



Amerex Energy – Sustainability Solutions for Manufacturers Education Council

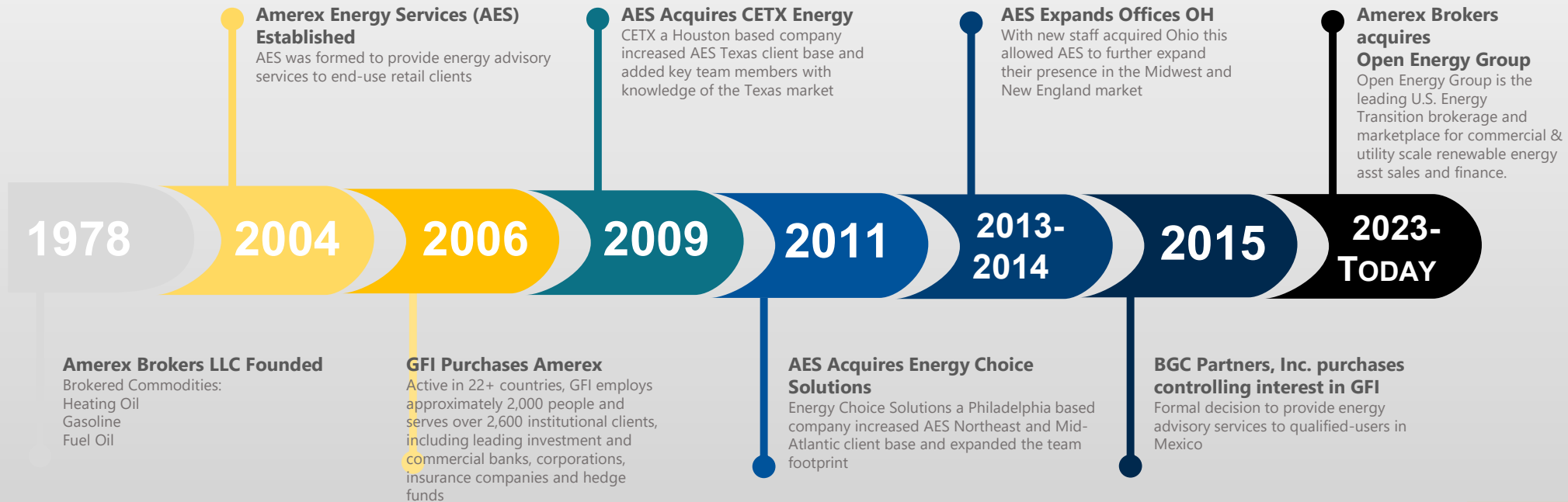
February 28, 2024

John Bolton | Managing Director

Rob McKim | Senior Vice President

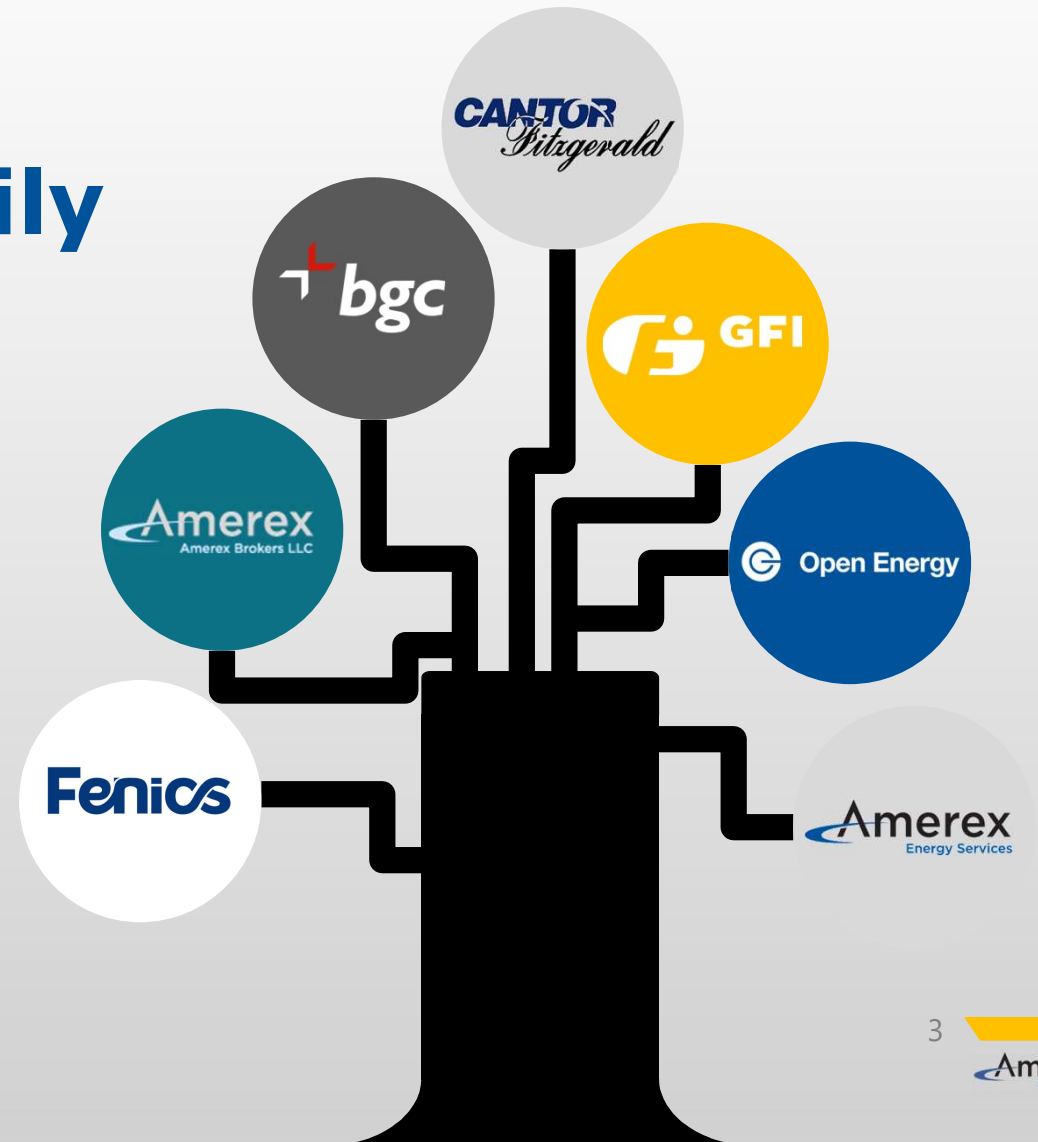


Timeline

