



Energy Procurement: *Your Options = Opportunity*



Risk Management | Compliance | Business Process | Project Management | IT Effectiveness

Our objective is the same as yours – ***A Structured Approach to Strategic Solutions*** for obtaining the most economical energy supply arrangement available.

Through ProSidian's independent relationship to the nation's largest and most reliable energy providers, you'll have access to highly competitive pricing and a full array of energy management products and services that help you identify, understand, and manage the variables that affect the price you pay for the energy your need.

Simplifying the purchase and management of energy requires a thorough understanding of the energy industry, including generation and delivery, external factors, micro and macro economic drivers and their impact on prices. ProSidian Consulting understands these factors better than anyone.

**End-to-End
Energy
Procurement**



UNREGULATED GENERATION | REGULATED TRANSMISSION AND DISTRIBUTION

Energy Deregulation: In the past, one utility provided the three components of your energy service: generation, transmission and distribution. Legislatures and the public utility commissions (PUC) of many states have created competition for electricity and natural gas supply. This allows consumers to choose their energy supplier.

Unregulated [Generation]: With deregulation, you're able to go direct and choose the company that produces energy, or the company who buys it on your behalf to sell to you.

Regulated: [Transmission and Distribution]: The delivery of the energy is still regulated and is the responsibility of the local utility company. Your utility company is responsible for maintaining the poles and wires, or pipelines, and responding to emergencies and power outages. This is the actual delivery of electricity across poles and wires and natural gas through pipelines to your business by your local utility company.

Our Objective Is The Same As Yours – A Structured Approach To Strategic Solutions For Obtaining The Most Economical Energy Supply Arrangement Available.

Thanks to energy deregulation, organizations can now manage and control their energy investment in ways never before thought possible. ProSidian Consulting advises organizations on how to buy, use and manage energy to achieve greater efficiency and effectiveness in their operations. Through our independent relationship to the nation's largest and most reliable energy providers, you'll have access to highly competitive pricing and a full array of energy management products and services.

ProSidian's Energy Team helps identify, understand, and manage the variables that affect the price you pay for the energy you need. We simplify the purchase and management of energy through a structured approach to strategic solutions tailored to the needs of your organization. ProSidian Consulting understands the factors that drive the industry, including generation and delivery, external factors, micro and macro economic drivers, and their impact on prices better than anyone.

ENERGY DEREGULATION = OPPORTUNITY

- **Competitive marketplace** among energy suppliers
- **Flexibility** to create an energy strategy that suits your individual needs
- **Freedom to choose** suppliers, products, prices and terms
- **Reliability** - transmission and distribution regulated and guaranteed by the PUC
- **Price protection** from market volatility and rising costs-budget certainty
- **Potential savings**, including tax savings in some markets

ENERGY PROCUREMENT - YOUR OPTIONS

- **Stay with the utility/default supplier**
 - ✓ Energy not a material expense
 - ✓ Comfort with utility
- **Go direct to a third-party supplier**
 - ✓ Competitive price, but process is less complete/rigorous
 - ✓ Limited buying power and market intelligence
 - ✓ Requires expertise and is time-consuming
- **Use ProSidian Consulting as an intermediary**
 - ✓ Increases supplier competition and lowers price
 - ✓ Identifies the best solutions for each facility in each market
 - ✓ Negotiates with suppliers to achieve contractual needs
 - ✓ Provides timely responses to changes in market conditions leading to savings opportunities
 - ✓ Unbiased advocate working on your behalf to achieve procurement goals

ENERGY PROCUREMENT PROCESS

The process of purchasing energy in the global energy markets is both complex and time consuming. Most authorities have undertaken different paths towards the opening of their markets and have yet to agree and converge around a single standard model.

Consequently, at present, each market is unique as to structure, oversight, purchasing options, contract terms and conditions, available suppliers, transmission/distribution fees, taxes, and other charges.

To make matters even more difficult, energy suppliers themselves have agreed to no standard in the presentation of pricing (or in contract terms and conditions) and typically only hold price quotations open for a few short hours.

