The electricity market is converging as renewable power becomes cost competitive with traditional fossil-based generation. This has driven a seismic shift toward sustainable energy— What factors are driving this shift and what can companies expect for the future of energy?

Energy Convergence

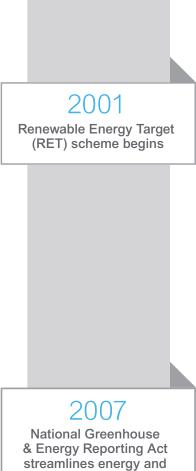
Timeline of Global





Electricity market deregulated in 16 states, RECs introduced, voluntary

renewables market opens 2001 Production tax credit introduced, accelerates growth of renewables



First phase EU ETS established carbon price

2005

2001

Guarantees of Origin

(GOs) introduced as proof

of origin for renewables

2009 **RES** directive clarifies purpose & functionality of GOs

Walmart signs one of the first large-scale offsite corporate renewable PPAs

2008

emissions reporting

2011 RET scheme expanded, creates financial incentive for wind and solar

2015 by 195 countries

2015 Global companies begin to join the Science-Based Targets Initiative

COP21 concludes with the adoption of the Paris Agreement to decrease global emissions

2014 RE100 global Initiative launched, driving voluntary demand for renewables

Non-utility energy Rio Tinto becomes first mining company to customers account use solar at scale for 52% of U.S. wind investment1

2016 Clean Energy for All Europeans opens market to renewables, storage 2017 and demand response

Closure of the large Hazelwood coal-fired plant indicates tipping point in energy transition

2018 Study shows companies using renewable energy outperform their rivals financially²

2018

Renewable Energy

Directive makes renewables

more accessible

2019 Nike signs landmark pan-European renewable PPA

2018

Renewables generate

more electricity than coal

for the first time3

2015

One third of installed electricity capacity worldwide is from renewables

What Convergence Means

for Business

As a result, the lines between renewable and traditional power are blurring



Resulting in integrated sourcing

models that combine both traditional and renewable power procurement

The global power market is evolving as renewables become more affordable,

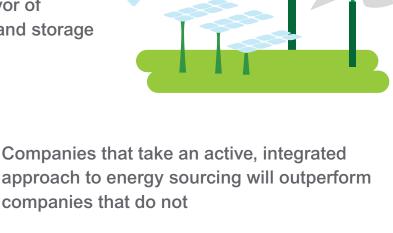
resulting in greater procurement complexity

In the Future of Energy We Predict That...

Electric grids will continue to decentralize, incentivizing integrated energy procurement and management strategies

energy procurement in favor of solutions like wind, solar and storage to drive down costs

Corporations will continue shifting



For more insights on the effects of energy innovation on corporate procurement,

2. http://media.virbcdn.com/files/98/2d0162fd0066457a-RE100andCapgeminiReport.pdf

watch this video.

- 1. https://www.awea.org/resources/publications-and-reports/market-reports/2015-u-s-wind-industry-market-reports $3.\ https://www.smartenergydecisions.com/blog/2019/05/01/renewables-top-coal-for-first-time?contact_id=57592\&inf_id=57592.$ contact_key=3ef2947e8c9130a8be31bf10ba23414a680f8914173f9191b1c0223e68310bb1
- 4. https://www.forbes.com/sites/johnparnell/2019/04/03/one-third-of-worlds-power-plant-capacity-is-



Life Is On