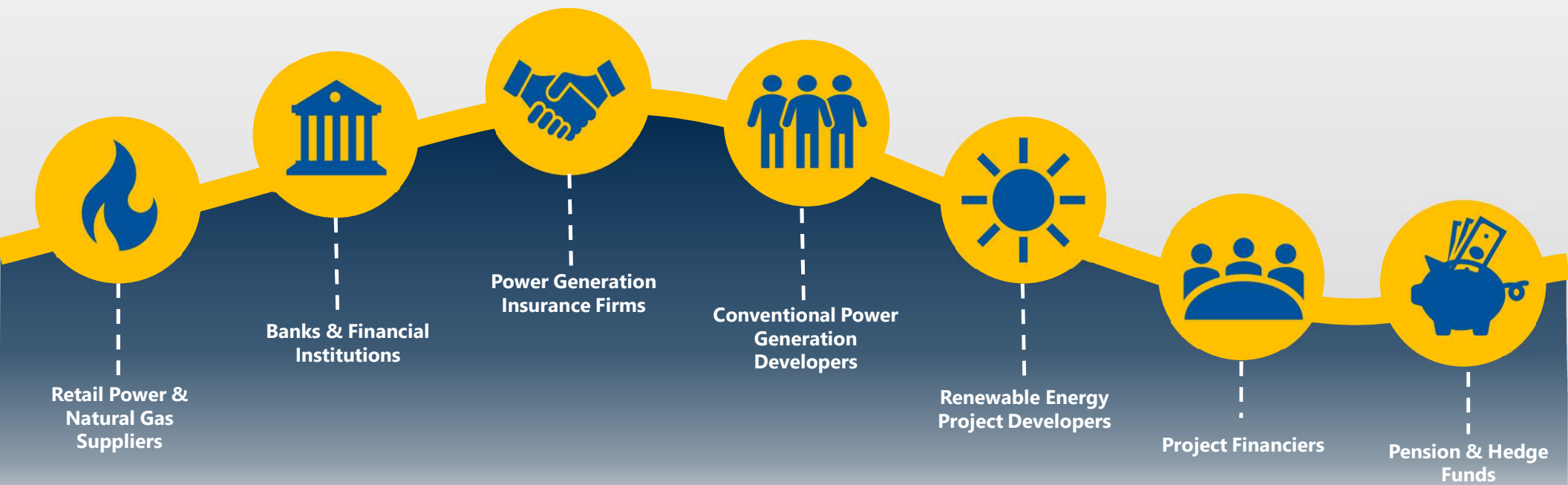


The Amerex Family

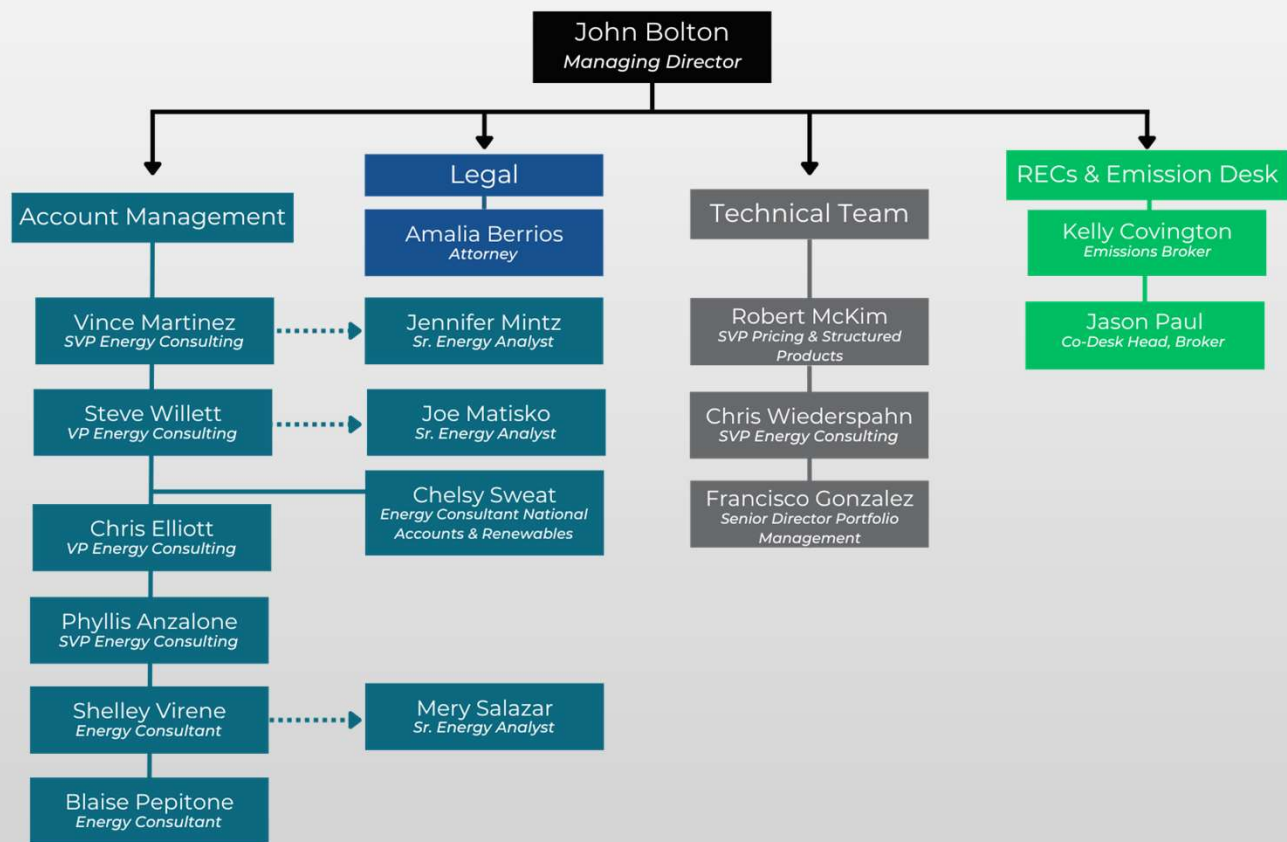
- Amerex Energy Services is the C&I power and gas procurement division of the preeminent OTC wholesale energy brokerage firm in the US.
 - Power
 - Natural Gas
 - Renewable Energy Credits (RECs)
 - Refined Products
- Client Benefits
 - Unparalleled wholesale energy market transparency
 - Superior market intelligence
 - Expert and experienced team
 - Public company and backing resources
 - Unique project opportunities



Amerex/Cantor/BGC/GFI Wholesale Clients:



Amerex Team

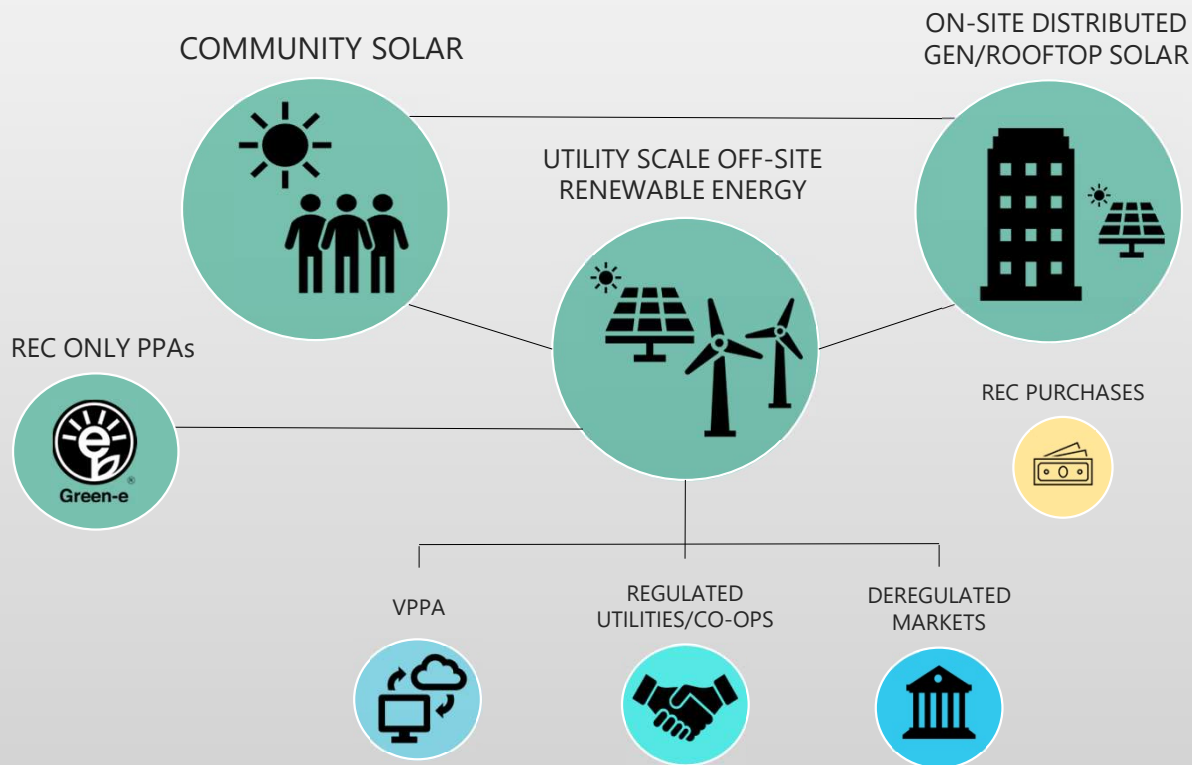


Why are we here?

- As companies continue to implement increasingly aggressive renewable energy targets within their sustainability plans, there has been a paradigm shift in the world of renewable energy purchasing that compels many commercial buyers to seek opportunities to procure 100% clean energy. This change has been swift and such market participants are scrambling to become first movers.
- As such, an organization's sustainability commitment beyond the retirement of Renewable Energy Certificates ("RECs") is becoming mainstream. With expectations and transparency more prevalent, incorporating 100% clean energy into the energy procurement program provides Amerex clients a competitive edge in attracting investors and/or tenants alike who consider sustainability a requirement and/or a deciding factor. Marketing rights allow our clients to publicize their commitment to sustainability using the name and image of the generation resource supplying the energy. Further, renewable power contracts can provide long-term cost stability as a hedge against energy market volatility.
- Amerex has a deep reach into the renewable energy project development community and speaks daily to renewable energy project developers across the country seeking unique, well-priced opportunities for our clients. Moreover, Amerex's parent company, Cantor Fitzgerald, is home to a global energy and infrastructure investment banking team. Cantor's energy bankers work closely with Amerex when Cantor is seeking commercial off-takers for renewable energy project developers. This relationship provides Amerex with unprecedented access to renewable energy project developers that our peers are not able to tap into.
- Historically, sustainable energy purchases were made through either a direct Power Purchase Agreement (PPA) or a Virtual Power Purchase Agreement (VPPA). These types of transactions are high in risk; they are financial instruments with potential high cost/exposure, significant internal effort (lengthy legal & contracting process), and substantial commitment (20-30 yrs.).
- Rather than a commercial user of power engaging and contracting directly with renewable energy project developers, Amerex can deliver solutions and structures that allow end-users to purchase power the way they always have – from a retail supplier, at a load following fixed price set forth in a standard Retail Supply Agreement, which is accompanied by a rider setting forth the renewable energy attributes and marketing rights the buyer has secured.



