

5 opportunities to manage energy costs

Balance commercial success
with environmental responsibility

Contents

- 3 Finding opportunities in challenging times
- 4 Drive efficiency through energy data
- 5 Unlock revenue opportunities from your energy infrastructure
- 6 Create energy independence by generating your own power
- 7 Become a sustainable business and give your organization a competitive advantage
- 8 Utilize financing solutions to invest in new energy technology
- 9 Recommendations to power up your business
- 10 Let's make it happen

Finding opportunities in challenging times

Operational excellence and cost management are a core focus of all organizations. When managed well, energy can help drive business efficiency and power your performance.

Organizations across the world are now operating in the face of unprecedented disruption and market uncertainty. They are looking for ways to be more efficient and reduce spend, so they can focus on delivering for their customers and generating revenue to keep their business on track.

However, many businesses are unclear on how to achieve these energy cost efficiencies without jeopardizing their carbon targets and incurring large cost. A lack of in-house skills to identify these energy challenges can cause delays in implementing an actionable strategy.

Despite these obstacles, there are several ways to better manage your energy costs, make long-term savings and reduce your carbon emissions, all at the same time. In fact, a 20% cut in energy costs can represent the same bottom line benefit as a 5% increase in sales.

Centrica Business Solutions' research of over 1,500 global energy decision-makers found that more and more organizations are now starting to take control of their energy. It found that 1 in 3 companies are exploring how energy can contribute to their business growth, drive deeper efficiencies and reduce business risk.

Businesses that are leading the charge in managing their energy are 2.5x more likely to be efficient, well-run, and more likely to achieve strong financial performance – both in terms of growth and profitability.

By being more efficient, you can reduce costs and get the most out of your resources. Data-driven decision making can optimize your energy supply through distributed energy solutions, which will help you realize your pathway to sustainable business growth.

We have looked closely at the approaches being taken by some of the most energy efficient companies to see what can be learned.

So, where does all this leave your business? And what can we learn from their experience?

This guide explores how changing your approach to energy management can create new opportunities to boost the performance of your business.

Leading businesses use energy as an asset rather than an expense:





Energy
Insight

Drive efficiency through energy data



The challenge:

Do you know how much energy your business is really consuming?

Only a quarter of organizations say they assess their energy use regularly¹. Many measure their energy use annually, or even less frequently.

If you don't know your energy consumption, how can you drive improvements in operational performance and reduce your costs?

The more you know about your energy, the better you can manage it.








The solution:

Continuous monitoring of energy consumption enables you to build an understanding of where your true costs really lie. By attaching self-powered, wireless sensors to your energy-consuming equipment, you can monitor your energy usage in real-time. The sensors use the power of Internet of Things (IoT) technology to transform your assets and devices into smart devices and relay real-time intelligence to an online analytics platform.

The data provides you with granular visibility of your power usage. With this intelligence, you can compare consumption across different sites, machinery and equipment at different times of the day. This allows you to optimize performance, make efficiency gains and spot potential equipment failures before they happen – helping you to better manage your energy costs and carbon emissions.

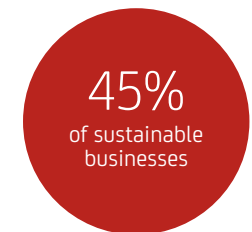


The process:

-  **Understand what you want to achieve** – Are you looking to boost operational efficiency and lower energy costs? Do you need to improve asset reliability? Or do you want to use the data to build an energy strategy? While our Energy Insight solution can enable all these, having a clear objective to start with will help define your success.
-  **Design a future-proofed solution** – The flexibility of energy data means you can use the analysis to make immediate savings. Data collected from your equipment and processes can even be used to build a case for investing in other distributed energy solutions to achieve further savings.
-  **Connect your sensors and capture data** – Easily install our wireless sensors to your equipment with minimal disruption to your operations. These sensors will IoT-enable your equipment once they are connected to the network.
-  **Manage your data with PowerRadar™** – Visualize your energy data, schedule reports, create real-time alerts, and view analytics to understand your energy consumption and define savings strategies.
-  **Data-driven decision making** – Use data to drive better efficiencies and identify opportunities to generate revenue.



