



# Energy Outlook

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## New Faces at ENE

**Credit and Contracts Manager-** *Dan Ciullo* fills a key role in managing all contracts with customer trading counterparties and is responsible for monitoring all the customer trading counterparts for credit and market exposure. He is also instrumental in developing mechanisms to allow ENE to aggregate buyers into various types of structured transactions, aimed at leveraging ENE's corporate structure as a Massachusetts cooperative to the benefit of our customers.

Dan has a breadth of experience working in Origination and Wholesale Power Marketing roles at Capital Power Corporation, PSEG Energy Resources & Trade, Calpine, and Energy Management, Inc. He is well versed in deal structuring, which includes all of the credit and contract issues that ENE deals with for our customers.

**Risk & Market Analytics Manager-** *Nick Zieja* brings another complementary skill set to the ENE's Wholesale group. He was most recently with Truelight Energy, managing retail load and providing services to retail suppliers, and held positions with EnvaPower/Genscape where he directed their New England short-term load, price forecasting and market analytics desk. Prior to that, he worked several years as a power supply engineer at Holyoke Gas & Electric.

Nick will be tending to several of our customer's risk management and hedging needs, and will also be part of enhancing our analytical tools including our adoption to the Lacima risk software.

**Energy Analyst-***Shirley Collins* brings 14 years of ISO NE experience in several roles, including market support analyst. She spent a lot of time responding to ISO market participant inquiries across the energy, capacity and ancillary service markets. Shirley brings additional ISO NE market rule knowledge to our group and contacts throughout ISO. This will help us as we address a seemingly never ending series of questions and she will play an important role working with our middle office group.

**Associate Energy Analyst-***Peter Gomez* joined us from State Street Corporation in Boston. He worked for several years in a variety of middle office positions, supporting daily price determination for fixed income and equity funds. He worked most recently as an Operations Specialist in Foreign Exchange Sales & Trading. This has given him experience in a number of trading related issues, and he has worked with front/middle/back office, credit and business process folks. He has a BS in Finance from UMass Dartmouth and has been working on an MS in Energy Systems Engineering at night from Northeastern University.

**Senior Director Brokering & Asset Management-***Bob Kasle* further bolsters our retail brokering efforts as well as bringing a natural gas, independent power producer and transaction origination background to ENE. Bob comes to us from NextEra where he was a Regional Director of Power Origination. Prior to that, he worked in various roles at independent power producers such as International Power/American National Power and El Paso. Bob has natural gas industry experience as a consultant as well as with marketing (El Paso) and pipeline (Algonquin) companies.

His network includes municipal utility (electric and natural gas) and municipality contacts, and work developing community aggregations. We intend to pursue larger retail procurement opportunities both directly with C&I customers and at the municipality level. Bob will also help define a greater role buying natural gas for and managing customer generation, supporting our efforts to grow our municipal utility customer base, and to continue to structure transactions.

**Director of Regulatory Affairs-Philip Smith** brings loads of regulatory experience to us, having held similar positions consulting and with NRG Energy, Mirant Energy Services, GenOn Energy, US Generating, and J. Makowski Associates. He also has experience in the NYISO market and has been involved in settlement negotiations at FERC. Prior to that, he worked at Northeast Utilities and Pacific Gas & Electric in various power plant engineering and financial capacities. Phil is well known at ISO NE and amongst many market participants where he has advocated on market design and operational issues for years. Phil will be an advocate for all our customers on both the consumer and generator sides.

Phil's experience in the generation sector is strategic given the current state of change around the Forward Capacity Market. Further, the effort required to bid generation into the market has increased dramatically since early December when ISO NE implemented hourly bidding / Energy Market Offer Flexibility (EMOF). What we learn in managing generation helps us make arguments for the consumer side of each market discussion.

## Utility Services Promotions

Chris Beaudry is now *Manager, Utility Services*. Chris has been with ENE nearly 15 years and served in a variety of roles, beginning in accounting and moving over a number of years ago into the Operations/wholesale group. Chris has an integral role building our transaction management system, many customer portfolio analysis tools, our settlement capabilities with both ISO NE and counterparties, and managing ISO NE data and reports and turning that into useful information both internally and for our customers. She is well known to ISO NE and is very much in the middle of many of the things we do in the Operations group.

