BOLD AMBITION

Maximizing US infrastructure investments to transform and modernize energy management

Guillaume Le Gouic
Senior Vice President, US Power Systems
Schneider Electric
Schneider Electric in US: 17,400+ employees strong in the US

In 2021

$2.7B
Schneider Electric spend for the US Business.

$6.6M
US charitable giving
SE Employees,
SE financial and
product donations

In 2021-2022

US Investment

2021 - $40M reshoring of manufacturing
in Nebraska and Kentucky Plants.

2022 - New 160,000 sq ft plant in El Paso,
TX

Sustainability – Ranked #4 Most Sustainable Corporation by Corporate Knights Global 100 for 2022
Sustainability – Lexington, KY facility among First in the World to be Named a Sustainability Lighthouse by World Economic Forum
People - Ranked 20th in the World’s Top 100 for Gender Equality
Life is On: Touching lives everyday

- 1 M+ buildings
- 40% of the world’s hospitals
- 3 out of 5 of the top hotel chains
- 50% of the world’s data centers
- Top 4 hyper-scale cloud providers
- 40k water & wastewater installations in 150 countries
- 10 of the world’s top electric utilities
- 10 of the world’s largest airports
- 14 largest city metro in 14 countries
Historical Opportunity to Accelerate Infrastructure

Legislative Acts Passed 2021-2022
American Rescue Plan
Infrastructure Investment and Jobs Act
In negotiation
Build Back Better Act

Infrastructure Investment and Jobs Act (IIJA) Highlights

<table>
<thead>
<tr>
<th>Category</th>
<th>Funding in billions $</th>
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</thead>
<tbody>
<tr>
<td>Broadband</td>
<td>65</td>
</tr>
<tr>
<td>Ports &amp; Waterways</td>
<td>17.4</td>
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<tr>
<td>Airports</td>
<td>25</td>
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<tr>
<td>Water Infrastructure</td>
<td>54</td>
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<tr>
<td>Power &amp; Grid</td>
<td>65</td>
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<tr>
<td>Resiliency</td>
<td>46</td>
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<tr>
<td>Low-carbon school buses / ferries</td>
<td>7.5</td>
</tr>
<tr>
<td>EV charging</td>
<td>7.5</td>
</tr>
</tbody>
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1. Electrifying transportation and critical infrastructure
2. Grid modernization and resilience
3. Sustainability and Climate
Electric and Digital is the recipe for a more sustainable and resilient world.

**Electric**
Makes energy Green

**Digital**
Builds a Smart future

Electricity is the most efficient energy and the best vector of decarbonization + Digital makes the invisible visible, eliminating waste and driving efficiency.
Over the last 250 years, the world has gone through four technology-driven revolutions.
and Technology exists
**Why Digital? What can Digital do that Analog doesn’t do?**

**Digital**

Deployed sensors collect data and communicate to machine learning software that produces real-time data analytics to ensure the most efficient, resilient and sustainable infrastructure available today.

**Digitization**

Delivers planned, predictive, preventive and personal (4 Ps) outcomes that enable tracking and remotely monitoring critical infrastructure operations in our communities.

Predicting failures before they occur and deploying real-time fixes protect our investments and optimizes the work of our people.
Electricity 4.0: Powering the New Electric World

We connect the dots between everything, everywhere

Homes of the Future
- Sustainable
- Resilient
- Hyper-efficient
- More personal

Buildings of the Future
- Sustainable
- Resilient
- Hyper-efficient
- People-centric

Data Centers of the Future
- Sustainable
- Resilient
- Hyper-efficient
- Adaptive

Industries of the Future
- Sustainable
- Efficient & Resilient
- People-centric
- Next Generation

Grids of the Future
- Sustainable
- Resilient
- Efficient
- Flexible

Infrastructure of the Future
- Sustainable
- Resilient
- Efficient
- People-centric
Considerations today that affect tomorrow

**Future Proofing**
How do I anticipate demand for electricity to change in the next 10 years, 15 years, or 20 years?

Will current legislative guidance and budget rules facilitate digital v. analog projects?

**Digitization**
Have I leveraged the technological solutions available to me today to ensure my investments create more “digitized infrastructure”?

Is this project maximizing the community’s goals for sustainability in a measurable way?

**Resiliency**
How can I direct state energy offices and regulatory commissions to create a more resilient and modernized power grid?

Does the project incorporate technology and software solutions that enable us to predict failures before they occur?
What are the Solutions to build more digital infrastructure

Shift the Focus - Most State and Local procurement laws are focused on lowest Capital Expenditure (CAPEX). The sensor and communication elements of a digitized system cost more up front, digital rarely is lowest cost choice when looking at CAPEX. Here are two solutions that are consistent with lowest costs for taxpayers for infrastructure.

1. Pass a law or budget provision that requires all new infrastructure to be digitized or digitally transformed. (We have a paper in the back with two definitions of digital for your consideration.)

2. Change your state’s procurement process from “lowest cost” to “lowest lifecycle cost.” This considers cradle-to-grave costs that include the operating expense (OPEX) over the lifetime of that infrastructure as well as decommissioning.

Three Policy Changes to Unleash a Resilient, Modernized Grid:

1. Any money spent for electric grid modernization should focus on distribution utilities that are digitizing circuits between distribution substations and customers.

2. Direct regulated and public utilities to develop technology-neutral retail rate signals to work organized Distributed Energy Resources (DERs).

3. Direct the PUC to adopt performance-based regulations for distribution utilities to earn a return.
Thank You – Any Questions?

Find out more
Electricity 4.0
Landing page

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LinkedIn
Guillaume Le Gouic