Utility Bill Data

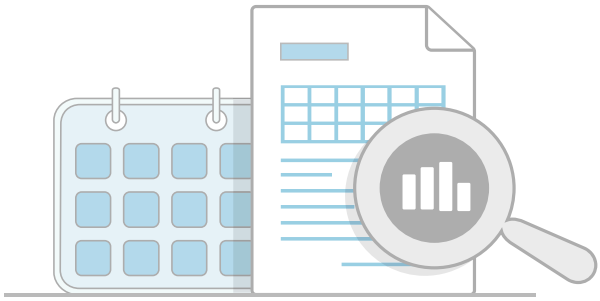
The Foundation for Strategic Energy Management

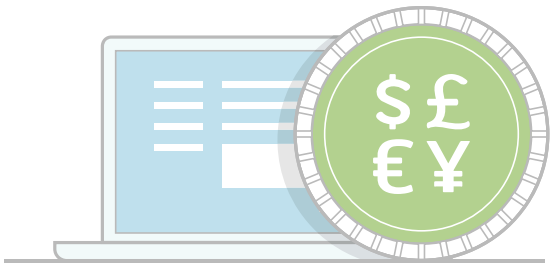
Many organizations view utility bill management systems (UBM) as a valuable tool for managing late-payment risks and easing the operational burdens associated with bill processing and payment. Still, many of these organizations overlook the critical role that bill data plays in strategic sourcing and energy management. Here are the five most common ways energy managers use bill data to lower costs and manage energy risks.

Supply Strategy

A review of the most recent 12 months of utility bill data is often the first step to developing an energy supply strategy. High-level utility bill data provides key energy and account information like geography and current price baselines, as well as consumption characteristics like seasonality, time of use, and intensity.

When line-item data is reportable, however, individual cost-components can be identified and proactively managed. For example, decisions to fix or pass-through capacity and/or transmission charges should involve risk/reward considerations that are specific to the customer's market and operations—considerations that require granular bill data.





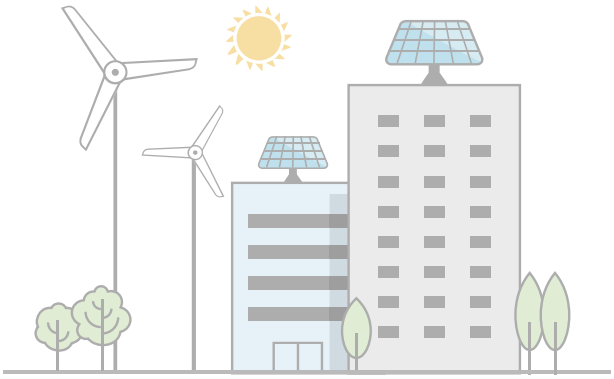
Tariff Analysis

A sub-optimal tariff structure can easily cost hundreds of thousands of dollars in wasted energy expenses each year. By analyzing the rich energy data available in utility bills, energy managers can ensure that their organizations are on the best available tariffs and proactively respond to periodic rate changes issued by their utilities.

Budgeting and Hedging Strategies

An energy budget is only as valuable as it is accurate, and because unidentified billing errors often sway annual energy costs by as much as 2%, accurate budgets require validated bill data.

Moreover, effective energy risk management requires visibility into energy cost drivers. For example, effectively hedging weather-related risks requires scenario analyses for different degree-days.



Evaluating Distributed Energy Resources and Other Energy Projects

Effective energy strategies connect the dots between supply and demand, and evaluate all options to optimize the two. Reportable indicators like load factor and peak demand help energy users screen accounts and prioritize sites for further assessment. In many cases, UBM solutions are the most powerful means to evaluate distributed generation, energy efficiency, and/or load shifting opportunities within a portfolio.

Portfolio-wide Performance Reporting

Energy bill data is a truly cross-functional resource: portfolio-level costs for the procurement and finance teams, site- and account-level costs for the facility and engineering teams, and carbon/GHG emissions data for the sustainability team. A UBM solution that is flexible enough to track global energy spend, perform measurement and verification on efficiency projects, and customize emission factor calculations is a critical tool for managing energy risk across your organization.