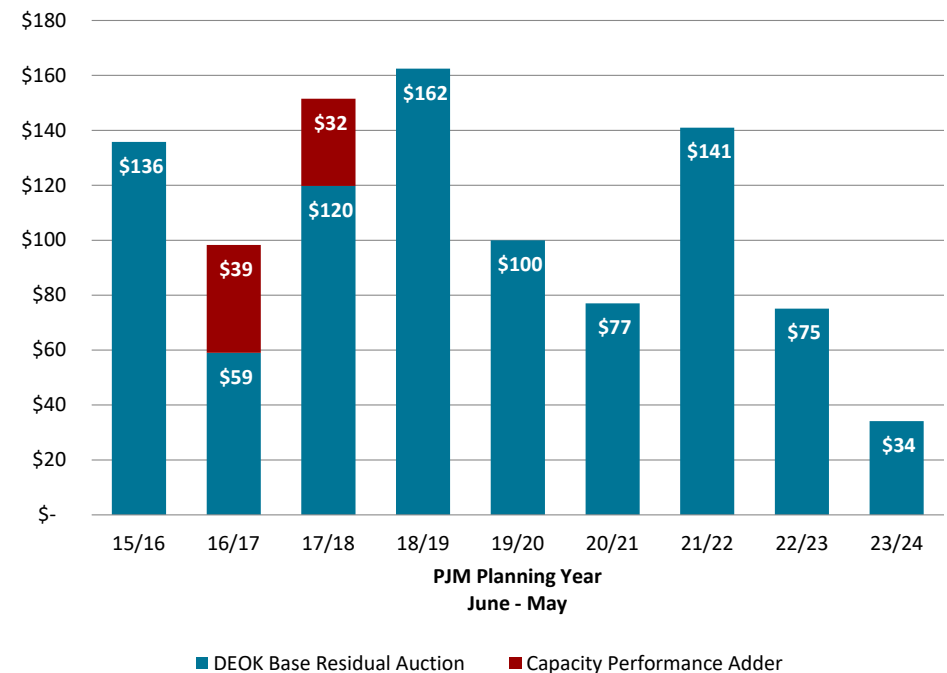
Cost Components*	Dynegy
Energy	
Wholesale Price of Energy	Included
Hub to Load Zone Basis	Included
Load Swing	Included
Transmission Line Loss	Included
Congestion	Included
Energy Price Adder	
Billing, Customer Care, Administrative Costs	Included
Distribution Losses	
Derated Utility Line Losses	Included
Unaccounted for Energy (UFE)	Included
Transmission Charge (NITS)	
*Transmission NITS	Included or Passed Through
Independent System Operator (ISO) Ancillary Services & Fees	
Transmission Enhancement Charge	Included or Passed Through
Auction Revenue Rights (ARR's)	Included
Regulation Services	Included
Voltage Support Service	Included
Non-Spinning Reserves	Included
Black Start Service	Included
Operating Reserves (PSG)	Included
Loss Credits	Included
Cost Recovery	Included
Reliability Must Run (RMR)	Passed Through
ISO Administrative Charges	Included
Capacity	
Capacity	Included or Passed Through
Regulated Delivery Charges & Stranded Costs	
Customer Charge	Passed Through
Metering Charge	Passed Through
Distribution System Charge	Passed Through
*Transmission System Charge (Utility specific)	Passed Through
*Renewable Portfolio Standard (RPS)	Passed Through/Other
Utility or State Specific fees	Passed Through
Renewable Portfolio Standard (RPS)	
*Renewable Portfolio Standard	Included or Passed Through
Taxes and Miscellaneous Fees	
Sales Tax (if applicable)	Passed Through
Gross Receipts Tax (if applicable)	Fixed or Passed Through

Included = Included in per kWh price;
 Passed Through = Passed Through Separately; ■ = Use Caution

