



BENEFICIAL ELECTRIFICATION: A SMART STRATEGY MAKES THE DIFFERENCE

Utilities nationwide are launching beneficial electrification (BE) initiatives, both to respond to market and policy evolutions and to enhance the growth of their electric business. Success begins with a well-thought out strategy.

UNDERSTANDING BE

Prior to developing a strategy, it is important to clearly understand BE since it is a relatively new term with different definitions and interpretations. Programs vary depending on a utility's priorities, but in general, beneficial electrification focuses on these three benefits to society:

- **Reduced energy consumption (total source BTUs)**
- **Lower consumer costs**
- **Decreased greenhouse gas emissions**

BE can take place at the grid, at the microgrid, and/or behind the customer meter.

DEVELOPING A STRATEGY

An effective BE strategy includes objectives for identifying, analyzing, and eventually launching sets of electrification products and services that will benefit customers and, at the same time, benefit the environment through decarbonization.

However, utilities sometimes struggle with formalizing a strategy and getting internal stakeholders aligned before going to their external community. This is especially true for BE since it is a fairly new concept and covers a wide array of internal functional areas.

MCR guides utilities through the strategy development process.

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MCR'S APPROACH

MCR employs a unique approach to developing a BE strategy (steps 1 and 2 in the chart below). We begin with a workshop to identify—at a high level—client-specific corporate strategies, objectives, and policy-regulatory context. Based on the results, we then conduct a client-specific market scan to establish the state of the market(s) and fundamental steering options and strategies.

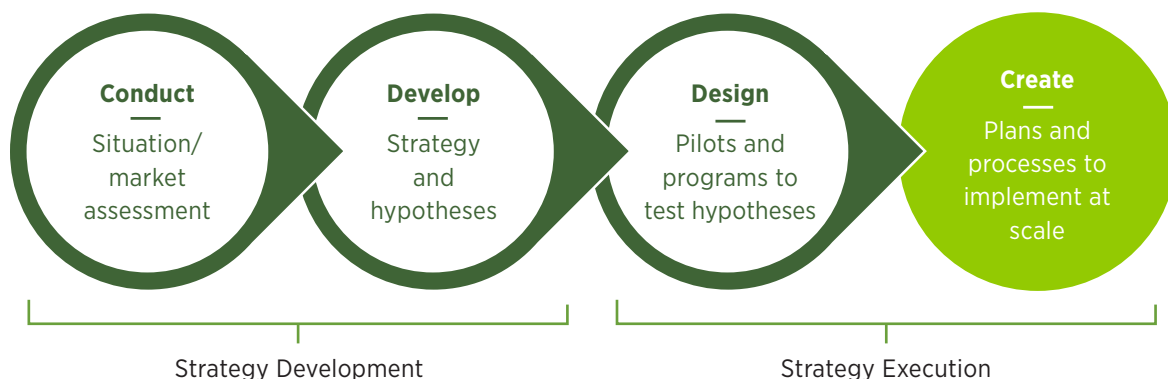
MCR develops these strategies based on our significant research and experience in the beneficial electrification space. We focus on the full range of possibilities, from conservative to high risk/high reward.

HOW UTILITIES BENEFIT

After working with MCR, utilities have a comprehensive strategy and a clear understanding of their BE position, supported by actionable hypotheses and initiatives. Built out, our deliverables provide detailed direction for what the utility will do and, equally important, what it will not do as it addresses beneficial electrification.

The strategy sets up steps 3 and 4 in MCR's process: implementation planning and design, leading to an executable BE business plan.

MCR APPROACH TO BENEFICIAL ELECTRIFICATION PRODUCTS, SERVICES, AND PROGRAMS



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