

The Rising Tide of Customer and Market Expectations

A Macro View of the Future of Utilities

Kenneth Black

Chairman, E Source



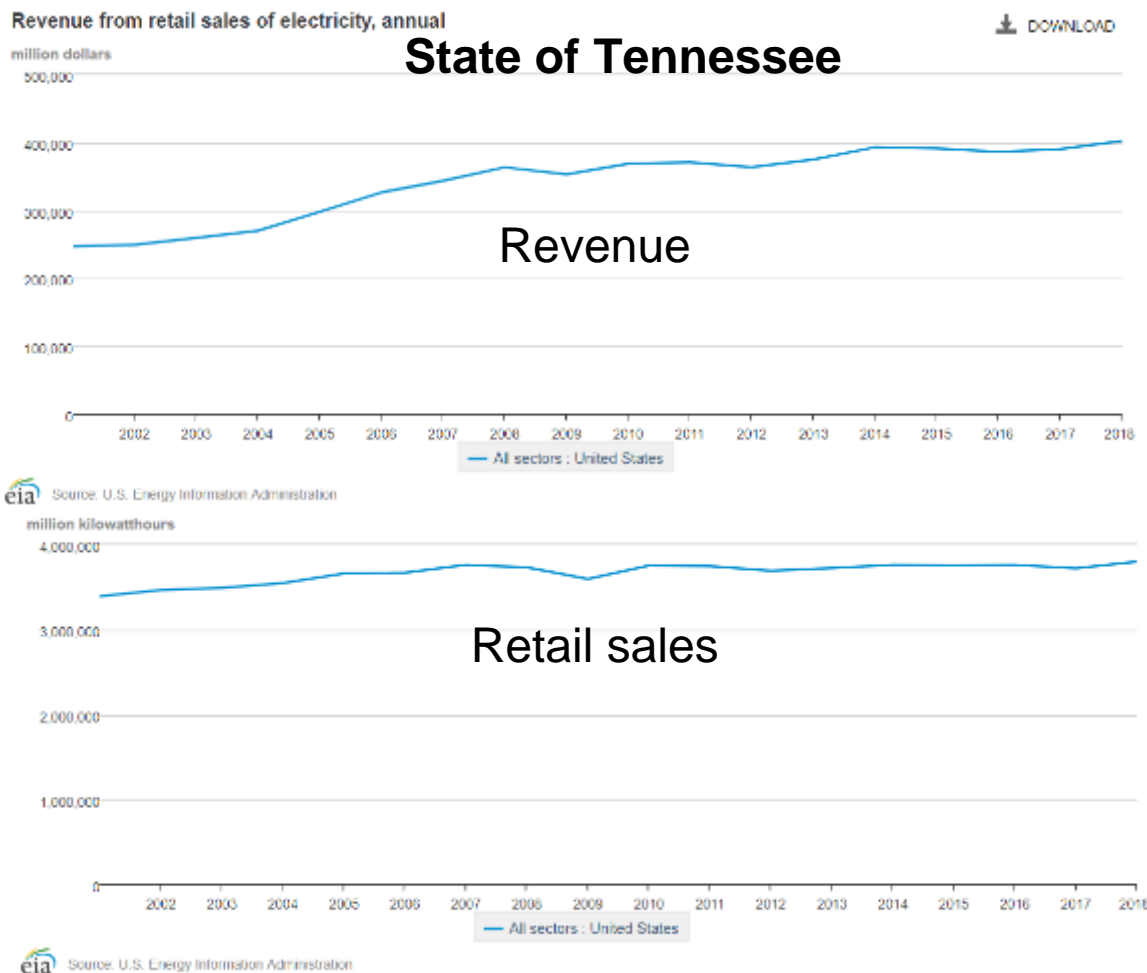
E Source

E Source Summit for the Tennessee Valley



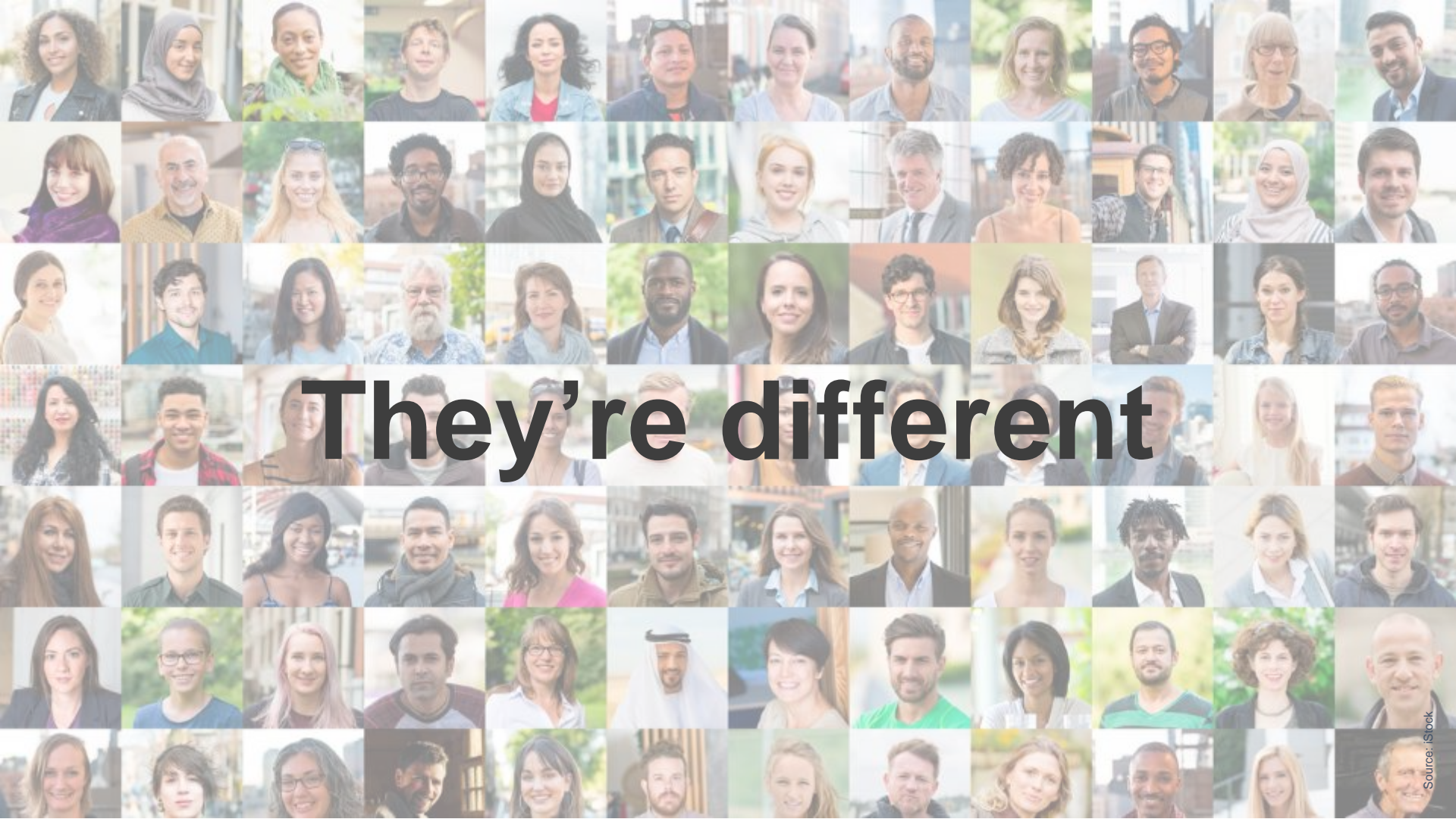
**We're like deer
in the headlights**

Here's the
reality:
flat sales
and revenue



Customers are changing





They're different

Going 100% renewable is the new normal



Decarbonization is only the beginning



Resiliency

