



THE FUTURE OF ENERGY

2024 BUSINESS ENERGY CENSUS REPORT



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2024 BUSINESS ENERGY CENSUS
ENGIE RESOURCES

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INTRODUCTION

DATA-DRIVEN DOMINANCE

To maintain a viable energy strategy, customers must gain access to accurate supplier data regarding industry trends and statistics from a reliable source. The 2024 Business Energy Census Report, produced annually by leading global energy provider ENGIE, and ERCG, delivers comprehensive insights and current industry trends to provide a clear direction as we move toward the future of clean energy.

Whether navigating regulatory shifts, capitalizing on emerging trends, or optimizing operational strategies, this resource equips organizations of all sizes with the knowledge and guidance needed to make informed decisions and drive success in the ever-evolving energy sector.

This census represents months of comprehensive research, utilizing detailed surveys to gather responses from diverse firms across various geographical locations, revenue brackets, and business models. Participants include a spectrum of roles, spanning from owners and C-suite executives to sales and operations managers.



EXECUTIVE SUMMARY

EMERGING ENERGY MEGA-TRENDS HIGHLIGHT FORWARD VOLATILITY

We are proud to present the results of the 2024 Business Energy Census. For the second year, we have teamed up with Energy Research Consulting Group [ERCG], allowing us to measure changes in trends, add new variables, and paint a clearer picture of the changing energy landscape.

We have observed a few mega-trends that foreshadow increased volatility and uncertainty. With natural gas forwards sitting at record lows and summer power prices trending higher in many markets, the historic connection between power and gas prices is broken. The abundance of wind and solar generation capacity in ERCOT is currently meeting the surge in consumption from various sources. However, the slightest change in generation forecasts or actual C&I demand can send the market into uncertainty and scarcity price levels. The resulting supply and demand balance changes can lead to forward market uncertainty.

Case in point: In the current census, survey responses from more than 100 leading energy brokers and consultants, representing approximately 1.07M customer locations (self-reported), show that 57% of the sample expect annual power price volatility to be somewhat higher to much higher. The same price volatility prediction for natural gas is 35%.

ENGIE is committed to providing our customers with actionable insights and valuable data in this evolving market. As America's Energy Greentailer™, our aim is to provide you with journey-specific insights. Through the 2024 Business Energy Census, our customers and partners can find observations that confirm the strategy to support the development and delivery of green energy solutions to power and gas customers.



ENGIE is committed to providing our customers with actionable insights in this evolving market.

J.D. Burrows
VICE PRESIDENT | Customer Analytics and Engagement
ENGIE Resources

01

TREND 01

SHIFTING STRATEGIC PERSPECTIVES

In our 2024 survey, B2B customers have embraced the significance of a robust energy strategy, marking a positive evolution in their approach. This transformation can be attributed to several factors, including the progression of energy markets and the newfound stability in energy prices.

The year 2022 was characterized by soaring prices and market volatility, so businesses diligently prioritized the development and execution of energy strategies aimed at future-proofing their operations. Now, with market prices and volatility leveling off, corporate energy strategies have rightfully claimed their top position on the hierarchy of business priorities, allowing organizations to allocate their attention to other pressing matters.

Recent surveys reflect this shift in mindset as 57% of respondents, up from 43%, in the previous year, believe that the strategic importance of energy has grown to reach a point of equilibrium. This change aligns with the stabilization of energy prices and growing confidence in the effectiveness of existing energy strategies.

While variations persist across regions, with areas like Texas and PJM maintaining a steadfast focus on energy strategy, these disparities likely stem from localized market dynamics, weather patterns, regulatory frameworks, or sector-specific requirements. Nevertheless, the overarching trend underscores the increasing recognition of the pivotal role that energy strategy plays in driving business success and resilience.

