How can soaring energy demand drive lasting prosperity?

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Introduction

Greg Guthridge

EY Global Industrials & Energy Customer Experience Transformation Leader

> “Successfully navigating accelerating business energy growth will drive energy prosperity and define the economic and energy transition winners of tomorrow.

A surge in business energy demand is upending energy transition plans and pushing providers to their limits. Data centers are multiplying, electrification is accelerating, and manufacturing is ramping up — all driving electricity demand to levels not seen in decades. Rising energy demand and infrastructure investments are impacting affordability and raising important questions about who should pay for it. Yet many energy providers have been slow to act, underestimating the scale, urgency and step change needed to meet the expectations of their business customers.

Commercial and industrial organizations account for up to 70% of demand and revenue for most energy providers, yet their energy experience is often underwhelming, hindering rather than helping growth. Many energy providers have become complacent, losing the capabilities to enable expansive growth and serve increasingly demanding business needs. Outdated technologies, generic digital tools, siloed operations and a lack of sector-specific expertise have left business customers frustrated with providers and ready to look elsewhere. Our research shows 66% of businesses worry about accessing the reliable energy needed to grow.

> This isn't just about keeping the lights on — it's about fueling the intelligent economies of the future.

A new energy equation is emerging, requiring governments, businesses and energy providers to navigate growth, affordability, sustainability and resilience all at once. The energy transition remains a priority, but businesses have made it clear they do not expect to choose between growth and green. They're committed to realizing energy ambitions by expanding energy investments and seeking partners that can help them scale sustainably and competitively. Energy is no longer a commodity but an asset and competitive advantage.

For energy providers, the stakes are high. Those that step up to collaborate across an evolving energy ecosystem spanning technology, manufacturing, natural resources and government can enable sustainable growth and drive prosperity — for themselves, their business customers and entire communities.

The following insights are designed to help energy providers, regulators, policymakers and other stakeholders make customer-centric decisions about strategy, investment, operational priorities and approaches to the energy transition. We also hope they can be a conduit to help coalesce the emerging energy ecosystem around the incredible opportunity to reimagine energy experiences and navigate energy prosperity together.

Executive summary

Energy is no longer just a commodity for businesses but a competitive asset. Providers that rethink their role can power business growth and drive energy prosperity.

01 Energy is every business's business

- Global electricity demand is expected to double by 2050; business will drive three-quarters of this growth.
- A focus on residential consumers means energy providers may not be ready for this boom.
- Businesses expect more from energy providers and will look elsewhere if needs aren't met.

of businesses will increase focus on electrification, emissions and energy costs over the next three years.

Key takeaway: Energy providers must reinvent the business energy customer experience to capture the value of soaring demand — or lose out to others that do.

02 Energy as a competitive differentiator

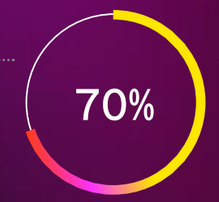
- Businesses know energy is a critical success factor; 71% have energy strategies.
- They are hungry for specialist energy expertise and will build, buy or ally to get it.
- Affordability is key, but they are looking for additional, often nontraditional providers. Those that meet the needs of different energy omnisumers can win the race to become trusted advisors.

of businesses say traditional energy provider account management is no longer enough.

Key takeaway: Business customers see energy as a source of competitive advantage, but they need help to secure it. Providers that offer customized support to meet the needs of business energy omnisumers can support growth and their own bottom line.

03 Balancing growth and green

- Businesses will pay more for fast access to sustainable energy but expect tailored solutions.
- Providers can ride the wave of investment in clean energy by orchestrating a new business-to-business-to-consumer (B2B2C) energy relationship.
- Rising interest in self-sufficiency and control offers new opportunities to create value.

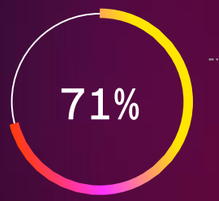


of businesses plan to invest in on-site generation and battery storage within three years.

Key takeaway: Businesses expect green energy but won't sacrifice growth to get it. As they invest in solutions that meet their own needs across a wide ecosystem, energy providers that collaborate and customize can play a leading role.

04 The battle for business

- Forget segmenting customers by sector, size and geography — today's energy needs are diverse and complex.
- Mid-sized businesses have big energy ambitions but low confidence. Providers that support the "neglected middle" can seize a lucrative opportunity.
- Digital will be a differentiator, as nearly all businesses want better digital tools from their providers.



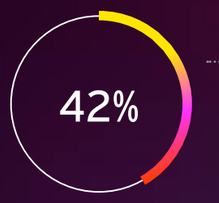
of businesses want AI to deliver energy advice and learn about energy solutions.

Key takeaway: As energy becomes more important to business, these customers are becoming more discerning. Providers that dig into specific business needs and reimagine the energy experience, including through digital, can capture value and drive energy-driven prosperity.

05 Time to take care of business

Four potential roles offer opportunities for providers to better support and engage business customers:

- Core energy operator — providing simple rates and programs tailored to business
- Energy transition advocate — helping understand and adopt clean energy solutions
- Energy platform orchestrator — providing platforms to control and optimize energy
- Specialized solution provider — offering energy-related products and services (e.g., solar panels, battery storage and energy-as-a-service)



of businesses want their providers to be energy transition advocates.

Key takeaway: There is no one way to support the energy ambitions of business customers, but providers should act now to understand what they want and determine how best to meet those needs in collaboration with a broader energy ecosystem.

About the research

Over five years, our Navigating the Energy Transition research program has surveyed nearly 100,000 residential energy consumers and, most recently, more than 2,400 energy leaders and decision-makers at mid-sized to large businesses. These businesses were surveyed across eight countries with differing economies, and at different stages in the energy transition and renewable energy deployment. We focused on today's key sectors as well as those high-growth sectors expected to define tomorrow's economy.

Survey methodology

Mid-sized to large businesses are defined as having more than US$50m in annual revenue or more than 250 employees. This is consistent with institutional definitions in the countries surveyed. The survey included a representative sample of businesses whose selection is based on their sector's contribution to gross domestic product (GDP), with additional sampling of high-energy growth sectors such as IT and manufacturing.

