

F R O S T & S U L L I V A N

# 2024 COMPANY OF THE YEAR

*IN THE NORTH AMERICAN  
ENERGY DECARBONIZATION  
SOLUTIONS INDUSTRY*

F R O S T & S U L L I V A N

BEST  
2024 PRACTICES  
AWARD



**Shell**  
**ENERGY**

## Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each Award category before determining the final Award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Shell Energy excels in many of the criteria in the energy decarbonization solutions space.

AWARD CRITERIA	
<i>Visionary Innovation &amp; Performance</i>	<i>Customer Impact</i>
Addressing Unmet Needs	Price/Performance Value
Visionary Scenarios Through Mega Trends	Customer Purchase Experience
Implementation of Best Practices	Customer Ownership Experience
Leadership Focus	Customer Service Experience
Financial Performance	Brand Equity

### ***A Market Snapshot***

While international organizations and national and subnational governments have led the way in the energy transition, in recent years, corporations have stepped in to assume a more active role in embracing carbon-neutral goals. For businesses, the road to net zero can be highly challenging, as it requires a comprehensive approach that targets clean energy supply, electrification, energy efficiency, and energy management adapted to the unique reality of an organization’s operations. Frost & Sullivan points out that companies frequently lack the tools and knowledge to make the change and are unsure about what investments to undertake to reduce their overall carbon footprints, making it necessary to find trustful partners to help them navigate their decarbonization journey.

### ***A Future-proof Integrated Solution Portfolio for Energy Decarbonization***

Initially founded in 2009 as MP2 Energy, Shell Energy North America’s (Shell Energy) US retail power business joined Shell Energy in 2017 and rebranded as Shell Energy Solutions in 2021. Now, the company operates under the Shell Energy brand. Originating as a wholesale power and gas player in the early 2000s, Shell Energy has expanded rapidly, entering the retail power and decarbonization sectors across diverse sectors, positioning Shell Energy as a dynamic player in evolving energy landscape.

Frost & Sullivan believes that Shell Energy’s solutions suite, supported by a dedicated team, nicely exemplifies the company’s commitment to advancing sustainable and decarbonization practices. Its energy portfolio encompasses power and energy solutions, complemented by carbon credits. Recognizing

the importance of customer-specific goals, including Scope (1 to 3) emission reductions, Shell Energy tailors its solutions to individual journeys and budget constraints. Key solutions include energy efficiency, energy management, backup generation, asset management and operation, demand response, electric vehicle (EV) charging optimization, and on-site renewable energy.

Shell Energy also holds a diverse gas portfolio that reflects its commitment to providing environmentally

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**- Maria Benintende**  
**Industry Director, Energy and Environment**

responsible choices for a sustainable energy future.

The company sells traditional, renewable, and certified natural gas, allowing customers to blend products and utilize carbon offsets to achieve a holistic approach to decarbonization. Its extensive infrastructure network for transportation, storage, and distribution enhances its customers’ access to natural gas markets. Moreover, involving Shell’s mobility team ensures a comprehensive solution - particularly for customers transitioning to EVs or EV solutions.

### **Customer-centric Approach to Drive Success**

With its customer-centric corporate philosophy,

Shell Energy operates on the central tenet that its success clearly depends on customer satisfaction. This philosophy permeates the company’s daily practices, including its business development and commercial process. The organization works with its customers to intimately understand their sustainability goals and where they are in their decarbonization journey. Expert teams devote time to meeting with different stakeholders, making site visits, and conducting energy audits to understand the particularities of each customer’s operations, make an accurate assessment, and present the best solution to meet their decarbonization goals.

For most companies, the path to decarbonization starts by replacing conventional energy purchases with renewable energy. Shell Energy assesses the present and future load profiles of companies and offers power purchase agreements with customized contract terms that adapt to the specific requirements and risk profiles. Shell Energy holds an extensive and diversified portfolio across the entire renewable sector, offering solar, onshore, and offshore wind. Moreover, the company’s extensive track record and experience leaves it in an unparalleled position to help organizations manage their risk and energy portfolio, ensuring both flexibility and cost-effectiveness.

Shell Energy’s offer a holistic approach to energy supply and solutions that spanning from energy supply to decarbonization products to energy solutions extending to the demand side. This also includes an extensive range of energy efficiency and energy management products and capabilities, ranging from lighting and HVAC system retrofits to onsite solutions and demand response. The long-term partnership with Penske Auto Group<sup>1</sup>, a leading transportation services company, illustrates the depth and breadth of

<sup>1</sup> “Financial Savings through Energy Management.” *Shell Energy Solutions*. Case study. Web page. Accessed 4 December 2023. <https://shellenergy.com/business/business/why-shell/case-studies/national-automotive-consolidator>.

