

An aerial night photograph of a city, likely Chicago, showing a dense cluster of skyscrapers and a prominent circular plaza with light trails from traffic. The image is used as a background for the presentation slide.

Sustainability Efficiency Resilience

Don Wingate

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Pricing and Resiliency are **out of your control**

Your key limitations

Poor Reliability

In 2019, downtown CLE experienced **218.44** minutes of power outages and Brecksville experienced **365.75** minutes of power outages

- U.S. Energy Information Administration

High Cost of Energy

In 2019, downtown CLE had an average retail rate of **\$0.15** / kWh and had an average retail rate of **\$0.128** / kWh. Over the last decade, Ohio has had a **23.25%** increase in electric rates.

- U.S. Energy Information Administration

Not Sustainable

Today you are being powered by **0.22%** from solar energy.

- FirstEnergy Environmental Disclosure

Power Outages are Costly

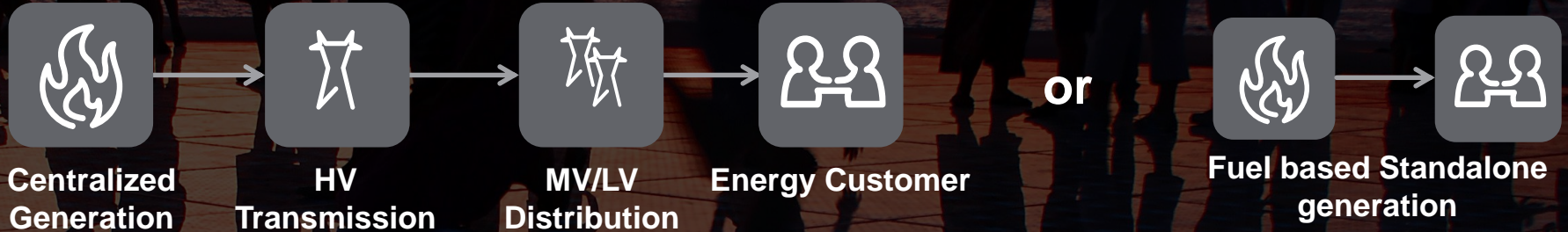
Outages are costing the US economy **\$150 Billion** annually

- Department of Energy

Are you taking an **active** or **passive** approach to your energy?

Businesses have the ability to take control of their energy systems to provide cost control, power quality, and organizational resilience.

Historical Energy Value Chain



The New Value Chain



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What is your plan to address your **carbon goals**?

Leaders are focused on more than bottom line metrics to grow their businesses



Transition to zero emissions by 2030



Transition to 100% renewable energy by 2030



Reach 100% carbon neutral before 2030



Achieve zero net greenhouse gas emissions by 2050



Be powered by 50% renewable sources by 2050



Achieve carbon neutrality by 2050



To be carbon positive by 2025



Committed to carbon neutrality by 2030

The **technology** solution: Microgrid

A local energy system with sources of **generation, storage, and advanced automation and control** ...

... usually connected to the central grid but able to function independently.



However, until now, self-deployment of microgrids has entailed:

- **Capital**
- **Complexity**
- **Risk**

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The **business model** solution: Energy as a Service

- Customers face **accelerating energy challenges** and often lack the resources to address these needs
- Energy as a Service delivers the **energy outcomes** customers need with **no capital upfront or operational risks**
- Accomplished through the **design, build, ownership, operation, maintenance and financing** of onsite microgrids



Energy as a Service: creating a new category

With Energy As A Service, you get the energy outcomes you need to run your business with cost-effective, resilient, and sustainable energy.

					
ENERGY AS A SERVICE					
You get the energy outcomes you need to run your business and a competitive advantage.	Capital is freed up for core business needs and priorities.	You get an energy partner that helps you take control of your energy – we work alongside you for the long-term to meet your goals.	You agree to the security of a long-term contract (15-25 years), allowing you to budget for electricity while adding protection from increasing electricity rates.	Our industry-leading experts design, build, own, operate and maintain the microgrid's power and operating systems.	We provide regular updates on your resilience, efficiency and sustainability metrics.

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Who is AlphaStruxure?

AlphaStruxure, a joint venture with The Carlyle Group, delivers **custom-tailored** EaaS solutions addressing the comprehensive needs of energy-intensive clients spanning commercial, industrial, government and infrastructure sectors. AlphaStruxure has the flexibility to deliver **bespoke** microgrid energy solutions that can also integrate adjacent energy-related infrastructure including EV charging for fleets, data center hardware, and other advanced systems.



Global leader in the digital transformation of energy management and automation.