CAPACITY CHARGES

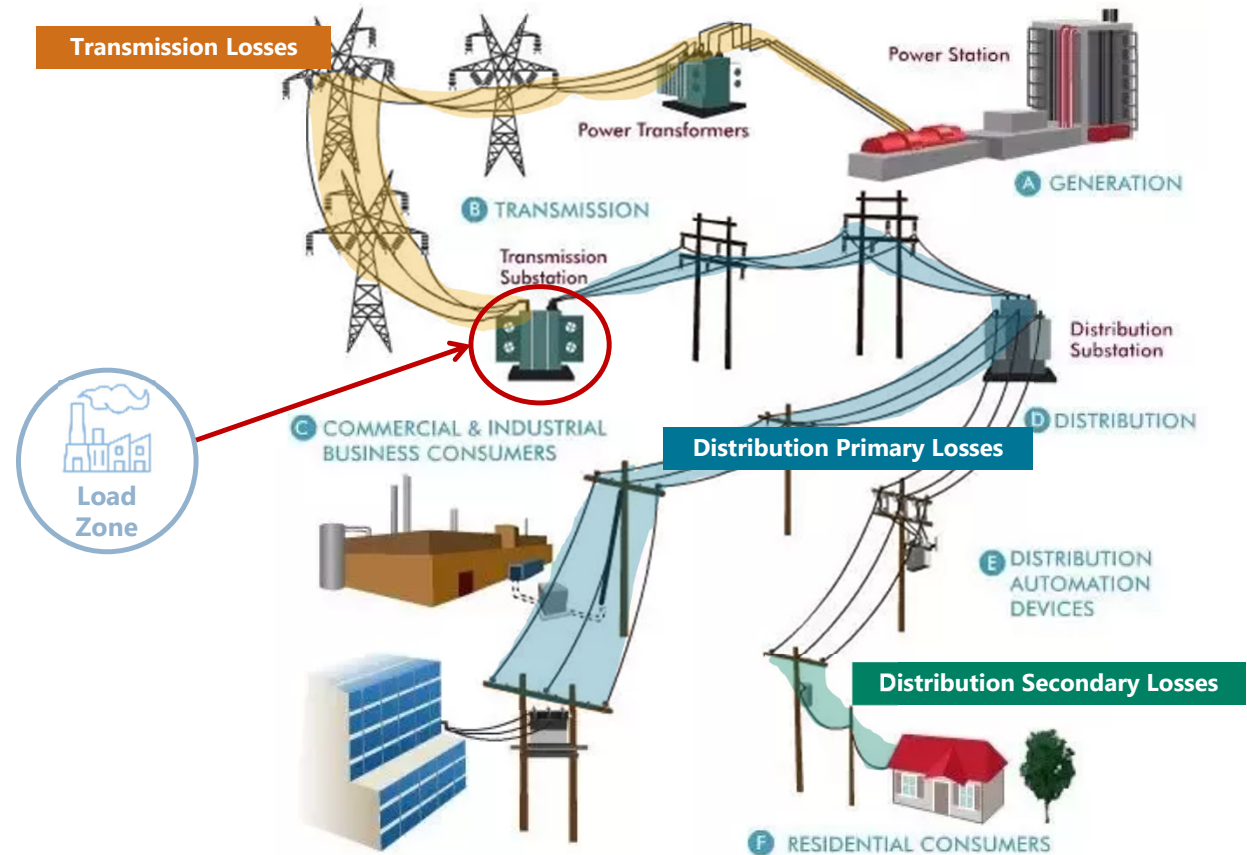
- Capacity is a charge each customer pays to PJM for the generators to ensure access to immediate power as demand increases.
- A customer's capacity cost is derived by the cleared auction value (price) and the individualized Peak Load Contribution (PLC) quantity.
- When a customer chooses to fix capacity, the PLC and rate can be fixed by the supplier or passed through annually as it changes.
- Customer can choose to pass-through the price and PLC, which will adjust each planning year so that the total cost is passed through with no markup.

