MANUFACTURING & INDUSTRIAL

STRATEGIC ENERGY PURCHASING CHECKLIST

PLAN. ACT. OPTIMIZE.



Energy markets are volatile and complex. As such, strategic energy procurement has become a high priority for industrial and commercial building management. The desire for budget certainty has led many building managers to seek fixed price contracts. C&I facilities with one or two shift loads might be best served with a fixed price or a hybrid contract. Operations that run two or more shifts are slated for drastic savings by managing peak load hours and leveraging the many strategies available. A 20% cut in energy costs alone, can be equated to a 5% increase in sales for retailers, according to The Carbon Trust. Seeking creative strategies can help optimize energy resources and approaches to smart energy buying.

CONTRACT CHECKLIST

LEGAL TERMS & CONDITIONS

Understanding Terms and Contract Start/End
Renewal Terms
Late Payment Interest & Penalty
Late Payment Supplier's Right to Early Termination
Buyer's Right to Early Termination
Early Termination
Charge Forward Contract
Indemnification and Limitation of Liability
Applicable Laws
Creditworthiness



STRATEGY CHECKLIST:

Market-Based Rate
Aggregated Purchasing Discounts
Split Percentage
Hybrid Cost Averaging
Seasonal Strategy
Temporal Strategy
Market Timing-Based Strategy
Optimized Contract Structure
Load Management

CONTRACT COMPONENTS:

Energy (includes Congestion)
Transmission
Capacity
Line Loss
Ancillaries
Admin Fees
Renewable Portfolio Standard (RPS)

TYPICALLY NOT IN BID:

- Pass Thru
- Distribution Charges
- Taxes Sales Use Tax (SUT) & Gross
 Receipts Tax (GRT)





A1 ENERGY CONSULTING & LED LIGHTING EXPERTS

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Al Energy is a leader in energy consulting services committed to develop and deliver creative solutions to optimize energy efficiency, reliability, and sustainability for our clients. We combine our deep industry knowledge and financial expertise to dramatically lower energy costs and meet sustainability measures for our clients. We support government agencies, industrial , and commercial clients in achieving energy efficiency through reduced demand, strategic procurement, and alternative energy sources.

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