Shell Energy's solutions for optimizing energy demand. Penske Auto Group encountered operational challenges related to deferred maintenance, rising energy costs, and preparing for EV infrastructure. In response, Shell Energy designed a tailored, consultative, multi-facility energy strategy, which encompassed energy audits, sub-meter installations, lighting and HVAC retrofits, and the deployment of an EMS for real-time monitoring and analysis. The EMS solution introduced automation, advanced scheduling, and better management of HVAC assets. As a result, Penske saw significant savings of over \$161,000 and a 20.4% reduction in total energy consumption across ten locations within 11 months.<sup>2</sup>

To better support large, enterprise customers seeking multiple solutions across Shell Energy and Shell and present them with the full spectrum of solutions available, Shell Energy has structured an account team

*“Shell Energy takes a sectoral approach to decarbonization, which involves targeting specific industries with customized strategies and measures to reduce emissions and transition to more sustainable practices. Instead of implementing a one-size-fits-all portfolio, Shell Energy recognizes that different sectors have unique challenges, technologies, and opportunities for emissions reduction.”*

**- Samantha Fisher**  
**Best Practices Research Analyst**

that brings all of the decarbonization solutions together, including the most advanced energy solutions like e-mobility, hydrogen, and carbon capture and storage (CCS). Customers are assigned a dedicated account manager from this team who develops a thorough understanding of their needs and addresses them in an efficient manner. By following these best practices, Frost & Sullivan points out that Shell Energy can bring a unique proposition to the market, integrating innovative solutions backed by extensive in-house research and development.

Frost & Sullivan also notes that Shell Energy stands out from other energy solutions companies for its strong community involvement, notably contributing to the

Houston Dynamo (Dynamo) and Houston Dash (Dash) soccer teams. In February 2022, Shell Energy took proactive steps toward integrated energy solutions at PNC Stadium, now Shell Energy Stadium, incorporating light-emitting diode installations, HVAC replacements, and EV charging stations.<sup>3</sup> This initiative underscores the collective commitment of Dynamo, Dash, and Shell Energy in shaping a sustainable energy future. The community will benefit through programs like “Trees for Wins,” where the company and the clubs pledge to plant 350 trees for every Dynamo or Dash victory.<sup>4</sup>

### **Sector Specificity and Innovation to Sustain**

Shell Energy takes a sectoral approach to decarbonization, which involves targeting specific industries with customized strategies and measures to reduce emissions and transition to more sustainable practices. Instead of implementing a one-size-fits-all portfolio, Shell Energy recognizes that different sectors have unique challenges, technologies, and opportunities for emissions reduction. Hence, the company maintains knowledgeable teams across key industries that specialize in understanding what a specific industry is experiencing, including their needs, wants, and currently implemented solutions,

<sup>2</sup> “Financial Savings Through Energy Management.” *Shell Energy*. Web page. Accessed 7 December 2023. <https://shellenergy.com/business/business/why-shell/case-studies/national-automotive-consolidator>.

<sup>3</sup> “Shell Energy Stadium.” *Shell Energy Solutions*. Web page. Accessed 4 December 2023. <https://shellenergy.com/IntheCommunity?pagename=dynamodash>.

<sup>4</sup> Ibid.

enabling Shell Energy to create innovative solutions and methodologies for each sector.

For instance, in May 2023, Shell Energy announced a partnership with Treasury Americas, a division of Treasury Wine Estates (TWE) for an on-site solar electricity generation project in Napa, California. The initiative involves installing 13,000 solar panels across key properties, projecting an annual on-site solar generation of 14.3 million kWh. Aligned with TWE's commitment to 100% renewable electricity by 2024 and net-zero carbon emissions by 2030, the collaboration extends beyond solar to include efficiency measures such as LED lighting retrofits and compressed air improvements. This partnership builds on Shell Energy's 2022 solar installations with TWE for their Karadoc Winery and Barossa Winery in Australia, which is expected to generate more than 5,500 MWh per year.

### ***Leveraging the Shell Ecosystem for Greater Customer Impact***

Being part of one of the world's largest energy providers grants Shell Energy a unique position as the company receives support from Shell regarding sustainability and climate change. Achieving net-zero emissions is part of Shell's Powering Progress strategy.<sup>5</sup> The company's target is to become a net-zero emissions energy by 2050, supporting the more ambitious goal of the UN Paris Agreement: to limit the rise in average global temperature this century to 1.5°C compared to pre-industrial levels. Achieving this goal means reducing its absolute emissions by 50% by 2030, compared to 2016 levels on a net basis. This covers all emissions in Scope 1, which come directly from Shell's operations, and Scope 2 from the energy the company buys to run its operations. By 2025, the company will eliminate routine flaring of natural gas, which generates carbon emissions in its upstream operations. Moreover, Shell will maintain methane emissions intensity below 0.2% by 2025 and achieve near net-zero methane emissions by 2030. These efforts directly contribute to Shell Energy's expansion and reinforce its position as a full-spectrum solutions provider.