PJM Capacity Prices



LOSSES AND DERATION FACTORS

- Deration credits are meant to prevent double payment of transmission loss costs.
- Transmission losses are included in utility loss factors.
- Transmission loss costs are also included in the PJM Locational Marginal Pricing (LMP.)
- Load Zone LMP:
 - + System Energy Price
 - + Transmission Congestion Cost
 - + Cost of Marginal Losses
- Transmission loss credits (TLC) should NOT be considered equivalent to deration credits.



EVERY BUSINESS HAS DIFFERENT NEEDS

Electricity is the most volatile commodity traded. Know what you're signing up for and how it will affect your budget.



PLAY IT SAFE

Budget Certainty

- **Non-profit or governmental.**
- Fixed price products.
- No pass throughs.



RISK TAKERS

Betting on Savings

- **Industrial or manufacturing.**
- Willing to gamble for savings.
- Consider index or real-time products.
- Ability to reduce load.



BEST OF BOTH

Budget with Savings

- **Business whose electricity expense is significant portion of overall spend.**
- May choose fixed price for base load and index price for additional.
- Opt to pass through some components.

DIFFERENT PRODUCT OFFERS



The same price for the life of your deal for all of your usage protecting your business against price and market volatility.



Allows for some protection by locking in a percentage of your hourly load at a fixed price with the remainder purchased at the index market-based price.



Lock in a predetermined portion of your electricity load at a fixed price with the remainder purchased at the index market-based price.

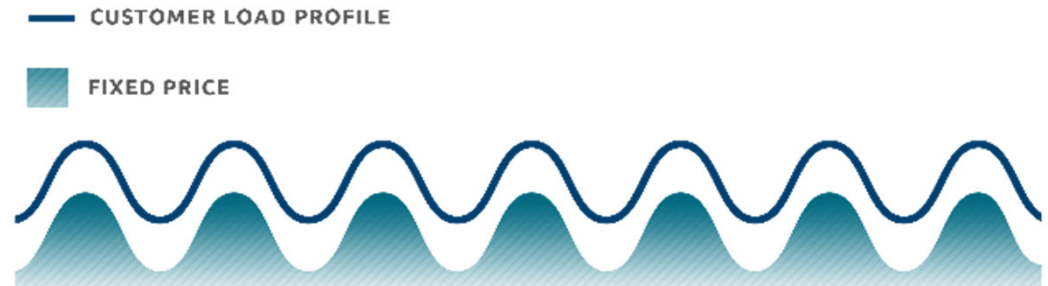
ELEMENTS	Level of involvement by customers actively managing usage and complexity of product.			
	Budget Certainty.	✓		
	Options to pass through items (Capacity, Transmission, etc).	✓	✓	✓
	Operational flexibility to respond to market changes.		✓	✓
	Ability to purchase blocks above the block commitment.			✓
	Opportunity to change the percentage of the load following block.		✓	
	Option to convert to a fully fixed price plan.		✓	✓

FIXED PRICE PLAN

Businesses that prefer to eliminate volatility can choose a fixed price plan that offers budget certainty and eliminates the need to manage usage by season or time of day.

BENEFITS:

- Low level of involvement by customers managing usage and complexity of product.
- Protection against price and market volatility.



LOAD FOLLOWING INDEX PLAN

Businesses that want to limit exposure to the price volatility of the hourly exposure market can benefit from a Load Following Index Plan that provides the protection of locking in a percentage of your hourly electricity load at a fixed price with the remainder purchased at the hourly market price.

BENEFITS:

- Moderate level of involvement by customers managing usage and complexity of product.
- Operational flexibility to respond when market conditions change.
- Opportunity to change the percentage of the load following block.
- Option to convert to a fully fixed price plan.



SEASONAL LOAD FOLLOWING INDEX PLAN

Similar to the Load Following Index, the Seasonal Load Following Index allows businesses to limit exposure by fixing only the highest priced seasons: ie. winter around-the-clock and summer on-peak. The remainder would be purchased at an index market-based price.

