A Missed Opportunity?

HOW TO UNLOCK ENERGY SAVINGS IN NORTHERN VIRGINIA
You may believe that your utility rates are a fixed cost that you can do little to change, but that’s not entirely true. There are potential cost savings that most businesses are not aware of. You simply have to know, how.

Dominion Energy is an American power and energy company headquartered in Richmond, Virginia that supplies electricity to more than 5 million retail energy customers in the Midwest, Mid-Atlantic and Northeast regions of the U.S. The Meridian Group learned, as you can too, about the opportunity that exists for energy customers in Dominion Energy territories—if you don’t miss it—to change the way your energy rate is calculated and save your business money.

Identifying and capturing value for our tenants is extremely important to us. The team at MD Energy Advisors and Utility Rates Analysts was able to explain the intricacies of Dominion Energy rate options in a way that made it easy for us to make an informed decision.

Stacy Purdy-Lautar
CPM®, LEED GA
SVP, Director of Property Management

“TMG”

A Missed Opportunity?
How to Unlock Energy Savings in Northern Virginia
Know The Market

Most of us have a general concept of what market regulation and deregulation means. When it comes to energy markets, as one might expect, in regulated energy markets, customers don’t have a choice when it comes to the utility supplier and the group that is delivering electricity and natural gas to your home or business. However, in deregulated markets, customers have the ability to decide who supplies their electricity and natural gas. There are thirteen such markets nationally. These markets normally also have many purchasing options and strategies to help customers minimize swings in costs that take place in deregulated markets.

If you are a customer in Northern Virginia your market is regulated, unless your account is over five megawatts. However, within some of the regulated utilities, there is an opportunity to impact the cost of your energy: businesses are assigned different rates depending on how you use power. All you need to know is what your energy classification is and how you use energy to unlock substantial savings.

Know Your Classification

What you first have to understand is that your business has an energy classification that determines the rate you receive when you pay for energy. All utilities have their own methods for determining which rates fit which classifications. These classifications are determined at different points in time.

Typically, the energy supplier will assign a category or classification at service sign-up time, but rarely do utilities go back to see if that classification remains consistent for the company’s use of energy through the years.

It is possible to have your rate reclassified and save your business money. But, it takes time and persistence. MD Energy Advisors (MDEA) lends
its expertise to help your company determine if it is on the appropriate rate. This is done by performing an analysis of the current utility rate classification and comparing it to the other classifications available and making sure your company is on the most advantageous rate. With permission, MDEA will reach out to the utility with your company’s historical energy usage data and have your business switched to the appropriate rate—thus saving money.

**Let’s walk through a couple of scenarios:**

**Example 1:** If the Large Business rate from the utility happens to be less expensive than the Small Business rate, a small business owner with multiple locations may be able to consolidate their individual accounts into one large account to qualify for the cheaper rate in the “Large Business” classification.