Included sectors and subsectors

Construction

Government, education and health
- Educational services and schools
- Health care and hospitals
- Public administration and government

IT

Manufacturing

Natural resources and mining
- Agriculture, forestry and fishing
- Mining
- Oil and gas extraction

Retail and transportation

Services
- Accommodation and food
- Administration and support
- Arts, entertainment and recreation
- Finance and insurance
- Professional, scientific and technical
- Real estate, rental and leasing
- Other services

8 Countries

2,466 Respondents

220 Australia	**212** Germany	**162** Malaysia
220 Canada	**125** Ireland	**119** Sweden
314 UK	**1094** US	

Contents

01

Energy is every business's business

Electricity demand is set to soar among businesses, creating multiple revenue opportunities for energy providers. But can they capture its value before others win the prize? The race is on to reinvent the business customer's energy experience to accelerate revenue growth and drive sustainable, equitable economic development.

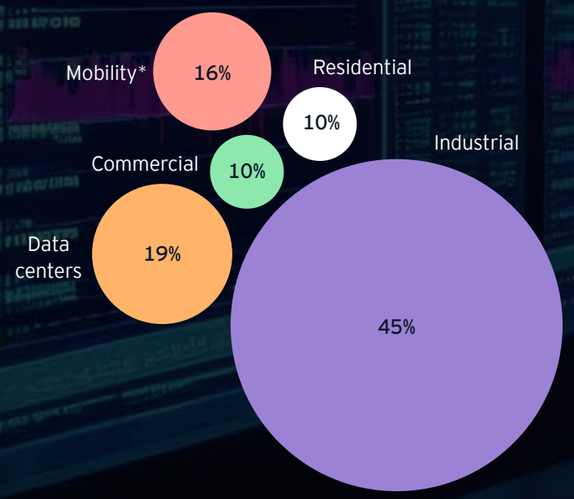
Business will drive electricity demand growth

Global electricity demand is set to double in the next 25 years, based on current EY modeling, with three-quarters of this growth to be driven by businesses.[1]

The impact of the generative AI (GenAI) explosion on data center consumption is certainly a key factor in rising demand, but it is by no means the only driver. New equipment, electric vehicles (EVs), investment in internal technologies (such as owned data centers), reshoring of manufacturing and policy mandates are also contributing to demand growth. Eight out of 10 businesses say they expect their electricity consumption to increase in the next three years, and over half of businesses in most sectors anticipate it will rise more than 10%.

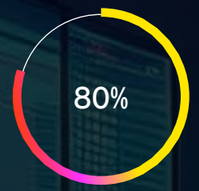
Industrial use, mobility and data centers are critical growth drivers

(End-use additional demand growth 2025-50)



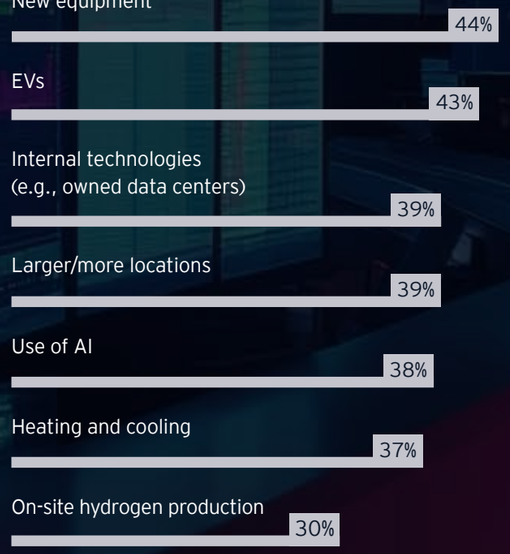
* 20-30% of vehicles are fleet

Source: EY Insights analysis of data from ERTA, IEA World Energy Outlook 2024



of businesses expect their **electricity consumption to increase** in the next three years.

Drivers of electricity demand growth



Taking business for granted

The truth is that many energy providers and the broader energy ecosystem just aren't ready for such dramatic growth. For half a century, they have watched electricity demand growth fall in developed (OECD) countries, and when there was growth, it was largely due to residential consumers.[2] Larger homes, air conditioning, electric heating and more appliances drove demand growth through the 1990s, but this was mostly undercut by more energy-efficient technology that decoupled demand from growth. Even the energy transition's potential to push growth through electrification has not yet been realized due to slow adoption, efficiency gains and the impact of the COVID-19 pandemic on energy use.

In the search for improved satisfaction scores and revenue growth, many energy providers have focused on residential consumers – investing to enhance the customer experience through digital technology and innovative customer-centric operating models. In the meantime, business energy experiences have atrophied. Our research found business customers are increasingly frustrated with their energy providers, citing poor digital experiences, lack of tailored options, and a widening gap in expectations around expertise and advice.

The bottom line

Now businesses are in the driving seat with customers ready to take control of their own energy experience. More than 70% say they will dedicate more time and investment to electrifying operations, lowering emissions and reducing energy costs over the next three years. And, given the choice, they are prepared to switch to other providers for energy and related products and services. Our research shows that, while business customers are relatively satisfied today, 72% say their expectations of their provider are increasing. The sentiment is the strongest among energy-intensive sectors, where nearly 80% of technology and manufacturing companies say their expectations are on the rise.

This means traditional approaches to engaging business customers are no longer fit for purpose. Energy providers and the broader energy ecosystem must urgently reinvent the business energy experience to capture the revenue opportunities of industrial electricity demand and enable its exponential growth. Competition and pressure to secure new revenue, local jobs and economic prosperity will be tight and the stakes high – but so too is the prize for those organizations that can win the race.

70% of businesses will increase focus on electrification, emissions and energy costs over the next three years.

02

Energy as a competitive differentiator

As businesses move to turn energy into a competitive advantage, the majority expect additional, and different, support from energy companies. How can providers reposition from supplier to trusted advisor?

Will energy fuel growth or delay it?

Businesses know that energy is now critical to their future success, with the potential to either drive growth, or block it. Seven out of 10 businesses surveyed (71%) have set a comprehensive energy strategy, with clear actions and investments aimed at achieving results.

Lowering costs is top of mind but so is creating stability in a volatile energy landscape. Unstable and rising energy costs are already impacting competitiveness and profitability for 64% of businesses we surveyed. And 66% are worried about whether they will be able to access the reliable energy needed to meet future demands. Not surprisingly, energy-intensive and high-growth sectors such as technology and manufacturing are the most concerned.

64% of businesses say energy costs are impacting competitiveness and profitability.

