



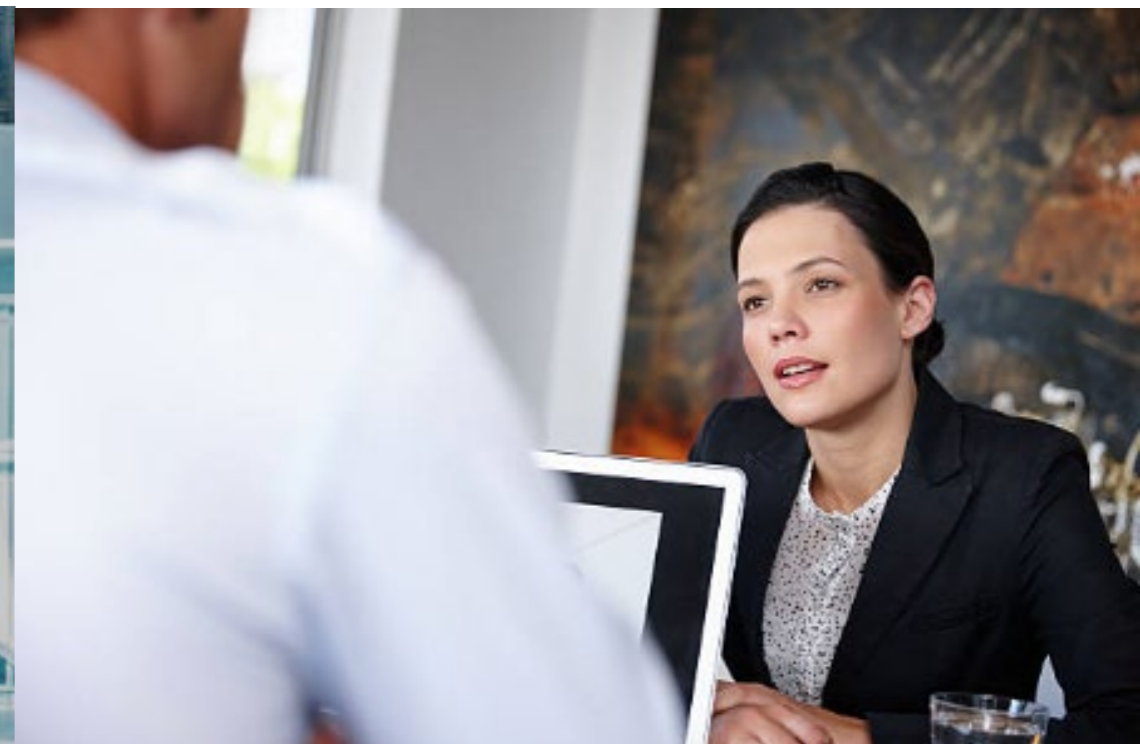
September 13, 2022





# Who We Are

- The nation's largest and **most experienced** independent energy risk management, and sustainability solutions advisor
- Advising clients in energy commodities markets **since 1986**
- Industry-acclaimed energy **market research expert** and primary source for market intelligence
- Part of the Tradition Group, a top 3 institutional broker of financial products and commodities with over **2,300 employees in 30 countries**
- Providing local clients with the **full resources** of a global energy advisor
- **Better market timing** and **increased competition** through **unsurpassed experience** in the wholesale energy markets
- **97%** of clients say that our *“strategic recommendations are **making a positive contribution** to their enterprise”\**