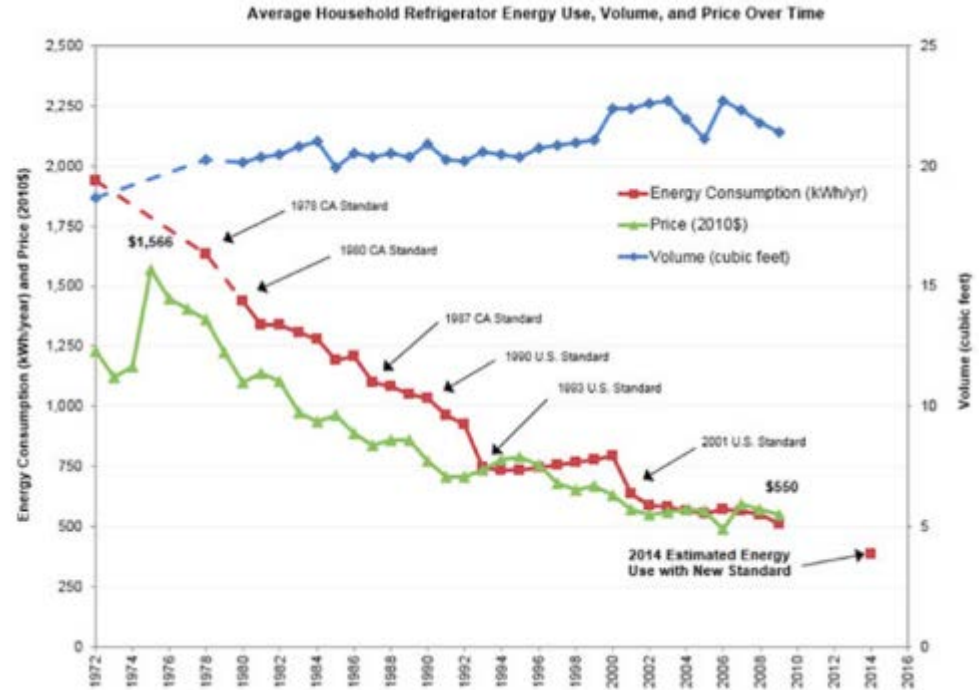


A landscape featuring several large wind turbines and a field of solar panels under a bright sun. The sun is positioned in the upper left, creating a strong lens flare. The wind turbines are tall and slender, with three-bladed rotors. The solar panels are arranged in rows in the foreground, reflecting the sunlight. The sky is a clear, vibrant blue.

**New technologies
are growing at an
exponential pace**

Energy efficiency and technology beyond our wildest dreams

