



**Make  
power purchasing  
easier  
for your business**

## Power Purchasing Strategies

Constellation provides the power buying strategies and tools that you need to manage your budget, risk tolerance and needs of your facility.

As a business or energy manager, it's important you understand what impacts your energy cost—knowing how and what market fundamentals affect prices and how buying strategies can help you take advantage of opportunities in the market is important. Constellation can help you target key objectives and make the process easier.

An important step in creating a strategy that's right for your business is to understand your business model and risk tolerance. **A few questions to consider are:**

- Do you have a 24-hour operation, normal business hours or something in between?
- Are you able to reduce power consumption or shift your usage to another time of day?
- Do you need full budget certainty or are you comfortable with some market exposure?
- Is your usage expected to grow over time?
- What are your sustainability goals?

Constellation will work with you to answer these questions to help you develop a customized energy strategy that fits your unique business needs.



**Constellation**®

**America's energy choice**®

## How Can I Better Understand Electricity Buying Strategies?

One size doesn't fit all when it comes to developing a customized power purchasing strategy. As mentioned, it's important to consider your unique usage profile, risk tolerance and budget goals. Your energy strategy could include a variety of products, each with their own characteristics, including:

|   |   |
|---|---|
| <b>Index</b>                              | <ul style="list-style-type: none"><li>• You do not lock in any of the costs associated with your power purchase. Your power supply price will float with the index of choice (Day Ahead or Real Time) and is not subject to any premiums for fixing load.</li><li>• This product is good for energy-savvy customers comfortable with the risks of volatile power markets.</li><li>• All of your usage is settled at the index of your choosing, allowing you to take advantage of market opportunities by not locking in at a fixed price.</li></ul>  |
| <b>Index Plus Block Solutions</b>         | <ul style="list-style-type: none"><li>• The Index Plus Block solution is good for sophisticated customers willing to spend the time and effort to make ongoing decisions about when and how much power to purchase, and who want the flexibility that comes with taking an active role in managing their energy costs.</li><li>• You do not pay a premium for usage variances on the fixed block volumes. Any difference in the usage between actual and fixed volumes will be settled at the index.</li><li>• This solution allows you to take advantage when market conditions provide opportunities to partially float with the Index Rate, but also lock in a portion (Fixed Block) of your monthly kWh for protection from spikes.</li></ul> |
| <b>Flexible Index Solutions (FIS)</b>     | <ul style="list-style-type: none"><li>• A load-following option that fixes a percentage of your energy usage over the term of the contract, while the remaining volumes are settled using the chosen index (Day Ahead or Real Time).</li><li>• FIS is good for customers who want price stability and the flexibility that comes with taking an active role in managing their energy costs.</li><li>• You have a fixed price for a percentage of your usage, even when your usage varies from events beyond your control, such as a long summer heat wave.</li><li>• You may lock up to 100% of usage in any or all calendar months. This would essentially result in a fixed price per kWh.</li></ul>  |
| <b>Minimize Volatile Pricing (MVPe)</b>   | <ul style="list-style-type: none"><li>• A structured, systematic plan that reduces exposure to electricity price volatility through an automatic time-diversifying lock-in program prior to contract flow.</li><li>• Employs the principles of time and targets and eliminates guesswork.</li><li>• Utilize a simple dollar-cost-averaging approach or take advantage of our proprietary intelligent algorithm that takes into account historical prices to determine when to buy.</li></ul>  |
| <b>Fixed (or Secure*) Price Solutions</b> | <ul style="list-style-type: none"><li>• A Fixed Price Solution offers you price stability and simplicity. You pay one fixed price per kilowatt for all of your electricity usage for the term of your choice. One-time decision, one price, one simple bill.</li><li>• Constellation does all the price risk management for you.</li><li>• This solution is good for customers with a limited ability to shift load. It provides predictable billing when usage patterns remain consistent over time.</li></ul>   |

# Resources to Help You Manage Your Power Purchasing Strategy

Transparency, character and integrity are important to both Constellation and our customers. Providing our customers with the energy market knowledge and insight as it pertains to your business helps build trust and provides peace of mind.

## Energy Price Monitoring With MarketWatch®

MarketWatch® monitors the forward electricity markets and is a no-cost service offered to Constellation power customers. Proactively monitor energy prices so you can make an informed purchase decision when your determined prices are close.

With your energy goals in mind, choose a notification or strike price and MarketWatch® will:

| MarketWatch®<br>Soft Trigger  | MarketWatch®<br>Hard Trigger   |
|---|--|
| A soft trigger will send an email notification when market prices reach your strike price. You can also choose to be notified when the market rises above a designated “ceiling” price to manage the effect of upward price trends. | Same features available as the Soft Trigger MarketWatch®, but a hard trigger will make a purchase on your behalf when market prices hit your strike price. |

MarketWatch® can be used with the following Constellation electricity supply programs:

- Flexible Index Solutions
- Index Plus Block Solutions
- Fixed Price Solutions

Whether you are renewing or locking in additional volumes, you can purchase a predetermined percentage of your load, block of electricity or your entire load for a specific term.

## Proactively Manage Your Energy Strategy With i2i

Information-to-implementation (i2i) is a free reporting service to help you plan and track your budget and make informed purchasing decisions. This approach helps answer important strategic questions—such as the expected costs and actual spend—through two key components:

### Reporting

A series of reports (key performance indicators, cost, net open position) that provide you with information about your budget, expected cost and actual spend. Benefits include:

- Market intelligence to make informed decisions
- Well-rounded approach to managing energy costs
- Determine preferred risk-return tradeoff in purchasing energy
- Monitoring and mitigating energy spend and exposure

### Energy Strategy Planner

The Energy Strategy Planner (ESP) helps you plan your budget, and provides you with prospective purchasing strategies.

# Constellation Is the #1 Retail Power Provider\*

Constellation has direct access to every part of the energy value chain—giving us a broader perspective on trends and the ability to deliver innovative, integrated energy solutions. We leverage our expertise and long-term experience when collaborating to help our small and large business and government customers nationwide achieve their energy goals:

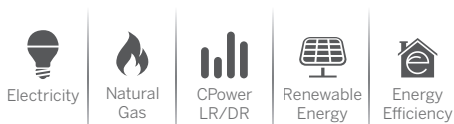
- Serving in all competitive markets throughout the U.S. and more than 75 utility territories (EDCs)
- Delivering 147 TWh of contracted load
- Supplying electricity to more than 230,000 business, and public sector customers
- 381 MW of solar projects developed since 2007
- 65 MW of customer-sited, completed or under construction distribution generation
- Procured 8 million RECs for customers, avoiding 3.6 million metric tons of greenhouse gas emissions to support renewable goals

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Constellation is a leading competitive retail supplier of power, natural gas and energy products and services for homes and businesses across the continental United States. Constellation's family of retail businesses serves approximately 2 million residential, public sector and business customers, including more than two-thirds of the Fortune 100. Baltimore-based Constellation is a subsidiary of Exelon Corporation (NYSE: EXC), the nation's leading competitive energy provider, with 2018 revenues of approximately \$36 billion, and more than 32,000 megawatts of owned capacity comprising one of the nation's cleanest and lowest-cost power generation fleets.

\*Source: DNV GL Retailer Landscape, May 2019

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