\*2021/22 Client Satisfaction Survey

# Government Purchasing Channel

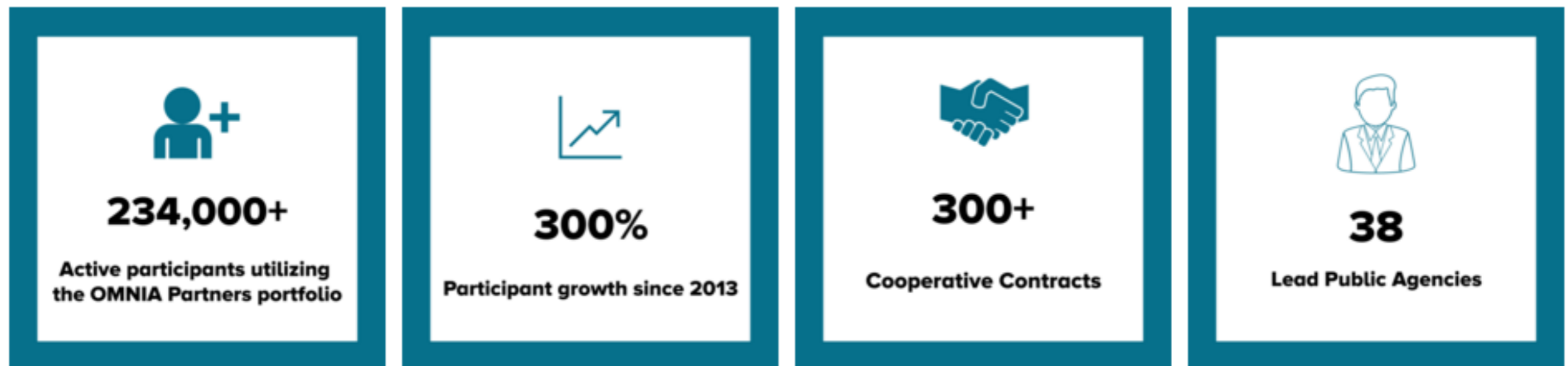
U.S. Communities, now a subsidiary of OMNIA Partners, Public Sector, is the **largest and most trusted cooperative purchasing organization** for public sector procurement, with members representing education, local and state government and non-profit organizations



Since 2013, Tradition Energy has won U.S. Communities national RFPs to be the **exclusive energy consulting** and **management services advisor** to public agencies

The OMNIA Partners, Public Sector **contract delivers many benefits**, including:

- The best supplier pricing in the market
- Time and money savings
- Contract value – even if your organization is NOT required to publicly bid utilities



# Strategic Solutions

## PROCUREMENT SOLUTIONS

Strategic Risk Management

Market Research & Intelligence

Energy Procurement

Client Services

Educational Webinars & Seminars

TEAMView Energy Information  
& Data Management

Renewables: Solar, Wind

## VALUE-ADDED SOLUTIONS

Bill Processing & Payment

Tariff Rate and Tax Analysis

Demand Response (DR)

Demand-Side Management: Energy Efficiency  
Projects & Lighting Retrofits





# Why Clients Choose Tradition Energy

**EXPERIENCE**

**WHOLESALE MARKET KNOWLEDGE & EXPERTISE**

**UNBIASED & TRANSPARENT**

**PREMIER CLIENT EXPERIENCE**



# Experience

No other firm matches Tradition's depth and breadth of experience, with more than **274** Education clients managed totaling **9 billion kWh**

**36**

years in the energy markets

**1300**

C&I and government clients

**385**

million kilowatt-hours priced weekly

**1300**

accounts priced weekly

**86**

suppliers competing for our clients' business

**19:1**

ratio of clients to Tradition professionals



# Experience

No other firm matches Tradition's depth and breadth of experience, with over **103 billion kWh** in energy usage and more than **\$16 billion** in energy spend managed



# Wholesale Market Knowledge & Expertise

Tradition is recognized in the industry as the leading energy **market research expert** and primary source of market intelligence

Our position in the **wholesale energy markets** means that you have access to the market information needed to make the **best informed** energy procurement decisions

Tradition experts are **quoted daily** by the global media



*“By aligning with Tradition Energy and their wholesale energy expertise, we have consistently made more effective and timely procurement decisions for our facility.”*

- Director of Facilities, University



# Wholesale Market Knowledge & Expertise

Wholesale energy **markets set the commodity price** paid by consumers

With **improved purchase timing** you can capitalize on market volatility and maximize cost reductions

**Example:** A \$1/MMBtu move in the price of natural gas represents a potential move in electricity of \$0.009 - \$0.016/kWh. For an entity using 5 million kWh annually, the **potential budget impact** ranges from \$45,000 - \$80,000