Key facts:







are transforming
energy data into
specific, actionable
improvements



collected from sensors
and smart devices to
improve decision making,
compared with 56%
of other businesses

The benefits:

-  Predictive analytics can help you adjust operational processes to minimize costly downtime, reduce waste, enhance agility and increase productivity.
-  Greater visibility of your energy use can quickly be turned into savings that help deliver immediate financial benefits.
-  Use data to build the case for future investment. Reducing energy costs frees up your resources to directly invest in other growth initiatives.
-  Obtain the intelligence you need to develop a data-driven energy strategy. Monitor and analyze real-time data with accuracy and reliability, while tracking usage and consumption with detailed kWh, flow and volumetric data.

Case Study:

CEMEX reduces energy consumption with Energy Insight

Centrica Business Solutions initially deployed its Energy Insight solution at three locations by applying wireless, self-powered sensors to monitor a range of essential machinery, including pumps, conveyors and crushers. The live data was transmitted to PowerRadar, a cloud-based analytics platform.

1. Centrica Business Solutions, The Energy Advantage Report



Energy
Optimization

Unlock revenue opportunities from your energy infrastructure



The challenge:

Are you getting the best value from your energy producing assets?

Many commercial and industrial energy consumers are subject to increasing electricity costs and greater risk of power scarcity.

An increasing number of businesses are starting to use energy in new and innovative ways to take control and drive their vision forward – by leveraging on-site energy assets or Distributed Energy Resources (DERs) for purposes beyond resilience.

Businesses are using these assets as a source of revenue and cost reduction.

This shift in thinking is putting power in the hands of organizations and enabling them to use energy flexibly, turning energy into a critical source of business growth.



The solution:

Optimizing your energy enables you to reduce your bills, or add a revenue stream by reducing consumption in peak periods. By participating in large, Virtual Power Plants (VPPs) that make use of decentralized systems like Generators and Combined Heat and Power units, your business can become more sustainable.

Smart grids that use digital communications technology can help you detect and react to local changes in usage. Similarly, sharing energy infrastructure with neighboring organizations can lead to the development of local energy systems or microgrids.

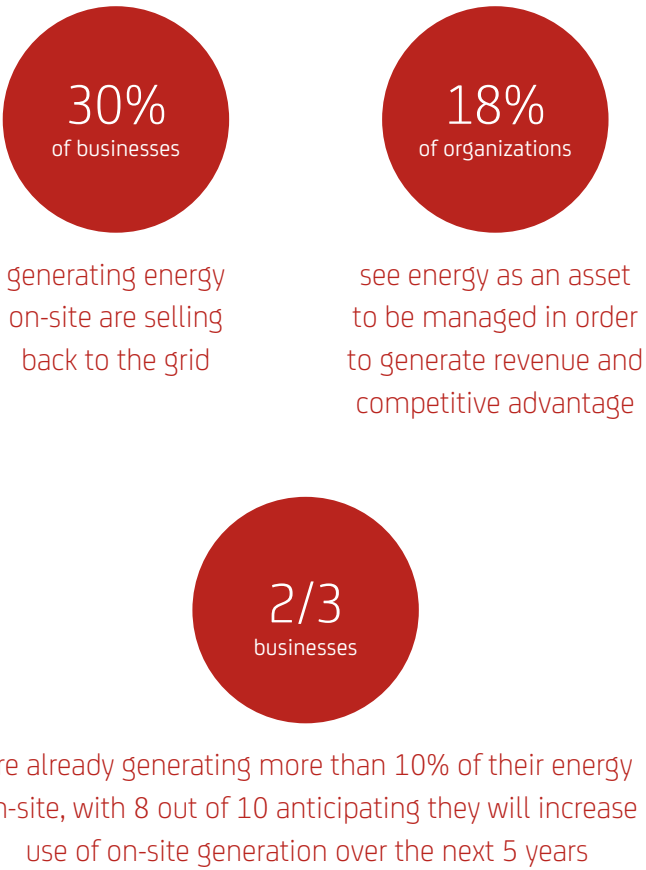


The process:

- Understand** – the way your business works.
- Define** – operational boundaries for all flexible assets.
- Identify Flexibility** – Determine your assets and processes that can be optimized.
- Demand Response Markets** – Identify the appropriate markets for your assets to participate for maximum revenue streams.
- Implement** – a plan of action that maximizes value, while ensuring your processes are not impacted.



Key facts:



The benefits:

- ✓ Generate revenue by being flexible with how your business uses energy. Energy Optimization provides you with the opportunity to improve business value when the grid is under pressure by helping to balance grid supply and demand.
- ✓ You can gain insights into operational activity and asset performance, which can help you identify ways of reducing your energy costs further. You can also access more energy markets and generate new sources of revenue from assets 24/7.

Case Study:

Unlocking untapped revenue for Greene Team Pellet

Through the strength of their relationship with Centrica Business Solutions and sister company Direct Energy Business on the supply side, Greene Team Pellet has leveraged underutilized flexibility in their power needs and unlocked new, recurring revenue, by monetizing their flexible load in the most intelligent way through Demand Response.



Solar

Create energy independence by generating your own power



The challenge:

How do you control your energy costs while being good social and environmental stewards?

Operational excellence and cost management are a key focus for many businesses – and energy costs and demand charges can directly impact an organization’s bottom line. Additionally, prices for grid electricity are unpredictable and can vary widely from month to month, making forecasting operating expenses difficult.

Amid rising global energy demands² and costs, the need for a reliable, clean energy source is clear. Reliance on fossil fuels is no longer a viable option.

The benefits:

- ✓ Lower your electricity costs by reducing your organization’s electricity consumption from the grid.
- ✓ Gain budget stability through predictable electricity costs and accurate forecasting of operating expenses.
- ✓ Generate revenue by selling excess Solar energy to the grid through programs like net metering.



The solution:

For many organizations, the answer to improving energy performance and reducing reliance on the grid is Solar. This renewable on-site energy source can help you take control of your operating costs while reducing your carbon footprint. With a Solar Photovoltaic (PV) installation, you can harness energy from the sun to generate clean electricity.

That means every day, you could be drawing on a natural resource to power your business with clean, efficient energy. Solar can even help you unlock value from unused space like your roof, optimizing your operations and adding value.

You can further reduce grid reliance by pairing Solar with energy storage solutions that store excess electricity to reduce energy costs during peak price times.

- ✓ Receive financial compensation for the clean power your Solar system generates through Feed-in tariffs (FITs).
- ✓ Reduce demand costs by using stored Solar energy when charges increase and can be up to half of your bill.
- ✓ Reduce your reliance on the grid by generating your own electricity on-site, regardless of the weather conditions.

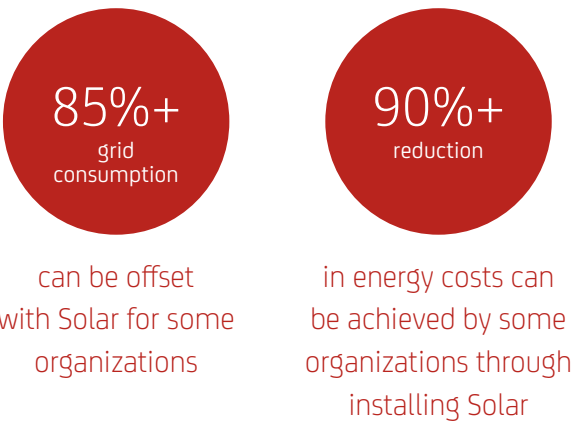


The process:

- ✓ **Review your needs** – One of the main reasons for choosing Solar is to reduce your electricity costs. How much money you could save depends on the suitability of your site.
- ✓ **Site visit and proposal** – An extensive site visit is required to confirm the initial Solar PV system design, inspect electrical systems, and confirm the condition of your site. The final proposal is then delivered, showing you exactly how much you can expect to save by installing Solar PV panels.
- ✓ **Designing your solution** – You’ll then receive a custom-designed solution that meets the specific energy needs for your site. To prepare for installation, all building and electrical permits are secured.
- ✓ **Solar PV system installation** – Your system will then be installed, and all regulatory paperwork and necessary inspections will be carried out before interconnection to the grid.
- ✓ **Go live and monitor** – Following extensive testing, your Solar PV system is live and generating energy.



Key facts:



Case Study: Powering the next generation for Arrow Linen with clean Solar power

Through a trusted relationship with our sister company Direct Energy Business, Arrow Linen invited Centrica Business Solutions to explore energy-efficient, sustainable measures, including Solar. The mix of energy-efficient solutions have replaced 73% of Arrow Linen’s power requirements, delivering significant cost reductions and efficiencies.



EV
Enablement

Become a sustainable business and give
your organization a competitive advantage



The challenge:

How do you make sure your organization is prepared for a low-carbon future and a more environmentally conscious consumer?

It's evident that there's a big financial opportunity for companies to meet demand from increasingly environmentally-conscious customers, who want to buy from companies that care about their impact on the environment. Investing in low-carbon energy can help companies build environmental credentials into their brand positioning.

Sustainable businesses, and organizations with strong future growth prospects, have a clear strategy for how energy can contribute to their company values.

The benefits:

- Enhance your organization's reputation**
While regulatory targets matter, pressure from your shareholders, customers and employees can often be a powerful motivator. Investing in clean transportation is a clear demonstration of your business' commitment to addressing global warming.
- Reduce costs across your entire business**
With the economies of scale of fleet management and falling technology prices for batteries, and charging infrastructure, the cost of EVs is reducing.
- Become a sustainable business**
American cities, counties, and states are making commitments to transition their energy infrastructure to 100% renewable energy by no later than 2050.



The solution:

Offering Electric Vehicle (EV) charging infrastructure and transitioning fleets to EVs provide businesses and public bodies with a credible role in reducing carbon emissions and inspiring wider EV adoption. And this role is increasingly being recognized as important for organizations to engage with.

Demonstrating a commitment to reduce your organization's carbon footprint from daily commute or fleet has been shown to have a positive impact on employee engagement, improve your attractiveness as an employer and enhance retention.

Improved health and safety through better local air quality and less exposure to harmful NO2 and other pollutants is one of many benefits for employees and your business.



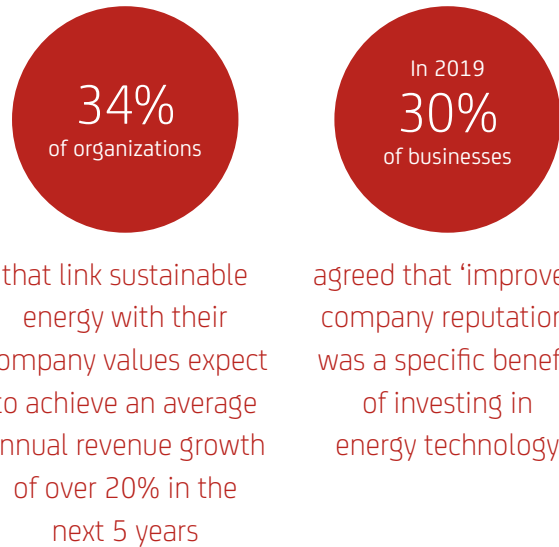
The process:

Our Net Zero Energy Pathway

- Discover** – Our experts will take the time to understand your net zero objectives, energy profile and challenges. By completing an audit of your estate and ambitions, we diagnose opportunities for action.
- Identify** – We prioritize your carbon reduction options and define your unique Energy Pathway.
- Design** – Our design team will bring your organization's bespoke net-zero technical solution to life with detailed specifications.
- Finance** – We ensure your organization minimizes risk and secures any necessary funding, and equipment is installed quickly.
- Deploy** – Ensuring the highest level of safety, our installation team build and integrate the solution into your existing site(s).
- Maintain** – Post deployment, our Operations and Maintenance teams continue our commitment to your organization.
- Optimize** – Our teams will regularly and proactively track, report and investigate opportunities for improvement.