**Example 2:** Your business has grown over time. You may now qualify for a lower-cost rate class.

**Here’s how these savings would look:**

<table>
<thead>
<tr>
<th>Month</th>
<th>Monthly kWh</th>
<th>Current Rate</th>
<th>New Rate</th>
<th>Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>160,214</td>
<td>$16,592.95</td>
<td>$11,698.95</td>
<td>$4,894.01</td>
</tr>
<tr>
<td>February</td>
<td>129,209</td>
<td>$12,936.85</td>
<td>$9,034.36</td>
<td>$3,902.49</td>
</tr>
<tr>
<td>March</td>
<td>139,246</td>
<td>$14,670.39</td>
<td>$9,727.99</td>
<td>$4,942.40</td>
</tr>
<tr>
<td>April</td>
<td>124,932</td>
<td>$13,093.88</td>
<td>$8,715.05</td>
<td>$4,378.83</td>
</tr>
<tr>
<td>May</td>
<td>161,518</td>
<td>$16,712.56</td>
<td>$10,737.38</td>
<td>$5,975.18</td>
</tr>
<tr>
<td>June</td>
<td>171,022</td>
<td>$17,983.49</td>
<td>$14,820.55</td>
<td>$3,162.94</td>
</tr>
<tr>
<td>July</td>
<td>199,243</td>
<td>$21,027.83</td>
<td>$24,197.08</td>
<td>$(3,169.25)</td>
</tr>
<tr>
<td>August</td>
<td>193,086</td>
<td>$20,468.58</td>
<td>$19,382.92</td>
<td>$1,085.66</td>
</tr>
<tr>
<td>September</td>
<td>153,875</td>
<td>$16,365.10</td>
<td>$11,098.17</td>
<td>$5,266.93</td>
</tr>
<tr>
<td>October</td>
<td>135,369</td>
<td>$14,314.94</td>
<td>$9,628.41</td>
<td>$4,686.53</td>
</tr>
<tr>
<td>November</td>
<td>137,095</td>
<td>$14,189.27</td>
<td>$9,566.27</td>
<td>$4,622.99</td>
</tr>
<tr>
<td>December</td>
<td>150,204</td>
<td>$15,675.18</td>
<td>$10,556.86</td>
<td>$5,118.32</td>
</tr>
<tr>
<td><strong>Total/Max</strong></td>
<td><strong>1,855,014</strong></td>
<td><strong>$194,031.02</strong></td>
<td><strong>$149,163.98</strong></td>
<td><strong>$44,867.04</strong></td>
</tr>
</tbody>
</table>
These are basic examples, but there are other important nuances in the classification system that MDEA and our partner, Utility Rates Analysts (URA) understand and will do the painstaking work to help you assess for your benefit.

We find out what your current classification is, why it was assigned to you and complete the due diligence to determine what can be done to help your business reclassify and save. There are many reasons why utilities place a company on a rate. Your current rate classification could be based on one summer, years ago when your company used a lot of energy, but hasn’t since that time, or many other currently non-applicable factors that we help you to analyze.

**Know A Utility Rate Analyst**

The adage that “time is money,” is true. That’s why it pays to be prudent when it comes to managing your company’s utilities. While it takes a lot of analysis and time to find an opportunity to save money in these markets—the benefits far exceed any possible drawbacks, especially when working with MDEA and Utility Rates Analysts. MDEA and URA are brought in by your company to do the time intensive legwork to assess your classification and energy history to help your company move to a cheaper rate.

The process is easy and efficient for your company. You provide copies of utility bills and sign a letter of authorization for the utility rate analyst to pull down rates from the utility, conduct the analysis, and complete the required paperwork on your company’s behalf to the utility.

In regulated markets like Virginia, there are not a lot of businesses taking advantage of these opportunities because they lack knowledge about the opportunities and time to do the analysis and unfortunately, many are missing out on significant cost savings as a result. While some companies
have tried to create software programs to crunch the numbers for you, this is still very much a manual process. The average savings make it worth it—annually 10-20%—a meaningful savings that can be reinvested into your business.

MDEA recently collaborated with Utility Rates Analysts to provide this offering to The Meridian Group for 33 office buildings in Northern Virginia. We anticipate that The Meridian Group will save $800,000, annually.

Here's perhaps the best part: there is no investment cost to your business. MDEA receives a percentage of the savings for a finite period of time. You have nothing to lose and potentially hundreds of thousands of dollars in cost savings to gain. Virginia is a regulated market ripe with opportunity you may not know exists. There may also be opportunities in deregulated markets we can assess for your company’s benefit. It’s worth it to get the analysis. Don’t let anything be a deterrent. Let us help you determine how you can save money.

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MDEA delivers energy solutions with unparalleled customer service. By infusing art into energy, we create dynamic customer-centric experiences. We deliver personalized solutions that matter to people and the world around them. For more information, please visit, mdenergyadvisors.com.