

## The 101 of Electricity Supply Solutions

When I started offering fixed electricity supply solutions back in 2010, things were much easier. The daily pricing was typically on matrix, and there were no surprises.

Other than price & length of term, how do I choose which supplier to offer? There are a number of variables:

- 1) **What is the annual usage over the past 12 months?** Some suppliers offer a fixed price regardless of the amount of past usage, while others have different buckets of pricing based on the amount of usage.
- 2) **What is your Load Factor Percentage?** A number of suppliers are now requiring a minimum load factor of 40%. To calculate your load factor percentage, divide the total kilowatt hours (kWh's) used in the last 12 months by the product of the maximum demand used in the same period times 8,765 (the number of hours in a year). The higher the load factor, the better. A few suppliers have a stipulation in their contract stating that the rate may increase during the term if regulations change, while other suppliers simply reject contracts for accounts with low load factors.
- 3) **Are there multiple accounts?** Sometimes additional usage may help to lower the overall price for all accounts, while at other times, it may be more beneficial implementing separate agreements with different suppliers.
- 4) **What is the ETF?** Many suppliers have an "Early Termination Fee" clause, stating that there will be a penalty if you terminate their agreement prior to the expiration date. Some suppliers offer a fixed amount (especially for customers who use small amounts of electricity per year), while others have an exception for accounts that go out of business. And, a number of suppliers explain that the ETF will equal any associated "total losses and costs", which could equate to hundreds or even thousands of dollars.
- 5) **When does your current agreement end?** This is important, because if you sign up for a new agreement on line, the change typically happens within the next month or two. If the new supplier starts too early, you may get an ETF from the previous supplier.
- 6) **How can suppliers cost less than the Utility?** In CT, Eversource & UI have fixed prices in 6-month increments... but a lot can change during that time. Plus, their price is the same for all business customers in each rate class regardless of how low or high of their Rate Factor.
- 7) **Can the fixed rate change during the term?** For some suppliers, the answer is "yes". Although some price changes are legitimate, complaints can be sent to [pura.information@ct.gov](mailto:pura.information@ct.gov), since "fixed" should not mean "variable".

## Non-Profit Saves \$\$\$



Over the past 3 years, Emendee Tech has implemented Energy & Telecommunication Solutions at Catholic Charities in the Archdiocese of Hartford, including:

- Nine energy upgrades across the state, with an estimated savings of over 130,000 kWh's/year.
- A fixed electricity supply agreement with a savings of over 15% compared to 1/2019 Eversource & UI rates
- An Emendee Telecom Turn-Key Solution with a savings of over 33%, including:
  - ~ a complete bill breakdown of all current services, including alarms, elevator lines, faxes, voice lines, etc.
  - ~ a recommendation for adding, removing & updating contracts & services
  - ~ implementation & coordination with vendors
  - ~ billing review & correction

"As the CEO of a social services and human services nonprofit, it is so important for me to serve as a responsible steward of every dollar invested in our mission," said Marek K. Kukulka. "We are grateful to Dave for helping Catholic Charities to identify significant cost savings in the areas of energy and technology across our agency."