# Wholesale Market Knowledge & Expertise

Tradition's **market intelligence** is shared with you through numerous reports

## Weekly Report

## Regional Market Outlooks

## Daily Peak Load Monitors

## Market Flash

## Rate Case Newsletter

## Market Monitoring

## Legislative/Regulatory



# Wholesale Market Knowledge & Expertise

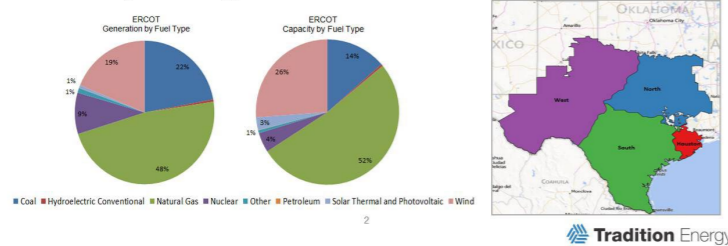
Our **Regional Market Outlook** provides an overview of the factors driving your market allowing you to come to an informed decision

**Recommendations** are made for each market, reflecting your goals and objectives and current market conditions

97% of clients say that our *“strategic recommendations are **making a positive contribution** to their enterprise”\**

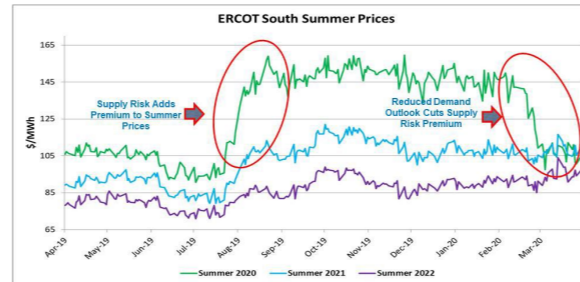
## ERCOT South Hub Energy Market Drivers

- The supply outlook in ERCOT will be tight in the coming years with the continued retirement of coal-fired generation and increasing system demand.
  - ERCOT's system could especially be challenged in hot weather as intermittent wind grows as a share of capacity.
  - In 2019, real time average daily prices exceeded \$100/MWh 11 times.
  - In 2019, real time hourly prices in ERCOT peaked at \$9,000/MWh on one occasion and broke \$1,000/MWh 18 times.
  - During August 2019, real-time electricity prices in the South Hub averaged nearly \$130/MWh.
- ERCOT set a new record for system demand in August 2019 at 74,531 MW and could break the record this summer at 75,200 MW despite a 2% decline in projected load from the previous reported value.
- Demand growth in Texas, coal plant retirements, and competition from renewable resources weigh on the reserve margin in the coming years.



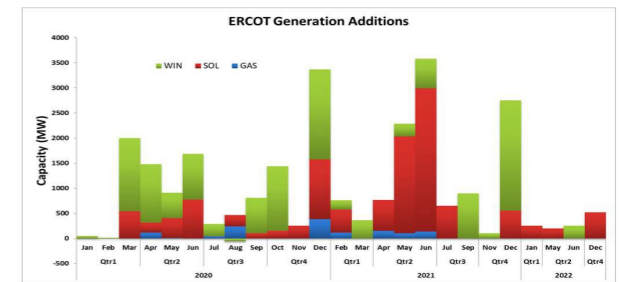
## ERCOT Futures

- Peak demand is expected to increase by an average of ~1,500 MW per year through 2025.
- In the next 3 years, most of the additional electricity generation coming online are wind and solar based, adding to the volatility of daily prices during summer peak demand periods.
- Though volatility risk remains, Summer 2020 prices have returned nearly all of their mid-2019 gains as the potential for reduced demand due to the impacts of reduced CAPEX and drilling activity and COVID-19 significantly reduced the risk premium.



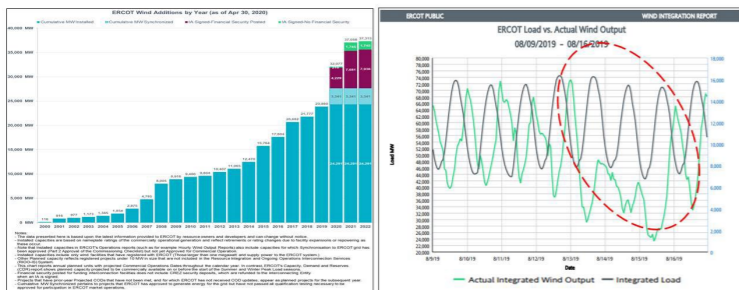
## ERCOT Demand & New Build Generation

- There are many generation projects in the pipeline at different stages of development, however potential thermal (natural gas) generation builds are small and infrequent in the coming years, with the largest natural gas-fired power plant (AES' 456MW Deepwater) expected to begin operation in June 2021.
- The build out of renewables will certainly help to meet some of the growing demand, but the intermittency of the resources will increase the already volatile electricity market.
- The financing and construction of these new build projects could be delayed due to the measures put in place to combat the COVID-19 outbreak which could add more pricing risk to the peak summer demand periods.



