

# ACES POWER MARKETING

*The Power to Succeed*

In January of 2011, ACES Power Marketing (APM) added its 18th Member/Owner (Member) to its energy risk management and trading company. In the space of just twelve years, APM went from serving four Members to serving 18 Members and 50 Customers nationwide. From a start-up operating out of the first floor residence of one



*By participating in the electricity and fuel markets 24 hours a day 365 days a year, APM is able to maximize the value of its clients generating plants.*

of the

organization's founding Members, APM today annually transacts upwards of \$3 billion in commodity transactions as the legal agent on behalf of

its Members and Customers.

APM's business model is unique in the industry. The company manages energy commodity risk and transacts commodities (electricity, natural gas, renewable energy, emission allowances, etc.) for its clients as their legal agent.

Headquartered in Carmel, Indiana, APM also operates business locations in Maple Grove, Minnesota; Raleigh, North Carolina; and Benson, Arizona. Just over 200 APM employees nationwide serve their client base by providing a broad suite of energy risk management and trading services designed to manage and mitigate energy risk and commodity price volatility, including:

- ▶ Electricity Trading and Origination
- ▶ Electricity Scheduling and Transmission
- ▶ Deal Structuring
- ▶ Natural Gas Services
- ▶ Trading Controls
- ▶ Credit and Contracts Management
- ▶ Settlements
- ▶ Renewable Energy Services
- ▶ Training and Consulting
- ▶ Regulatory Services
- ▶ Coal and Emission Services
- ▶ Consulting and Other Services



*President and CEO David Tudor has led the growth of APM from a regional company to a national provider of trading and energy risk management services.*

## A MATTER OF TRUST

"Along with the honor of being selected to serve as the legal agent to transact \$3 billion on behalf of our clients' commodity needs comes a tremendous amount of responsibility," states David Tudor, President and CEO of APM. "The deregulation of the wholesale electric markets in the mid-1990s created a new environment for the

electric industry. What had been a government-regulated market suddenly became a competitive commodity market complete with new risks never before seen by our Members. The four power generating and transmission cooperatives (Buckeye Power, Inc., Wabash Valley Power Association, East Kentucky Power Cooperative, and Southern Illinois Power Cooperative) that came together in 1999 to form ACES Power Marketing wanted to fill a niche. Their goal was to create a power trading and risk management company that could navigate what had become the increasingly complex waters of commodity trading. The phenomenal growth of our company underscores the importance that our Members place on the specialized skills required in trading commodities. They understand the need for sophisticated trading tools and strategies and rely on our expertise and market knowledge to provide trading solutions and strategies on a 24/7 basis. The close relationships we have developed with our Members and

*An early morning view of APM's headquarters, constructed in 2005. The building was designed to maximize communication and workflow efficiency.*



Customers allow us to serve as an extension of their staff.”

Tudor’s assessment of APM’s role in the industry today is underscored not only by the huge volume of commodity transactions the firm manages annually for its clients, but by the amount of electric power requirements of its Clients. Those Clients now have a collective peak demand of approximately 44,000 megawatts and own 35,000 megawatts of generation supply resources. “The collective demand requirements of our clients is equivalent to the electric demand of two states the size of Indiana,” Tudor points out.

APM Members/Customers operate in nearly every market region of the United States. APM’s client base presently includes a broad spectrum of businesses and service providers:

- ▶ Cooperative Utilities
- ▶ Investor-owned Utilities
- ▶ Municipal Utilities
- ▶ Independent Power Producers
- ▶ Renewable Energy Providers
- ▶ Industrial Companies
- ▶ Banks and Hedge Funds

**GROWING WITH CARMEL**

APM recently completed the expansion of its corporate headquarters facility located in Carmel adding approximately 15,000 square feet of office space to the existing 25,000 square foot facility which was built in 2005 and currently houses approximately 150 of its employees. The \$2.2 million expansion will accommodate APM’s expected growth over the next several years, which includes the projected addition of 75 to 80 new employees. The expanded facility features environmentally-friendly green design elements which allow APM to reduce water use, optimizing energy, and encourage recycling.

The company’s growth is part of its commitment to the city it calls home. APM’s Community Involvement Committee focuses on ways to give back to the community by participating with Gleaners Food Bank, United Way, and several other local charities. In addition, the company is understandably proud of its sponsorship of several professional golf events held at the renowned Crooked Stick golf course in Carmel. Sponsored events include the 2005 Solheim Cup, the 2009 PGA Senior Open, and the 2012 BMW Championship PGA Tournament.

“Locating within the City of Carmel has proven to be a wise decision providing us an attractive place to hire and retain high performance technical staff,” states David Tudor. “Our electric cooperative Members and management stood firm on our unique business model that many felt would not work in this industry. Industry events such as the failure of Enron and continual regulatory changes, along with staff commitment to excellent service, have contributed to our consistent growth.

“The vision of our founders was to create a company that could compete with the large energy speculative traders while



*Giving back to the community: APM staff helping out at Gleaner’s Food Bank.*

retaining the values and core principles of the non-profit member cooperatives. They wanted to be able to compete with the biggest players in the market by providing the finest in cutting edge resources and expertise while continuing to offer the personalized service of a committed business partner. Today, we remain the eyes and ears in the market for our clients. Our goal for the future is to continue serving as an unparalleled service provider and outsource solution augmenting the staff capabilities of each of our Members and Customers.”

*APM annually transacts over \$3 billion in commodities – primarily power and natural gas – as legal agent for its owners and clients.*

