



MARKETING

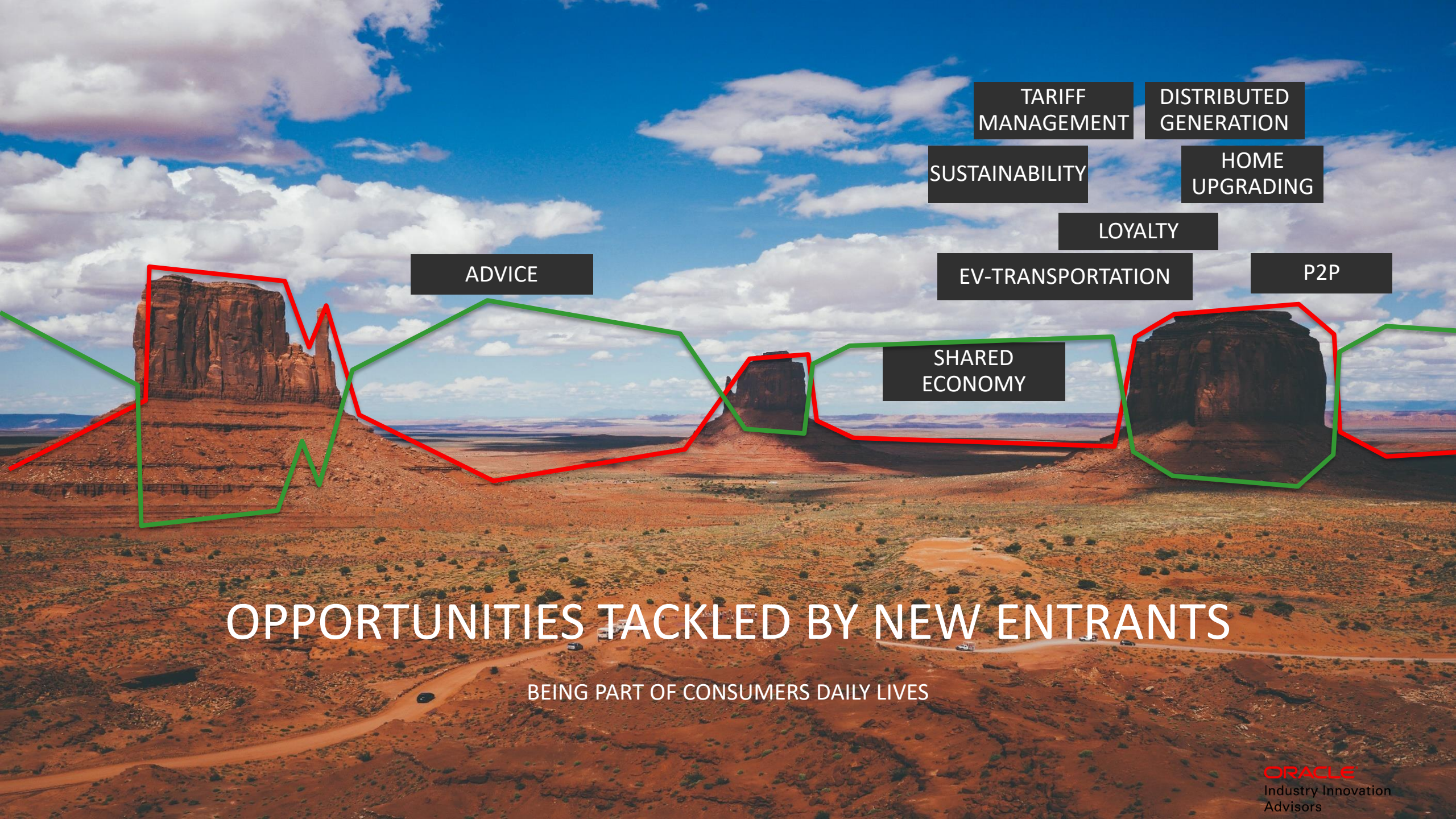
CONTRACT

BILLING

SUPPORT

UTILITIES ARE INVISIBLE IN CUSTOMERS EYES

TYPICAL STRATEGY: TRANSACTION AND EFFICIENCY BASED



TARIFF
MANAGEMENT

DISTRIBUTED
GENERATION

SUSTAINABILITY

HOME
UPGRADING

LOYALTY

ADVICE

EV-TRANSPORTATION

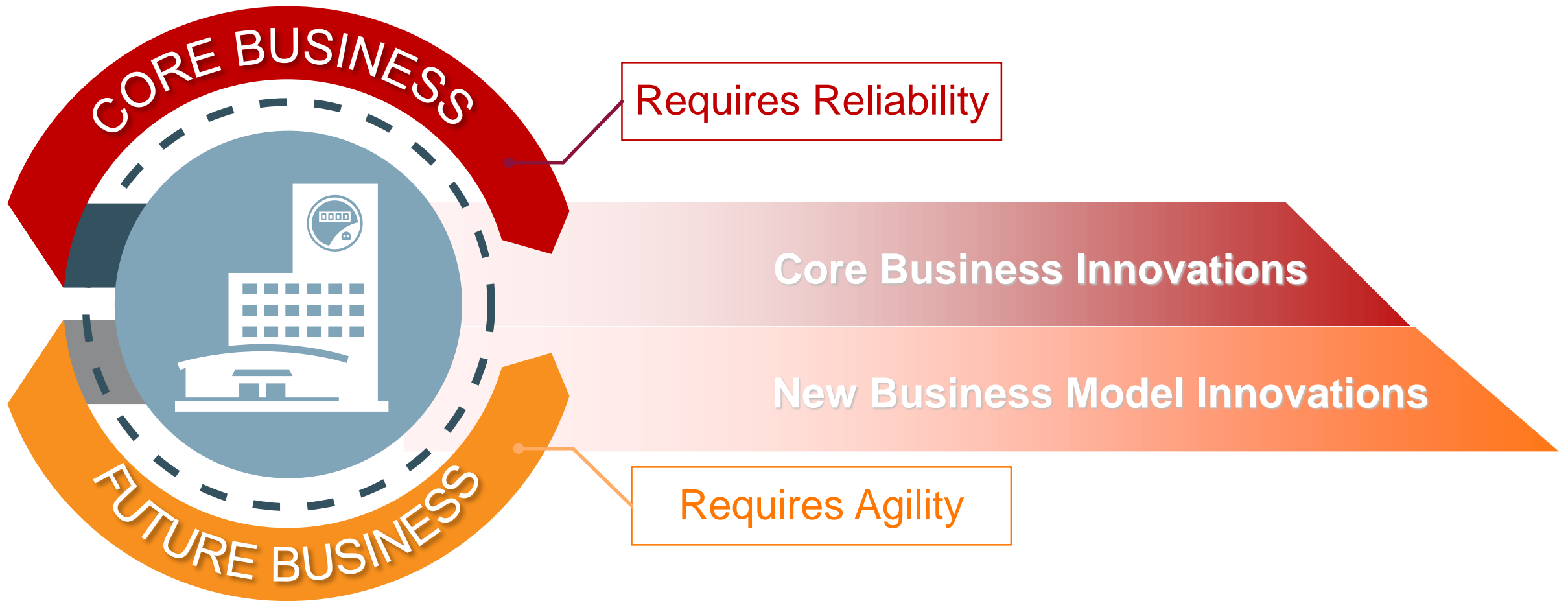
P2P

SHARED
ECONOMY

OPPORTUNITIES TACKLED BY NEW ENTRANTS

BEING PART OF CONSUMERS DAILY LIVES

Digital strategy for resiliency and agility



Stakeholder Dilemma – Customer

The Future, Today!

Innovative Utility

Customers will be even more willing to try new products and services, to change their behaviors or to adopt innovative ways to manage their energy consumption.

Alignment of offer with needs

Utility providers are not in sync with their customers' needs and expectations, which services to offer, and how to communicate their value.

Energy & Environmental conscious

Residential and commercial consumers want more access to information, personalized service, and opportunities to minimize their environmental impact.



Customer expectations are evolving

customer expectations are evolving, which is disrupting the traditional utilities business model and new product/service development.

Digital Enabled

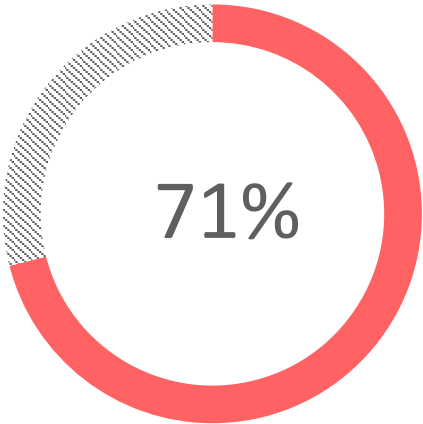
Customers require a fully digital system a new Business Model Enabled by Digital Capabilities

Consumer to Prosumer

Ease of access to information has changed customers from passive recipients to active participants in the creation, marketing, and selling of products.