Michelle Coscia is now *Senior Energy Analyst*. Michelle has been with us for 5 years after spending 6 years at VPPSA. She has been a big part of helping us deal with our account growth in the late 2000's that continues to today. In her role Michelle handles a number of tasks, from demand bidding for our wholesale customers to solar array analysis and Solar REC sales. Recently, Michelle put out a well-received capacity market impact analysis for each of our customers. Michelle works closely with Chris validating ISO NE settlement information for many of our customers and providing the "middle office" function between the transactions we execute and settlement.

## Flynn Financial Partners Alliance

Energy New England is proud to announce a new alliance with Flynn Financial Partners. This partnership aims to empower the Utility members of Energy New England by offering them access to institutional investment management services, across four portfolio strategies.

Since 1998 Energy New England has been providing Utility companies in the New England region with sophisticated and results oriented solutions to aid them in negotiating the energy economy to maximize cost and operational efficiencies, enhancing their competitive position, in turn. Similarly, in the same year, Flynn Financial Partners, Ltd. LLC gained its first institutional utility mandate in the Commonwealth of Massachusetts.

Since then it has become a household name that has specialized in serving public agencies and institutions like our members, helping them realize their investment objectives, maximizing returns and limiting volatility, while managing and monitoring the complex investment environment at all times. With more than fifteen years of proven service and performance, combined with a rigorous independent investment analysis process, Flynn Financial is ideally suited to partner with Energy New England. As an independent, boutique practice and a dedicated team of professionals Flynn Financial Partners is in a position to provide a uniquely personal level of service to our institutional clients.

The arrangement between Energy New England and Flynn Financial Partners offers a new dimension to the resources available to Utility companies. Conceptualized more than two years ago, this vision is a result of the collaboration between President and CEO of Energy New England, John Tzimirangas, and Managing Partner at Flynn Financial, Timothy Flynn. This opportunity is accessible for all members of Energy New England, and will provide them with the expert institutional solutions geared specifically towards the unique needs of each system.

The idea for this partnership is to create customized strategies that cover a multitude of investment objectives offering specialization for individual members of each Utility. These strategies, or investment funds, include;



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short-term, short-intermediate term, intermediate-term and long-term alternatives that provide flexibility for members based on their utilities investment risk profiles, time horizons and portfolio needs. Flynn Financial will work closely with each company individually to define appropriate objectives and long-term tactics to achieve them.

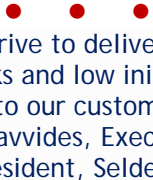
As the investment landscape looks set to remain in its current flux, with interest rates at historic lows and stock market valuation historically high, the level of sophistication needed to navigate the new landscape has increased dramatically. Flynn Financial Partners and Energy New England accepted this realization and believe this partnership will offer an institutional approach geared specifically towards Utilities that will provide an appropriate level of: safety, liquidity, yield and capital appreciation in line with each strategies time horizon and portfolio allocation. We believe this is a fascinating opportunity for all parties involved with the prospect of this project being in full motion very soon.

## Strategic Partnership with Seldera

ECHO<sup>SM</sup> Analytics combines with Building Dynamics tool analyzes energy consumption through behavior analysis on campuses and in business facilities.

Energy New England, LLC announced that it has entered into a strategic partnership with Seldera, a wholly owned subsidiary of Ameresco, Inc., (NYSE:AMRC), a leading energy efficiency and renewable energy company, to launch an expanded version of the ECHO<sup>SM</sup> Analytics dashboard and create a new technology-based tool to provide low-cost energy savings by adapting the building consumption to occupant behaviors. With the roots of both organizations centered in the Commonwealth, the partnership and resulting products will further solidify the region as a center for technological solutions to energy efficiency and speaks to the depth of knowledge and experience in Massachusetts.

Through their experience and knowledge of web based platforms and sensing, Seldera brings a technology focused perspective to the product line with the ultimate goal the integration into their well respected Building Dynamics suite. Andreas Savvides, Executive Vice President of Seldera said "the combination of technology with an experienced partner like Energy New England adds a lot of value to the customer." John G. Tziorangas, President and CEO of ENE, shared his enthusiasm for the potential in the partnership and added "ECHO<sup>SM</sup> Analytics has proven to be a useful tool for our clients, this will only serve to transform a good tool into a GREAT one."