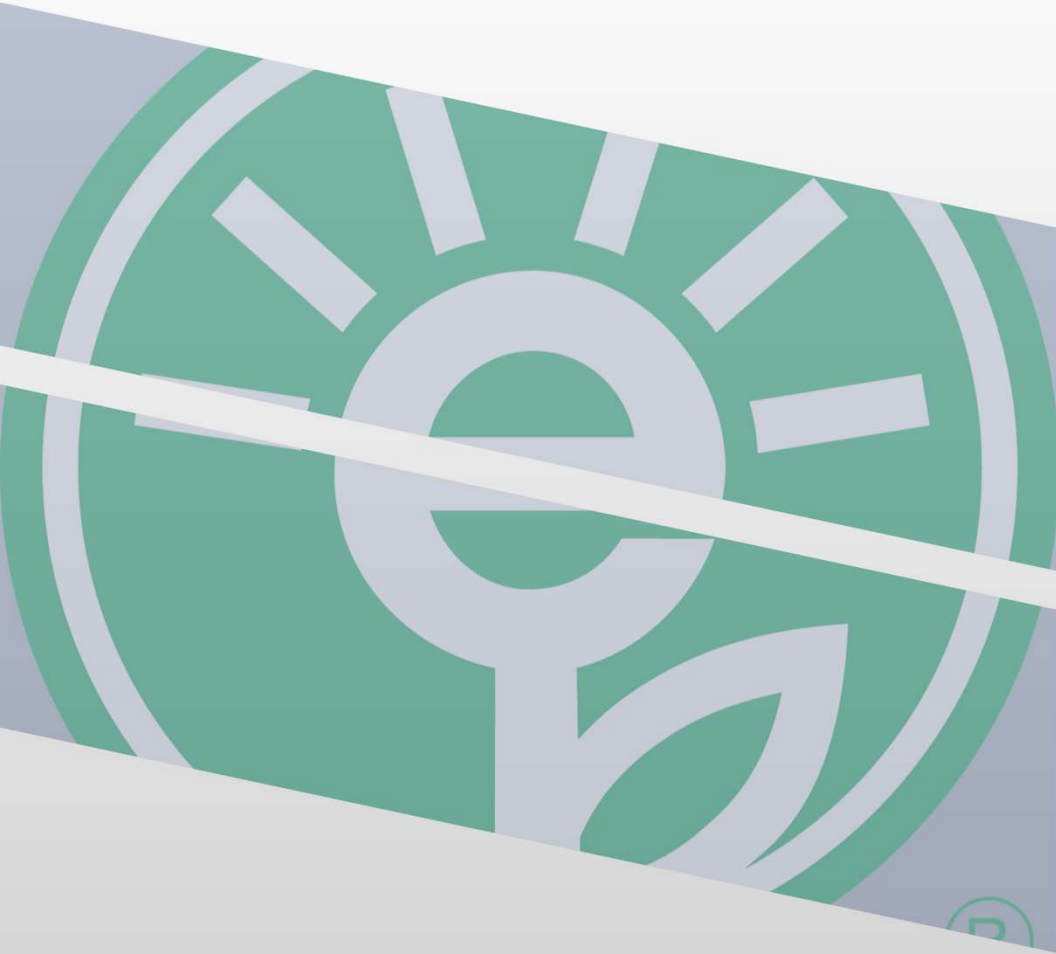
Corporate Sustainability Solutions Overview



Sustainability Solutions for Manufacturers



- 1 Renewable Energy Credits**
 - Add-on to standard pricing
 - Supports new renewable development
 - Widely available and transparent
 - Market pricing fluctuations
- 2 VPPA**
 - Suitable for regulated markets
 - Financial hedge product & complex contracts
 - Large scale solution
 - Variable and thus financially risky
- 3 REC Only PPA**
 - New build projects (additionality)
 - Large scale solution
 - Long term commitment
 - Budget certainty
- 4 On-Site Solar**
 - Can be economically accretive
 - May or may not be accompanied by RECs
 - Market by market analysis
 - Need Suitable rooftop space or land
- 5 Sleeved PPA**
 - Only utilized in deregulated markets
 - Simpler purchasing and contracting process
 - Less risk/more cost certainty

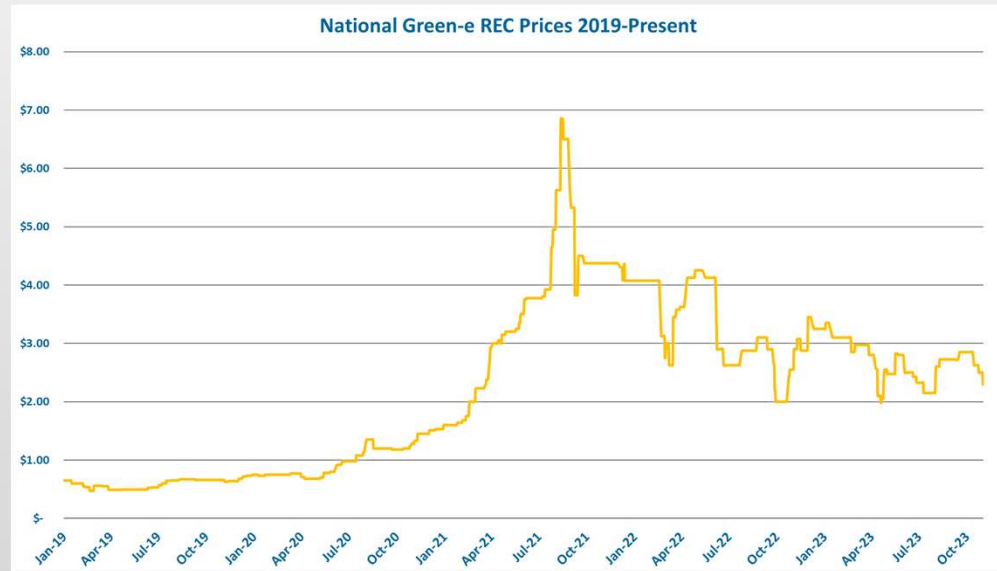


Renewable Energy Credits (REC) – What is a REC?

- A renewable energy certificate, or REC, is a market-based instrument that represents the property rights to the environmental, social, and other non-power attributes of renewable electricity generation.
- RECs are issued when one megawatt-hour (MWh) of electricity is generated and delivered to the electricity grid from a renewable energy resource. RECs are liquidly traded in over-the-counter markets and provide a robust tracking mechanism to ensure that renewable energy is only consumed and credited once (avoiding double-counting and other greenwashing concerns). RECs often provide a separate revenue stream to developers that utilize project finance to build large wind and solar energy projects.
- The value of RECs depends upon in which state they are generated. Many states, particularly in the Northeast, have legislated renewable portfolio standards (RPS) - requiring energy companies (load-serving entities) to have a minimum percentage of renewable energy as a component of the energy they provide to retail and commercial customers. The dollar value (cost) of RECs in those states are much higher than in states that do not have RPS rules.

