Beginning Your Decarbonization Journey

NextEraEnergyServices.com/Large-business

Success Strategies to Advance Your Business

Businesses of every size and in every sector now understand the need to decarbonize. On this pathway, they face big challenges and tremendous opportunities. It's not just the environment that will benefit from investing in a zero-carbon emissions future. Your business will, too. Companies are making bold commitments to advance decarbonization initiatives. By the end of 2021, net zero commitments covered a full 90% of global gross domestic product (GDP).[1]

These commitments bring tangible benefits. A study by McKinsey & Company states that decarbonization practices "can help combat rising operating expenses (such as raw-material costs and the true cost of water or carbon), which McKinsey research has found can affect operating profits by as much as 60%."[2] Additional benefits can be found in increased regulatory compliance, improved public and stakeholder relations, addressing supply chain pressures and greater trust ratings, particularly with younger consumers and investors. For these reasons and many others, your company may be considering beginning or advancing your own sustainability journey. Perhaps your employees or stakeholders are asking about your sustainability commitments, or your C-suite and board are beginning to recognize the mounting expectations surrounding sustainability and climate action. You are likely wondering where to begin in setting environmental goals and creating a climate action plan, and how to navigate from here.

At NextEra Energy Services, we aim to support businesses in all sectors in their first steps toward their energy transition. We partner with customers from the very start of their sustainability journeys, helping them navigate right-sized solutions timed with their business goals, all the way through achieving net zero and ultimately Real Zero™.

Getting started may seem daunting, but it is not an "all or nothing" proposition. It can simply be a matter of choosing one or two activities to focus on first. We can help.

As the world's leading sustainable energy company, we have a large portfolio of products and solutions and an experienced team of professionals to help you choose which actions fit your business. We assembled this white paper to serve as a primer and resource as you begin your decarbonization journey. Our goal is to help you make the greatest possible impact—for your stakeholders, your business and the planet.

[1] Zero Tracker. Post Cop-26 Snapshot. https://zerotracker.net/analysis/post-cop26-snapshot/
[2] Henisz, W., Koller, T., and Nuttall, R. (2019). Five Ways That ESG Creates Value, McKinsey & Company. mckinsey.com.

Determine Your Baseline and Set Your Goals

Before you can set a realistic goal and timeline for decarbonization, you must have a clear picture of where your environmental impact stands today. The task of auditing your energy consumption and emissions across you entire organization may seem complicated, and in many ways it is. It requires understanding and calculating Scope 1, 2 and 3 emissions. Fortunately, data analytics tools exist to streamline and simplify the process.

Greenhouse gas emissions are categorized into three groups or scopes by the most widely used international accounting tool, the Greenhouse Gas Protocol.

Scope 1
Direct emissions from operations

Scope 2
Indirect emissions from purchased energy

Scope 3
All other indirect emissions resulting from your entire value chain, including from your suppliers and employees

NEXTera 360 ENERGY OPTIMIZATION PLATFORM

NextEra Energy Resources' NextEra 360™ is your all-in-one energy measurement, analytics and optimization platform.

Not only will NextEra 360 produce invaluable insights to determine your emissions baseline; you'll also be able to conduct forward-looking analysis that incorporates a variety of energy options so you can prioritize, plan and execute an optimized decarbonization strategy. Once your baseline is established, we'll partner with you to set goals and determine the right solutions to implement for cost savings and carbon reductions. Through NextEra 360, you will then be able to track how each solution is advancing your decarbonization goals.

Sustainability Starts with Your Energy Data

Developing a sustainability plan starts with your organization's unique energy usage data, a review of your utility bills, an analysis of your existing energy contract and a plan to implement renewable energy. Your energy data can help you benchmark where you are now and develop a strategic plan to achieve your goals.

Reviewing your energy data and contracts can reveal:

» Energy consumption and usage trends
» Opportunities to integrate renewable energy and lower your total energy bill
» Opportunities to reduce carbon emissions
» Opportunities to reduce reliance on the grid
» Improved budgeting and cost efficiencies

Learning by Doing

When setting out on the journey to corporate sustainability, many companies aren't sure where to begin, or how to navigate the web of overlapping challenges and objectives. Some have heard the cautionary tales of pledging too much, which can create risk exposure just as they're getting a program underway. Some companies are already engaged in particular aspects of sustainable practices, such as renewable energy credit purchases, but are new to integrating renewables.

For all companies starting out, there is good news: You do not need to have your entire decarbonization roadmap planned out to begin. The best way to learn is by taking the first step.

Sustainability is a journey, and no two plans are alike. Yours should be tailor-made to fit the unique needs of your business.

At NextEra Energy Services, we choose, combine and customize the right solutions for every partner's needs. We have developed tailormade energy solutions for thousands of businesses, institutions and municipalities across the U.S. Our proven processes enable us to successfully deploy renewable energy projects while mitigating risk. We can introduce you to a full suite of offerings and help you prioritize those that work best for your business. Likewise, we will help you understand and navigate the regulatory dynamics that influence your portfolio.

We operate under the principle that no two companies are the same. We get to know your business first, then work with you to set the right goals and take the ideal first steps. As you travel on your decarbonization journey, we'll be there to help you learn and evolve your approach along the way.

Reducing Your Energy Usage

Reducing your energy usage is another important element of achieving your decarbonization goals. Relatively simple enhancements in facility operations can significantly lower your energy consumption and move your company toward a more sustainable future.

Through the services offered by NextEra Energy Solutions, a NextEra Energy Services company, you can improve lighting quality and generate immediate energy savings.