Customers Drive Change

A lot of residential consumers are content with the traditional, affordable, reliable power model however, growing numbers of consumers have higher expectations which present utilities with opportunities. ⁽¹⁾

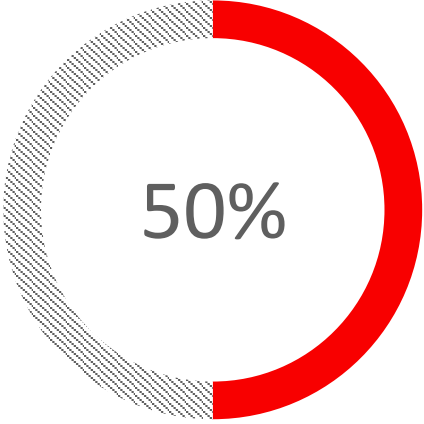


71%

71 %

Interest Bundling Services

% residential respondents which were at least interested in bundling services

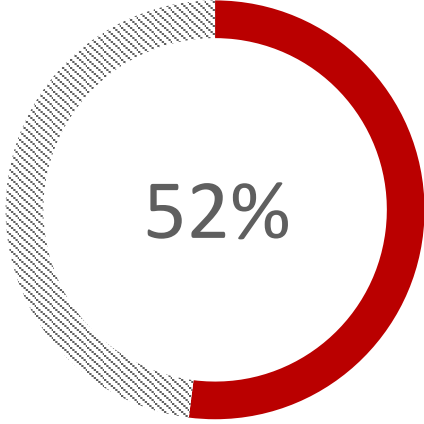


50%

50 %

Interest Power + Storage

50 percent of residential respondents were interested in purchasing solar + storage.

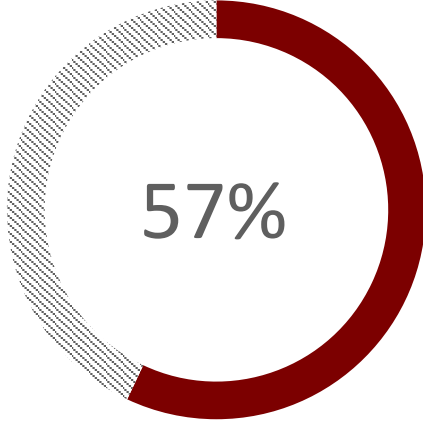


52%

52 %

Care about Cost and Sustainability

52 percent of residential customers were primarily motivated by reducing costs.



57%

57 %

Differentiated Communication

57 percent of residential respondents were most interested in interacting with their utilities provider via the company website

(1) Deloitte. Utilities 2.0 – Winning over the next generation of utility customers

Stakeholder Dilemma – Business

Increase pace of change, assure growth, margin and long term value

Reduce Cost to Acquire Customers

How to reduce the cost to acquire customers that are more digital, knowledgeable and

Improve margin with value added services

Need to develop new compelling value added services to improve margins, improve customer satisfaction and reduce churn.

Improve time to Market of innovation, requirement and regulation

Increase the pace of change, assure time to market of new requirements and regulation. Bring innovation to market quicker.



Reduce cost to serve and operate

Need to reduce my cost to serve and operate my business using new disrupting technologies

Minimize errors and streamline operations

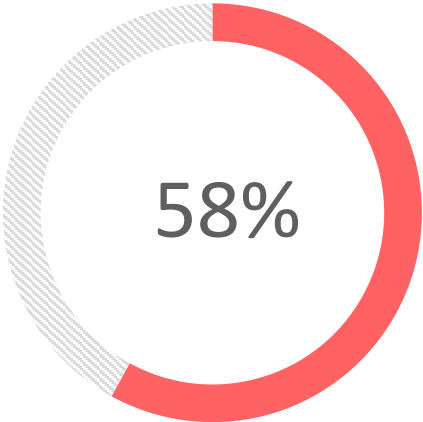
Require a high level of process automation and data analytics to minimize and alert any errors that impact costs, quality and customer service.