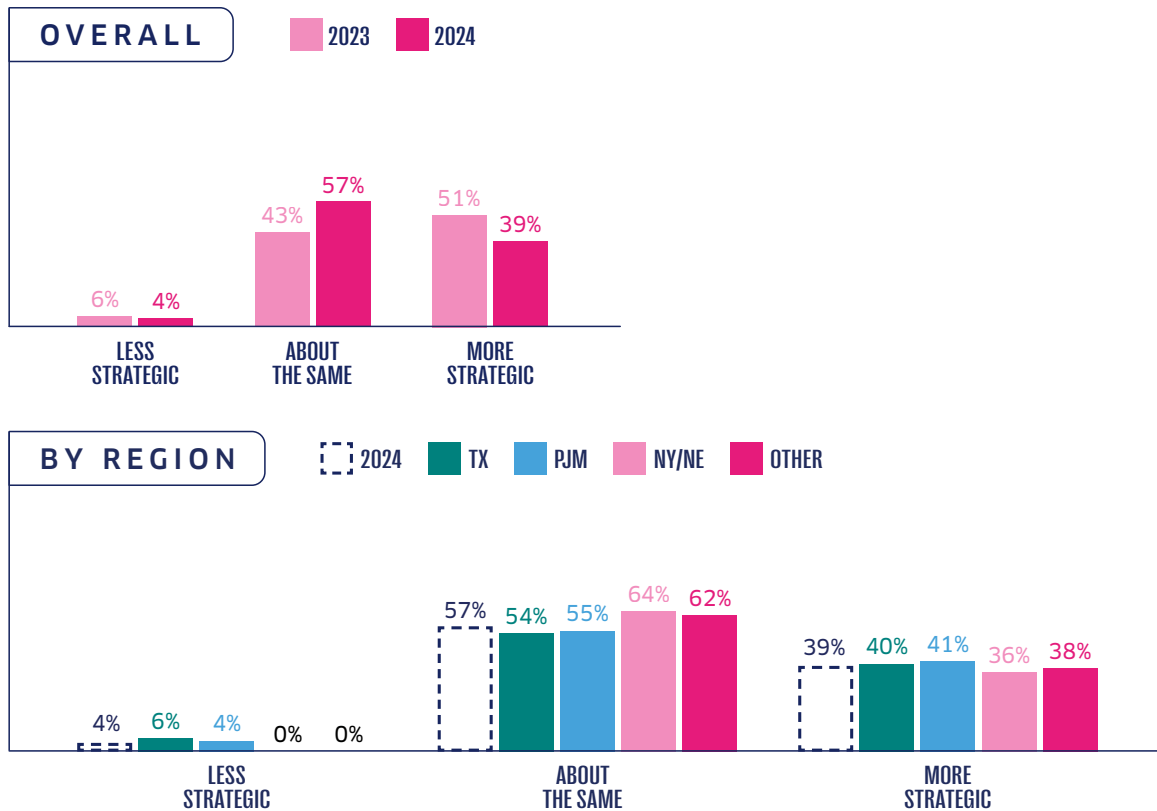


01

TREND 01

SHIFTING STRATEGIC PERSPECTIVES (CONTINUED)

WHICH BEST DESCRIBES ENERGY AND ITS STRATEGIC PLACE IN YOUR CUSTOMER'S ORGANIZATION?



KEY TAKEAWAYS

- Declining energy prices correlate with a consistent emphasis on energy strategy.
- Businesses are finding a new balance between energy strategy and additional strategic considerations.
- While energy strategy settles into a more integral role in business planning and direction, regional factors still significantly impact perceptions.

01

TREND 01

SHIFTING STRATEGIC PERSPECTIVES (CONTINUED)

IMPLICATIONS

- With stabilizing energy prices, customers feel risk mitigation is falling into place.
- Customers may reallocate investments to areas of growth with more predictable costs.
- There could be a shift in how customers justify sustainability projects, moving from cost-saving measures to long-term goals.
- Customers may adopt more regionally tailored energy strategies that consider localized market conditions and regulatory landscapes.
- Energy providers must understand regional differences to offer more customized or relevant services.

OPPORTUNITIES

- Energy providers and consultants can help businesses recalibrate their energy strategies or support long-term efficiency and sustainability.
- There is an opportunity to offer customers energy management technologies that promote solutions to balance cost savings with operational improvements.
- As customers prioritize their energy strategies, they will need accurate market intelligence to inform their decisions.



Was it Winter Storm URI? The European energy crisis driven by the Ukraine conflict? The Inflation Reduction Act? COVID-19? Maybe it was all of these and other factors. Whatever it was, it's long overdue. Energy is becoming more strategic within commercial and industrial end users, and all stakeholders will benefit.

Rick Wirth

DIRECTOR | Customer Analytics and Engagement
ENGIE Resources

02

TREND 02

FORECAST OF RISING PRICES AND VOLATILITY

After a period of lower energy prices and reduced volatility in 2023 compared to the turbulence of 2022, survey respondents expect an uptick in both prices and volatility in the coming year.

