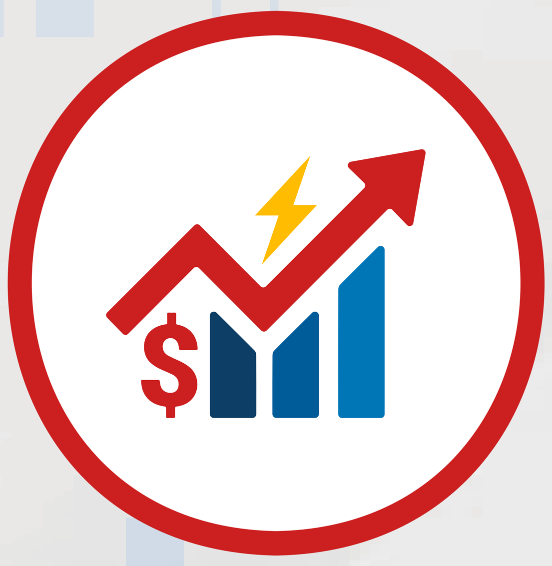
Building Your Energy Strategy:
Own vs. Outsource?

Utility rates are climbing at a record pace—with some markets seeing electricity costs rise by more than 30% in just the past few years. At the same time, grid reliability is eroding. According to Department of Energy (DOE) and North American Electric Reliability Corporation (NERC) data, blackouts in North America are projected to increase **100-X by 2030.**



Rising Electricity Costs

Eroding Grid Reliability

Rising Blackouts

For commercial and industrial (C&I) companies, this is no longer just a facilities issue. Energy has become a **C-suite priority**—directly tied to revenue protection, profitability, and growth.

The central question is: **Should your company own and operate its energy infrastructure, or outsource it through a power purchase agreement (PPA)?** Both models can reduce costs, improve resiliency, and advance sustainability goals—but the right choice depends on your objectives, capital strategy, and internal resources.

Understanding Your Objectives

Every energy strategy begins with clarity on **why it matters for your business.**

For some, energy is primarily a **cost line item** — something to be reduced wherever possible. In this case, a flexible outsourcing model may suffice. For others, however, energy is a **critical competitive advantage:**

- **Revenue Protection:** Outages that halt retail sales, idle production lines, or spoil inventory aren't just inconvenient — they can cost millions. For these businesses, resiliency is non-negotiable.

- **Brand and Environmental, Social, & Governance (ESG) Leadership:** Companies with binding sustainability commitments or ESG-linked financing may prefer ownership to fully control renewable energy integration, reporting, and credits.

- **Growth and Expansion:** For enterprises rolling out new facilities or entering new markets, a standardized energy platform can accelerate deployment and ensure consistency.

Key questions to ask:

- How much revenue is truly at risk in an outage?
- Is your energy strategy primarily about compliance—or is it a brand differentiator?
- Will your energy infrastructure play a role in how you expand and compete?

Answering these questions often reveals whether energy is a **"nice-to-have" savings opportunity or a strategic enabler of business performance.**

Capital Allocation Strategy

The second consideration is how you want to allocate capital — and how energy fits into your financial priorities.

- **Own & Operate:** This model requires upfront CapEx but typically delivers greater value over the project lifespan. Owning infrastructure maximizes long-term return on investment (ROI) by reducing OpEx year after year. It can also unlock new revenue opportunities through EV charging, grid services, or energy arbitrage. The trade-off is a higher near-term capital outlay and the responsibility of managing assets throughout their lifecycle.

- **PPA Model:** With a PPA, customers avoid CapEx entirely. Instead, they pay for energy as a service—typically realizing **10–30% immediate savings** on electricity costs. This model shifts infrastructure to a partner's balance sheet, delivers a day-one profitability impact, and outsources operational complexity. The trade-off is reduced control over the asset itself.

The right choice depends on your capital philosophy:

- Do you prioritize **balance-sheet ROI** with higher control and long-term upside?
- Or do you value **day-one profit and loss (P&L) savings** with outsourced complexity and predictable costs?

Tax credits, bonus depreciation, and accounting treatment (CapEx vs. OpEx) are also major factors.

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Internal Resources & Organizational Alignment

Finally, businesses must be realistic about internal resources. Energy strategy touches multiple functions — facilities, operations, finance, sustainability — but these divisions are often siloed.

Without top-down alignment, it's difficult to develop a cohesive, enterprise-wide energy strategy. Questions to evaluate include:

- Do we have in-house expertise to design, operate, and maintain distributed energy infrastructure?
- Are our teams aligned on balancing cost, resiliency, and sustainability targets?
- Is outsourcing a better use of bandwidth so teams can stay focused on core business?

Many enterprises underestimate the organizational lift required to own and operate energy assets at scale. For some, outsourcing isn't just about capital — it's about ensuring **focus and alignment.**

Conclusion

The decision to own or outsource energy infrastructure is not one-size-fits-all. What matters most is aligning the choice with **your business objectives, financial strategy, and organizational capacity.**

At DG Matrix, we don't just build projects — we help companies build **energy strategies.** We work with partners to deliver **turnkey, programmatic solutions** that can scale across entire portfolios.

Because in today's economy, energy is not just a cost center. It's a lever for **competitive advantage, profitability impact, and future-proofing** — no matter how your business changes.

Energy strategy is business strategy. And the businesses that act on it today will define the winners of tomorrow.