"We strive to deliver quick paybacks and low initial cost solutions to our customers," said Andreas Savvides, Executive Vice President, Seldera.

"We strive to deliver quick paybacks and low initial cost solutions to our customers. Reducing building costs and increasing the bottom line is precisely what Seldera's new technology offers for campuses and commercial, industrial and manufacturing facilities," said Andreas Savvides, Executive Vice President, Seldera. "We strive to deliver quick paybacks and low initial cost solutions to our customers."

Seldera's new offering, ECHO<sup>SM</sup> Analytics with Building Dynamics, is a solution that uses a wireless sensing technology to audit energy usage in buildings. The system correlates building occupancy patterns and production processes with energy consumption end uses to identify opportunities for saving energy and reducing costs. It has continuous self-auditing capabilities that identify changes in occupancy patterns to make intelligent decisions. Through wireless sub-meters and sensors, the building consumption is continuously analyzed and adapted to avoid waste.

"Utilizing the Building Dynamics service has been a seamless experience for us and has delivered impressive and notable savings to our bottom line," said Dennis Nelson, VP of Claims of New London County Insurance companies.

Building managers and owners are continuously looking to reduce costs through energy efficiency. The first step is learning where energy consumption occurs. ECHO<sup>SM</sup> Analytics with Building Dynamics continuously models human behavior inside the buildings to help make intelligent energy decisions. It conducts audit, behavior analysis, process analysis and customizable controls. The tool is installed in a single visit, and can work together with the existing building automation systems. The application is particularly effective in rapidly changing environments such as university campuses. Owners and managers can view data anytime and keep track of real-time energy consumption and automate savings opportunities. Seldera's user interface sends owners and managers email and text alerts for ongoing monitoring.

In a recent pilot project in a 46,000-square foot commercial office building in Norwich, CT, in collaboration with the Norwich Public utilities, Seldera demonstrated 18 percent (nearly \$38,000 to-date) in savings from operational changes driven by occupant behaviors.

Seldera is rolling out its technology on university campuses in close collaboration with the local utility companies that often offer incentives for the system.

#### About Seldera, An Ameresco Company

Part of the Ameresco family since 2012, Seldera is a wholly owned subsidiary with offices in New Haven, CT and Framingham, MA and specializes in the development of scalable, secure, intelligent sensing solutions for building energy efficiency. The Seldera team has a high-level of knowledge and experience with the fast-paced and constant occupancy changes on campuses. For more information, visit [www.seldera.com](http://www.seldera.com).

#### About Ameresco, Inc.

Founded in 2000, Ameresco, Inc. (NYSE:AMRC) is a leading independent provider of comprehensive services, energy efficiency, infrastructure upgrades, asset sustainability and renewable energy solutions for facilities throughout North America. Ameresco's services include upgrades to a facility's energy infrastructure and the development, construction and operation of renewable energy plants. Ameresco has successfully completed energy saving, environmentally responsible projects with federal, state and local governments, healthcare and educational institutions, housing authorities, and commercial and industrial customers. With its corporate headquarters in Framingham, MA, Ameresco provides local expertise through its 70 offices in 33 states, five Canadian provinces and the United Kingdom. Ameresco has more than 900 employees. For more information, visit [www.ameresco.com](http://www.ameresco.com).

## Energy New England and Tangent Energy Partner to Address Peak Demand Cost Risk

### *Peak Management Offering Predicts and Manages ICAP and Transmission Costs*

Energy New England, LLC (ENE), and Tangent Energy Solutions, Inc., a Distributed Energy Resources (DER) company, announced a new offering that lowers costs and improves reliability by empowering municipal utilities and their customers to reduce ICAP and transmission costs. The program will roll-out immediately with an initial emphasis on enlisting Massachusetts municipal utilities and their customers in order to impact monthly transmission costs and the 2015/2016 ICAP evaluation period.