The survey data indicates approximately 48% of the participants surveyed believe power prices will be “somewhat higher,” and 5% predict they will be “much higher.” This outlook may reflect a combination of market recovery, regulatory changes, and a response to low prices in the past.

The consensus also leans toward price increases for natural gas. While 33% of respondents expect natural gas prices to be “somewhat higher,” 2% foresee them being “much higher.” While many of those surveyed anticipate higher volatility, a notable portion expect it to remain steady.



In the dynamic landscape of Renewable Energy Certificates [RECs], the confluence of regional price disparities and market volatility underscores the criticality of green-focused risk management. As prices are anticipated to climb and new power demand and changing regulations increase price volatility, navigating this complexity demands a specialized acumen that transcends mere market observation. Our expertise lies in distilling these multifaceted challenges into strategic foresight, empowering stakeholders to make informed decisions amidst the ebb and flow of REC valuations.

Ronnie Chahal
DIRECTOR | Portfolio Optimization
ENGIE Resources

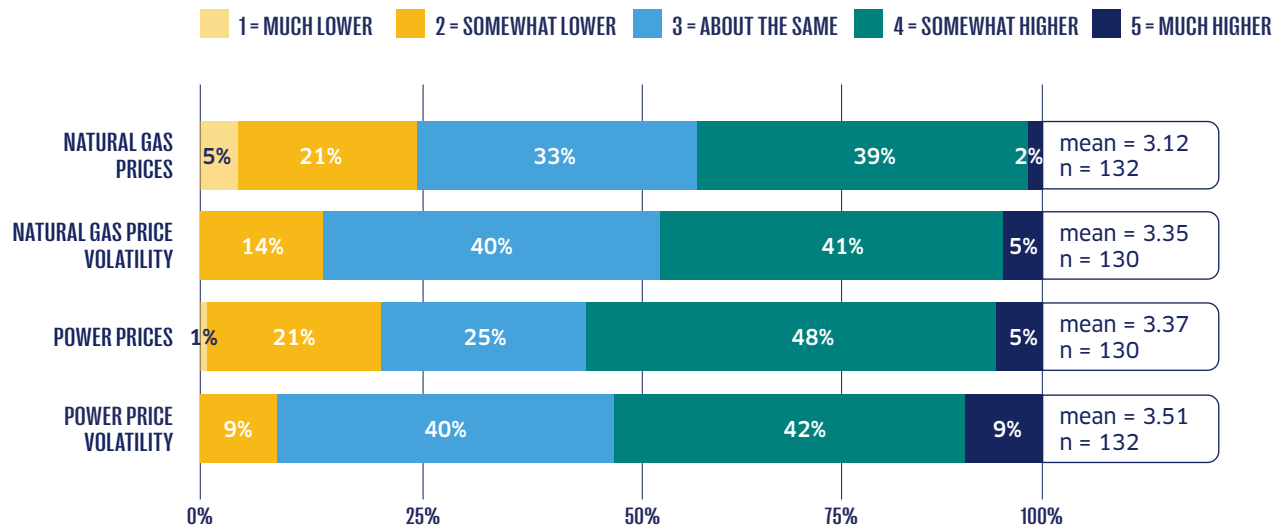


02

TREND 02

FORECAST OF RISING PRICES AND VOLATILITY (CONTINUED)

WILL NATURAL GAS AND POWER PRICES BE HIGHER OR LOWER OVER THE NEXT YEAR? WHAT ABOUT VOLATILITY?



KEY TAKEAWAYS

- Forty percent of respondents expect power and natural gas prices and volatility to increase.
- Expectations of increased price and volatility suggest a need for more robust risk management strategies.

IMPLICATIONS

- Businesses need to incorporate higher prices and greater volatility into their financial and operational planning.
- There is a heightened demand for hedging and other financial instruments to manage the anticipated volatility.
- Anticipation of rising prices might incentivize investments in energy efficiency and alternative energy sources.

02

TREND 02

FORECAST OF RISING PRICES AND VOLATILITY (CONTINUED)

OPPORTUNITIES

- There is fertile ground for solutions that provide stability and efficiency in the face of expected trends.
- Companies providing energy management and efficiency solutions are in increased demand.
- With volatility expected to rise, innovations in energy storage and grid management could be particularly attractive investments.



