

# Energy markets reward smart business owners

BY CHRISTOPHER R. ANDERSON

With the passage of the Massachusetts Electric Industry Restructuring Act in 1997, the commonwealth began reshaping its once highly regulated electric industry. The result is competition for your energy business from a range of energy services firms and competitive power suppliers.

Since then, the Massachusetts High Tech Council has launched an electricity aggregation program that helps participating members to purchase power in the newly created competitive market. Savings to date exceed \$30 million. A recent expansion of the program offers commercial and industrial energy consumers access to a line of wireless, Internet-based energy measurement and monitoring products and services that help create more energy-efficient operations for their companies.

Today, all corporations evaluate their global choices, appraising such factors as taxes, workforce quality and transportation services. Forward-thinking company executives with energy-intensive operations also evaluate energy costs and services. Those who ignore energy as a crucial cost point make themselves less competitive for the long term.

High tech companies, for example, spend 10 to 15 percent of their operating budgets to power computers, clean rooms and laboratory spaces. With gyrating energy prices and questions about the reliability of the transmission grid in the news, it is imperative that New England businesses become more savvy and effective energy consumers.

Continued energy price volatility should be expected; it results from effi-

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cient commodity markets. To minimize the budget-busting effect and uncertainty of electricity price swings, choose an energy supplier that has a strong energy portfolio and the backing of a stable parent company. It pays to do some homework on your energy provider because some promise more than they can deliver and may have little experience in the energy markets.

But a smart energy consumer must realize that energy management is much more than saving money on the commodity. Working with Intech 21, the Massachusetts Energy Alliance (MEA), and other energy services providers, the Mass High Tech Council has created an integrated energy cost control program that has three goals:

- **Achieve stable prices through long-term commodity supply contracts.** Default service forces businesses to take power at costs that gyrate with natural gas prices — a recipe for uncontrollable energy budgets.

Work with a provider offering long-term fixed price contracts. How is this possible? Rather than buy the same portfolio of

power used by utilities, the provider will minimize natural gas generation sources and maximize purchases of renewable energy production.

- **Reduce operating costs using advanced information technologies.** The link between a customer's demand profile and prices is getting tighter. Customers with constant demand are less expensive to serve than variable demand customers. This is because suppliers must go into the turbulent spot market to balance demand variability, subjecting a portion of their purchases to market forces.

In addition, under ISO New England's Demand Response Program, customers that reduce demand receive payments for mitigating regional demand spikes. To reduce the cost impact of fluctuating demand, services providers will install wireless, web-enabled advanced information technologies to monitor, track and control demand peaks.

- **Support renewable energy policies and economic development.** Become informed and help to shape public policies that boost the economic development of cost-effective, clean energy technologies. We must work to help create a viable market for new technologies. To achieve this goal, find out if your energy provider will offer "green" certified products to consumers.

It is possible to see cost-savings from innovative energy programs. By being a smart consumer, your company can reduce its energy costs and run a more efficient operation.

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