Energy Efficiency Services is a suite of built improvements, coupled with a procurement vehicle and a financial mechanism that can be used to pay for today's smart facility upgrades with tomorrow's energy savings. Upgrades include HVAC, lighting, water conservation, controls, building envelope and renewable energy.

Lighting

NextEra Energy Solutions manages the project from start to finish. First, we'll come to your facility to complete a preliminary audit and then use utility data points and field observations to provide potential energy-saving opportunities. If lighting fixtures should be replaced or retrofitted, we develop project cost and savings estimates, verify your business' eligibility for incentives and establish project goals. Once you accept the contract, we'll write up the full scope of work and estimate the savings associated with the upgrade. When the project is completed, we will provide proof that the installed project meets the original goals.

HVAC

According to the U.S. Department of Energy, over 30% of a typical commercial building's electricity use is consumed by Heating Ventilation and Air Conditioning (HVAC) systems. These systems often provide the largest potential source of money wasted (and carbon produced) using inefficient systems and controls. HVAC systems often provide one of the highest returns on investments (and carbon reduction) when energy efficiency enhancements are made to them.

NextEra Energy Solutions provides holistic, comprehensive energy and system analysis to identify specific problems and deliver an energy efficient solution with tailored products and installation.

Offsetting Your Carbon Footprint

For many companies just getting started, offsets are an important part of the solutions mix and can help fill in gaps in meeting emissions targets. Carbon offset programs allow companies to invest in local, regional or international carbon offset projects to balance their organization's carbon footprint. There are a variety of accredited carbon offset projects and initiatives to help organizations decarbonize their operations.

Renewable Energy Credits (RECs)

RECs have long been a go-to product for companies looking to satisfy renewable energy goals and sustainability metrics. RECs are a quick and easy way to fill in gaps. One REC represents one megawatt hour of renewable electricity that is generated and delivered to the grid, which in turn reduces average grid emissions. Electricity enters the grid via many different sources, from wind and solar power to natural gas and nuclear power. Buying RECs provides certified proof that your organization is using renewable energy from the grid without having to install solar panels or another renewable energy system on your property.

Carbon Offsets

Carbon offsets are another product you can purchase to get started toward your sustainability goals. Carbon offsets are measured in metric tons of CO_2 or CO_2 equivalent. When you buy an offset, you essentially purchase the environmental benefits generated by projects that mitigate greenhouse gas emissions (GHGs), which you then can use to offset the impact of your own carbon emissions. Carbon offsets can be used to reduce your organization's scope 1, 2 or 3 emissions.

Offsetting Your Carbon Footprint

As our economy changes, so do the requirements directly impacting how businesses purchase and incorporate renewable energy. Many businesses working toward sustainability goals may find themselves struggling with either costly investment options, confusing energy mix solutions, or difficulty incorporating renewable energy into their current retail supply contract.

Whether it's regulatory or shareholder-related, your organization may need to meet very specific renewable energy goals by a certain date. Even with existing renewable assets, your current supply mix may not meet your demands, and may require additional assets to help offset the balance. In addition, as more and more businesses feel the pressure to establish their own sustainability objectives and timeframes, limited project availability can result in businesses vying and competing for the same renewable assets.

RenewableLink™

NextEra Energy Services' RenewableLink product provides the simplicity of a traditional energy supply contract inclusive of renewable energy purchasing options, less the risk of onsite installation or significant investment.

Your organization will be directly supporting the development of a new renewable energy generation facility and unlike offsite RECs, our RenewableLink program provides asset-specific RECs directly tied to known locations and facilities. In addition, you'll gain access to renewable energy projects and physical volumes without the risk of costly investments or capital outlay.

RenewableLink is a sophisticated solution — simplified for businesses with complex energy needs.

Physical load volumes

+

Asset-specific RECs

+

Packaged in a traditional supply contract

Greening Your Energy Supply

Renewable energy is the foundation of sustainability. Perhaps it isn't surprising that many companies choose to start their sustainability efforts by transitioning their energy supplies. This requires reshaping the way your business uses and generates energy, but it pays off by leading to greater efficiency and cost savings.

Incorporating renewable energy into an organization can be a nuanced and complex process, and it's important to identify solutions that fit your business needs. Integrating renewables does not and should not disrupt your core business operations and, in many cases, doesn't require any upfront investment.

Community Solar

Community solar is a means of participating in local solar projects even when it is not feasible to install solar panels at your facilities. These unique solar projects, available in many states and localities, involve a large central solar power plant whose energy can be shared by many businesses and consumers through subscription or ownership plans. The value of the solar electricity produced from the array is applied as a monetary credit to each subscriber's local electric utility bill.

Onsite Generation Solutions

Whether installing solar panels, combined heat and power (CHP), or a microgrid, generating your own energy onsite requires an upfront investment, but pays off quickly and makes a powerful (and visual) statement about your commitment to sustainability. Our parent company, NextEra Energy Resources, is the world leader in these customizable onsite energy solutions.

A Partner as You Evolve

The path to sustainability requires strategic planning, continual nurturing and corporate-wide involvement. If your organization is considering setting decarbonization goals or making a commitment to renewable energy, an advisor may be able to provide the insight and direction needed to make better-informed decisions and transition to a new and sustainable energy strategy.

NextEra Energy Services works with organizations of every size to help each assess their current energy usage and budget, review carbon emissions reduction and sustainability goals, and source traditional and renewable energy options that can meet the unique needs of your organization.

Your sustainability plan will evolve as energy technologies advance, carbon mitigation mandates develop and your energy needs change. As your partner, we'll be there every step of the way to help you scale up, reposition and move forward toward your fully sustainable future.

Let's Work Together

NextEra Energy Services is committed to the future of your business. Let's work together to achieve your decarbonization goals.

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