03

TREND 03

THE RISE IN GREEN PREMIUM ACCEPTANCE

In an era marked by an increasing focus on sustainability, customers demonstrate a growing willingness to invest in green energy. Survey participants report a significant uptick in the number of customers ready to pay a premium for renewable energy sources, underpinned by heightened demand and the escalated prices. The trend is striking, with 82% of customers in 2024 affirming their willingness to pay at least some premium for green energy, up from 72% in 2023. Additionally, the willingness to accept no premium for green energy at all has dropped from 28% to 18% between 2023 and 2024, illustrating a decline in price sensitivity when it comes to sustainable energy options.

Geography plays a significant role in the concept of green premiums, showcasing varying levels of commitment to renewable energy. In Texas, traditionally known for its oil industry, there's a notable trend toward accepting a slight premium for green energy, reflecting the state's heavy investment in wind and the expanding solar sector. In the PJM region, there's a significant willingness to embrace moderate premiums, while the New York/New England corridor consistently prefers smaller premiums.

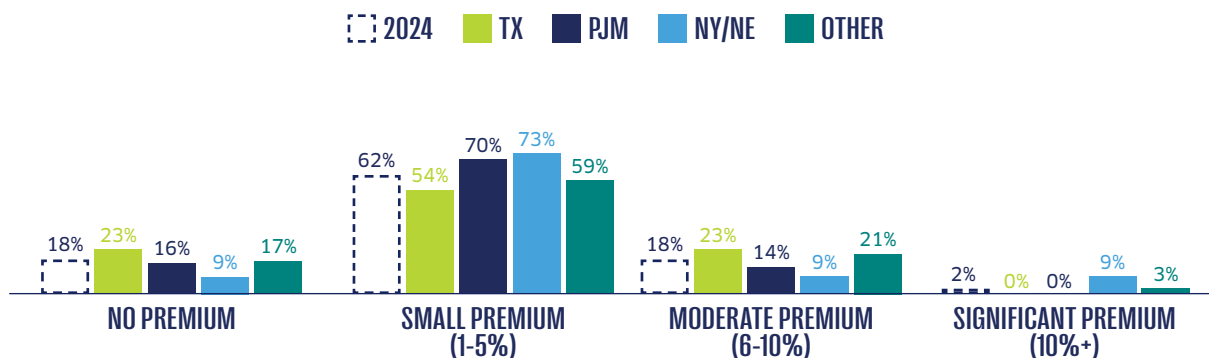


03

TREND 03

THE RISE IN GREEN PREMIUM ACCEPTANCE (CONTINUED)

DESCRIBE THE PRICE PREMIUM YOUR CUSTOMERS ARE WILLING TO SPEND FOR RENEWABLE ENERGY SUPPLY.



We are not surprised to see that there is an increasing willingness to pay a premium for clean, green power. In fact, it's driving our core strategy. ENGIE is positioned to address a dramatic shift to planet-friendly power with a focus that few can match. Our goal as a retail supplier is to reach 30 TWh of renewable energy delivered in 2030. We are taking solutions to markets that are not yet open to competition. Our recent acquisition of a leading company specializing in battery storage, Broad Reach Power, was one of the largest M&A activities of 2023 to enable retail customer participation in the journey to net zero.

Taymur Bunkheila

DIRECTOR | Energy Solutions and Energy+
ENGIE Resources



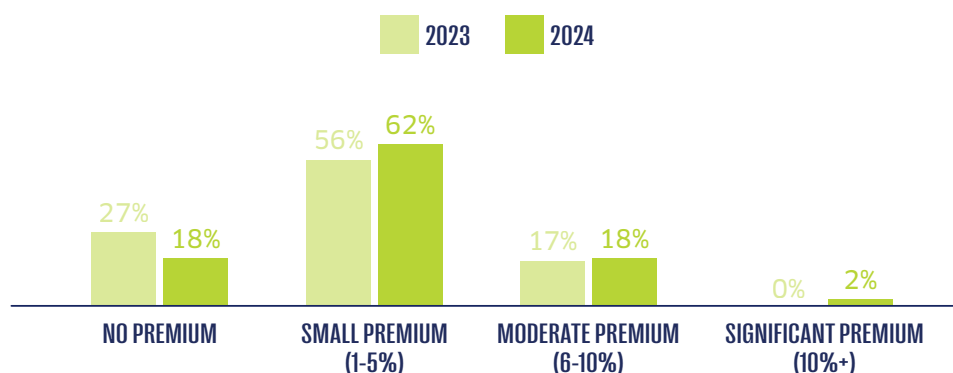
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TREND 03