## ERCOT Wind Supply

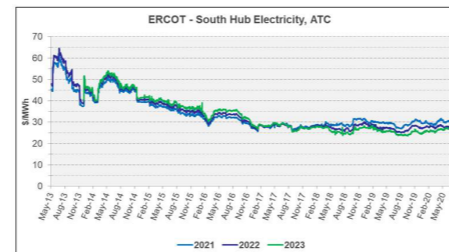
- ERCOT wind generation could increase by more than ~11 GW or ~46% through 2022 from 2020 levels.
- The variance between forecasted and actual wind generation, particularly during peak demand periods, caused severe price spikes (\$9,000/MWh) in Summer 2019, and could continue to do so as more wind generation comes online, and thermal generation capacity remains fairly stagnant in the coming years.



Takeaway: Most new generation getting built is intermittent renewables, which add both supply and volatility due to the difficulties in forecasting their production levels in the day ahead market.

## ERCOT South Hub Electricity Pricing

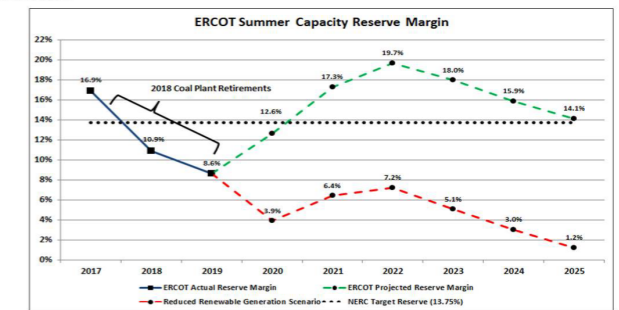
- 2022 and 2023 are priced at a discount to 2021 as the risk of peak summer demand price spikes continues to ease due to expectations of additional natural gas-fired and renewable generation that will come online in the next few years.
- Reduced CAPEX and drilling activity could reduce overall demand in the region and have a bearish impact on prices and have already impacted demand projections for the next years. However, the reduction of associated natural gas production that consequently comes from reduced drilling and investment could increase regional natural gas prices, the main fuel for electricity generation in ERCOT.
- The 484 MW Braes and 464 MW Deepwater natural gas-fired power plants could come online in mid-2021 depending on permit approvals and construction timelines, potentially mitigating risks of price spikes.
- By 2022, ~5,000 MWs of natural gas-fired power plants are being proposed though none of these plants have started construction and most have not even received financing.
- As demand continues to push higher, the lack of new baseload generation (natural gas-fired) to meet it and risk of retirement of the remaining coal plants could lead to further volatility through renewables.



ERCOT - South Hub Electricity, ATC	
Current Price	ERCOT Target (13.75%)
27.7	27.8
42.2%	30.3%
25.65	23.55
12.0%	12.4%
61.15	53.3
625/2013	59/2014

## ERCOT Future Supply & Demand

- Despite an upward revision to the 2020 summer reserve margin, risk still remains in ERCOT as the generation projects being built to meet growing demand are predominantly renewables.
- The additional generation helps push the expected reserve margins higher (green line), with ~6,000 MW of solar generation expected to come online in the next year.
- However, if generation from solar and wind projects during peak demand is reduced by 35-40%, which has happened in the past already, the reserve margins would be drastically lower (red line) because of the gaining share of renewables.




\*2021/22 Client Satisfaction Survey

# Unbiased & Transparent

## TEPS

- The industry's most innovative online pricing system **increases speed** of supplier responses
- More supplier competition **improves your prices**
- TEPS **ensures supplier accountability** – supplier bids contain no hidden fees or surcharges, which **safeguards your budget** from unexpected costs