Shell Energy leverages a range of other Shell companies' products and services and integrates them into its offering to deliver cohesive end-to-end solutions. A great example of such synergy was the realization of the United States' (US) first plug-in hybrid electric inland towing vessel, the Green Diamond, by Kirby Inland Marine in Houston<sup>6</sup>. The vessel's battery was supplied by Corvus Energy, a leading provider of energy storage solutions in the maritime industry and one of Shell Ventures' invested companies, while Shell Energy provides 100% Green-e® certified renewable energy certificates to charge the vessel's battery. On shore, the electrification solution is completed by Shell New Energies US-owned Zinus charging system for dockside charging. By leveraging Shell's company's integrated ecosystem of solutions, the Green Diamond project is expected to achieve an impressive 80% reduction in fuel use and subsequent emissions, reinforcing its position as an eco-friendly solution in the maritime industry.

In January 2023, Shell USA, the US-based division of Shell, announced the acquisition of Volta, an EV charging solutions provider. This acquisition bolsters Shell's decarbonization portfolio for the mobility sector, further demonstrating its commitment to its global objectives regarding zero emissions and well-

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<sup>5</sup> "Our Climate Target." *Shell Global*. Web page. Accessed 11 January 2024. <https://www.shell.com/energy-and-innovation/the-energy-future/our-climate-target.html#:~:text=Shell%27s%20target%20is%20to%20become%20a%20net-zero%20emissions,compared%20to%202016%20levels%20on%20a%20net%20basis>.

<sup>6</sup> "Financial Savings through Energy Management." *Shell Energy Solutions*. Case study. Web page. Accessed 4 December 2023. <https://shellenergy.com/business/business/why-shell/case-studies/national-automotive-consolidator>.

positioning it in the evolving EV charging market. Shell Energy can leverage Volta's substantial signed pipeline of charging stalls under construction or evaluation, enabling it to evolve its solutions portfolio.

Shell Energy's impressive growth momentum and trajectory are a testament to its customer-centric approach, revolutionary solutions, and exceptional commitment to decarbonization and sustainability, earning its clients' trust and loyalty. Frost & Sullivan believes the company is well-positioned to drive the energy decarbonization solutions space into its next growth phase, capturing market share and sustaining its leadership in the coming years.

## Conclusion

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More and more corporations are embracing carbon-neutral goals - but achieving them can be quite difficult. They often lack the tools and knowledge to properly make the change and need to find trustworthy partners to help them navigate their decarbonization journey.

Shell Energy integrated energy solutions portfolio, along with strong leadership focus that incorporates customer-centric strategies and exemplifies best practice implementation, make it an ideal candidate for such partnerships. The company exhibits a diverse track record in delivering end-to-end bespoke solutions that result in its customers achieving the highest value possible, all while advancing their sustainability goals. Shell Energy continues to collaborate with other organizations to support its decarbonization strategy, creating best-in-class solutions that can shape the world into a more sustainable planet.

With its strong overall performance, Shell Energy earns the 2024 Frost & Sullivan Company of the Year award for the North American energy decarbonization solutions space.

## What You Need to Know about the Company of the Year Recognition

Frost & Sullivan's Company of the Year Award is its top honor and recognizes the market participant that exemplifies visionary innovation, market-leading performance, and unmatched customer care.

### Best Practices Award Analysis

For the Company of the Year Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

#### *Visionary Innovation & Performance*

**Addressing Unmet Needs:** Customers' unmet or under-served needs are unearthed and addressed by a robust solution development process

**Visionary Scenarios Through Mega Trends:**

Long-range, macro-level scenarios are incorporated into the innovation strategy through the use of Mega Trends, thereby enabling first-to-market solutions and new growth opportunities

**Leadership Focus:** Company focuses on building a leadership position in core markets and on creating stiff barriers to entry for new competitors

**Best Practices Implementation:** Best-in-class implementation is characterized by processes, tools, or activities that generate a consistent and repeatable level of success

**Financial Performance:** Strong overall business performance is achieved in terms of revenue, revenue growth, operating margin, and other key financial metrics

#### *Customer Impact*

**Price/Performance Value:** Products or services provide the best value for the price compared to similar market offerings

**Customer Purchase Experience:** Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

**Customer Ownership Experience:** Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

**Customer Service Experience:** Customer service is accessible, fast, stress-free, and high quality

**Brand Equity:** Customers perceive the brand positively and exhibit high brand loyalty

