

esco advisors™

Risk Management
Services



Focus on growth...
We'll manage the details.

Specialized Services:

- Monthly billing analysis & settlement report (ties to ISO monthly billing).
- Other ESCOWare reports on schedules, forecasts and backcasts.

Scheduling & Settlements:

- ESCO Advisors will run or retrieve the short-term energy forecast(s) from ESCOWare for each forecasting unit (zone and utility combination).
- ESCO Advisors will review weather forecasts, new enrollment activity, current supply position, new spot purchases and sales, scheduling and price parameters for demand bids and offers, and scheduling parameters (if required).
- ESCO Advisors will process and submit to the ISO rolling seven (7) day demand bids/offers (minimum 4-day) for each forecasting unit, or provide such information to the Company's designated scheduler/wholesale-credit provider. If required, ESCO Advisors will integrate a maximum/minimum pricing strategy for day ahead demand bids and offers in the virtual market.
- If required, ESCO Advisors will process and submit to the ISO rolling seven (7) day energy schedules (minimum 4-day) for each forecasting unit, or provide such information to the Company's designated scheduler/wholesale-credit provider.
- Consultant will confirm any internal bilateral transactions (IBT) with counterparties as and when notified by counterparties to the energy transaction(s).
- ESCO Advisors will review ICAP/UCAP requirements shown on ISO web sites, and run capacity reports from ESCOWare and evaluate Company capacity needs.
- ESCO Advisors will submit bids in capacity auctions in respect of Company requirements, or provide bid information to the Company's wholesale-credit provider.
- ESCO Advisors will confirm any bilateral capacity transfers with counterparties as and when notified by counterparties to the capacity transaction(s).
- ESCO Advisors will summarize weekly scheduling activity, including bilateral supply, spot/LMP purchases and sales.
- ESCO Advisors will obtain initial actual settlement values (energy volumes, settlement amounts, DAM and RTM prices) via ISO tools to facilitate reporting and analysis.
- ESCO Advisors will obtain final actual (60-day, 90-day, or 120-day) settlement values (energy volumes, settlement amounts, DAM and RTM prices) via ISO tools to facilitate reporting and analysis.
- ESCO Advisors will implement abbreviated evaluation and scheduling procedures on each weekend and holiday during the summer and winter seasons, and submit changes to demand bids/offers and/or schedules when they deviate substantially from those previously submitted. For this purpose, the summer season begins on Memorial Day weekend, and ends on Labor Day weekend, and the winter season begins on the last weekend in December, and ends on the last weekend in March.
- Company must notify Consultant in writing at least ten (10) days prior to a change in any scheduling parameter.

REPORTING:

- Schedule accuracy report (initial actual v. scheduled/backcast).
- Schedule accuracy report (final actual v. scheduled/backcast).
- Initial volume comparison report.
- Final volume comparison report.

Supply & Risk Management:

- ESCO Advisors shall prepare and analyze the Company's hedged position for each market and congestion zone, and determine if additional supply hedges should be purchased or sold to re-balance the portfolio.
- ESCO Advisors shall conduct a call with the Company describing its forward forecast, supply and hedge position, risk compliance limitations, and recommendations to maintain/enhance compliance with policies and procedures.
- ESCO Advisors shall be placed on the Risk Management Oversight Committee (RMOC) and shall participate as a non-voting member of the RMOC, and shall participate in periodic meetings of the Risk Management Oversight Committee; present findings and discuss.
- ESCO Advisors shall be available for periodic consultation with the Company on various matters pertaining to hedging and risk management.
- ESCO Advisors shall analyze the company's Capacity position, if needed for hedging purposes, and shall recommend purchases of capacity in auctions or bilaterally to satisfy the need.
- ESCO Advisors shall analyze the Company's REC compliance position on a state-by-state basis to determine what is necessary for the Company to maintain compliance with various state RPS laws and regulations.
- ESCO Advisors shall conduct a seasonal planning session with the Company to discuss its position going into the summer and winter seasons; Consultant shall use the DFS extreme weather analysis to stress the Company's portfolio to determine what may be necessary during the upcoming season should there be extreme weather.
- If the Company selects the optional procurement services, then ESCO Advisors shall review the risk position each business day, and set forth trades to re-balance the energy portfolio in accordance with the then-effective risk policies and procedures. Trades shall be submitted to various counterparties, and shall be executed as needed. Trades shall be entered into the DFS supply trade log.
- If the Company selects the optional accounting services, then ESCO Advisors shall make a calculation each month of the volume and dollar amount of unbilled revenue in the Company's books; and obtain the billing analysis of the Company and prepare a statement of sources and application of Power report, showing ISO costs, net revenues of the company, including unbilled revenues, and gross margin.
- Should the Company select an optional service for negotiating a power supply and credit facility, ESCO Advisors shall obtain several interested parties and initiate negotiations, with a final receipt of a term sheet from each party. ESCO Advisors shall evaluate the economics and feasibility of each term sheet and shall recommend to Company which party to continue negotiations. ESCO Advisors shall then continue negotiations, in concert with the Company's lawyer, to finalize a supply agreement for the Company.



- Optional service writing customer algorithms; the ESCO Advisors will run simulations and prepare customer quadratic formulas specific to the Company's historical load information, and shall implement those new equations in the ESCO Ware DFS as requested by Company.
- Should the Company select an optional service to monitor credit exposure and ISO limits, Consultant shall, upon being given access to the Company's credit site at the ISO design tools necessary for the monitoring of cash and collateral commitments, and generate reports pertaining to such positions.
- Optional expert testimony service is also available, with charges and frequencies dependent on the type of the case, the underlying issues involved and the duration and significance of the matter.

REPORTING:

- Risk Management Policies and Procedures documents.
- Credit Policies, if applicable.
- Hedge analysis and recommendations.
- Capacity analysis and recommendations.
- REC analysis and recommendations.
- Seasonal Planning meeting notes, charts and recommendations.
- FERC EQR optional service.

GAS RISK MANAGEMENT SERVICES:

ESCO Advisors will provide the operational services necessary for the successful operations and management of Company's aggregation pools for the utility service area(s) in which the Company operates. Below is a list of the services ESCO Advisors will provide:

- Retrieve the local distribution companies monthly demand data
- Retrieve / Execute the monthly interstate / intrastate pipeline capacity releases
- Calculate the daily and monthly quantities needed per each local distribution company along the specific pipelines
- Consult on various pricing strategies in order to ensure lowest possible delivered cost
- Provide daily / monthly nominations and / or balancing per the rules and regulations set by the various interstate / intrastate pipelines
- Provide daily / monthly nominations and / or balancing per the rules and regulations set by the various local distribution companies
- Recommend Purchase / Sale of additional supply, storage, and / or pipeline capacity to ensure daily / monthly utility requirements are fulfilled
- Introduce potential supply options to diversify Company's supply portfolio
- Provide all necessary paperwork including forms and agreements that maybe required by pipelines, aggregation pools, local distribution companies, suppliers, etc.
- Reconcile all daily / monthly volumes provided by suppliers, pipelines, aggregation pools, local distribution companies, etc.
- Reconcile all invoices provided by suppliers, pipelines, aggregation pools, local distribution companies, etc.

- Provide daily and monthly reports identifying various supply pricing, supply consumption, storage volume, etc. as specified by the various pipeline / local distribution companies
- Provide monthly reallocation of volumes if required by suppliers, pipelines, aggregation pools, local distribution companies, etc.
- Provide monthly pool, city gate, and pipeline cost calculations to ensure that all costs are captured and Company is aware of the various components included in each of your monthly invoices by the various parties
- Calculate and monitor storage volume and ratchet levels as provided by the applicable local distribution companies
- Consult on the optimization of assets (physical/financial hedges, interstate / intrastate pipeline capacity, storage, etc.).