### Suppliers


TEPS

Create new

Search by column
All
Search

PRICING REQUESTS
CONTRACTS

Short Name	LEN	Commodities	States Served	Utilities Served	Tier	Created On	Status
Summer Energy	Summer Energy	Electricity	IL, MA, NH, TX	American Electric Powe...	2	03-26-2019	Active
3Phases	3Phases Renewables	RECs	AK, AL, AR, AZ, CA, C...	Alagasco, Alliant Energy...	2	09-26-2018	Active
3Degrees	3Degrees inc	RECs	AK, AL, AR, AZ, CA, C...	Alagasco, Alliant Energy...	2	09-26-2018	Active
Freepoint	Freepoint Energy Soluti...	Electricity	DC, DE, IL, MD, OH, PA...	American Electric Powe...	2	06-25-2018	Active
FireSide	Fireside Natural Gas	Gas	GA	Atlanta Gas Light	3	06-13-2018	Active
Fowler Energy	Fowler Energy Company	Gas	TX	Texas Gas	2	06-06-2018	Active
Empire	Empire Natural Gas	Gas	NY	Corning Natural Gas, N...	3	06-06-2018	Active
Entrust Energy	Entrust Energy	Electricity	IL, MD, NJ, NY, OH, PA,...	American Electric Powe...	3	05-15-2018	Active
Supreme Energy	Supreme Energy, Inc.	Electricity, Gas	NJ, NY, PA, FL	Atlantic City Electric (AC...	3	05-04-2018	Active
BP Canada	BP Canada Energy Mar...	Gas	IN, MI	Consumers Energy, Mic...	2	03-14-2018	Active
Major Energy	Major Energy	Electricity, Gas	CT, DC, IL, MA, MD, NJ,...	Con Edison	3	03-13-2018	Active
FirstPoint Matrix	FirstPoint Power	Electricity	CT, DE, MA, MD, ME, N...	American Electric Powe...	2	02-12-2018	Active
Snyder Bros	Snyder Brothers Inc.	Gas	NY, OH, PA, WV	Columbia Gas, Dominio...	2	02-02-2018	Active
Shipley	Shipley Energy	Electricity, Gas	MD, OH, PA	Baltimore Gas & Electric...	2	01-22-2018	Active

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# Unbiased & Transparent

Tradition covers the entire market of all vetted electricity, natural gas and renewable energy suppliers to find you **the best price and commercial terms**

We force competition among energy suppliers – you receive **the best solution**

**No conflicts of interest**; supplier negotiation and pricing separated from advisory team


Transparent business practices enable you to **see exactly what you are buying**

In 2021, **86 energy suppliers** competed for our clients' business in the US

*Tradition's competitive process results in a solution that is best for you*

Customer Information					
<b>Customer Name:</b>	Sample Client, Inc.	<b>Phone:</b>	203-555-5555		
<b>Contact:</b>	Joe Client	<b>Email:</b>	joe.client@Client.com		
<b>Address:</b>	123 ABC Street Dallas, TX 75217				
Account Information					
<b>Utility:</b>	ONCOR	<b>Estimated Volume:</b>	9,455,713		
<b>Pricing Zone:</b>	ERCOT	<b>Current Rate (CR):</b>	<b>0.04240</b>		
<b>Acct #'s/ESI #'s</b>	1	<b>Est. Utility Charge:</b>	0.02500		
<b>Pricing Type:</b>	Indicative - Fixed	<b>Est. Bundled Rate:</b>	0.06740		
<b>Current Provider:</b>	Constellation	<b>Est. Annual Cost:</b>	\$637,315		

					
Direct Line:		123-456-7890			
Email:		Energy.Advisor@Tradition.com			
Creation Date:		May 16, 2021			

Supplier Fixed Price Comparison / Savings and Budget Analysis					
Terms	12 months	24 months	36 months	48 months	60 months
<b>Start Date</b>	Jan-21	Jan-21	Jan-21	Jan-21	Jan-21
<b>End Date</b>	Jan-22	Jan-23	Jan-24	Jan-25	Jan-26
<b>KWH Usage</b>	<b>9,455,713</b>	<b>18,911,426</b>	<b>28,367,139</b>	<b>37,822,852</b>	<b>47,278,565</b>