THE RISE IN GREEN PREMIUM ACCEPTANCE (CONTINUED)

KEY TAKEAWAYS

- Sixty-two percent of customers are willing to pay a small premium versus 56% in 2023.
- Those willing to pay a moderate premium are holding steady at 18%.
- Eighteen percent are not willing to pay any premium at all, down from 28% in 2023.



IMPLICATIONS

- Energy providers can differentiate themselves in the market by offering competitive green energy options at varied premium levels.
- Policymakers may be encouraged to continue or increase incentives for renewable energy adoptions.
- Energy companies can adjust their strategic positioning and cater to the growing segment of consumers who value sustainability and are willing to pay for it.

OPPORTUNITIES

- There's a growing market for renewable energy products that can command a premium, offering an opportunity for providers to expand their offerings.
- Financial institutions and energy providers can collaborate to create innovative financing models that make paying a premium more attractive.

04

TREND 04

FROM POLICY TO ACTION: STRENGTHENING REGULATORY SUPPORT

In the latest census, survey respondents express a notable lack of confidence in regulators' ability to structure markets conducive to fostering three fundamental principles: competition, transparency, and innovation. Despite an overarching sentiment that leans toward a lack of confidence, there is a marked improvement in attitudes, hinting at a growing belief that regulatory support is on an upward trajectory, albeit slowly.

While confidence in regulatory support for competitive markets, transparency, and innovation has not reached optimistic levels, the year-over-year improvements offer a silver lining. Market participants may be witnessing the early stages of a more supportive regulatory approach, providing a foundation upon which to build stronger advocacy and strategic engagement.

YEAR-OVER-YEAR SHIFTS:

COMPETITIVE MARKETS

- **There is a discernible rise in confidence for regulatory support of competitive markets, suggesting that survey participants perceive a shift toward fostering a more competitive market.**

TRANSPARENCY

- **Although transparency remains a significant concern, the increase in the mean score indicates an emerging belief that regulators might be moving toward clearer market operations.**

INNOVATION

- **Innovation continues to be the area of pronounced skepticism, but even here, the year-over-year increase in the mean score signals a cautious hope for improved regulatory backing.**



04

TREND 04

FROM POLICY TO ACTION: STRENGTHENING REGULATORY SUPPORT (CONTINUED)

RESPONDENTS WERE ASKED TO RATE THEIR CONFIDENCE LEVELS ON WHETHER REGULATORS ARE STRUCTURING MARKETS THAT SUPPORT THREE CORE PRINCIPLES: COMPETITION, TRANSPARENCY, AND INNOVATION.



COMPETITION

42% were confident vs. 35% in 2023



TRANSPARENCY

50% were confident vs. 42% in 2023



INNOVATION

50% were confident vs. 51% in 2023

IMPLICATIONS

- Entities within the market may remain tentative in their strategic planning, given the potential for ongoing regulatory uncertainties.
- Organizations might prioritize investments that hedge against regulatory unpredictability, especially in areas of innovation.

OPPORTUNITIES

- The nuanced regulatory environment presents opportunities for consulting and legal services to aid businesses in navigating the complex market structure.
- There is a clear need for better communication between regulators and market participants, highlighting an opportunity for improved educational resources and open communication.
- Firms that offer innovative solutions that comply with regulatory requirements while advancing market principles will find a competitive edge.

05

TREND 05

DRIVING FORCES: ENERGY'S IMPACT ON MERGERS AND ACQUISITIONS

As the dust settles from the tumultuous energy market of 2022, its influence on corporate strategic decisions in 2024 appears to be diminishing. Survey respondents report that energy prices and volatility are less of a disruptive force in deterring or delaying major business initiatives, such as mergers, acquisitions, and expansions, compared to the previous year.

In 2024, a higher percentage of customers (45%) perceived no impact from energy prices and volatility on their major initiatives, an increase from 36% in 2023. This shift indicates a stabilizing effect of the energy market on strategic corporate decision making. Additionally, those reporting some impact from energy considerations on significant business moves dropped from 54% in 2023 to 45% in 2024. This change suggests that the concern over energy costs and unpredictability is no longer as pivotal in stalling or canceling major business transactions and growth plans.

