

Simplifying the Renewable Energy Market to Maximize Purchase Value

How Enel X helps energy buyers navigate the renewables market

Many of today's businesses are embracing off-site renewable energy as a means to lower costs, manage wholesale market risk, and achieve their corporate sustainability goals. However, given the complexity of renewable energy contracts and the diversity of product options, many organizations can have difficulty determining how to integrate renewables into their supply mix and derive the greatest possible value from their purchases.

Enel X, a global leader in renewable energy strategy and procurement, has streamlined the renewable procurement process with our award-winning reverse auction technology. By standardizing renewable products and terms and driving competition among suppliers in live auction events, Enel X helps renewable energy purchasers save time, lower costs, and mitigate risks in today's renewable energy market.

Enel X simplifies your renewable energy purchases through a three-step process:

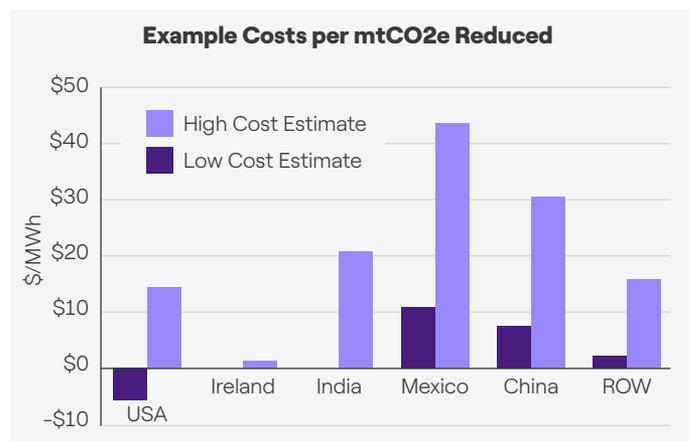
- 1. Product Selection:** Identify the best resource, product, and region to align your product with your business goals.
- 2. Tendering & Execution:** Conduct reverse auctions to drive competition among suppliers that ensures your organization secures the best offer available.
- 3. Performance Management:** Integrate off-site PPAs into your energy supply portfolio with ISO-level support and financial/environmental impact analysis.

Product Selection

Understanding how different renewable energy resources and product options accomplish different objectives is the cornerstone to an effective renewable energy strategy. Enel X helps renewable energy buyers prioritize their goals among cost reduction, GHG reduction, budget stability and additionality, contractual complexity, speed to market, and tenor length. Once your organization's unique goals are established, Enel X helps your organization select the best resources (wind, solar, biomass), products (PPA, VPPA,

RECs), geographies, and types of production (new vs. existing projects) for tender.

For example, organizations with facilities located across different regions looking to reduce carbon emissions will consider both the cost to produce energy and the metric tons of GHG offset, given the fuel mix of the local electric grid.



Tendering and Execution

Given the complexity of renewable energy contracts, RFP definition is a critical step for apples-to-apples comparisons. Enel X helps renewable buyers structure RFPs to manage market, basis, counterparty, and contractual risks effectively. For example, COD guarantees, production guarantees, and REC deliveries should all be consistent across bidders so buyers can evaluate deals on equal terms.

After qualifying renewable energy developers/suppliers, Enel X conducts either sealed-bid or live renewable PPA auctions to ensure bid transparency, exert maximum competitive pressure, and render the best possible price for renewable buyers. Over the course of 20 years and 60,000 pricing events, Enel X has mastered the competitive auction process, consistently delivering results up to 10% below market.

Performance Management

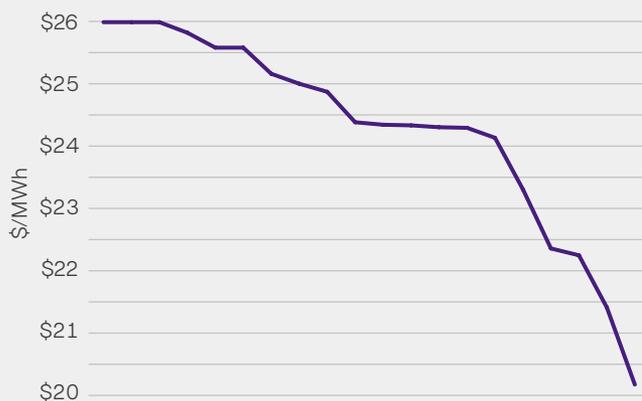
Enel X helps renewable energy buyers integrate the production of physical and virtual power purchase agreements into their broader supply mix by optimizing net meter aggregations, managing monthly market settlements, incorporating hedging and risk management strategies, arranging REC delivery, retirement, and arbitrage opportunities, and by providing scheduling and bid support for physical PPAs.

To further maximize the economic benefits of renewable PPAs, Enel X has developed a first-of-its-kind revenue stream for renewable off-takers by managing and bidding renewable capacity into annual and seasonal capacity markets.

And to ensure that renewable off-takers capture the full environmental benefits of their renewable programs, Enel X developed the industry's premier carbon reporting tool. With Utility Bill Management and the Enel X Connect application, renewable buyers can track all data associated with the purchase, consumption, and generation of renewable energy, measure its impact on corporate sustainability goals, and report environmental benefits using market-based emission calculations.

12-YEAR PHYSICAL PPA AUCTION

Price Graph



Auction Generated Savings

First Bid:	\$26.00/MWh
Best Bid:	\$20.17/MWh
Total Quantity:	120,514 MWh
Cost – First Bid:	\$3,133,364
Cost – Best Bid:	\$2,430,767
Total Auction Generated Savings:	\$702,597 or 22%

Market Benchmark Savings

Price-to-compare (\$/MWh):	\$22.36/MWh
Best Bid (\$/MWh):	\$20.17/MWh
Total Quantity (MWh):	120,514 MWh
Cost – Price-to-Compare:	\$2,694,693.04
Cost – Best Bid:	\$2,430,767.38
Total Market Benchmark Savings:	\$263,925.66 or 10%