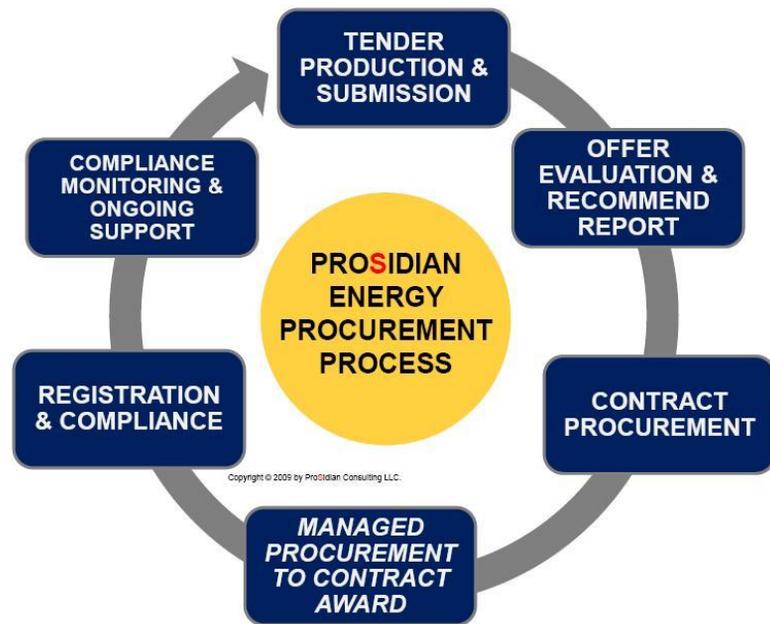
We understand that many organizations do not possess the resources or expertise necessary to successfully undertake a comprehensive energy tender. For these businesses, ProSidian Consulting offers a service to outsource the energy procurement process. Our energy procurement process is outlined below.

Tender Production & Submission: ProSidian Consulting will construct tender documents reflecting appropriate load profiles for submission to energy suppliers. We process accounts for new sites as well as existing site load adjustments. Available electronic meter data shall be included to create the most accurate profile for suppliers to secure the most competitive price.

As part of the submission, we will explicitly indicate the following: Contract length - Response Date - Payment terms - Minimum requirements - Credit requirements - Prices For Various Terms.

Offer Evaluation & Recommend Report: All supplier offers submitted are checked for compliance with the terms and recorded in ProSidian Consulting's system. Each offer is evaluated utilizing the profile included in the tender documents and ranked on an aggregate cost basis. ProSidian Consulting will produce an offer evaluation report which will allow for the comparison of each offer by category (12 month, 24 month, green, credit, etc.). Furthermore, the report will benchmark all offers against current supply contracts or tariff, where available. Our recommend report enables you to efficiently analyze suppliers to determine the optimum combination of supplier offers including any pricing quotes and service capabilities.

Contract Procurement: We advise on the negotiation of contracts for the supply of energy including oil, gas and electricity. We also structure and advise on wholesale energy contracts including power purchase agreements, gas and oil supply agreements and derivative contracts. We work on your behalf to review supply contracts and analyze and negotiate terms based on possible embedded options benefiting each party to the contract.





ENERGY PROCUREMENT PROCESS CONT..

Managed procurement to deliver best value contracts: *Establish a structured approach to energy procurement that addresses all aspects of best practice procurement, including strategy development; data acquisition and validation; market intelligence; supplier liaison and vetting; contract support; and KPI setting.*

Contract Award: Our staff will liaise with your staff throughout the evaluation process. Our offer evaluation report will include our recommendations. Once our recommendations have been reviewed and we have received final approval, contract(s) will be awarded to the appropriate supplier(s).

Registration & Compliance: Once contracts have been awarded ProSidian Consulting will manage the process of registering each of your sites with the new supplier(s). In addition, we will review all invoices to ensure compliance with the agreed upon contract terms and conditions.

Compliance Monitoring & Ongoing Support: Our staff will liaise with your staff throughout the supply process as needed to work on your behalf to provide pricing updates and assistance with execution of your supply contract. We serve as your trusted advisor and take a stand on your behalf throughout the process.

WHAT PROSIDIAN OFFERS AS YOUR TRUSTED ADVISOR

- **Explain** deregulation and financially significant energy costs.
- **Work** according unique business needs within your operations
- **Analyze** your budgetary objectives, priorities and concerns.
- **Study** your current and future energy usage patterns.
- **Inform** you about supply and pricing alternatives the marketplace.
- **Educate** you on industry best practices.
- **Work** with suppliers on your behalf
- **Recommend** possible solutions.
- **Develop** alternative energy supply and price proposals
- **Identify** an optimal arrangement.
- **Present** and explain the alternatives; **Maximize** purchase timing.
- **Facilitate** contract process; **Ensure** proper switching.
- **Monitor** and assess your transaction from start to end.
- **Provide** ongoing customer service should new opportunities or problems arise with your supply.



ABOUT PROSIDIAN CONSULTING, LLC

ProSidian Consulting is an integrated consulting services firm focusing on providing value to clients through tailored solutions based on industry leading practices. ProSidian provides strategically diversified business and technical services focused on Risk & Energy Management, Compliance, Business Process Improvement, Program/Project Management, and IT Effectiveness (Information Technology/Staff Augmentation). ProSidian Consulting is headquartered in Charlotte, NC. **For more information, visit www.ProSidianConsulting.com/energy.html.**