WHAT IS A GREEN-E REC (NATIONAL REC)?

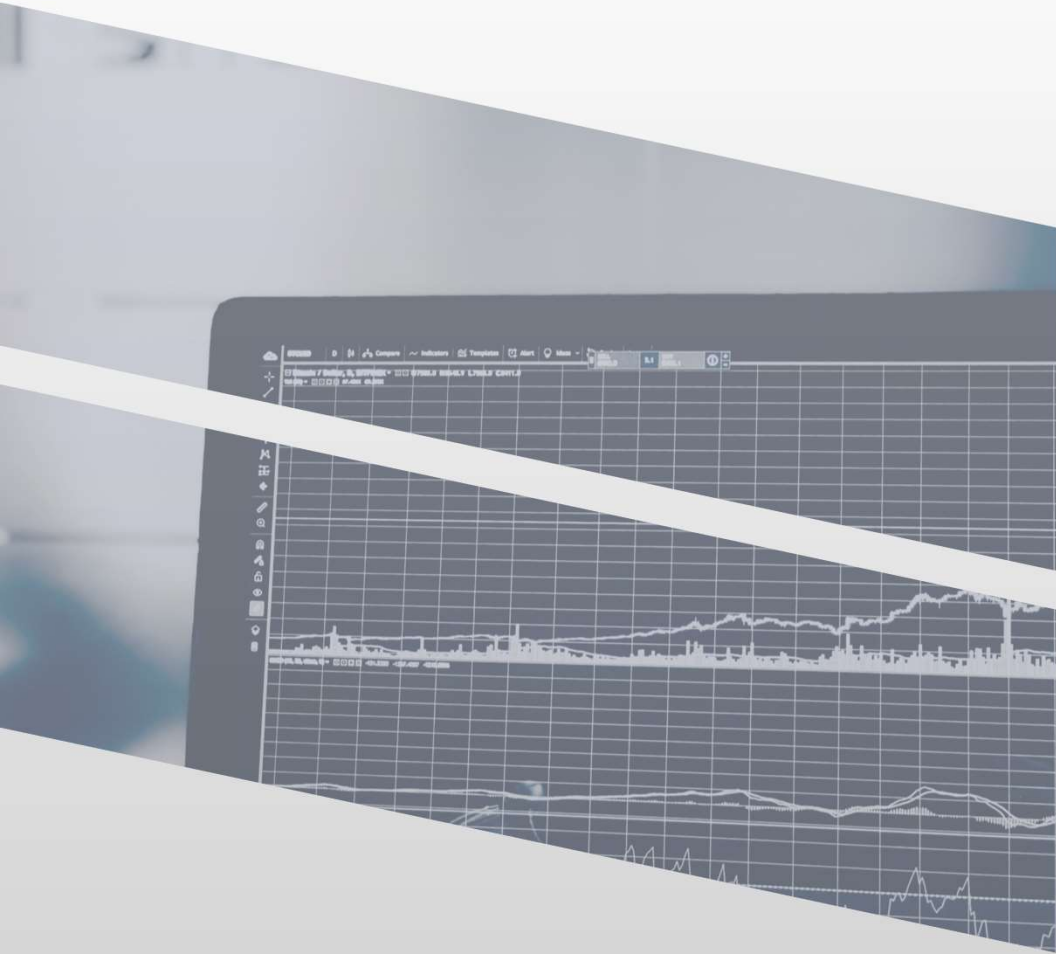
- Green-e is the leading independent certification and verification program for renewable energy in the North American retail electricity market. Green-e Energy certification defines baseline criteria for renewable energy generation, which adds value to RECs that qualify for certification.
- Green-e RECs can be generated anywhere in the country, but generally project owners in non-RPS states will have their RECs registered as Green-e.



WHAT HAPPENS AFTER I BUY A REC?

- In order to utilize a REC to offset the carbon emissions associated with electricity usage, the REC must be **retired**. When you retire RECs, you claim their environmental attributes, and the REC is taken out of circulation and can no longer be sold or used by another party.
- You must retire a REC in order to claim to have used the associated MWh of renewable energy. In addition to helping its clients purchase RECs, Amerex can likewise help clients retire purchased RECs.