- Ultrasonic clothes dryers can dry clothes with no heat in minutes
- Self-managing buildings



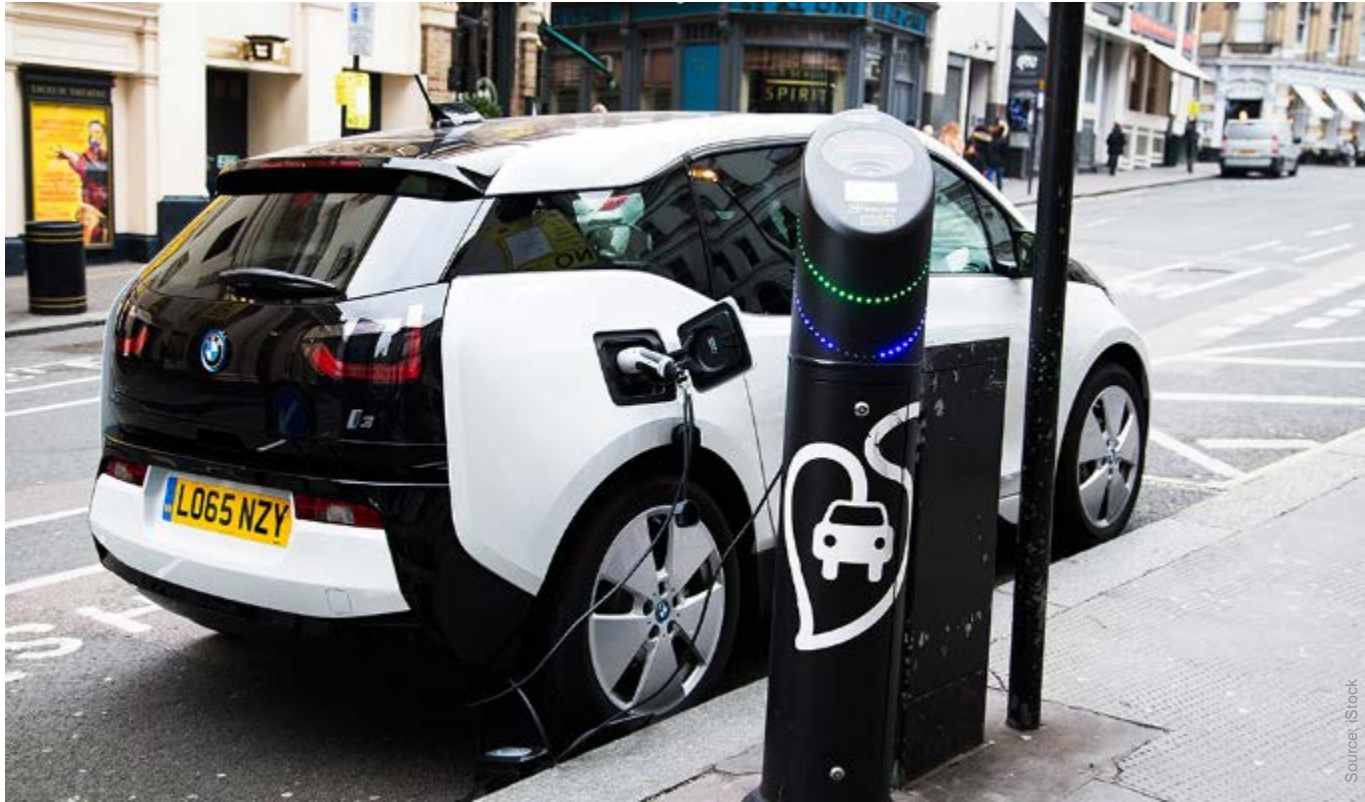
3D printing/manufacturing

- Supply-chain impacts
- Affordable housing
- On-demand products
- All using a fraction of the energy originally needed

Indoor agriculture and the future of food



Electric mobility and autonomous vehicles



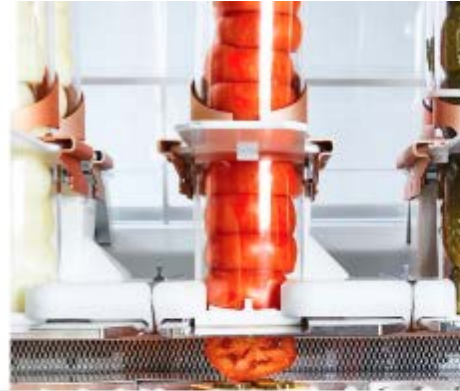
Source: iStock

Robotics



One of the most precise culinary tools on earth.