Again, geography and regional variance reflect the importance of local market conditions in shaping the impact of energy prices and volatility on strategic business decisions.

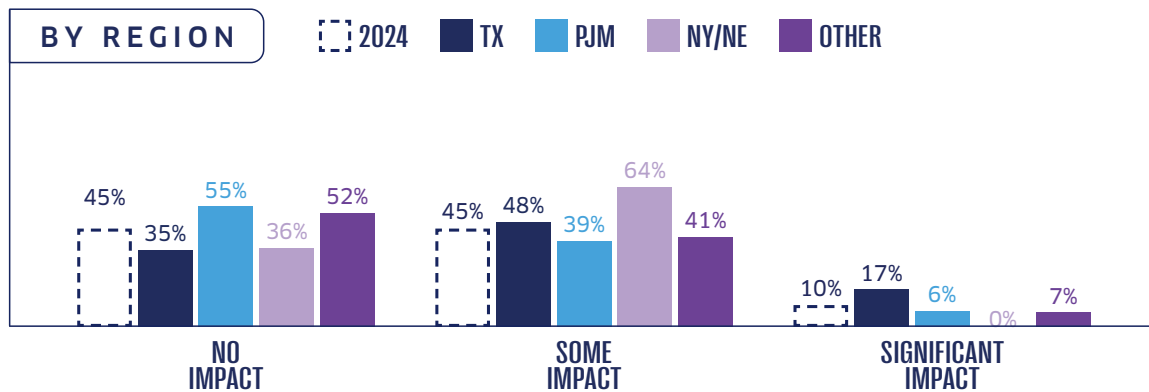
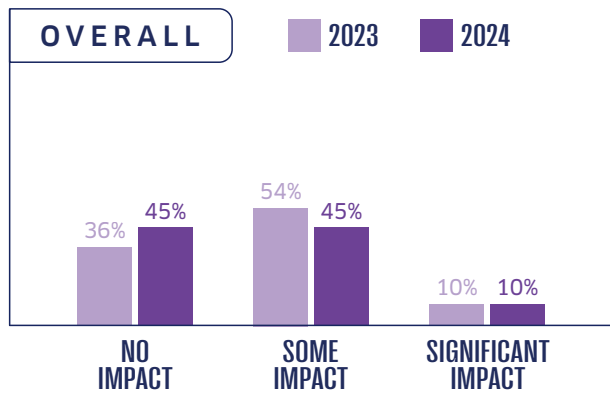


05

TREND 05

DRIVING FORCES: ENERGY'S IMPACT ON MERGERS AND ACQUISITIONS (CONTINUED)

TO WHAT EXTENT ARE ENERGY PRICES AND VOLATILITY CAUSING YOUR CUSTOMERS TO DELAY OR CANCEL MAJOR INITIATIVES, SUCH AS MERGERS, ACQUISITIONS, AND EXPANSIONS?



05

TREND 05

DRIVING FORCES: ENERGY'S IMPACT ON MERGERS AND ACQUISITIONS (CONTINUED)

KEY TAKEAWAYS

- Overall, the landscape in 2024 suggests that while energy prices and volatility continue to play a role in corporate strategy, their influence is diminishing, allowing businesses to resume major initiatives with greater confidence.
- There is a broad shift toward a decreased perception of energy prices and volatility as obstacles to major business initiatives, reflecting a market adapting to a new energy environment.
- A consistent minority of respondents still view energy market conditions as a significant risk factor, indicating the need for targeted strategies to manage this risk.

IMPLICATIONS

- Firms may find more confidence in pursuing major initiatives, given the lessening impact of market volatility on strategic decision-making.
- The ongoing concern among a subset of firms highlights the need for sophisticated energy risk management strategies, particularly for energy-sensitive sectors.
- Improved market stability could foster a more favorable environment for investors, who typically prefer predictable operational landscapes.

OPPORTUNITIES

- There is a clear opportunity for consultancies to assist firms in understanding and mitigating the impact of energy market dynamics.
- Financial products that hedge against energy price volatility may find a receptive market among the 10% of businesses still significantly impacted.