BENEFITS:

- Hedges the most historically volatile periods. No need to worry about “polar vortex” index pricing.
- Operational flexibility to hedge additional periods if market conditions change.
- Option to convert a fully fixed price plan.
- We can work with you to customize a hedging solution that works best for your business.

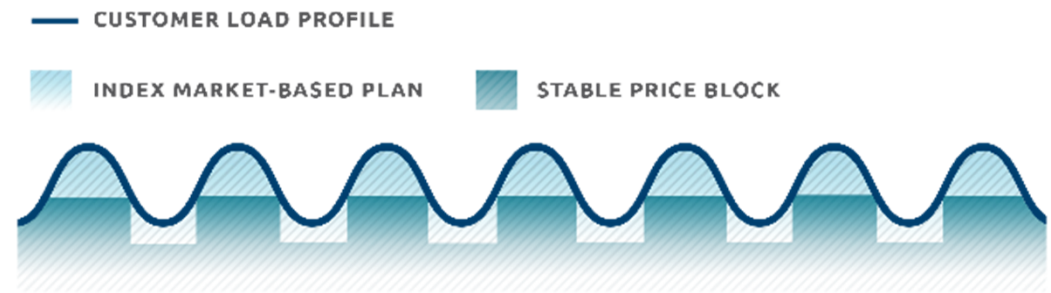


BLOCK AND INDEX PLAN

Businesses that want to limit exposure to the price volatility of the hourly electricity market can benefit from a Block and Index plan which provides the protection of locking in a portion of your electricity load at a fixed price with the remainder purchased an index market-based price.

BENEFITS:

- Higher level of involvement by customers managing usage and complexity of product.
- Operational flexibility to respond when market conditions change.
- Ability to purchase blocks above the block commitment.
- Option to convert a fully fixed price plan.



GETTING STARTED



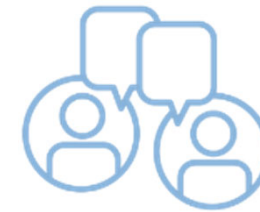
MANAGE THE PROCESS IN HOUSE

BENEFITS:

- Direct communication with supplier.
- Additional services offered.
- No broker/consulting fee.

CHALLENGES:

- Multiple supplier contacts.
- Time and resource constraints.



HIRE A BROKER/CONSULTANT

BENEFITS:

- One point of contact.
- Provide multiple supplier prices.

CHALLENGES:

- Fee-based
- Lack of direct communication with supplier.
- Offers are typically commodity only.

WHAT MATTERS MOST?



EXECUTION TIMING

- Timing does not need to be based on current contract end.

CONTRACT TERMS





- Term Length – 12, 18, 24, 36 months
- Customizable Term Start/End Dates
- Short-Term and Long-Term Challenges & Benefits
- Pass-Through Components
- Favorable Contract Language

THE SUSTAINABILITY CHALLENGE

Companies looking to align energy procurement with their sustainability goals have a few things to take into consideration:

- What does your company want to achieve with energy credits?
- What claims do you want to make about your energy purchase?
- What is the budget allocated to meet the goals?
- Are you seeking to meet defined sustainability criteria such as LEED?
- What documentation will your team need to substantiate reporting on emissions?



RENEWABLE ENERGY OPTIONS

 <p>RENEWABLE FLEX Renewable Energy Certificates (RECs) from solar or wind energy.</p>	 <p>RENEWABLE CHOICE Renewable Energy Certificates (RECs) from a named renewable source, blended into a traditional supply agreement.</p>	 <p>RENEWABLE COMPLETE Solutions that leverage traditional supply contracts to deliver physical PPAs.</p>	 <p>RENEWABLE PRO Long term on- or off-site renewable development through dedicated PPA/VPPA projects.</p>
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BUSINESS GOALS	Contract Complexity				
	Flexible Term Length	Any term	3+ year term	5-10 year term	15+ year term
	Long Term Price Certainty	✓	✓	✓	✓
	Renewable Energy Certificates	✓	✓	✓	✓
	Ability to hedge all non-commodity costs.	✓	✓	✓	✓
	No operation or maintenance costs.	✓	✓	✓	✓
	Named Renewable Energy Source		✓	✓	✓
	No additional upfront capital cost.	✓	✓	✓*	