Breaking down barriers

Businesses are moving quickly to meet their intertwined energy and growth objectives but are held back by a slew of barriers. Organizations surveyed told us their top energy challenges are:

- **39%** Financing and costs
- **33%** Complex regulation
- **29%** Utilities, including energy providers, and infrastructure
- **26%** Lack of internal energy knowledge
- **25%** Unproven technologies

These barriers vary across sectors. Nearly half (45%) of retail and transportation organizations cite financing and costs as a major challenge, while nearly one-third of those in the natural resource sector say a lack of internal knowledge is hindering energy goals. These challenges span what we call the energy fulfillment lifecycle: navigating regulation, making the business case work, timely access to energy and infrastructure, and securing the end technology itself.

It's discouraging to see that energy providers are themselves named as a top roadblock on the path to energy prosperity and that this sentiment is common across all sectors. But opportunities are on offer for those ready to break down barriers they've helped build.

Help wanted — energy experts

Businesses realize that achieving energy ambitions requires specialist knowledge, particularly as two-thirds say their energy needs will become more complex in the next three years. Just about every business we surveyed said they plan to grow their energy expertise and are exploring a range of options to build, buy or ally.

97% of businesses plan to grow energy expertise in the next three years by:

There is a strong appetite for partnering and outsourcing to gain capability. This creates an opportunity for energy providers — but it's one they will need to work hard to earn. Nearly 30% of businesses surveyed are not confident their energy provider adds value to their organization. Worryingly, this lack of trust is highest in key sectors such as government, education, health and natural resources. As businesses build their own energy expertise, we can expect that the perceived value offered by energy providers will wane even further.

Repositioning themselves from suppliers to trusted energy advisors will require providers to meet a much higher bar as business expectations grow. Traditional account management is no longer enough, say 74% of businesses, which instead are asking for support in five key areas:

01 Give me tailored advice to reduce my business's energy costs.

02 Bring me knowledge and insights on relevant energy solutions and providers.

03 Help me develop energy strategies.

04 Help me implement my energy initiatives.

05 Offer proactive product recommendations and advice so I can reduce emissions.

Needs differ across sectors. For example, energy-intensive organizations in technology and manufacturing prioritize advice to reduce costs. The specific needs of government, education and health organizations, and a lack of internal resource, mean these businesses want insights into relevant energy solutions and providers. Meanwhile, organizations within natural resources, the sector where customers are least likely to have comprehensive energy plans in place, are seeking help to develop energy strategies and initiatives.

Energy providers know that new skills are needed to meet the expectations of business customers. EY Future of Energy research found 91% of energy providers think their ability to upskill and re-skill will determine success over the next five years, yet only 26% are upskilling and re-training employees today.[3] The gap highlights a need to refocus on employees and build the kinds of skills needed to enable a great business energy experience.

Giving business customers what they need, and increasingly expect, will require energy providers to rethink not only the level of service offered but to whom it is offered. Energy is everybody's business. A more strategic approach to energy pushes responsibility for energy decisions and management across the organization — to operations, finance, human resources, legal and reporting, and beyond. Together, these different roles work to realize the energy prosperity of their business, securing access to reliable energy at an affordable cost in a way that meets environmental goals and aligns to corporate objectives.

Providers will need to find a way of broadening their relationships with business customers to engage with these different people in different ways, offering business-centric energy insights tailored to specific roles and departments, but also with the enterprise-wide goal of energy prosperity front of mind. They will also need to consider how to tailor solutions to satisfy expectations of the emerging business energy omnisumer.

Rise of the business energy omnisumer

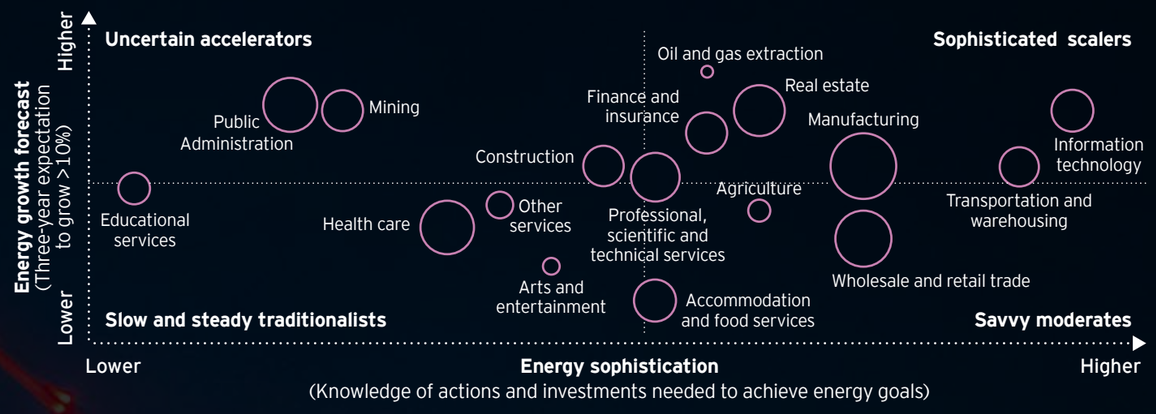
Our previous residential energy consumer reports introduced the omnisumer — someone who participates in a dynamic energy ecosystem across a multitude of places, solutions and providers.[4]

Businesses are omnisumers too. Our research shows that most engage with different providers, different products and different channels as part of their energy experience. But their level of engagement varies, depending on factors including a business's energy sophistication, growth trajectory and overall size. We identified four types of business energy omnisumers seeking different energy experiences:

- **Sophisticated scalers** know what they want from their energy experience — and their expertise often outpaces that of their energy providers. These omnisumers have mature energy strategies and high-energy growth needs.
- **Savvy moderates** face high energy costs and moderate growth prospects, and may need help electrifying operations.
- **Slow and steady traditionalists** rely on energy to power operations, but it's not top of mind. Energy growth prospects are more limited, and energy knowledge is less sophisticated.
- **Uncertain accelerators** know they need more energy — quickly — but lack the expertise to determine how to best meet this need. This is partly because their energy needs are complex and diverse.

Sophisticated scalers, particularly data centers, may dominate the headlines around energy consumption growth, but energy is fast becoming central to operations for every business. Energy providers will need to develop sophisticated engagement strategies and value propositions for all business omnisumers to enable their growth and secure their own future.

