

CASE STUDY

Energy Supply Advisory Team Negotiates Huge Savings for Steel Manufacturer



DRIVEN
BY
DELTA

SCOPE

Our client, a manufacturer in the steel industry, had been forced to shut down for several years due to economic conditions. Fortunately, they were able to reopen recently and put more than 400 employees back to work. However, upon reopening, they were unable to get on the preferred rate with the utility and were forced to use a third party supplier for electric services. The owners suspected they were eligible for the better rate, and were referred to Edison Energy's Energy Supply Advisory team to research and negotiate the situation.

Edison Energy's electricity energy management team analyzed the client's situation, and established that they were eligible for the preferred rate with the utility. The situation was further complicated because the client had signed a contract with the third party supplier upon reopening. Our team was committed to helping the client get into the situation they deserved.

Edison Energy led negotiations on behalf of the client with the utility and the supplier. Drawing upon our previous experience in representing clients in similar situations, our industry relationships and our strength in contract negotiations, we were able to get the client onto the preferred rate with the utility. The result was a recurring savings of \$160,000 per month, nearly \$2 million annually, almost 50 percent of their existing monthly bill. In addition, our account managers negotiated with the third party supplier to release the client from their contract at a substantially reduced penalty.

However, we did not stop there. We believed that the client was eligible to request retroactive adjustments for the previous six months from the utility. Edison Energy represented the client and pursued another round of successful negotiations with the utility.

CLIENT

Steel Manufacturer

MARKET

Industrial

> Manufacturing

OFFERINGS

Commodity Advisory
& Procurement

> Tariff Analysis





PROJECT RESULTS & KEY METRICS:

Recurring Monthly Savings:	\$160,000
Recurring Annual Savings:	\$2 million
Percent Savings:	~50%
Additional Highlights:	<ul style="list-style-type: none">> Requested retroactive adjustment for previous 6 months> \$3 million savings for 2 year period

CUSTOMER VALUE

Edison Energy's team was passionate about doing their part to help the client remain operationally sound. Our thorough analysis of the situation and experienced contract negotiation skills allowed the client to reduce their electric spend by \$900,000 for the remainder of their previous contract, saving them an additional \$1.8 million on the renewal. In addition, the knowledge and skill in pursuing the retroactive rate charges resulted in \$600,000 in offset costs for the client. **The total resulting savings to the customer will be more than \$3 million for a two-year period.** The Procurement Manager at the company is grateful to have us as their Integrated Energy partner.

“ Edison Energy's performance and dedication throughout the process was exceptional, and we are thankful for their passion and commitment to getting our company into the right situation for the future.”

Edison Energy is an independent energy advisory and solutions integration company with the capabilities to develop and implement a broad portfolio of energy services for commercial, industrial and institutional organizations. We help customers reduce their energy costs, improve the environmental performance of their operations, ensure energy resiliency and manage exposure to energy price risk.