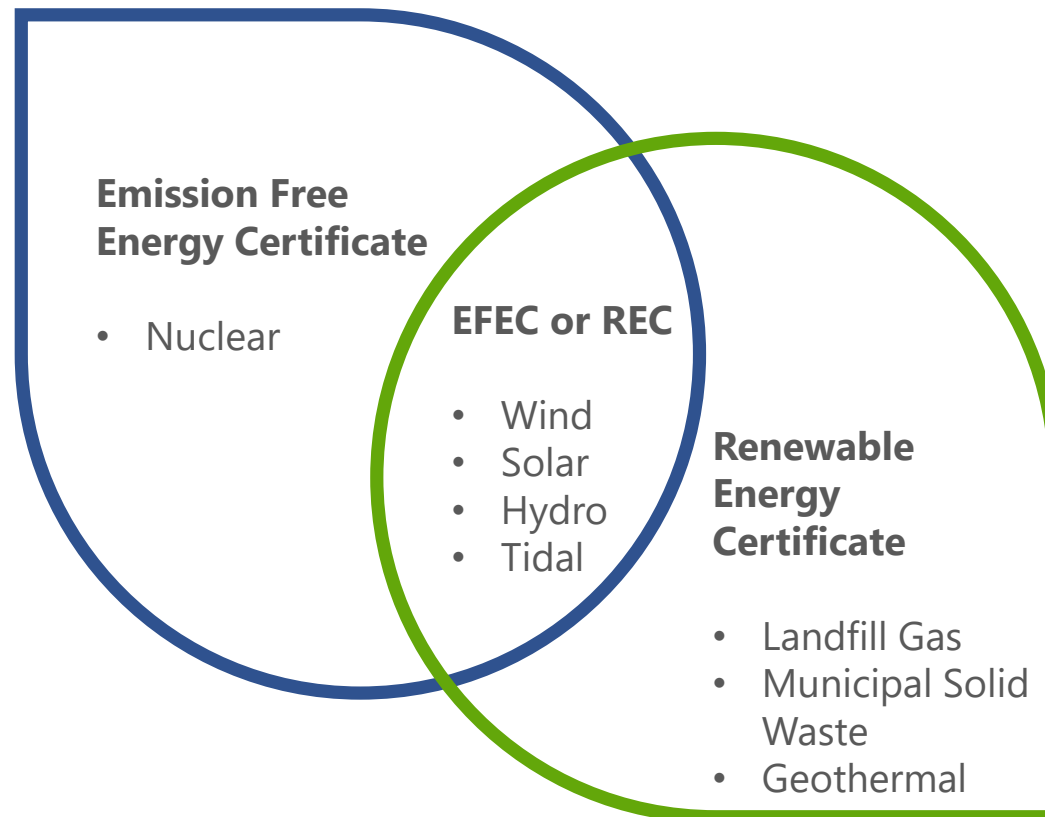
* Dependent on credit terms of associated PPA.

HOW DO RECS COMPARE TO EFECs?

	 RENEWABLE ENERGY CERTIFICATES (RECS)	 EMISSION FREE ENERGY CERTIFICATES (EFECs)
Allows customers to claim zero Scope 2 emissions	✓	✓
Tracked by third-party systems to verify ownership	✓	✓
Third-party certification verifies environmental attributes	✓	✗
Meets EPA standards to substantiate sustainability claims	✓	✗
Vintage year aligns with year of consumption	✓	<i>Through 2025</i>
Generated from renewable fuel sources	✓	✗
Supports development of new renewable energy facilities	✓	✗

WHAT TECHNOLOGIES QUALIFY?

