

BCSE Briefing: Driving US Economic Growth and Jobs

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Key Messages

- Job growth opportunities from energy efficiency and related technologies (smart grid, etc.) are excellent
 - Construction industry has been hard hit
 - Energy efficiency is cost effective
 - New technologies make managing energy usage easier
 - Benefits to consumers, manufacturers, installers, utilities, environment
- Natural gas offers growth opportunities as well
 - Home-grown energy supply
 - Energy independence
 - Low cost and plentiful
 - Complementary with efficiency, renewables

Overview of Direct Energy

- What we are: An energy retailer – Direct Energy provides a full suite of electricity and natural gas solutions to commercial and residential customers, from energy supply to energy services, in competitive markets
- What we are not: A utility – we don't own pipes and wires

Direct Energy Business	Direct Energy Residential	Direct Energy Services	Direct Energy Upstream & Trading
<ul style="list-style-type: none"> •Third largest commercial & industrial retailer in North America based on customer numbers •Natural gas and electricity sales to small, medium and large sized businesses, public institutions and government •Products available in 14 states plus the District of Columbia 	<ul style="list-style-type: none"> •Largest residential energy retailer in North America based on customer numbers •For residential customers: natural gas and electricity pricing plans, including carbon-neutral or “green” plans with fixed- and variable-priced options of varying term lengths •Products available in 8 states 	<ul style="list-style-type: none"> •Largest home services provider in North America •For both residential and commercial/industrial customers: HVAC (Heating, Ventilation, Air Conditioning) installation and service, plumbing, water heaters, electrical services, protection plans, building automation, energy audits, etc. •Products and services available in 46 states plus the District of Columbia 	<ul style="list-style-type: none"> •Three natural gas fired power plants totaling 1260 MW •Renewable Energy – 813 MW of Texas wind purchase agreements (5-15 year contracts) •Represents about 10% of Direct Energy's competitive power load requirements across North America •Natural gas production in Alberta – 3,500+ wells

Where Direct Energy Operates



Energy Efficiency and Job Growth

- Energy Efficiency is cheaper than new generation
- Construction sector particularly hard-hit
 - Direct Energy has over 1000 technicians, 480+ franchisees (small independent businesses)
- Ready and able to do the work – audits and installation
- Pilot programs:
 - With Centerpoint Energy and the City of Houston – basic efficiency work
 - 6,000 homes, with average 12% reduction in energy consumption
 - Paybacks of less than 2 years
 - With Best Buy – home energy management technology
 - Takes advantage of smart meter installation in Texas
 - Gives customers usage visibility
- Benefits: Savings to consumers, jobs for installers, jobs for manufacturers, reduce the need for utilities to build new plants and transmission, reduce emission impacts on the environment

Natural Gas and Economic Growth

- Natural gas is necessary for the transition to a diverse and clean energy generation portfolio
 - Complementary with renewables and energy efficiency
- Increasing the use of natural gas:
 - Growth of a home-grown energy source – abundant proven reserves in NA
 - Infrastructure in place
 - Low-cost energy for the foreseeable future
 - Improve our national energy security
 - Variety of uses – home heating, electricity generation, vehicles, fuel cells, etc.

Driving Economic Growth and Jobs

- Energy Efficiency is cheap, the technology and workforce are available
- Natural Gas is plentiful and required for the transition to a secure clean energy future
- What we need:
 - Consistent support to ensure that efficiency is implemented
 - Incentives – tax credits (25E, 25C), PACE loans, etc.
 - Clean energy standard
 - Policies that:
 - Drive increased natural gas usage
 - Support safe natural gas exploration and development