Business energy transition archetypes by sector



Note: Administration and support service excluded as an outlier in this assessment

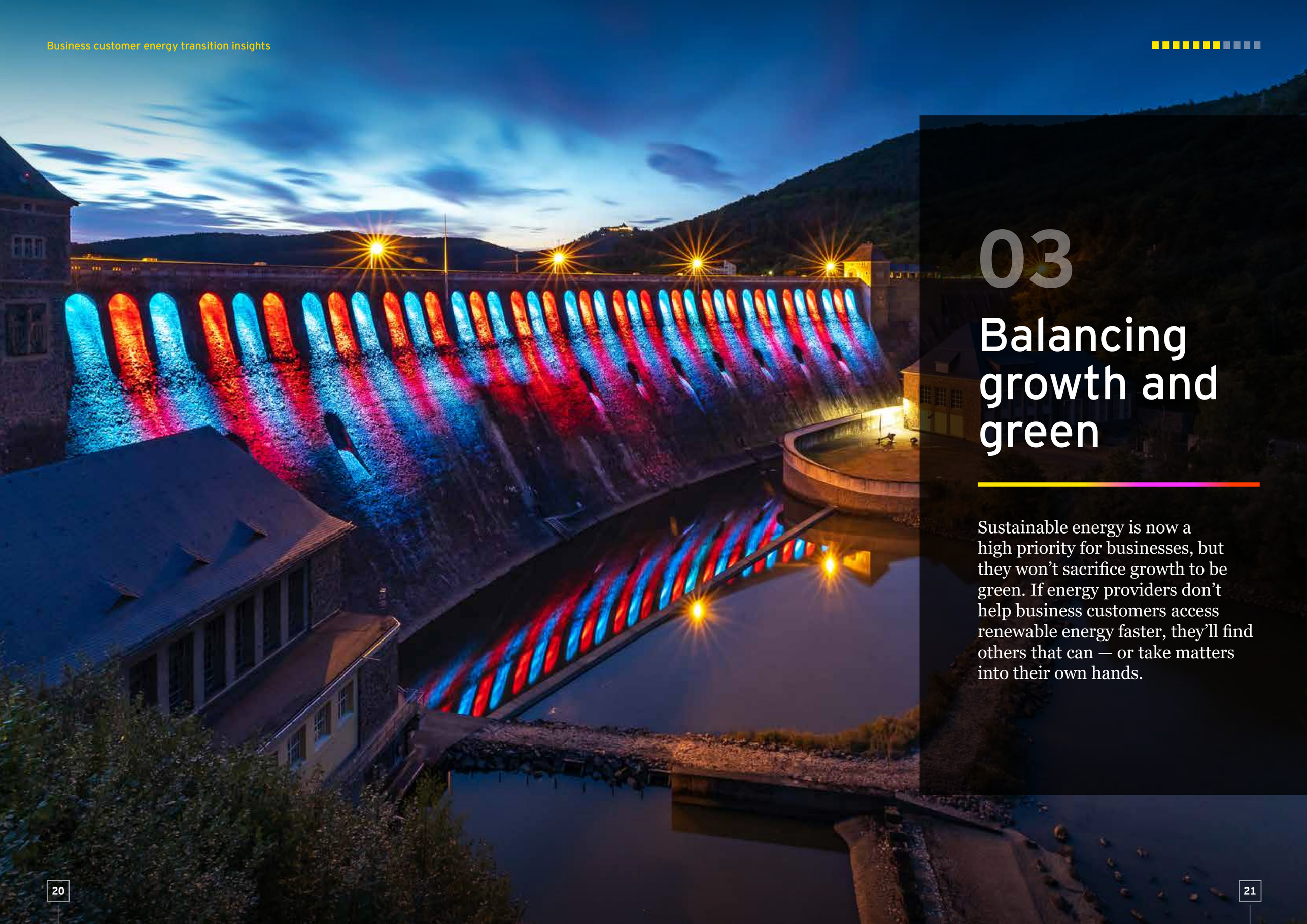
The bottom line

Energy has always fueled business growth, but it's quickly becoming a potential source of competitive differentiation. Energy providers that move beyond delivering electrons and molecules to offer tailored insight and advice can help business customers make energy a powerful asset. Providers should act now to:

- **Build relationships across the new energy footprint.** Engaging with energy decision-makers across different business departments and strategically managing relationships will give providers the insights required to meet expectations for specific business-centric energy needs and targets.
- **Reinvent business account managers as energy success managers.** Equipping managers with new skills, training, technology and knowledge will empower them to offer more tailored recommendations to business customers, keep track of trends and market shifts, and collaborate with clients to make energy a competitive differentiator.
- **Create a business energy ecosystem.** Partnering with other organizations to develop a suite of innovative energy solutions can better meet different customer needs. These solutions may include energy-as-a-service, consulting support or even taking on energy capabilities that help enable businesses and create new revenue streams for energy providers.

AES builds an ecosystem to succeed

US-based utility AES operates across 15 countries, supported by a global ecosystem that helps bring smarter energy solutions to business customers. For example, AES has partnered with Siemens to create Fluence, a company offering battery storage designed for industrial applications. Investment in Uplight, a cloud-based energy efficiency provider, enables AES to also offer digital energy engagement platforms for businesses and residential consumers. Partnership with Google has helped AES develop a 24/7 carbon-free energy solution that is used by Google's Virginia data center. And, by joining forces with Australian solar company 5B, AES is helping business customers accelerate faster access to more renewable energy.