Retail Price Support:

- Maintain various source tables on a scheduled basis as follows:
 - Electric utility information table, including associations for ISO, zone(s), energy prices, capacity prices, ancillary service costs, network integration transmission services, and renewable energy certificates;
 - Utility rate schedule table, including load profile associations, ICAP/UCAP/PLC, line loss rates and UFE, POR rates, consolidated billing charge, and TDU charges;
 - Standard offer (default) service rates;
 - ICE price marks, and other pricing service price marks;
 - Basis marks for prices not tracked by ICE;
 - Database of renewable energy certificate costs and compliance information;
 - ISO cost data, including capacity, NITS, operating reserves, ARR/CRR credits and ancillary services;
 - Single-retailer, bundled TDU charges (Texas-only); and
 - Load profiles and load shaping premiums.
- Daily download and distribute the electric price model to designated client personnel based on the prior business day's closing energy and capacity prices.
- Aggregate improvement suggestions and revise the price model according to client specifications as requested.
- Optional service making volume estimates based on customer equipment information; in-house climatologist makes estimates of load when only engineering data is available.
- Optional service performing special analysis of interval data for clients.
- Optional service RFP reviews and response assistance.
- Optional service analysis of EDC procurement practices, default service offerings and headroom.
- Optional service to run a client's pricing desk.

REPORTING:

- Analysis of wholesale energy block prices
- Analysis of ICAP, UCAP, NITS prices
- Analysis of ancillary service costs
- Analysis of line losses and UFE
- Analysis of load shaping costs
- Analysis of renewable energy costs

Licensing Services:

Reduce outside legal fees: We help manage legal expenses by providing solutions that alleviate or minimize the outside counsel fees to ensure you are compliant.

Reduce internal cost: Our energy industry experience allows us to efficiently fulfill licensing and registration requirements necessary in each jurisdiction and with each utility where you do business.

Maintain ongoing compliance with CLiC: We track all renewable events related to each client's licenses, which allows us to efficiently manage the deadlines and documents required with renewal filings, as well as to track new regulatory requirements impacting each business.

One point of contact: When contacting your Account Manager, you will be in the hands of an expert you can reach directly with any and all questions and concerns.

FERC: ESCO Advisors will manage the filing process and can also provide quarterly EQR filings.

Gas and Electric ISO Filings: We will manage the entire application and filing process for Clients seeking to register with PJM and NEPOOL ISOs.

State Electric & Gas Energy Supplier License Filings: We will manage the entire application and filing process for ESCO Advisors' Client in these states: DC, MD, NJ, PA, IL, OH, CT, and MA.

Gas and Electric Utility Filings: We will manage the entire application and filing process for your utilities.

Pipeline Filings: We will manage the entire application and filing process for you including up to 12 pipelines.

License Compliance: We verify that all licenses and registrations are active and in good standing, and then upload and maintain all license and registration information, supporting documentation, and renewal dates in our secure, web-based Client License Information Center, CLiC.

Additional Services:

ESCO Advisors™ is proud to offer the following services. If you require additional services that are not listed below, please feel free to contact us regarding your needs.

Finance: Proper financing at the right cost is one of the most critical issues that an ESCO will face. ESCO Advisors™ has relationships with many counter parties, understands what lenders are looking for and will help identify and/or analyze the financing solutions that best support your company goals. ESCO Advisors™ can help create, review and find cost-effective financing in areas including:

- Business Plan and Financial Model Creation.
- PUC / PSC Bonds.
- Receivables Funding / PSA Agreements.
- Financial Assurance.

Marketing & Expansion Strategies:

- Competitive market analysis.
- Headroom by state.
- Creating product offerings.
- Channel strategy/ Branding & Marketing Packages.

FREE Consultation : 203-456-1850

