



## Utility Rate Structure Analysis

Since 2018, Foresight has saved our customers over \$3 million through rate changes.

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### WHY

Facilities change over time, as do rates/tariffs offered by utility companies. Therefore, doing a deep analysis of your company's utility rates at least once per year is an excellent, low cost way of stewarding your company's financial resources.

Oftentimes, your utility will make a number of different rates/tariffs available to its many thousands of customers. The details of how these rates are calculated and determined are published in documents that can be upwards of 800 pages. It takes a deep understanding of how your facility operates and uses energy, as well as an expert grasp of complex utility rates in order to know what rate/tariff your building should be on.

Beyond the complexity, it is the customer's responsibility to determine what rate/tariff is appropriate for their facilities in most utilities. In other words, if you are on the wrong rate unknowingly, your utility provider will most likely not proactively inform you of this issue!

Utilities across the country are releasing new rates to their customers on a regular basis. Many of these new rates charge different prices for energy at different times of the day or bill you on the maximum consumption for the month. Therefore having an advocate and expert analyze your utility rates on a regular basis is an excellent energy management discipline to adopt.

### HOW

We start all of our rate analyses by examining twelve months of historical usage and cost data. Depending on your utility provider, there could be multiple rates that apply to your building – factors like time of use, demand, and total usage all have an impact on what rate is most beneficial to you. Our utility experts take into consideration your projected future energy needs and will develop custom calculators to assess which rate is best suited to your building(s).

From this analysis we create a report detailing your current rate and explaining our recommended changes. We work with the utility company to verify the savings we project – and once verified, we work on your behalf to change your rate/tariff for your next billing cycle so that savings are actualized as soon as possible.

We believe in examining utility rates/tariffs at least once a year. Whether it is the facility operations or the utility provider, in almost every situation it makes good sense to examine this area of your utility spend annually.

### BENEFITS

- Cost savings
- Cost mitigation
- Increased understanding of your current rates/tariffs
- Better forecasting capabilities as it relates to when a building should make a rate change
- Assurance you aren't getting overcharged
- Prompt awareness of when new rates/tariffs are available and applicable to your business

**“We knew that there was potential on the rate/procurement side of our energy needs and wanted a trusted business partner and industry expert to help us. Foresight was extremely professional, timely, and knowledgeable at what they did for us and their efforts directly resulted in cost savings for Irwin. We feel we have gained a trusted business partner for future energy endeavors and needs.”**

*Director of Finance, Irwin Seating*

## CASE STUDY

### *Client Profile*

A leading manufacturer of audience seating featured in thousands of venues around the world. All major components are manufactured at two facilities in the US where they have been in business for over a century.

### *Before Foresight*

Most companies adopt a utility rate when they move into a facility and then, despite potential renovations or additions, they remain at that rate.

**Oftentimes, companies are spending more money on gas and electricity simply because they are not at the appropriate rate for their needs;** a responsibility that falls exclusively on the customer to verify. This company approached Foresight for the expertise to analyze the line items on each bill and research rate changes that could benefit their facilities.

### *After Foresight*

Our team ran analyses for both gas and electric at all of their buildings. Based on their consumption from the year before, our team was able to identify the potential for **\$27,000 yearly savings** simply by pointing out errors in their utility rates.

[SAMPLE REPORT](#)

## FREQUENTLY ASKED QUESTIONS

### *How much money do you find in an average rate win?*

Generally rate wins are between 0-10% of their current bill. It depends on the size of your facility and current energy spend. In 2018, we found rate wins for our customers ranging from \$200 to nearly \$200,000.

### *What's the typical return on investment?*

The ROI is instantaneous. No one needs to go onsite or do deep dives into data. We just need copies of your bills to run our analysis and provide a report.

### *Do you offer rate analysis with other services?*

Yes! Rate analysis can be included in our Energy Management bundled service.

### *How was I on the wrong rate in the first place?*

Most of the time you are defaulted to the rate that was initially applied to the building. But building use changes! As rates change and usage develops, big wins can be had by verifying that you are on the appropriate rate for your current needs.



To learn more about how your business could benefit from Utility Rate Structure Analysis, contact:

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