Promote Digital Transformation

Need to create and execute business models that use digital technology both as an enabler and a driver of change in the legacy organization. Need to master the ability to renew and transform current core business while growing into new businesses.

Customers Drive Change

Commercial consumers are interested in new energy services services, with 78 percent already participating in Energy Efficiency Programs ⁽¹⁾

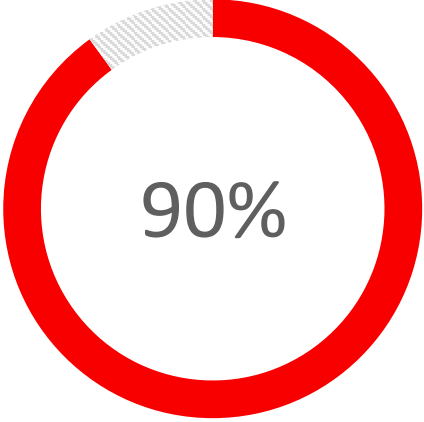


58%

58 %

Interest Bundling Services

% 58 of commercial customers are “extremely willing” to pay more for additional services from their electricity provider.

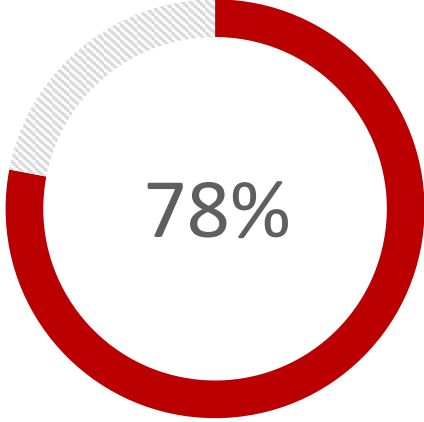


90%

90 %

Utility as Trusted Advisor

90 percent of commercial respondents view their utility as a trusted advisor.

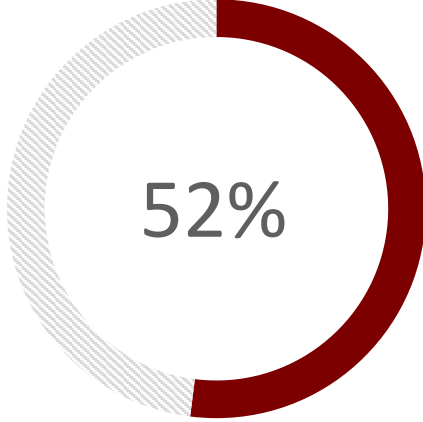


78%

78 %

Interest in energy insight platforms

Commercial respondents were interested in chiller & load management services, with 78 percent already participating in EE programs.



52%

52 %

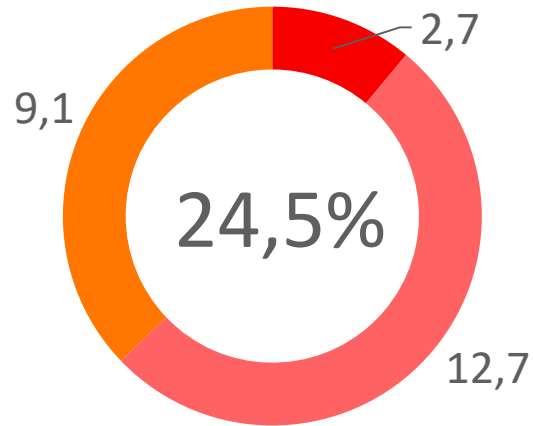
Differentiated Communication

52 percent of commercial respondents were most interested in interacting with their utilities provider via phone call

(1) Deloitte. Utilities 2.0 – Winning over the next generation of utility customers