The Tangent-ENE Peak Management Program provides the technology, equipment and support required to drop load and dispatch appropriate generation assets behind-the-meter and in the utility in response to targeted, high-value economic opportunities on the energy grid. Specifically, the offering consists of a Distributed Energy Resources Management (DERM) technology platform that monitors grid and facility conditions to accurately predict ICAP and transmission peak hours, alerts customers to take action, and actively manages their response. The program also configures existing on-site generation assets for grid integration and installs new generation when it makes operational and economic sense for the customer.

Based on published ISO NE capacity rates and NEPOOL transmission rate forecasts, capacity and transmission service costs are expected to increase 29% across most of New England and 56% in NEMA by 2018, pressuring more rate increases for municipality customers. Municipal utilities recognized the cost risk these trends would create for their customers. These concerns led to a partnership between ENE and Tangent, and the creation of the Peak Management Program.

"ENE has a history of uncovering valuable solutions to costs and operational issues facing municipal utilities and their customers," said John G. Tzimirangas, ENE President and CEO. "This Program specifically addresses capacity and transmission costs; a problem that until now lacked a viable solution."

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"Tangent primarily works in the background to manage program implementation while providing real-time data and M&V reporting for customers and the utility," said Dave Turner, Chief Operations Officer of Tangent.

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Above all, the Peak Management Program preserves the utilities' relationship with customers without causing them additional work.

"The Peak Management Program needs to run through the municipality, not around it, to be successful," said Dave Turner, Chief Operations Officer of Tangent. "Tangent primarily works in the background to manage program implementation while providing real-time data and M&V reporting for customers and the utility."

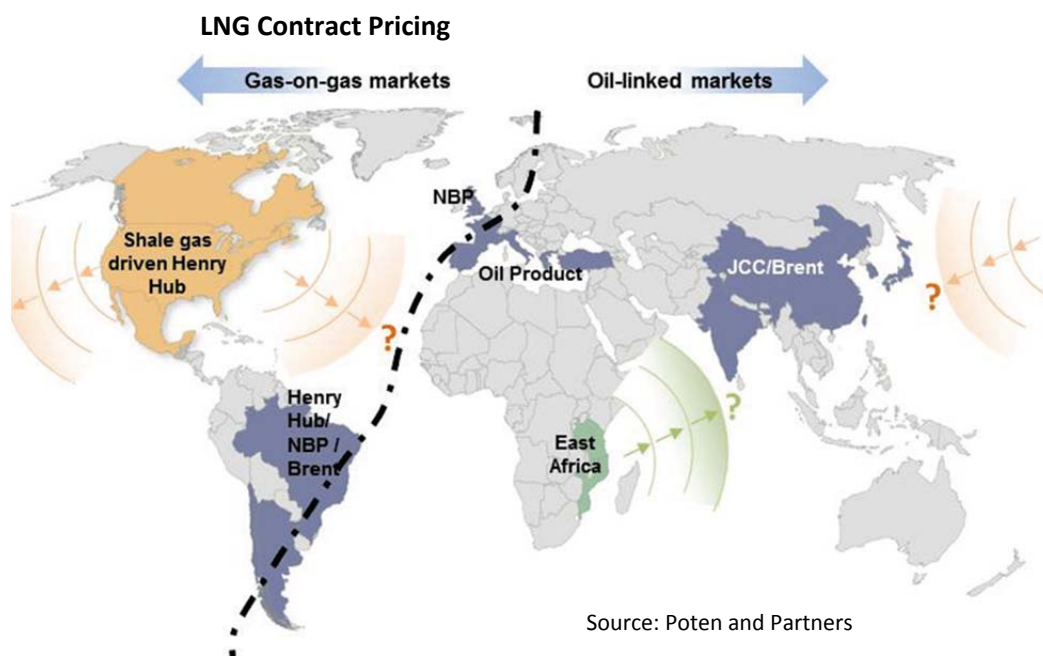
#### About Tangent Energy Solutions, Inc.

Tangent is a Distributed Energy Resources (DER) company. Our Distributed Energy Resource Management (DERM) systems actively manage behind-the-meter supply and demand in order to maximize economic opportunities for C&I energy customers, while minimizing disruption to normal operations. By uniquely building out a DER solution from the customer side of the meter, and monetizing it through exclusive relationships with leading Load Serving Entities (LSEs), Tangent motivates and empowers customers to become price makers on the energy grid while offering the industry plug-and-play access to customers that competitors cannot match.

