

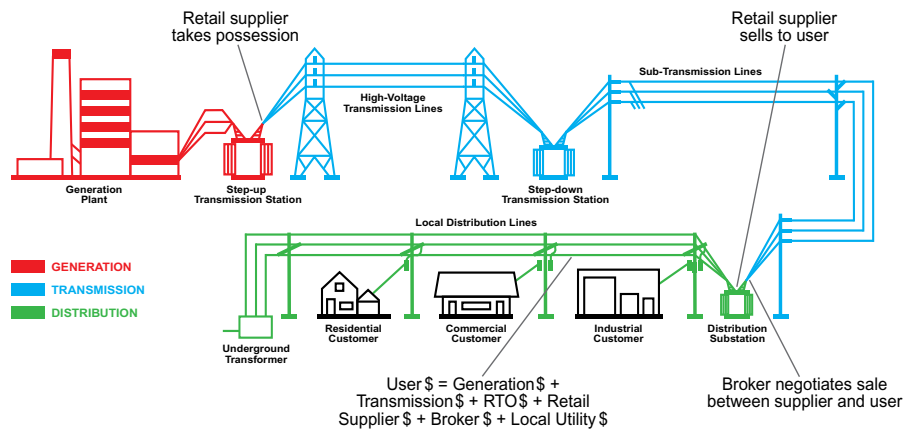
## Wholesale Electric Supply

Self managed electric supply provides a conduit for businesses to directly purchase wholesale electricity. This eliminates the associated profit margin of the retail supplier (and sometimes a broker). While the process to purchase wholesale is administratively different, it significantly reduces electricity costs without changing your daily operations or increasing financial or reliability risk. Kinect Energy handles all the Administrative and Operational work at a fraction of the cost of a retail supplier.

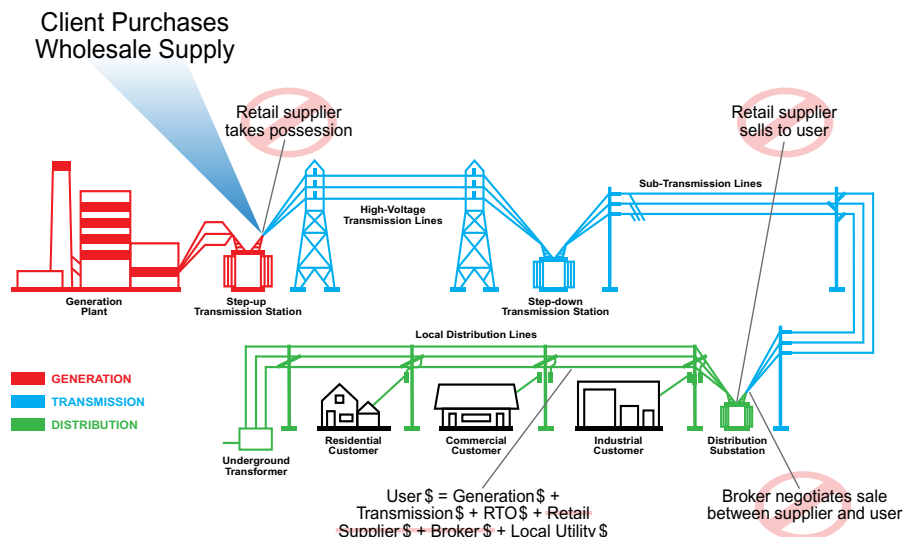
With traditional retail supply, each block is sole-sourced from your contracted retail supplier who can add unlimited margins to the wholesale block price. With wholesale electric supply, each block purchase is a competitive wholesale purchase. Savings are typically substantial.

Let us introduce you to Kinect Energy solution to self-managed electric supply.

## CURRENT RETAIL PURCHASING STRUCTURE



## WHOLESALE ELECTRIC SUPPLY STRUCTURE



## BENEFITS OF WHOLESALE ELECTRIC SUPPLY

- Cost savings average 5 –10% versus traditional retail
- Aggregate loads within the same RTO
- Purchase from multiple wholesale suppliers simultaneously, inducing more competition
- Price transparency to wholesale and RTO supply
- Direct pass-through of all market costs and credits
- Active Price Risk Management to facilitate purchasing hedges at the “right time”
- Power supply design flexibility optimized to meet each facility’s operation and production schedule



**The Kinect Energy solution –  
How it works**

Kinect Energy leads and facilitates entry into the wholesale supply chain by obtaining for the customer:

- FERC (Federal Energy Regulatory Commission) market based rate authority (MBRA)
- RTO / ISO membership
- The State retail electricity supplier license
- Local Distribution Company (LDC) registration
- EDI (electronic data interchange) partner agreement

**How wholesale electric supply works on-going**

Kinect Energy provides on-going management of your wholesale power supply to your facilities by:

- Purchasing electricity from multiple wholesale suppliers
- Balancing and scheduling daily electric supply with the ISO and the wholesale supplier(s)
- Facility level invoicing with all parties, including all reconciliations allocated by facility
- On-going power portfolio management and market price updates
- Filing of all required reporting (FERC, RTO, State, LDC)
- Savings recognized in both large and mid-size plant operations can be substantial, for example:

**LARGE ETHANOL PLANT (110 MGPY)  
TYPICAL VALUE PROPOSITION**

- 10 MW Load @ 80% Load Factor
  - 70,000 MWh Annual Usage @ \$60 / MWh (All-in Supply Cost)
  - \$4.2 MM Annual Cost @ 5% – 10% Savings
- \$210K – \$420K Annual Savings**

**MID-SIZED ETHANOL PLANT (50 MGPY)  
TYPICAL VALUE PROPOSITION**

- 5 MW Load @ 80% Load Factor
  - 35,000 MWh Annual Usage @ \$60 / MWh (All-in Supply Cost)
  - \$2.1 MM Annual Cost @ 5% – 10% Savings
- \$105K – \$210K Annual Savings**

**KINECT ENERGY'S SERVICES**



KINECT-PROCURE™



PORTFOLIO  
& PRICE RISK  
MANAGEMENT



DATA  
MANAGEMENT



CONSULTING &  
SUSTAINABILITY



SUPPLY  
MANAGEMENT

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