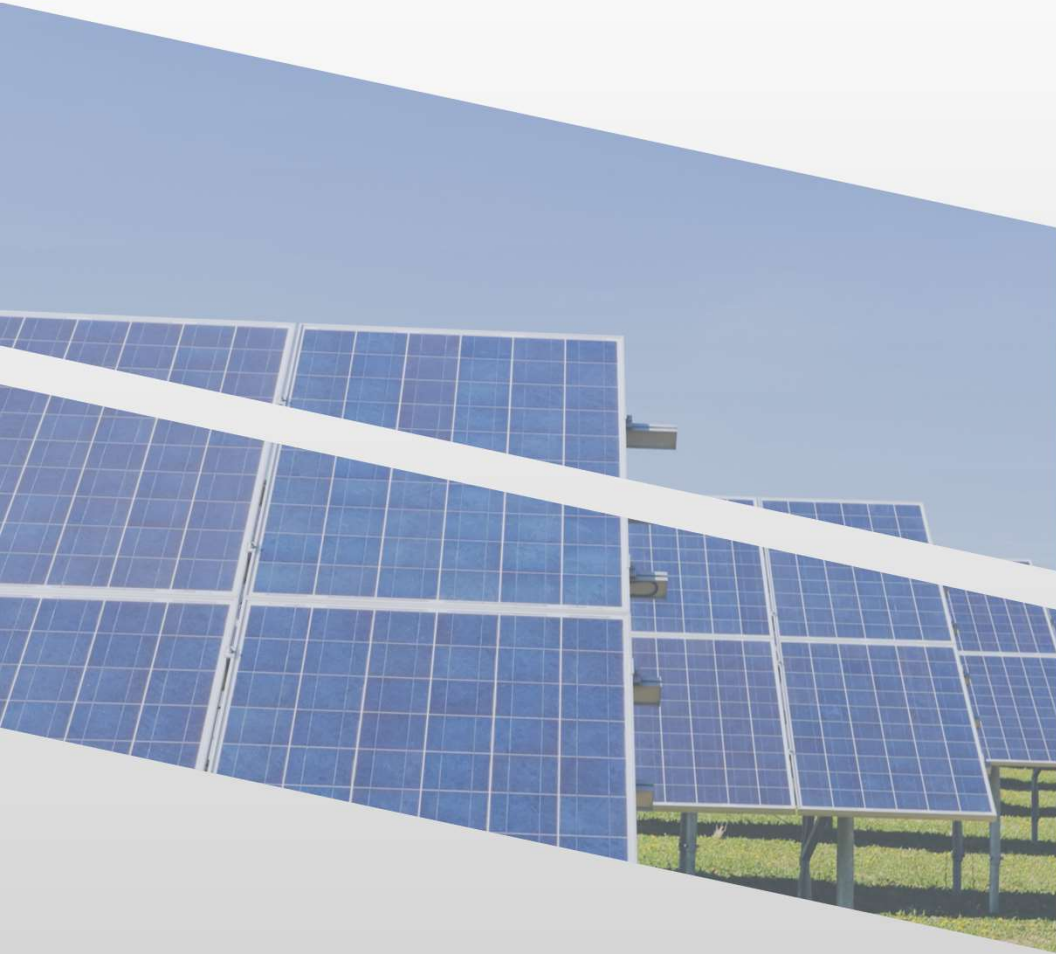
VPPAs

- Contract (Power Purchase Agreement) between a corporate buyer and a renewable energy project developer
- Corporate buyer commits to buy all energy and RECs from the new-build project – long-term (10-20 years)
- Allows the corporate buyer to receive and retire all RECs that are purchased – which can offset energy usage in **any market (including regulated markets)**
- Inherently price-volatile contracts – do not provide a fixed price or budget certainty
 - VPPA is purely a financial transaction, exchanging a fixed-price cash flow for a variable-priced cash
- Complex contract, usually requires buyer to be investment grade
- Large-scale solution

REC Only PPA

- A robust solution for **regulated markets**
- Provides customers a simple way to support the development of new build renewable energy projects without the challenges of a VPPA.
- Supplier contracts with a new build solar or wind project (primarily in ERCOT)
- Supplier will sell the RECs from the project independently of the power
- “Additionality RECs”
- Can offset carbon emissions associated with electricity usage anywhere in the country