03

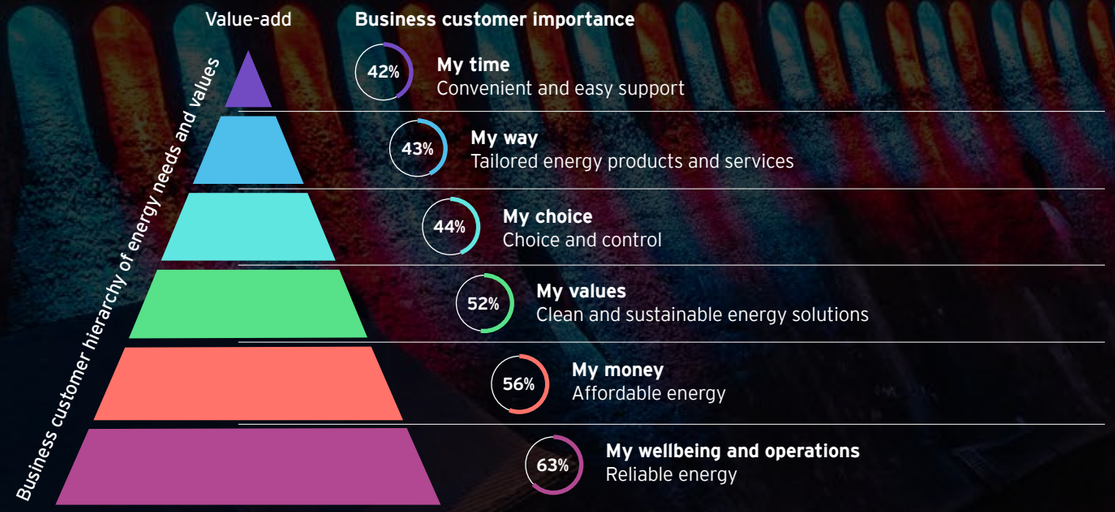
Balancing growth and green

Sustainable energy is now a high priority for businesses, but they won't sacrifice growth to be green. If energy providers don't help business customers access renewable energy faster, they'll find others that can — or take matters into their own hands.

Sustainability at speed

It's no surprise that, when asked to rate their energy needs, businesses prioritize reliability first, followed by affordability. But clean, sustainable energy solutions are a close third (and one-fifth of tech and manufacturing companies rate it their top priority). For businesses, sustainability is now table stakes – they expect green and growth to go hand in hand.

Sustainability expected – alongside reliability and affordability, sustainability is critical



Business growth, particularly from data centers, is already straining today's infrastructure and creating a critical question of how to enable businesses without unfairly passing costs on to other consumers. New approaches to planning, interconnections and tariffs are needed to ensure equity.

Businesses are ready to pay their way too, telling us they are willing to pay a premium for access to renewable energy, energy infrastructure and faster connections (tech, mining and natural resources companies are most willing to pay extra). But businesses also expect more for their money. They want to be able to tailor their renewable energy experience to suit their own needs and align with their specific growth objectives. This presents a challenge for energy providers struggling with customization at scale. Complex contracts and rate structures have led to complicated billing and contract management systems, added costs – and, ultimately, often still fail to meet business customer expectations. Providers will need to develop sophisticated, flexible approaches if they are to offer cost-effective customization that suits a range of business customer needs.

Capitalizing on energy opportunities

Nearly all (99%) businesses surveyed have set energy goals that center around increasing the use of carbon-free energy and reducing overall emissions. Long-term energy transition planning still lags where it needs to be, according to recent EY research,[5] but our study shows that ambitious short-term timelines are in place. Three-quarters of businesses have set 2035 energy targets to deliver on emission commitments. Businesses also say their energy initiatives are multifaceted. They want to embed stability and cost certainty, increase efficiency and self-sufficiency, and secure the energy needed to fuel growth – all while reducing emissions.

Businesses are ready to put their money where their mouth is to realize their energy ambitions, by investing directly into energy products and services. Our research shows that 86% of businesses have already invested in at least one product or service, with the focus on energy management systems and energy-efficient equipment. One-quarter of businesses have invested in EVs and charging solutions.

Nearly all businesses plan to adopt a wide range of energy solutions in the next three years, including renewable energy (on-site and utility-scale), carbon offsets, microgrid and district energy solutions, and additional energy-efficient equipment. This broad range of planned investments indicates that the operations and energy needs of businesses are set to be reshaped by a wider scale and scope of energy solutions. And this will call on a diverse ecosystem of participants.

Top current and planned investments in energy products and services

Energy providers have an opportunity to take a starring role in this ecosystem, but they will need to earn their place. While businesses will continue to turn to energy providers for renewable energy and green natural gas, they tell us they prefer to use different suppliers for all other products and services. Energy management companies, specialized solution providers, energy services companies and equipment manufacturers are also poised to grow their energy engagement with business customers, with which they already have long-standing relationships.

Energy providers will need to form or reframe relationships with these organizations, building collaborations that together support businesses to balance growth and green ambitions. A new category of energy relationship is emerging — B2B2C. And the key to success in this new relationship lies in knowing your customers' customer. Energy providers that step up to orchestrate this relationship will take on a powerful role, enabling solutions, and creating and capturing value working within a broadening energy ecosystem.

Control and cost behind push for self-sufficiency

As business customers take control of their energy future, they are increasingly focused on self-sufficiency. Our research shows businesses are particularly interested in on-site power generation and battery storage, with 20% having already invested in these solutions and two-thirds planning to do so, or expand current capabilities, over the next three years. More than 70% of businesses also plan to adopt demand response programs within three years, representing a big jump from the 18% that participate in these programs today.

Self-sufficiency and emissions reduction are drivers behind these investments, but businesses tell us they are also keen to reduce energy costs and create new opportunities. Forty-one percent say they want to generate revenue by selling power generated by on-site energy assets back to the grid.

For energy providers, enabling energy self-sufficiency and control may not be top of mind now, but those that act to make it part of the value proposition for business customers could find potential for differentiation in the future.

>70% of businesses plan to adopt demand response programs within three years.

The bottom line

As energy takes center stage for businesses, they are looking for providers that will help them grow and green all at once. The oncoming wave of investment in clean energy is a significant opportunity for energy providers to break down barriers rather than become one. This means acting now to:

- **Address the business hierarchy of energy needs** recognizing that reliability, affordability and sustainability are table stakes for business customers — but noting that affordability will always be critically important.
- **Embrace B2B2C**, collaborating across a growing energy ecosystem to support businesses to adopt new products and services, and increase self-sufficiency and control.
- **Simplify customization at scale** through clearly defined features that can be tailored, and intelligent, AI-driven contract and customer management.

Vattenfall partners to unlock flexibility in Sweden

Vattenfall has worked with Dutch flexibility services provider Sympower since 2019 to bring specialized demand response options to business customers in Sweden. As flexibility markets have opened in the Nordics, Vattenfall and Sympower have combined their technical expertise and aggregation capabilities to help businesses unlock new revenue opportunities through smarter energy management.[6]

04

The competition for business

The needs of business customers are increasingly differentiated beyond consumption, sector and geography. It's up to energy providers to meet specific requirements to capture value and enable energy-driven prosperity across our economy.