Supplier	CR	12 months	24 months	36 months	48 months	60 months
<b>CONSTELLATION</b>	<b>0.03983</b>	0.04111	0.04036	0.04004	0.04038	
<b>Savings over CR</b>	\$24,301	\$24,396	\$57,869	\$89,262	\$95,503	
<b>Savings %</b>	3.8%	1.9%	3.0%	3.5%	3.0%	
<b>Est. Utility Charge</b>	0.02500	0.02500	0.02500	0.02500	0.02500	
<b>Est. Bundled Rate</b>	0.06483	0.06611	0.06536	0.06504	0.06538	
<b>Est. Annual Cost:</b>	<b>\$613,014</b>	\$1,250,234	\$1,854,076	\$2,459,998	\$3,091,073	
<b>CREDIT:</b> Pending		<b>SWING %:</b> 100%		<b>PAY TERM:</b> Net20		
<b>ENGIE</b>	0.04102	0.03975	<b>0.03681</b>	0.03835	0.03818	
<b>Savings over CR</b>	\$13,049	\$50,115	\$158,572	\$153,183	\$199,516	
<b>Savings %</b>	2.0%	3.9%	8.3%	6.0%	6.3%	
<b>Est. Utility Charge</b>	0.02500	0.02500	0.02500	0.02500	0.02500	
<b>Est. Bundled Rate</b>	0.06602	0.06475	0.06181	0.06335	0.06318	
<b>Est. Annual Cost:</b>	\$624,266	\$1,224,515	<b>\$1,753,373</b>	\$2,396,078	\$2,987,060	
<b>CREDIT:</b> Pending		<b>SWING %:</b> 100%		<b>PAY TERM:</b> Net20		
<b>DIRECT</b>	0.04302	0.04008	0.03878	0.03631	<b>0.03599</b>	
<b>Savings over CR</b>	-\$5,863	\$43,875	\$102,689	\$230,341	\$303,056	
<b>Savings %</b>	-0.9%	3.4%	5.4%	9.0%	9.5%	
<b>Est. Utility Charge</b>	0.02500	0.02500	0.02500	0.02500	0.02500	
<b>Est. Bundled Rate</b>	0.06802	0.06508	0.06378	0.06131	0.06099	
<b>Est. Annual Cost:</b>	\$643,178	\$1,230,756	\$1,809,256	\$2,318,919	<b>\$2,883,520</b>	
<b>CREDIT:</b> Pending		<b>SWING %:</b> 100%		<b>PAY TERM:</b> Net15		
<b>MP2</b>	0.04180	<b>0.03781</b>	0.03918	0.03881	0.03879	
<b>Savings over CR</b>	\$5,673	\$86,803	\$91,342	\$135,784	\$170,676	
<b>Savings %</b>	0.9%	6.8%	4.8%	5.3%	5.4%	
<b>Est. Utility Charge</b>	0.02500	0.02500	0.02500	0.02500	0.02500	
<b>Est. Bundled Rate</b>	0.06680	0.06281	0.06418	0.06381	0.06379	
<b>Est. Annual Cost:</b>	\$631,642	<b>\$1,187,827</b>	\$1,820,603	\$2,413,476	\$3,015,900	
<b>CREDIT:</b> Pending		<b>SWING %:</b> 100%		<b>PAY TERM:</b> Net25		
<b>TXU</b>	0.04216	0.03992	0.03858	<b>0.03630</b>	0.03749	
<b>Savings over CR</b>	\$2,269	\$46,900	\$108,362	\$230,719	\$232,138	
<b>Savings %</b>	0.4%	3.7%	5.7%	9.1%	7.3%	
<b>Est. Utility Charge</b>	0.02500	0.02500	0.02500	0.02500	0.02500	
<b>Est. Bundled Rate</b>	0.06716	0.06492	0.06358	0.06130	0.06249	
<b>Est. Annual Cost:</b>	\$635,046	\$1,227,730	\$1,803,583	<b>\$2,318,541</b>	\$2,954,438	
<b>CREDIT:</b> Pending		<b>SWING %:</b> 100%		<b>PAY TERM:</b> Net20		

**\*Does Not Include taxes**

# Premier Client Experience

- Your energy advisor remains your **single point of contact** throughout the life of your agreement
- Access to 80 professionals **providing ongoing support** for all of your energy needs
- **Proactive risk management** to alert you to procurement opportunities or about issues that may affect your business
- **Customized reporting**, including budgeting, forecasting, and procurement performance
- Continuous **energy education** via monthly product and service webinars, biannual price forecasts, and face-to-face training seminars
- Dedicated energy supplier representatives assigned to Tradition clients for **a higher level of service**
- **98%** of clients say they are **“likely to use our service again”\***