Capable of creating a meal in elegant, previously thought impossible ways. Perfect patties, sauces, and seasonings measured in ways you probably don't even care about. But we do.



Sourcing is key.

Baked daily and toasted to order, our buns are light and fluffy. Since we can slice to order we also don't use preservatives. Our beef is GAP rated, meaning raised on pastures, no feed lots. Ever. It took us 14 iterations to get to the perfect bread and burger pickle. The details matter.

Introducing new culinary possibilities.

We can literally slice the beef to your liking, giving the patty the best mouthfeel. Translation: the tenderness is unparalleled.



#freshestburgerever

This is the only place we know where tomatoes, pickles and onions are sliced crisp to order. Cheese is grated directly onto the bun before it's melted. The best part: steak and breaded chunks are ground to order. No oxidation, just pure flavors.



Source: Creator

[This Burger Bot Makes Your Lunch with No Human Help](#), Wall Street Journal (June 21, 2019)



**This has spawned new
businesses and competition**

Competitive headwinds will continue

European energy companies are looking for global growth and have North America in their crosshairs

Volkswagen enters the energy market



Oil Giant Shell Wants to Sell You Electricity

Investments in utility, car-charging business, solar firm come as British-Dutch company is planning for changing energy consumption trends

WSJ: 3-30-18



Digitalization





**What does
it all mean?**



**Move from a focus on
commodities to a focus
on solutions**



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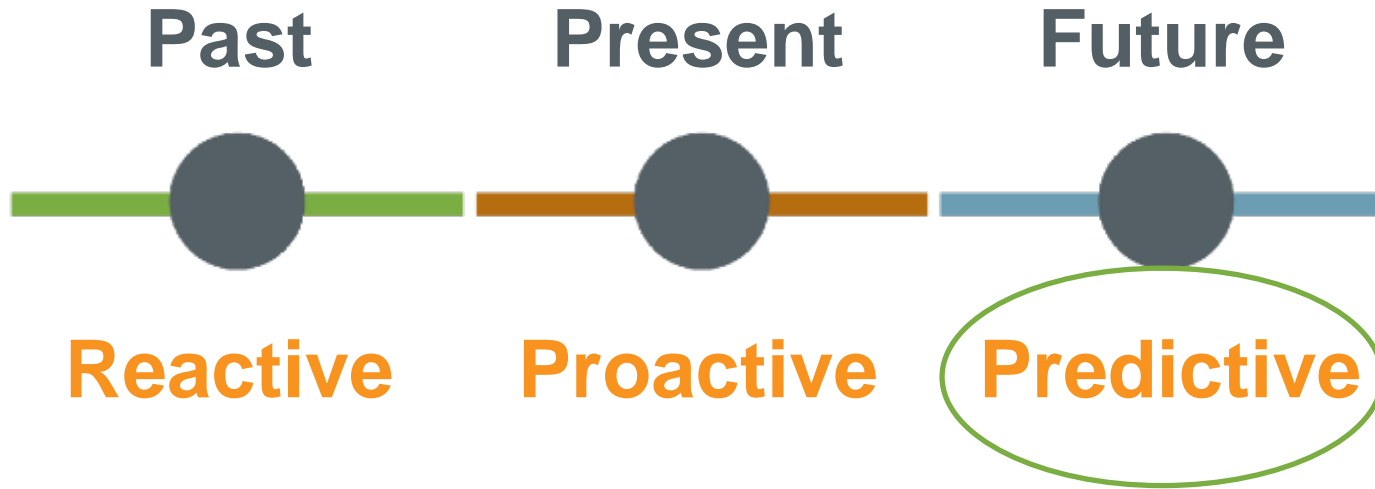
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**It's about the
customer!**

Your customers are an asset

- Leverage trust
- Consider *lifetime* customer value
- Value the data you have
- Segment and target, and then laser target

Customer experience for the future





Innovate

**Is being the fastest
dinosaur good
enough?**



**If you're not at the
table, you might be
on the menu**



We can do it!



“

**HOPE
IS NOT A
STRATEGY**

—Vince Lombardi

Thank you!



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