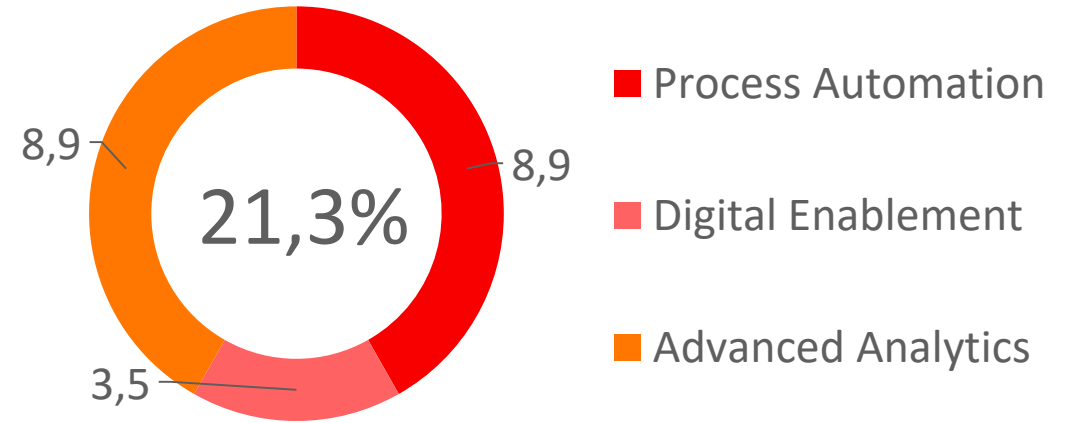
Digitization can create value across utility operations

Potential operating and maintenance cost savings, % of operations and maintenance spending by business area ⁽¹⁾



24,5 %
Customer and Retail

Customer-satisfaction analytics; Customer-journey optimization
Collection-risk and bad-debt reduction; Grid-defection and churn-risk prediction; Product development and pricing



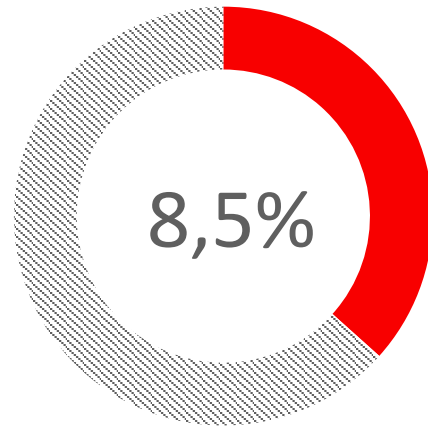
21,3 %
Corporate Center

Employee-performance analytics; Intelligent process automation; Crew-productivity and equipment-demand forecasts

(1) McKinsey - Accelerating digital transformations: A playbook for utilities

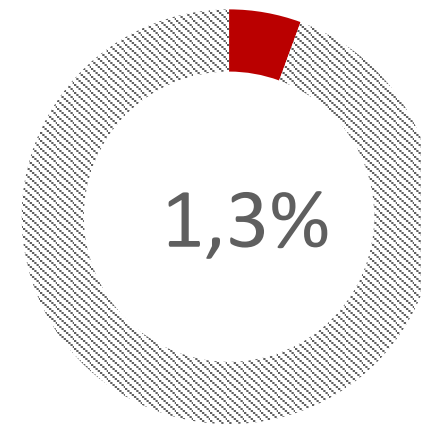
Digitization has demonstrable impact on utility earnings

Improvement areas, case study, EBIT – Earnings Before Interest and Taxes ⁽¹⁾



8,5% out of 23,2 %
Retail

Individual, new products; Better prices and
Customer segmentation; Digital operations



1,3 % out of 23,2 %
Corporate

Optimized operations and management
Through enterprise Resource
planning

■ Retail
■ Corporate
▨ Total Impact

(1) McKinsey - The digital utility: New opportunities and challenges



Company Info:

- Location: Denmark
- Electric Utility
- 230,000 residential and C&I customers
- Deregulated market

NRGI chose Oracle to launch a new Digital retail utility. They went live in under 6 months (including market hub integration).

Business Challenges

- NRGi is an electric utility located in Aarhus, Denmark, and has 230,000 residential and C&I customers.
- The utility had legacy systems that are also used by their competition. They not cope with new market requirement and NRGi's growth strategy.
- NRGi plans to double its current customer base by 2020 and needs an efficient and scalable meter-to-cash system.
- The utility had to lower its high cost to serve, limit manual processes, and improve operational efficiency.



What have they achieved?

- Oracle won in Dec 2015 because of our global experience, full breadth of solutions, and higher flexibility and functionality.
- NRGi project team was just 5 people with 5 on-site consultants.
- Jan-Mar 2016 was "Need" definition, design and build.
- Just 15 customizations were needed. OOB was the default
- Testing and user training continued from April-June
- First customers in the system were NRGi employees
- First acquired customers joined on 15th Sep 2016
- Migration of legacy customers will start in November 2016