Rethinking business energy needs

When prosperity depends on energy, it's critical that energy providers understand what businesses need to drive growth and break down internal barriers to meet these needs. But many providers still segment business customers via simplistic categories of consumption, sector and geography. Our study revealed a much more diverse set of needs driven by factors including an organization's maturity, commitment to decarbonization, energy sensitivity (i.e., how critical energy is to their operations) — even their ability to move operations elsewhere.

Capturing and understanding these different characteristics must be the foundation of rethinking business energy needs. A more nuanced view of the energy drivers motivating business customers allows energy providers to refocus and accelerate targeted innovation that directly supports customer needs. For example, instead of building account teams around sectors, a more effective approach could be to develop teams dedicated to customer groups defined by growth potential, energy flexibility and clean energy needs. Developing such insights requires combining enhanced customer data with additional external insights, including layers of economic indicators and sector trends, as well as monitoring potential critical disruptors.

Top 10 characteristics that drive businesses' approach to energy

% of respondents who say this characteristic is important to their organization's energy engagement

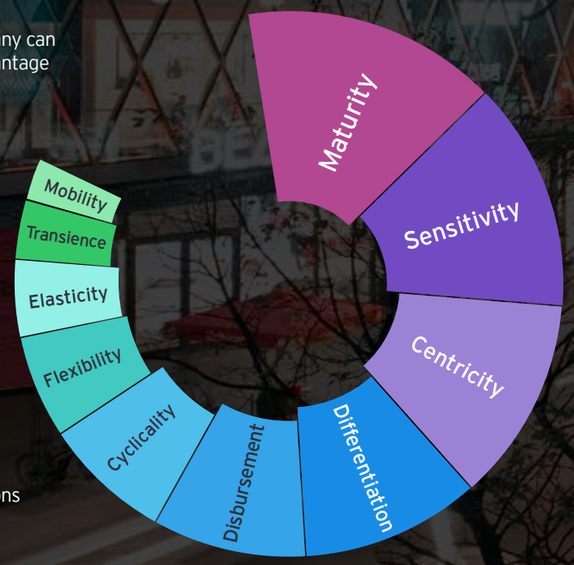
10. Mobility 62%
Ease with which the company can move/relocate to take advantage of better energy options

9. Transience 63%
Level of short, energy-intensive periods with stretches of low demand

8. Elasticity 64%
Impact of energy prices on end goods and services and ability to pass on costs

7. Flexibility 65%
Ability to self-generate or shift timing of energy use without impacting operations

6. Cyclicality 67%
Rising impact of business cycles/ seasons on operations, revenue and energy use



1. Maturity 73%
Level of sophistication, established operations and processes and stable organization

2. Sensitivity 72%
Importance of consistent, high-quality, reliable energy to operations/production

3. Centricity 72%
Significance of energy in the value chain and cost of goods/services provided

4. Differentiation 71%
Degree to which image/investment strategy has been linked to decarbonization/sustainability goals

5. Disbursement 68%
Decentralization of the business across multiple operations and locations

Business customers increasingly expect customized insights and support from energy providers and will move on if they don't get it. Even organizations operating in regulated energy markets can now choose from a host of new companies offering distributed energy options, demand management and a range of energy services. More businesses can literally take their business elsewhere — moving operations to regions that offer more favorable energy conditions. The explosive growth and competition for data centers highlight how this trend is playing out.

Trickle-down decision tree

Our research found that businesses use a trickle-down decision flow to choose where to grow their energy footprint and select an energy provider. Energy resilience is critical, of course, but after that, businesses want a provider that can bring expertise and innovation, excellent support and, crucially, the ability to customize solutions. Interestingly, affordability comes only midway through the decision-making approach. Our research shows that price is important, but customers are willing to pay a premium for other factors such as renewable energy options and faster connections. And the sectors most willing to pay are natural resources, technology, services and manufacturing.

For energy providers, the lesson is clear. Winning the competition for business requires acknowledgement that energy is no longer merely a commodity for these customers. They expect their full scope of energy needs and objectives to be met, and this requires building an end-to-end energy experience that delivers clear value through tailored options, support, scalability and engagement. Delivering for business customers will mean breaking down traditional silos between economic and business development, account management, network planning, connections, program and product management, and partnerships to create holistic solutions at pace.

Top 10 ranking by importance of factors for businesses considering energy providers

Technology is the key enabler

Technology will be core to meeting these expectations. Nearly every business (99%) we surveyed said they want energy providers to provide more advanced digital tools, including to better control and automate energy use. We see evidence of many organizations' growing energy maturity in the rise in demands for more sophisticated energy capabilities. Business customers told us they want detailed data and analytical tools, insights for compliance and reporting, and a simple portal to manage new connections. More than two-thirds expect AI to be part of the energy experience, particularly to self-solve issues, analyze energy use and uncover deeper energy insights that fuel innovation.

Some energy providers have already stepped up to deliver this enhanced AI-driven energy experience, offering advanced digital tools and subscription-based platforms that allow business customers to access extra data and insight capabilities. Providers that fail to keep up with advancing technologies will quickly fall behind in a digital energy future.

71% of businesses want AI to deliver energy advice and learn about energy solutions.

Opportunity in the middle

Size is one of the characteristics that defines a company's energy sophistication and preparedness. But while energy providers have traditionally focused efforts on businesses using the most energy, our research reveals an opportunity to support mid-sized organizations (those with an annual revenue of less than US$250m). These businesses are 20% less likely to have the strategy and operational plans in place to achieve their energy goals, less confident about their energy future, and less willing (or able) to pay a premium for access to renewable energy and faster infrastructure upgrades.

These companies have set energy goals just as ambitious as larger organizations. Over two-thirds of mid-sized businesses are considering on-site renewables, battery storage, demand response programs, electrification of equipment and EVs. But they tell us progress is slow because of barriers including the high cost of financing, complex regulations and challenges working with energy providers.

Many of these companies have slipped through the cracks, with energy providers often lumping them together with residential consumers or providing only slightly more support. This "neglected middle" represents a significant opportunity for energy providers. Those that reimagine the support model through enhanced account management, business-specific tools and tailored support can create huge value for their own bottom line and drive broader energy prosperity. Small and mid-sized businesses are estimated to drive 70% of global employment and GDP – our economic future depends on their survival.[7]

The bottom line

The competition to attract, grow and enable business customers is just getting started. As energy demand grows across sectors, increasingly complex and differentiated needs are emerging. For energy providers, winning the race for business customers will depend on an ability to effectively support diverse groups, using sophisticated insights and engagement models to drive customer-centric collaboration:

- **Get to know business customers** in a whole new way. Move beyond sector, energy consumption and geography to understand the diverse characteristics behind energy needs and expectations.
- **Break down silos to reinvent the business engagement model** through collaboration across economic development, regulatory, grid planning, account management, etc. Bringing together all factors that drive energy decisions creates a customer-centric solution.
- **Focus on the "neglected middle,"** overcoming the barriers that stop ambitious goals from becoming a prosperous reality.
- **Deliver digital differentiation** with tools that bring proactive insights and advice alongside AI-enabled interactions for self-service, education and analysis.