Key facts:



Case Study:

Our journey to a zero carbon fleet by 2030

Electric Vehicles are a key part of our own company's efforts to cut its internal carbon footprint. With a fleet of over 12,000 vehicles globally, these efforts will make a material difference in decarbonizing emissions from travel. Centrica has led the way with early trials and plans for EV adoption and having already completed well over a million miles with its EV fleet, we continue to progress towards our ambition to be fully electric by 2030.



Flexible
Finance

Utilize financing solutions to invest in new energy technology



The challenge:

How can you overcome financial barriers to investing in new energy technologies?

If you have the capital, purchasing energy technologies upfront can be a great investment – one that pays for itself in the form of higher savings and profits. However, lack of capital should not be a barrier to accessing new energy opportunities. It is important for organizations to consider flexible funding options for their energy investments and explore how different funding options could help support wider business objectives.

Innovative financing options may enable organizations to unlock opportunities that reduce energy and operational costs, improve their energy resilience and environmental performance, and meet corporate social responsibility targets.






The solution:

More and more businesses are capitalizing on financial solutions to install technologies like Solar power and Combined Heat & Power. By installing on-site generation technology at your facility, the amount of grid electricity required is reduced. Centrica Business Solutions has several financial solutions that are flexible, with simple-to-understand commercial options that can be built to suit your specific requirements, appetite for risk and financial objectives.

There are even bundle solutions and services with a contract that includes technology, ongoing maintenance and financing – making the process as straightforward as possible for businesses to invest in on-site generation without the upfront capital.

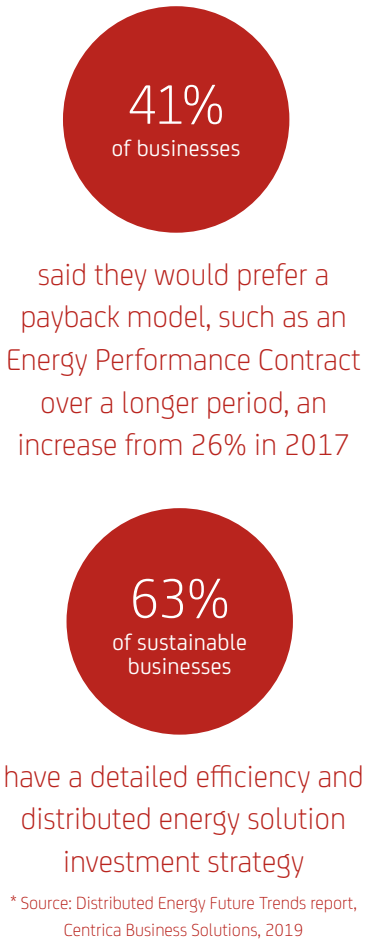


The process:

-  **Capital Expenditure** – Our CAPEX option enables customers to align their long-term investment goals and take full advantage of government incentives and tax benefits with our fixed-price, turnkey energy solutions. Our optional service packages to operate and maintain technologies – combined with industry-leading guarantees and warranties – make management hassle-free and allow for long-term returns.
-  **Utility Services Agreement (USA)** – Our USA provides immediate economic and environmental benefits from a bespoke energy saving project with substantial risk transfer. Centrica Business Solutions funds 100% of project CAPEX, and all project services (OPEX costs) such as fuel supply and O&M contracts, can be included to ensure top-tier, stable, long-term asset performance.
-  **Power Purchase Agreement (PPA)** – Our PPA delivers efficient, clean Solar power and generates immediate savings for your business while requiring no upfront investment and no Solar system ownership responsibilities. Centrica Business Solutions is responsible for the operation and maintenance of the Solar system.