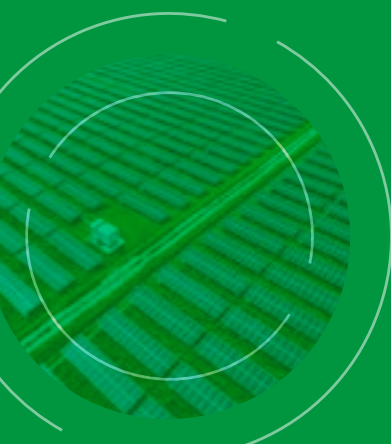
06

TREND 06

FROM DATA TO DECISIONS: EMPOWERING STAKEHOLDERS WITH MARKET INSIGHTS

As big data becomes increasingly important, the ability to process and analyze large volumes of information can provide a competitive edge. Organizations feel that the current market information is inadequate to fully harness the potential of data analytics in energy decision-making. Access to quality market information remains a pivotal aspect of strategic energy decision-making.

In Texas, survey participants express a stronger concern about insufficient data compared to their national counterparts. Given Texas's pivotal role in the nation's energy landscape, this sentiment is particularly pronounced. Forty-eight percent of Texas respondents believe that current market information is inadequate for making informed decisions, surpassing the national dissatisfaction rate by 11%.



06

TREND 06

FROM DATA TO DECISIONS: EMPOWERING STAKEHOLDERS WITH MARKET INSIGHTS (CONTINUED)

KEY TAKEAWAYS

- There is a clear indication that market participants across all regions, especially in Texas, are advocating for more and better energy market information.
- The disparity between regional perceptions points to different needs and expectations based on the specific energy markets and the complexities involved.

IMPLICATIONS

- The lack of sufficient market information could hinder informed decision-making and strategic planning, particularly in complex markets like Texas.
- Improved market information could enhance market efficiency by enabling more competitive and transparent energy decisions.
- Regulators and information providers may need to focus on enhancing the quality, granularity, and accessibility of market data.

OPPORTUNITIES

- There is a huge opportunity for data service providers and analytics firms to fill the information gap, especially in markets expressing a desire for more data.
- Investment in advanced data aggregation and analysis technologies could prove beneficial in regions like Texas, where the demand for comprehensive market insights is high.
- Energy consulting firms could capitalize on this trend by offering specialized market analysis and intelligence that caters to the nuanced needs of different regions.



MOVING FORWARD

ENGIE's annual Business Energy Census Report underscores the dynamic nature of the energy sector and the increasing strategic significance of energy management in businesses of all kinds and sizes.

As the market undergoes continual transformation—shifting toward the adoption and integration of green energy solutions—brokers, managers, and industry experts must be agile and proactive in their responses to remain competitive in an already fierce landscape.

By utilizing the valuable insights and data delivered in this report and collaborating with energy leaders like ENGIE, businesses can navigate the intricate nuances of the energy market. In doing so, they can seize opportunities presented by emerging trends and spearhead innovation in energy management practices.



APPENDIX

SURVEY METHODOLOGY

For this research study, an online survey targeted energy aggregators, brokers, and consultants [ABCs]. These professionals serve as third-party facilitators between customers and their energy suppliers. ERCG collected 133 survey responses from ABCs representing a diverse spectrum of firms in terms of geographical location, revenue, and business model. Respondents included owners/partners, senior executives, and sales and operations managers.

The survey was conducted online over an eight-week span, running from late January to the end of March 2024.

ABOUT ERCG

Energy Research Consulting Group [ERCG] provides business intelligence and consulting services to energy market participants on entry strategies, investment opportunities, and market and policy dynamics. For more information about ERCG's experience, research, and consulting offerings, please visit www.ercg-us.com.

Some of ERCG's most recognized research and consulting products include:

- North American Retail Power ABC Survey (Annual)
- U.S. Retail Gas ABC Survey
- Online Retail Supplier ABC Portal Study
- Utility Price to Compare [PTC] Database (Monthly)
- Supplier and ABC Market Entry Consulting
- Other Custom Research and Consulting



ABOUT ENGIE

AMERICA'S ENERGY GREENTAILER™

ENGIE Resources is dedicated to identifying opportunities and providing tailored solutions throughout the energy value chain. We present a diverse array of innovative products and services catering to industrial, commercial, and institutional entities. Our team of in-house energy specialists understands your market dynamics and your distinct energy, economic, and environmental goals.

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