Alabama Power wins with a team approach

Attracting a data center is about more than just power. Alabama Power's economic development team created a holistic proposal to bring a new Meta data center to the region, mobilizing a cross-enterprise internal team to work closely with the city, county, state, chamber of commerce and others over more than three years. The team was ready to think differently – a decision to build a state-of-the-art white water rafting facility nearby helped win the business, which will bring US$800m in investment and 100 jobs to the local community.[8]

How every sector can drive energy prosperity

Energy prosperity is every company's business. As a broader energy ecosystem evolves, organizations within every sector have a role to play in creating an energy experience that drives affordable, equitable and sustainable economic growth.

Industrials and manufacturing

Energy profile:

These largest energy users and carbon emitters have complex and sophisticated energy needs.

Key challenge:

Continue to drive greater efficiency and cost savings, and reduce emissions. Enable strategic growth as some sectors shift geographic locations due to cost, policy and market opportunities.

Opportunity:

- On-site solar and battery storage combined with energy flexibility can support energy goals, reduce costs and create new revenue streams.
- Manufacturers of high-end consumer goods can build connectivity and intelligent energy management into their own products to become part of the growing energy ecosystem.
- Smart water heaters, heat pumps and intelligent equipment create opportunities to monetize smart products through energy management.

Oil and gas and natural resources

Energy profile:

These large energy users are often in remote and globally distributed locations.

Key challenge:

Will play a key role in our energy mix for some time. Downstream businesses will continue to depend on oil and gas for energy, petroleum products and petrochemicals, so "greening the molecule" will be critical to support customers to achieve energy goals.

Opportunity:

- Electrification of operations creates new opportunities for natural resources companies, For example, Glencore is investing in a fully electric mining fleet for its nickel mine in Canada. The cost of eliminating diesel fumes from 1,430 meters underground would make the mine unprofitable.[9]
- Opportunistic investment in new businesses related to power generation, EV equipment maintenance and charging, etc., may offer low-risk paths to diversify into new growth areas.

Automotive and transport

Energy profile:

These sectors are the two most directly converging with energy today.

Key challenge:

The transition from fossil-oriented business and assets to electric needs to be managed amid policy uncertainty and sluggish customer adoption.

Opportunity:

- Smart charging and vehicle-to-grid (V2G) technologies create intertwined energy and transport experiences. For example, Tesla entered the Texas electricity market with offers that include flat fee unlimited overnight charging and opportunities for customers with Powerwall batteries to take part in a virtual power plant.[10] Automaker Polestar has an energy app available in 11 European countries to automate EV charging management and help customers tap into grid rewards directly.[11]
- Business fleets can enable business customers and create new opportunities from V2G. A pilot project in Denmark showed that fleet V2G solutions could generate annual revenue of €1,860 per car.[12]
- Smart charging and V2G models can save family car owners an average of 20% on the total cost of vehicle ownership and help drive €4b in annual savings for European grid operators.[13]

Technology

Energy profile:

Energy-intensive data centers fuel cloud, AI and new business growth areas.

Key challenge:

Electricity demand is increasing substantially, driving up energy costs and putting pressure on the ability to deliver on ambitious decarbonization commitments.

Opportunity:

- Tech companies that work more closely with energy providers, grid operators and other stakeholders can strategically locate new data centers while improving energy efficiency and exploring opportunities to enable demand management. For example, Google has successfully piloted its carbon-intelligent computing platform that shifts data center loads to optimize emissions and support demand response when the grid is under strain.[14]
- Tech companies are increasingly interested in energy as it fuels their growth. Our research shows these businesses are already leading adopters of on-site renewables and battery storage, and most plan to increase these capabilities.
- Collaborative development and planning with energy providers can accelerate project development by lessening the need for new infrastructure and reducing grid impacts.

Commercial and retail

Energy profile:

This diverse segment with energy use concentrated in buildings accounts for 30% of global final energy consumption.[15]

Key challenge:

These organizations tend to have a large building footprint, making it critical that they increase energy efficiency to contain costs and emissions while managing the feasibility of retrofitting older infrastructure.

Opportunity:

- Building energy codes and standards are driving vast improvements in energy efficiency, enabled by enhanced heating, cooling and energy management systems.
- Organizations can treat energy as an asset. For example, in the US, The Home Depot is investing in rooftop solar, fuel cells, battery storage and demand management to save money and reduce emissions – and act as a self-sufficient hub for customers in the event of a natural disaster or grid failure.[16]

Government, education and health

Energy profile:

Referred to as the MUSH group (municipalities, universities, schools and hospitals), this sector has unique energy needs. For example, hospitals require round-the-clock reliability, universities' needs are more seasonal, and governments must juggle a broad mix of policy, community and sustainability considerations.

Key challenge:

These large users hold significant influence in their communities and often a degree of autonomy around energy infrastructure. Our research shows that the sector is the most pessimistic about its energy future and least satisfied with its current energy experience.

Opportunity:

- Capitalizing on interest in district energy solutions, microgrids and on-site battery storage can create self-sufficient, resilient organizations and communities. For example, the Singapore Institute of Technology's eco-campus rolled out on-site solar, energy-efficient buildings, an integrated building management system with over 20,000 sensors, a local microgrid and district cooling. The approach saves energy and acts as a living lab for students.
- Adopting leading energy solutions and showcasing their potential could see this sector become a beacon of the energy future.

Financial services

Energy profile:

These organizations play an important role in supporting businesses in their energy evolution, providing the financing and insurance that help businesses grow, green and reduce risk.

Key challenge:

High costs of capital are a critical barrier stopping businesses from realizing their energy goals.

