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How to Treat Power Like a CFO: Transforming Energy from a Cost Center into a Strategic Asset

White Paper for Financial Leaders Driving Operational Resilience, Energy Control, and Long-Term Value Creation

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Summary

In today's increasingly volatile energy landscape, the role of the Chief Financial Officer is undergoing a fundamental shift. Power can no longer be viewed as a passive, fixed expense. Instead, it must be recognized as a dynamic input—one that can be optimized, monetized, and leveraged to create long-term strategic advantage.

We will explore how forward-thinking CFOs are transforming energy from a line-item cost into a controllable business lever through models like Energy-as-a-Service (EaaS) and Concierge Utility solutions. These approaches enable companies to eliminate infrastructure capex, reduce risk, and turn resilience into a revenue-generating opportunity—all while supporting sustainability and compliance objectives.

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Reframing the Role of Energy in Financial Strategy

Traditionally, energy has been treated as a non-negotiable overhead cost—outside the control of the finance function. That view is no longer tenable. Today’s CFO must actively address:

- **Energy Volatility:** Utility rate spikes, time-of-use surcharges, and fuel price instability
- **Infrastructure Risk:** Aging grid systems, frequent outages, and climate-driven disruptions
- **Regulatory Complexity:** safety and compliance mandates, emissions tracking, and resilience standards

In this context, energy must be treated as a financial lever—not a variable cost.

From Status Quo to Strategy

Traditional Energy Approach	Strategic Energy Model
Standard utility tariff	Performance-based energy model
Owned infrastructure	Fully managed service model
Passive utility dependency	Active grid participation
Downtime vulnerability	SLA-backed resilience

The Case for Energy-as-a-Service (EaaS)

EaaS empowers organizations to outsource their energy infrastructure, backup power systems, and compliance obligations while shifting from capex to predictable monthly opex.

A. Financial Predictability

- Replace large capital outlays with service-based agreements
- Eliminate unplanned spending related to outages or maintenance
- Improve budget forecasting and long-term cash flow management

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B. Operational Continuity

- Guarantee uptime through 24/7 monitored backup systems
- Protect production lines, data centers, and critical operations
- Enable automated response to grid instability

C. Compliance & Regulatory Alignment

- Stay ahead of local, state, and federal energy mandates
- Meet Scope 2 emissions targets with lower-emission backup assets
- Integrate emissions reporting into management reporting

Energy is no longer a facilities issue, it's a board-level risk and financial opportunity.

Understanding the Concierge Utility Model

A Concierge Utility is more than a vendor—it is a strategic partner that delivers a fully managed, enterprise-grade energy solution with guaranteed outcomes.

What's Included:

- Equipment procurement and installation (e.g., generators, switchgear, automation)
- 24/7 system monitoring, predictive maintenance, and remote diagnostics
- Demand response and grid program enrollment
- SLA-backed uptime guarantees
- Emissions compliance and reporting support

Strategic Value for CFOs:

- **CapEx Avoidance:** Preserve capital for core investments
- **Cash Flow Certainty:** Levelized monthly energy spend

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- **Risk Transfer:** Shift operational and compliance risk to provider
- **Revenue Enablement:** Capture of new profits from grid participation

Exergy Energy's managed service model aligns closely with CFO goals around EBITDA protection, asset-light strategy, and efficient capital deployment.

A New CFO Energy Agenda

CFOs are bringing strategic discipline to energy management, treating it as a managed service, just like IT or logistics.

Key Questions to Consider:

- What is the full cost—direct and indirect—of an outage at our facilities?
- How much did we spend last year on unplanned energy needs?
- Are we leveraging our energy flexibility to generate revenue?
- What return are we getting on our current energy infrastructure?
- Are we prepared for the next wave of energy and emissions reporting regulation?

Answering these questions requires data visibility and energy performance insights—something Concierge Utility providers deliver in real-time.

Why the Time to Act Is Now

Several converging forces make 2025 a defining year for energy transformation:

Climbing Utility Costs

- Energy inflation is outpacing broader cost indices
- Utilities are shifting more customers to demand-based pricing models

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Aging Infrastructure & Grid Instability

- Over 70% of U.S. grid infrastructure is at least 25 years old or older.
- Natural disasters and climate-driven events are increasing outage frequency

Regulatory Pressure & Reporting Demands

- Federal and SEC disclosure rules are tightening
- Local mandates for resilience and backup power are expanding

Untapped Market Incentives

- Grid operators are paying for flexibility and load reduction
- EaaS providers can enroll customers into these programs automatically

Waiting for a crisis to act is no longer viable. Leading CFOs are proactively seizing control.