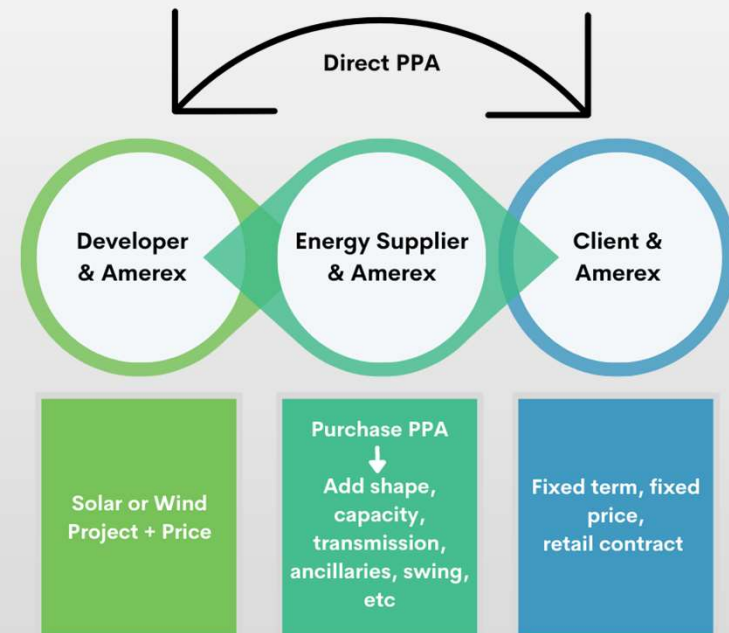


On-Site Solar

- On-site solar (rooftop and ground mount) can align sustainability goals with budget needs.
- Property-by-property solution
- Behind-the-meter PPAs allow for on-site installation with no capital expenditure and avoid transmission and distribution charges.
- Site and state dependent
- Contracting property by property
- Must include RECs to meet sustainability targets

Sleeved PPAs

- **Deregulated** markets only
- Long term commitment to a new build wind or solar project
- No complex PPA negotiations or contracting
- Yields a retail supply agreement
- Includes RECs
- Multiple properties can be bundled to together



OUR SOLUTION IS A SEAMLESS, **TURNKEY** APPROACH.



Successful Renewable Engagement – TX

- **Deregulated** energy solution – Sleeved PPA
- November 2022, successfully secured physical renewable energy & associated project renewable energy credits (RECs) from Live Oak Wind Farm
 - Monaco at Katy Trail – Dallas, TX
 - Silverlake Village – Houston, TX
- Unique opportunity for retail/apartment assets & shorter contract tenor



Questions?

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Biographical Information

John F. Bolton
Chief Operating Officer and Managing Director
Head of Renewable Energy Origination and Structured Solutions
Years with Amerex: 6 years

In his roles as Chief Operating Officer and Managing Director of Amerex Brokers LLC, John oversees and is responsible for the entirety of Amerex's business – comprised of wholesale energy brokering services and commercial, industrial and municipal energy procurement consulting services (under the umbrella of Amerex Energy Services). Amerex's wholesale brokering business and its team of 50 brokers facilitates the trading of power, natural gas, crude products and renewable energy credits amongst the largest generators, producers and financial institutions in the U.S. This wholesale business gives Amerex unique and unparalleled views into wholesale market pricing throughout the country.

In his role as Managing Director of Amerex Energy Services, John leads a team of 15 highly experienced energy industry veterans in bringing our clients the best risk-adjusted energy delivery contracts in all U.S. deregulated markets. John leads Amerex's delivery of renewable energy solutions to commercial, industrial and municipal entities throughout the U.S. Over the past four years he has established an extensive network of utility scale renewable energy project developers that stand ready to provide 100% renewable energy to Amerex's clients. John is integral in structuring renewable energy solutions for Amerex's clients, working with all parties involved (developer, retail supplier and client) throughout the transaction to deliver to our clients the most competitively priced load-following 100% renewable energy, provided on a standard retail energy supply agreement.

Mr. Bolton spent the first 13 years of his career as a partner and commercial litigator at Nixon Peabody LLP, a top-100 Global law firm. Prior to joining Amerex in 2014, John held General Counsel, Chief Operating Officer, Chief Compliance Officer, and Senior Vice-President positions at Phoenix Partners Group and GFI Group (Amerex's corporate parent), focusing on the brokering of financial instruments. John graduated from Hamilton College and received a law degree from the State University of New York at Buffalo, and in his free time enjoys exercising, reading, and spending as much time as possible with his wife and two sons.

Biographical Information

Robert McKim
Senior Vice President Pricing and Structured Products
Years with Amerex: 19 years

Robert McKim possesses 39 years of experience in energy in the areas of regulatory affairs, natural gas storage, structured transactions for large end users and utilities, pricing retail transactions, and providing consultative advice to end use customers. As Senior Vice President at Amerex Energy Services, Mr. McKim is responsible for technical sales, structure, and management of client portfolios for both electricity and natural gas arrangements. He is intimately involved in most major client relationships maintained by Amerex.

Prior to joining Amerex in 2004, Mr. McKim was Managing Director, Energy Structure and Pricing for Reliant Energy, where he was responsible for the pricing and execution of thousands of commercial contracts and mass market campaigns. He began his career at Consolidated Natural Gas Co. in Pittsburgh (now a unit of Dominion Resources) and worked to form a deregulated unit of DTE Energy, Ann Arbor and Detroit, MI.

Mr. McKim has in-depth knowledge of pricing mechanics, energy markets, supply logistics and regional markets in each of the areas in which Amerex operates. Mr. McKim is also responsible for the development and execution of several products currently in widespread use by many current retail market participants including the Amerex managed heat rate product. In addition, Mr. McKim speaks regularly at energy related conferences where he typically covers energy markets, renewables, and the retail / wholesale interface.

Mr. McKim holds a degree in Business Administration from Westminster College, New Wilmington, PA and an MBA from Duquesne University, Pittsburgh, PA.