Opportunity:

- Finding innovative ways to help businesses fund energy programs can create new opportunities for financial organizations. For example, the Commonwealth Bank of Australia introduced green vehicle and equipment financing that includes discounted asset financing to support businesses in investing in EVs, equipment and machinery. In 2024, the bank saw particularly strong interest from smaller businesses, manufacturers and agribusiness.[17]
- Insurance providers can work with businesses to offer products that de-risk investments in energy technologies and capabilities, addressing core issues around equipment failure, weather impacts, cybersecurity and construction delays.
- Financial services organizations can help business customers to underwrite larger investments in on-site renewable energy, battery storage, EV fleets and innovation projects involving hydrogen that can unlock value and accelerate energy goals.

05

Time to take care of business

What do businesses really want from their energy provider? Answering this question is critical if providers, and the wider energy ecosystem, are to work together with businesses to drive energy prosperity by delivering growth, sustainability, resilience and affordability — all at once.

Four areas of opportunity

Our research of business customers' energy needs and energy provider strengths has helped us develop four potential focus areas for providers based on their own solution portfolio, operational model and complexity of operating markets:

1. **Core energy operator**
   Providing energy options with simple rates, renewable options and programs tailored to business needs
2. **Energy transition advocate**
   Actively supporting business customers in understanding and adopting clean energy solutions, with advice and help to access the right products, services and incentives
3. **Energy platform orchestrator**
   Providing the platforms, technology and support to help businesses control and optimize energy use and costs
4. **Specialized solution provider**
   Offering a strategic set of energy-related products and services individually or bundled together (e.g., solar panels, battery storage and energy-as-a-service)

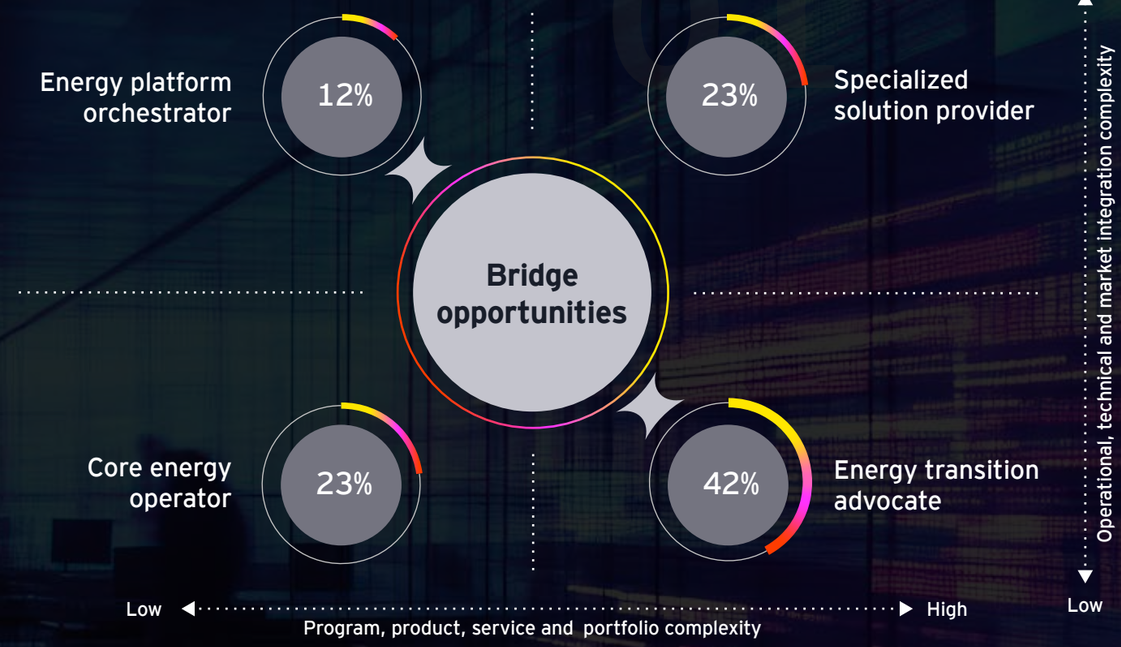
These roles sit on a spectrum and are not mutually exclusive. An energy provider may choose different roles for different sectors or geographies. We also see natural synergies between the roles. For example, an energy transition advocate may become an energy platform orchestrator as energy markets evolve and greater value emerges in energy flexibility.

No role is better than another, but businesses do have different views of their value, according to our research. Forty-two percent of organizations want an energy transition advocate (this rises to 48% for technology and natural resources companies) while nearly a quarter (23%) want their provider to play a more traditional role of core energy operator.

42% of businesses want an energy transition advocate.

Many energy providers have ambitions to become platform orchestrators and specialized solution providers to build grid resilience and create new revenue opportunities. Yet only just over one-third of businesses (35%) are open to their energy providers taking on those roles. It's clear that providers seeking these opportunities will first have to fundamentally reposition themselves with business customers.

Businesses' preferred role for energy providers in the future



The bottom line

This is an exciting time for energy providers. Incredible energy growth for business can translate into huge opportunities for providers – but success will depend on choosing the right role, forging the right partnerships and building the right capabilities. In the emerging energy ecosystem, collaboration will be the key theme. Organizations that join forces with others to execute a focused, deliberate strategy can unlock energy prosperity for all.

- **Define your organization's role** in the energy ecosystem. Begin by building a future-focused view of customer, regulatory and market-related opportunities and constraints, and craft a roadmap to develop the capabilities and technologies needed to thrive.
- **Build an energy ecosystem** to support your own role in a changing energy future. Identify and engage with partners that can help your organization create value, and build the capability to engage and manage partners and relationships in an expanding, diversified energy marketplace.

06

Leading the way to energy prosperity

The energy transition has reached an inflection point, and business customers are leading the charge. Their drive to grow, decarbonize and compete is increasingly centered around energy, positioning them as powerful catalysts for change. But the path to true energy prosperity — where growth, sustainability, resilience and affordability all thrive — will not emerge on its own.

Navigating the next phase of the energy transition demands a true coalition of the willing, including government, regulators, energy providers and all sectors. Engaging, collaborating and innovating together will drive the bold change needed to reimagine market design, streamline interconnections, modernize infrastructure and build resilient grids. Energy providers that lead the way, hand in hand with business customers, can enable the new era of energy demand growth, create differentiated value and drive energy prosperity.

Contacts

Greg Guthridge
Global

Mark Bennett
Asia-Pacific

Nicholas Handcock
North America

Sam Worley
UK & Ireland

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