*“The level of professionalism, responsibility, and care for a customer go well beyond what we had received with previous providers. Tradition Energy is a full-service oriented company.”*

*- General Manager, Steel Manufacturer*





# Premier Client Experience

Throughout the year, Tradition hosts monthly **seminars and webinars** on energy related topics and energy price outlooks to increase client education and keep you better informed

## Client **feedback**:

*“The webinar was concise yet a good overview of salient issues. I had some of our less experienced folks who deal with utilities tune in and they really seemed to get a lot out of it.”*

*“I liked the planning piece and the discussion of how we really need to understand our usage history and how we use energy before moving forward in a procurement, and the length of time needed to get through the process correctly was helpful.”*

*“The slides were very clear and easy to follow. The speaker spoke well and presented the material very well.”*

*“The examples provided did a good job of demonstrating the cost issue. Also, I liked how the presentation clearly stated what actions could be taken to address the issue/cost.”*

*“The webinar gave me information to help understand this complicated process.”*

## Educational Events

[View Past Events >](#)

### Q2 2021 Regional Energy Market Outlook Webinars

Please join us for our Q2 2021 Regional Energy Market Outlook webinars. We will be reviewing electricity and natural gas commodities and the likely market conditions and prices over the next 24-36 months.

ERCOT: Tuesday, April 13, 12:30 – 1:15 p.m. ET  
IL & OH: Wednesday, April 14, 12:30 – 1:15 p.m. ET  
PJM (NJ/PA/MD): Thursday, April 15, 12:30 – 1:15 p.m. ET  
NYISO & ISO-NE: Tuesday, April 20, 12:30 – 1:15 p.m. ET  
NATURAL GAS: Wednesday, April 21, 12:30 – 1:15 p.m. ET

### Event Details

April 21, 2021

Invitation Only

### Webinar Series: Learn How To Benefit From Solar

Join Tradition Energy as we discuss how using solar energy can help organizations reduce energy costs, consumption and emissions as part of adopting more sustainable business practices

### Event Details

April 29, 2021

12:30 PM ET

### Webinar Series: Bill Auditing & Tariff Analysis

Join Tradition Energy for our Bill Auditing & Tariff Analysis webinar. This 30-minute presentation will educate attendees on the methods utilized to analyze tariffs and utility invoices to identify billing errors, resulting in recovered costs from past invoices and prevented costs from ongoing expenditures due to the implementation of more appropriate delivery tariffs.

### Event Details

May 19, 2021

12:30 PM ET

### Webinar Series: How Understanding Utility Delivery Charges Can Reduce Energy Costs

Rate Class, Improper Charges, Demand, Power Factor, Usage Hours and Improper Charges can all affect utilities' delivery charges. This short presentation will highlight the ways one can address and minimize energy costs by better understanding and managing the utility delivery charges.

