



foresight

MANAGEMENT

Utility Optimization Analysis

Consistent analysis will mitigate costs for your organization.

WHY

Utility companies, Federal and State legislation, energy prices, new technology, and your facilities are all dynamic. Things change, opportunities arise, new programs get created, old programs get shuttered, your business and energy usage grow and/or shrinks. The fluid nature of these different entities demands a consistent process and deep expertise if you wish to optimize operating costs.

Having experts conduct a regular deep dive into your utility bills in search of ways to save money (and avoid spending future money) is an excellent energy management discipline that often pays for itself many times over. Typically, opportunities identified when assessing utility bills are no cost or low-cost capital investments. Making sure nothing is out of place or incorrect on your utility bills both maximizes profitability and delivers peace of mind.

Since 2015, our team has analyzed over 150,000 client utility bills, helping them save over \$50,000,000.

HOW

Our Utility Optimization Analysis involves a review of:

- Sales Tax Exemptions
- Utility Rates
- Energy Procurement Options

Our utility bill analysts review your company's utility bills for opportunities to save money and/or mitigate future costs. We review the rates (tariffs) your building is on and run side-by-side calculations comparing the other rates your utility offers to ensure you are on the optimal rate. We also review how much sales tax you are paying while assessing your state's sales tax exemption laws to discover opportunities to mitigate paying sales tax. Finally, we analyze power factor, peak demand charges, energy efficiency charges and other line items on your bill to identify ways of spending less on energy.

After analyzing your utility accounts, we create a report which documents our findings, showing projected cost savings and other benefits if our recommendations are implemented. This educational report will act as a catalyst for us to pursue implementing the changes with the utility companies on your behalf.

BENEFITS

- Consistent "best practice" that can be implemented throughout a portfolio of facilities across many utilities
- Identifies low and no cost savings/mitigation opportunities
- Delivers easy to understand report with business case (ROI) information to support recommendations
- Independent, agnostic, and client-centric analysis
- Leverage industry experts to deliver peace of mind

[SAMPLE REPORT](#)

CASE STUDY

Client Profile

10 location manufacturing company with facilities in six states. Total utility spend across electricity, natural gas and water was \$7,500,000.

Before Foresight

Across all 10 facilities, utility bills were reviewed and approved by accounts payable staff monthly. Facility staff reviewed energy usage and cost trends quarterly.

No outside expertise had been deployed to assess the utility bills for accuracy in over 5 years.

After Foresight

The Foresight Management team assessed each of the 10 facilities' electric, natural gas, water, steam and waste utility bills. In total, **7 opportunities** for cost savings were identified. 5 of the opportunities were rate changes where the local utility had released new rates for their customers, but the owner was not aware of the opportunity or relevance of these rates. These rate changes resulted in **over \$120,000 in annual cost savings**. The other 2 opportunities were related to sales tax exemptions. The client had added production equipment in the previous years and had not updated their sales tax exemption status. The results of our findings were a **one-time \$34,000 credit, plus ongoing savings of \$17,000 annually**.

The following year, Foresight assessed each of the facility's utility bills again. During this assessment, **3 opportunities** for cost savings were identified, and 2 opportunities were born out of a different electric utility creating and releasing a new rate in the previous year. These opportunities resulted in **\$47,000 in annual savings**. The last opportunity was a power factor penalty that was growing each month to the point where a capacitor bank was identified as a 24-month ROI project. Ultimately saving **\$7,000 per year**.

In total, nearly \$200,000 of annual cost savings (nearly 3%) were identified during the first 2 years of engaging with our team.

FREQUENTLY ASKED QUESTIONS

Shouldn't my utility company tell me which rate we should be on?

Not necessarily. Utility companies work with millions of accounts and often explicitly say they are not responsible for telling their clients what rate they should be on. For the most part, it really is up to you to determine if a different rate is right for you and your business.

We've had our utility bills reviewed in the past. Why would we do it again?

Your building's energy usage may have gone up or down, your utility provider may have come out with new rates, your state may have released new laws — these and more reasons are why it is a good management discipline to do a deep dive into your utility bills annually.

Are you one of those "shared savings" companies?

Not unless you prefer us to be. We typically charge a fee for this service and will only pursue a shared savings contract if you would like one.

If you find opportunities for us to save money, will you help us implement the changes with the utility company? Or do we have to do that?

We will help you implement the changes we recommend as much as you are comfortable with. We work every day alongside utility companies and are happy to do so on your behalf if you prefer.

How much does it cost?

Utility bill optimization can range from \$200–1,000 per utility bill per year. The number of bills you need assessed impact the cost, as well as how accessible your historical utility bill information is.