- \$30+ billion in 2019 revenue
- 135,000+ employees globally
- #1 Energy as a Service (EaaS) solutions provider
- #1 Microgrid Control Solutions and Low & Medium Voltage Distribution
- Over 300 microgrid projects successfully deployed
- Leading renewable PPA advisor

“At Schneider, we believe **access to energy and digital is a basic human right.**”



THE CARLYLE GROUP

One of the largest and most diversified global investment firms with \$230 billion in assets spanning four core business segments:

CORPORATE PRIVATE EQUITY

- \$85b aum
- 169 active portfolio companies
- 250+ investment professionals

REAL ASSETS

- \$40b aum
- 150+ investment professionals

GLOBAL CREDIT

- ~\$53b aum
- 150+ investment professionals
- 1000+ borrower relationships

INVESTMENT SOLUTIONS

- \$52b aum
- 90+ investment professionals

Figures as of September 30, 2020

“Carlyle’s purpose is to **invest wisely and create value** on behalf of its **investors, portfolio companies and the communities** in which we live and invest.”



AlphaStruxure

Uniting Schneider and Carlyle to provide an industry-leading Energy as a Service (EaaS) offering

- Combines Carlyle & Schneider capabilities
- Integrates financial & technology expertise
- Provides best-in-class project delivery
- Delivers digitally-enabled asset optimization
- Eliminates execution, financial and operational risk
- Guarantees specified outcomes for sustainability, cost optimization, resilience and reliability

“AlphaStruxure is named for **Generation Alpha** – building advanced energy infrastructure for those born between the early 2010s and the mid-2020s.”

Integrating energy & financial solutions

Energy as a Service combines tailored **energy** and **financial solutions**, project execution, and lifecycle support.

Energy solution:

On-site microgrid leverages Schneider Electric's #1 ranked technology¹ enabled by distributed generation including solar PV, battery storage, fuel cells, and more

Financial solution:

Capital investment and tailored contract structure delivers guaranteed performance

Extended infrastructure assets

can be included in the scope of *Energy as a Service*

Lifecycle support

Customer retains day-to-day operational control with augmented capabilities



Outcomes & Benefits

- Energy Cost Certainty
- Enhanced Resilience & Reliability
- Improved Sustainability
- Risk Mitigation
- Capital Investment

Ability to invest in and focus on core operations

1. Navigant/Guidehouse ranked Schneider Electric #1 globally for microgrid and low- and medium-voltage technology.

Energy solution: **Microgrid**

A local energy system with **sources of generation, storage and advanced automation and control...**

...often connected to the utility grid but able to **function independently.**

Microgrids deliver:



Energy Cost
Certainty



Enhanced Resilience
& Reliability



Improved
Sustainability



Key benefits of an AlphaStruxure EaaS agreement

Zero Client CapEx

AlphaStruxure provides an Energy Services Agreement under which AlphaStruxure makes the capital outlay, owns and takes responsibility for operating the distributed energy infrastructure to specified standards.

Cost Optimization & Predictability

AlphaStruxure delivers long-term cost optimization and predictability tailored to client needs through a capacity, volumetric or blended contracting approach, while also adding value related to sustainability, resilience, reliability and on-site infrastructure upgrades.

Sustainability

Through a combination of resources – often including energy efficiency, on-site solar, battery storage, renewable fuel sourcing strategies, and procurement of renewables – AlphaStruxure guarantees our clients achieve and exceed sustainability targets set internally or required by regulation.

Resilience & Reliability

AlphaStruxure tailors microgrid design and performance to meet client-specified uptime needs, leveraging deep expertise in mission-critical environments at data center and infrastructure projects.

Transformational & Unified Approach

AlphaStruxure brings together disparate pieces of energy and sustainability strategy into one, optimized strategic approach.

Risk Transfer & Guaranteed Outcomes

AlphaStruxure backstops the performance of the system, ensuring it delivers on cost, sustainability, reliability and resilience outcomes. The full spectrum of risk – investment, construction, commissioning, operational, regulatory, and asset management – is transferred to AlphaStruxure and mitigated for the client.

Tailored Contract Structuring

AlphaStruxure provides maximum flexibility in shaping a contract to meet client needs, including a range of contract tenors and the ability to wrap in adjacent infrastructure including electric vehicle charging or other advanced technologies.

Flexibility for Early Termination

Under an AlphaStruxure Energy Services Agreement, clients have early termination and buy-out rights, with the ability to end the agreement under transparent and agreed-upon conditions.

Off Balance Sheet

AlphaStruxure works with our clients to structure transactions as potentially off-balance sheet for accounting and tax purposes.

Long-term Partnership

Agreements are backed by the staying power, global presence, and market leadership of Schneider Electric and The Carlyle Group

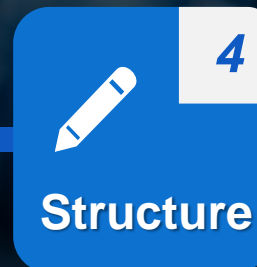
Where to start

Pinpoint specific energy challenges



AlphaStruxure team creates conceptual design options

Decide approach that best addresses your needs



EaaS agreement built to guarantee key energy outcomes over long-term

Partnership solidified. AlphaStruxure builds, owns and operates energy



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