### Event Details

June 16, 2021

12:30 PM ET

# Premier Client Experience

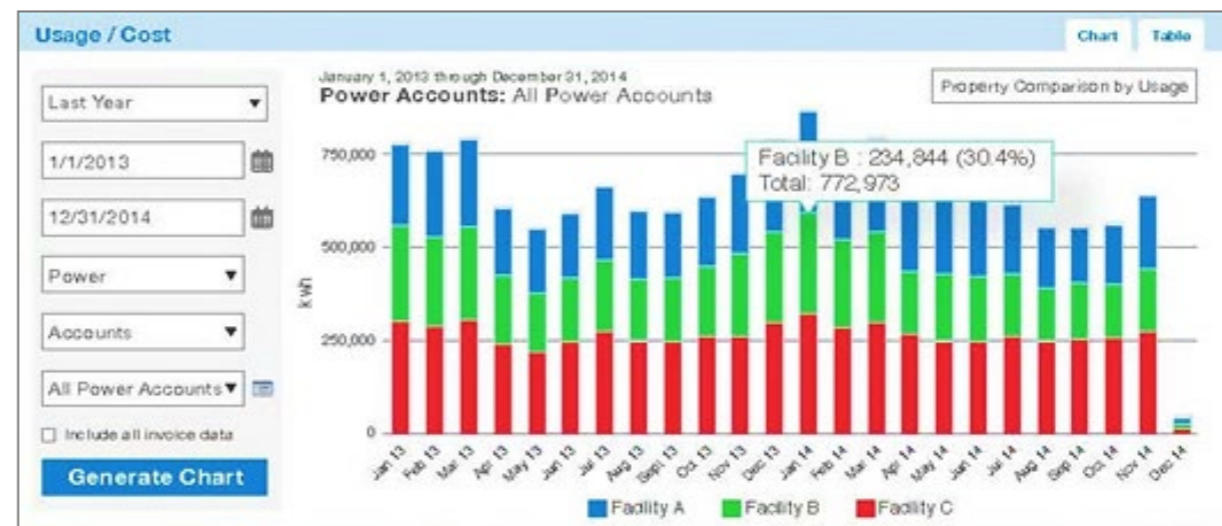
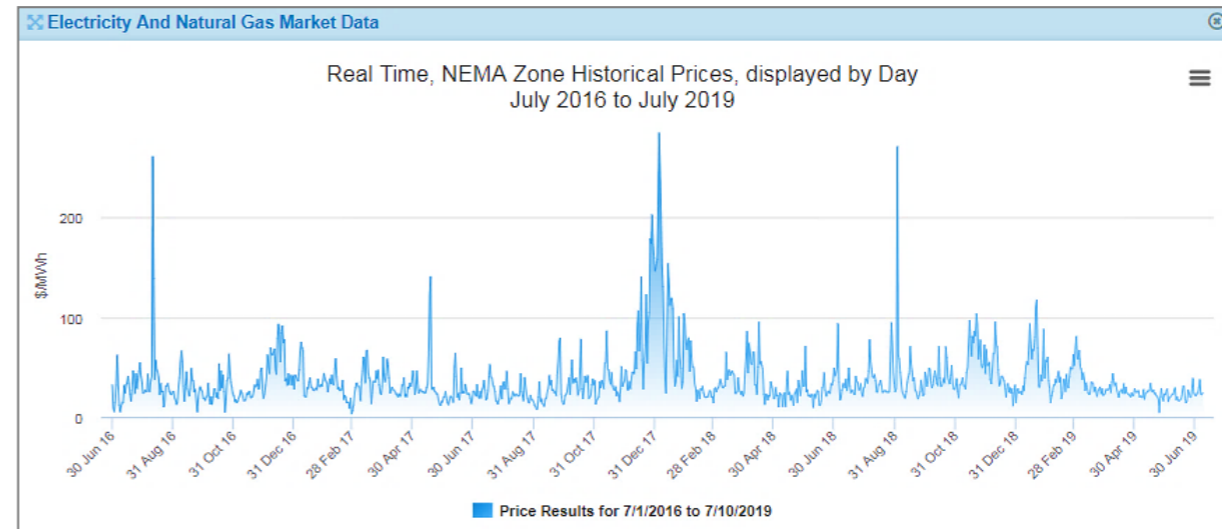
**TEAMView** is Tradition's proprietary next generation **online portal** providing the tools and resources you need to make more informed **energy management decisions**

## INFORMATION MANAGEMENT

- Contract library
- Interactive account map
- Expiration status & notifications
- Executive summaries
- Market prices & research
- Reports & white papers
- Legislative & regulatory updates

## DATA MANAGEMENT

- Invoice tracking
- Usage & cost reporting
- Budgeting & forecasting
- Performance monitoring
- Sustainability reporting
- Energy Star data upload





# The Value Tradition Energy Delivers

**Best practices** utilized across industries translates into more effective supply contract timing, terms and prices

**Unparalleled access** to wholesale energy market intelligence resulting in the **best informed** energy procurement decisions

**Better market timing** and **increased supplier competition** resulting in millions of dollars in **reduced costs**

A **premier client experience** unmatched in the industry

**97%** of clients say that our “*strategic recommendations are **making a positive contribution** to their enterprise*”\*

**98%** of clients say they are “*likely to use our service again*”\*

*“In an industry where rapid change is common, it’s indispensable to have a partner such as Tradition Energy to help me make the right decisions at the right time.”*

*- Energy Manager, Luxury Retail Chain*



\*2021/22 Client Satisfaction Survey

# Next Steps

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## Letter of Authorization (LOA) & Engagement Letter (EL)

- **Invoice** collection
- **Market Research** Reports distribution list
- Informing you of upcoming **client training** events, webinars and presentations
- **TEAMView** demonstration
- Introduction to our **Ancillary Services**

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