



\$190,000

in savings from energy
analysis and strategic
buying

“Experiencing rapid growth carries its own set of unique challenges. The client’s CFO and Plant Engineer were not just focused on growth, but profitable growth. For Usource, this translated into finding a way to drive energy costs down in a market that has experienced significant upward pricing pressures.”

Tom Dyer

Senior Director,
Procurement & Analysis
Usource

Strategic Energy Buying Saves Manufacturer \$190k

Usource transitioned a large manufacturer from a fixed-price energy contract to a cost-saving mix of fixed and variable pricing with managed risk.

A manufacturer’s fixed-price energy contract became less efficient after a factory expansion. Usource helped them transition to a cost-saving mix of fixed and variable rates, managing risk for long-term benefit.

Challenge

When Usource began working with this large manufacturer in 2005, a fixed-price electric supply contract was the right fit for their energy usage and existing market pricing. In 2013, the client expanded to a new location. Usource worked with the client to develop a load profile for the new site based on prior usage, and projected processes to be used. This expansion led to a quick ramp-up in production and therefore energy usage and cost.

Solution

In advance of the client’s 2015 renewal, Usource advisors reviewed post expansion energy usage patterns, as well as current and future market prices. As the client continued to expand, Usource determined that the company was using enough energy to benefit from an active hedging strategy that would introduce more market price exposure with the objective of lowering electricity costs over time. Usource advisors initially discussed a managed approach with the CFO. The managed approach would involve ongoing hedging and required active input and participation from the client. Because the business was still growing rapidly, management felt that they could not devote the time required to achieve a successful managed approach. In response to this, Usource designed an optimal fixed-variable price mix to acclimate the client to an energy procurement approach that would



*Savings may vary.

expose them to more market volatility with the opportunity to potentially lower costs. Usource monitored the market and advised the client on executing a price lock if at any time they felt the market exposure exceeded their risk tolerance.

Result

By taking the additional market price risk, the client was able to capture the lower prices that resulted in the market. The strategy struck the right cost-benefit balance for the client given the energy market fundamentals and their business objectives at the time. Through this strategic energy buying, the client saved approximately \$190,000 over the life of the electric supply contract compared to the fixed-price supplier offers at time of renewal.



About Us

Usource is an unbiased, independent energy consulting firm for large businesses and organizations in the U.S. With a focus on market intelligence and comprehensive energy solutions that support a smart, forward-looking energy management strategy, Usource provides a comprehensive suite of energy consulting services to its clients.

Usource, a member of the NextEra Energy family of companies, serves as a trusted advisory group. With a firm commitment to objectivity, Usource leverages the vast resources and expertise of NextEra Energy, the world's largest producer of wind and solar energy, to offer customized energy consulting services to large commercial, industrial, institutional and governmental organizations. Clients can trust Usource to deliver tailored solutions and unparalleled support in their energy-related goals.

