



# Value at Risk Product

Flexibly purchasing both gas and electricity is something that business energy consumers are becoming more akin to. Our Value at Risk model is a methodology used in investments and the purchasing of a vast array of other tradable commodities. Applying this model to your flexible purchasing contract allows for us to protect your positions against any potential price increases, whilst also providing the potential to better the price you'll be paying for your gas and electricity.

## Flexible Purchasing



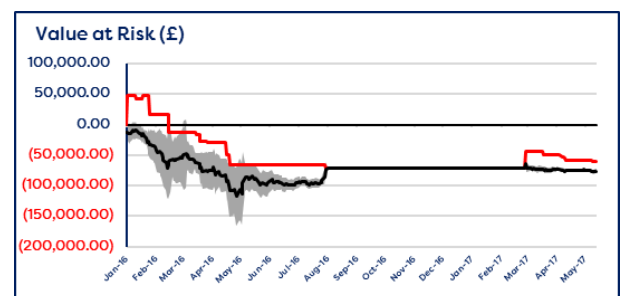
The flexible purchasing of energy allows you to find an effective middle ground between having a long-term fixed contract and paying volatile day-ahead

prices. A fixed contract, while providing some financial stability, doesn't allow your business to take full advantage of any downward market movements that are likely to occur over the contracted period. Conversely, paying day-ahead rates, while allowing you to take advantage of the market when it bottoms, provides no security should the market spike or its prices increase significantly. A flexible contract, and our risk management policy, allows for you to reap the benefits of both.

While a fixed contract will purchase 100% of your volume at a set price for your contracted period, a flexible contract allows for us to purchase and sell portions or tranches of your monthly volume, as far ahead as 4-5 years in advance, responding to market volatility and the upward or downward movements that are inherent in any market. Hence, we seek to better your positions; purchasing your volume before the price energy looks to increase further (protecting your forward costs so that you'll be paying less than you would otherwise) and selling or unfixing volume before the price decreases further (seeking to repurchase the energy at a more favourable rate when the market has bottomed).

## Value at Risk

Our Value at Risk methodology works alongside the flexible purchasing model, ensuring the security and protection of your portfolio. We track your position's movement and place a "Capital at Risk" line alongside which represents the amount of risk that you are prepared to authorise to give your business the opportunity to benefit from falling prices. A tight Capital at Risk line (e.g. at 4% of your initial position value) means that we'll be more responsive to upward market movements and will lock out your forward volume should your positions move up to this line. However, in doing so, we may miss the opportunity to take advantage of downward price movements that may follow. A higher Capital at Risk line allows us to track upward market movements but not to be overly responsive to them, allowing us to take advantage of future downward movements.

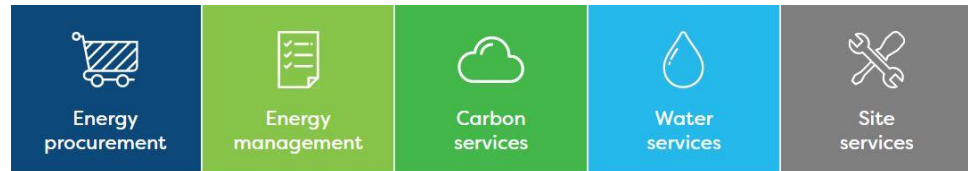


As you can see we track the Capital at Risk line (RED) alongside the Position Value. We consult with clients, discussing as and when to move the risk line down to an agreed level above the position value, taking risk out of the market, or to move further up above the Position Value, opening more risk and allowing further opportunity to take advantage of falling prices.

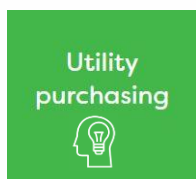
## Why choose Brownlow?

Our aim is to make you competitive, compliant and efficient as far as your energy and utilities are concerned. Our approach is to do this with clarity, honesty and experience.

### Our Services



### Our Process



At our first meeting, we will take time to fully understand your business; your company's objectives business, processes and how your company prefers to manage risk. We also consider your current energy and utility portfolios - how much you use and the prices you pay. We then take the time to look at purchasing options to help you choose a supplier and product that matches your company's long term purchasing strategy.



Once we are operating to your energy purchasing strategy, we then validate and check the bills for you on a monthly basis to ensure they adhere to the contracted terms. If there are any issues with your bills, we will resolve these with the supplier directly on your behalf. We also provide you access to an online energy management portal.



Most businesses are subject to or can take advantage of one of the myriad of government Carbon schemes such as Climate Change Agreement (CCA), CRC, ESOS, RO and FIT. We offer a full service that obtains then manages these schemes for you using carbon specialists that have never lost an agreement!



We can identify savings of at least 10% in most businesses. Our Chartered Energy Efficiency Engineers can complete a detailed survey of your business highlighting where you can employ the latest techniques and technologies with regards to energy based on Return on Investment (ROI).



An energy plan based on a comprehensive survey of your site together with agreed timescales and board-level commitment will drive your utility purchasing strategy and efficiency initiatives forwards. We will ensure that the correct systems and procedures are in place for continuous energy improvement.

Get in touch today and let us help you manage your business energy better.

Call 01744 778530, email [info@brownlowutilities.co.uk](mailto:info@brownlowutilities.co.uk) or visit

[www.brownlowutilities.co.uk](http://www.brownlowutilities.co.uk)