### New England LNG Market Brief

The LNG market has evolved from a tightly controlled (by the LNG supplier) point to point market based on long term contracts, usually tied to oil prices, into a market that is becoming more short term in nature and that is based on natural gas on gas price competition. Long term contracts for LNG were initially required to justify the LNG supplier's capital investment in producing natural gas in, typically, remote and challenging areas, installing liquefaction facilities in these areas and building the ships and LNG storage and vaporization facilities necessary to reliably supply the LNG to a particular market. Additionally, these long term contracts contained take or pay provisions along with "destination" clauses that restricted any movement of the LNG to any other delivery point beyond the contractual point of delivery. If you bought LNG delivered to the Everett, MA LNG receiving terminal that is the only location where you could receive delivery.

In the past there was no "spot" or short term market for LNG. During this recent winter we saw a much different picture in the New England gas market as short term spot market LNG deliveries are occurred in the region. These LNG cargoes were largely in response to higher prices for natural gas in New England versus European natural gas prices and the overall low(er) price of oil that still serves as a benchmark for many LNG transactions. Prior to this recent winter, we have seen Atlantic Basin LNG go primarily to Europe because natural gas prices in Europe were generally higher.





The shipping costs of LNG are another important variable in deciding where LNG is utilized. Although this is changing as the LNG market becomes shorter in term and more responsive to market demands, LNG is typically traded from sources of supply to markets in the Atlantic Basin and from sources of supply to markets in the Pacific Basin - a two Basin worldwide market. For example, LNG produced in South America or the West Coast of Africa would typically go to the USA/Canada or European natural markets and LNG from Australia or Indonesia would typically go to Japan or other Asian markets. LNG produced in the Middle East is more of "swing" supply that can go to markets in the Atlantic Basin or Pacific Basin depending upon where the market demand (and associated pricing) is greatest. An expanded Panama Canal may change some of these market dynamics, but that depends on what size LNG tanker ship will be able to use the new canal and how long it will take to get a shipment through the canal.

Generally, LNG cargoes from Trinidad and Tobago that are not tied up in long term contracts likely will look to the Northeastern USA/Canada natural gas markets first. Trinidad Tobago, located off the east coast of Venezuela, is a significant producer for the Atlantic Basin LNG market. The shipping distance from the source of supply to the market is an important factor in the overall delivered price of the LNG. One of the nearest markets for Trinidad Tobago LNG is the LNG receiving terminal in Everett, Massachusetts (as well as the offshore LNG receiving terminals located off the North Shore of Boston, but these offshore terminals require LNG ships with onboard LNG vaporization capability that we can discuss at another time). In fact, Everett, MA is closer in proximity to Trinidad Tobago LNG than the LNG receiving terminal located in Lake Charles, Louisiana. The LNG receiving terminal located in Saint John, New Brunswick Canada is also closer to Trinidad Tobago than Lake Charles, Louisiana.

New England is well positioned to continue to receive Atlantic Basin LNG supplies. It is likely that New England will have to compete for this LNG supply with Europe and possibly Asia when the Panama Canal expansion is completed. LNG will go to the market that can pay the highest price. As demonstrated this past winter when LNG does arrive it can provide some stability to electric prices. There are five interstate natural gas pipelines that serve the New England region. LNG can be viewed as a sixth interstate pipeline that serves New England. Just as the interstate pipelines need long term contracts to justify the construction investment, LNG needs long term contracts to justify a long term investment in the region. Without a long term investment in LNG supply, New England is likely to get material supplies of LNG only when the price of natural gas in New England is higher than the alternative markets for LNG in the Atlantic Basin after taking into consideration the cost and distance of shipping the LNG.

Although we did not touch on it here, other potential geopolitical factors can also impact LNG supply. Just to mention a few factors, can Western Europe rely on natural gas piped from primarily Russia, many of the source nations for LNG could have unstable governments and the potential for increasing the use of natural gas fired electric generation in nations that have traditionally relied on coal or nuclear generation—all impact the availability of LNG as a source of supply.



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