Key facts:



The benefits:

- ✓ Often a single contract, it can include your energy technology, ongoing maintenance and financing.
- ✓ Zero CAPEX outlay with our financing options enables you to maintain ongoing cost predictability via fixed rates.
- ✓ Eliminate energy risk, with Centrica Business Solutions retaining responsibility for maintenance and availability.
- ✓ Retain control of commodity spend and supplier.
- ✓ Fulfill your energy vision and prepare for the future – our expertise and strong balance sheet means we have a proven track record of long-term funding partnership.

Case Study:

Lowering debt and lowering emissions

Embrace Home Loans is one of America’s fastest-growing mortgage lenders. Its office requires over 700,000 kWh of electricity a year, and they wanted to reduce operating expenses and its carbon footprint as part of its “Going Green” initiative.

They selected Centrica Business Solutions to install Solar because of our warranties, design capability, and customized financing solutions.

Recommendations to power up your business

In spite of these challenging times, there are ways to quickly reduce your energy costs, generate revenue and reduce your carbon emissions with little upfront capital.

With an energy management strategy, you can unlock opportunities to monetize your energy infrastructure and reduce total cost of ownership in the following ways:

1

Drive efficiency through energy data

By continually monitoring your energy use, you can build an understanding of where your true energy costs really lie. Combining real-time data from our Energy Insight solution with our management platform, PowerRadar, delivers the intelligence you need to inform a data-driven energy strategy.

3

Create energy independence by generating your own power

Being energy independent provides you with security of supply. Through Solar, you can reduce your energy costs by up to 90%. From the day your system is installed, you can start generating electricity at a lower cost.

5

Utilize financing solutions to invest in new energy technology

Centrica Business Solutions has several financing solutions that offer flexibility and simple-to-understand commercial options that can be built to cover your specific requirements, appetite for risk and financial objectives.

2

Unlock revenue opportunities from your energy infrastructure

Interconnected energy-generating assets allow you to use energy more effectively, providing you with resilience and predictable profits. Optimizing your energy enables you to reduce your costs or to add a revenue stream by reducing your consumption in peak periods. Our Energy Optimization solution can help you generate revenue, reduce energy costs and create a more flexible energy system.

4

Become a sustainable business and give your organization a competitive advantage

Nowadays, customers prefer to buy from companies who are environmentally conscious. Organizations with strong future growth prospects, have a clear strategy for how energy can contribute to their company values.



Let's make it happen

Centrica Business Solutions helps organizations balance commercial success and environmental responsibility. Partnering with commercial, industrial and public sector organizations that have a large or critical need for energy, we eliminate complexity and risk from multi-product energy strategies.



How we can help

Centrica Business Solutions can help you take advantage of the changing energy landscape by providing end-to-end energy options to help you drive better performance. From expert advice, to installation, maintenance and management, we offer a broad range of services.

We deliver integrated distributed energy solutions that empower you to take control of energy – across insights, optimization, efficiency, on-site generation and renewables, as well as supply and trading.

By combining our people's expertise with the power of distributed energy technologies, we can help you to become more efficient, resilient and sustainable on your pathway to a low-carbon future.



Breadth of portfolio

Our wide-ranging portfolio and end-to-end capabilities enable you to take control of your energy. We work with you to find the optimum energy solution for your business, making sure you benefit from maximum savings and efficiencies.



An international player in energy markets

We invest in innovative businesses and deploy the latest energy technology, so that our customers can confidently fuel their vision. It's why we hold leading positions in many national markets across the US and Europe.

Our range of commercial contracts and financing options are designed to help manage costs with a future-facing commercial strategy.

If you would like to speak to one of our experts about any of the ideas discussed in this guide, please get in touch:

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