RECs hold more value than EFECs, so dual qualified sources typically issue RECs.



REBATES & ENERGY EFFICIENCY PROGRAMS

Find available funding from the government, your utility, or retail electric provider to fund energy improvements that deliver on-going, long-term savings.

- Inflation Reduction Act
- Utility programs in Ohio
- Dynegy's GreenBacks Rebate Program



GREENBACK PROGRAM

We award approximately \$2 million in Greenback Rebates to our customers to help them install LED lights, convert to solar energy, upgrade their HVAC or make other improvements. We can help make your project a reality too.

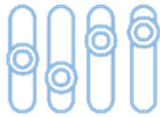
COMMON PROJECTS INCLUDE:



LED Lighting



HVAC Upgrades



System Controls



Solar Panels



Wind Generation



EV & Charging Stations



Efficient Motors



Equipment Upgrades



Building Automation Systems (BAS)



Variable Frequency Drives (VFDs)



New Construction



Energy Audits

DEMAND RESPONSE

- Retail Electric Provider Programs
- Regulated Utility Programs
- Coincident Peak (PLC, NSPL)
- Real-Time Price Signal to Reduce Load



Runs behind the scene using AI, no manual control required.



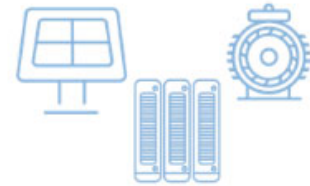
Participates in most lucrative programs based on time of day and season.



Utilizes existing equipment controls with no upfront cost.



Accounts for defined production processes and schedules.



Incorporates on-site generation or storage.

PEAK NOTIFICATIONS



5 COINCIDENT PEAK (5CP)

Receive notifications to reduce usage when demand peaks on the PJM system and save thousands of dollars in capacity charges the following year.

A customer's Peak Load Contribution (PLC) value changes every 12 months. It is based on their average usage during the 5 highest peak hours (5CP) throughout June to September.

5CP Notification programs offer forecasts to help identify when these peak hours could occur. Customers can then use this information to reduce their load which will then lower their PLC value for the next year and decrease electricity costs.

Additionally, there are Transmission Opt-Out Programs in FE, AES and AEP territories. Some suppliers offer NSPL notifications for customers participating in these programs.

ONLINE REPORTING TOOLS

- Ability to track and optimize usage across multiple buildings/locations.
- Leverage timely market data to make informed decisions.
- Analyze real-time, interval data to optimize product selection.
- Utilize emissions reporting to meet corporate and regulatory requirements.



Invoice Data Acquisition
& Metric Validation



Invoice Management



Usage & Cost Reporting



Facility Benchmarking



Weather Normalization



Greenhouse Gas &
Emissions Reporting



Facility Management Tools
& Custom Groupings



Interval Data Reporting

COMMUNITY SUPPORT

Some suppliers offer additional donations to support and strengthen their communities.

KEY AREAS OF FOCUS:

- Environment/Sustainability
- Community Welfare
- Education Programs
- Economic Development
- Employee Involvement and Volunteer Events



QUESTIONS



**THANKS FOR
YOUR TIME**



LET'S CONNECT!


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BIOGRAPHICAL INFORMATION



Katie Kiefer
Director
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Dynege

Katie Kiefer serves as Dynege's Director of Retail Business Development in the east markets. Prior to her current position, she served as a Senior Sales Executive, providing pricing and direct sales support to commercial and industrial customers. She has been in the energy industry for 20 years with prior experience on Cinergy's trading floor and in the wholesale generation group at Duke Energy. She joined Dynege's retail sales group in April 2015.

Katie has a Bachelor of Science degree in Marketing and a Bachelor of Fine Arts degree from Mount St. Joseph University in Cincinnati, OH.