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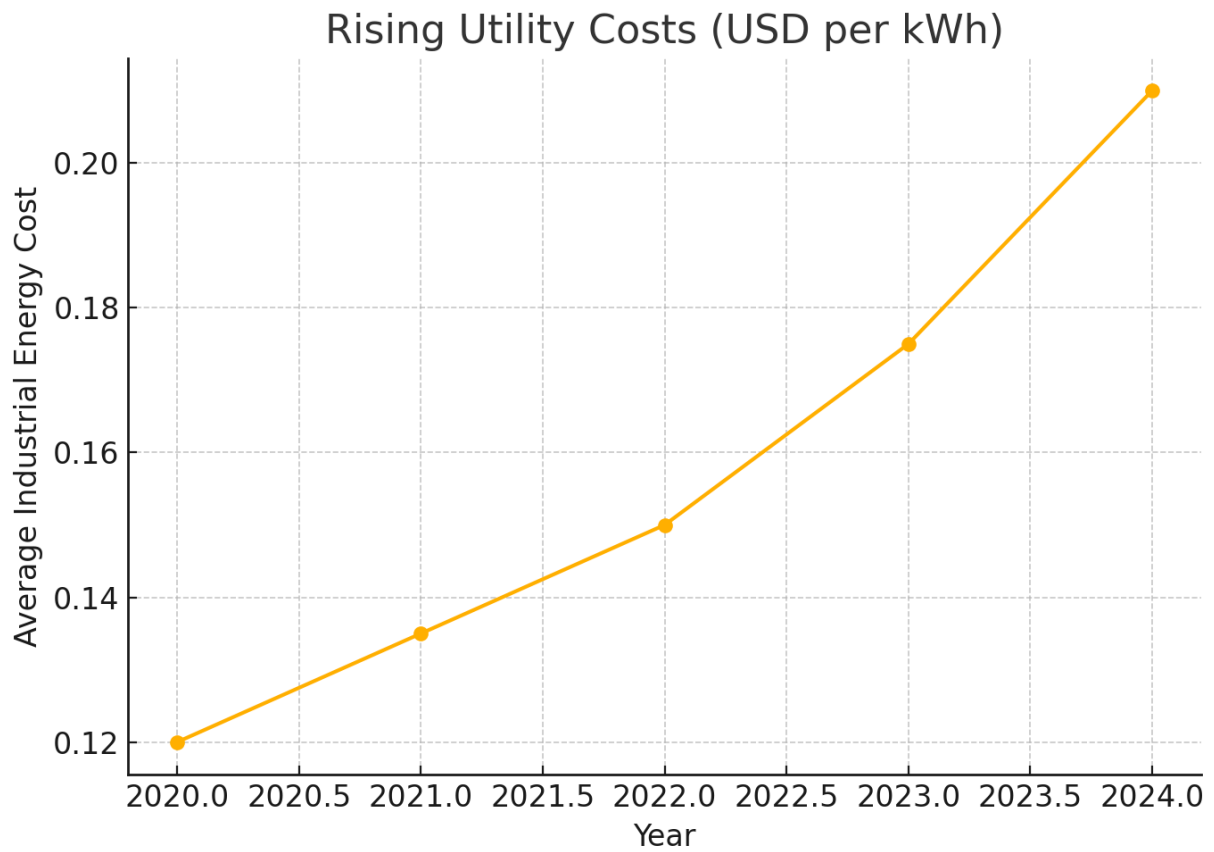


Figure 1: Industrial Energy Cost Trends from 2020 to 2024

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Real-World Results: A Case Study in Financial Impact

Industry: Manufacturing

Headquarters: Tennessee

Challenge: \$750,000 in annual productivity losses due to frequent power interruptions

Solution: Fully managed backup power system with Concierge Utility support and grid participation

Results:

- \$0 CapEx investment
- \$82,000/year in new revenue from demand response participation
- 100% uptime during utility outages
- Net positive EBITDA impact within 12 months

Conclusion: Powering the Future with CFO Discipline

Today's CFO is responsible not only for managing financial performance but also for ensuring operational continuity, resilience, and compliance. With Energy-as-a-Service and Concierge Utility models, CFOs can:

- Eliminate exposure to aging, underperforming infrastructure
- Build energy cost predictability into financial planning
- Unlock new revenue by participating in grid programs
- Align energy strategy with sustainability and business continuity goals

Power is no longer an uncertain cost. It's a strategic asset—if you use it right.

To explore how Concierge Utility solutions can support your energy and financial strategy, connect with the executive team at Exergy Energy.