



Constellation®



Managing Your
Energy Strategy
Through Uncertainty

Navigating Uncertainty with a Smarter Energy Strategy

Businesses often make energy planning decisions while market conditions are still changing. With economic shifts, regulatory updates, weather events and evolving customer behavior, businesses operate in an unpredictable environment. Each of these dynamics influences how companies operate and plan for the future.

These factors can also affect the energy market, which can make budgeting more complex. When energy prices fluctuate, it can be challenging to plan ahead and achieve budget certainty. In some cases, your business may need to adjust priorities to account for unexpected higher costs. While businesses can't predict the future, there are ways to proactively manage your energy strategy and maintain stability through uncertain conditions.

Understanding What Causes Fluctuations in the Energy Market

Energy prices fluctuate when supply, demand and fuel costs shift — impacting how energy is produced, priced and used. Those shifts often occur unexpectedly, making it difficult for businesses to plan with certainty. Looking back at recent history shows how large-scale disruptions can reshape energy markets in ways that carry real operational and financial consequences:



In 2008, energy prices spiked before the **financial crisis** reshaped the broader economy¹.



The 2014 **polar vortex** brought record low temperatures across the U.S., drove higher demand for energy and increased prices².



The 2020 **coronavirus pandemic** reduced commercial and industrial energy demand, increased residential use, and drove down crude oil prices, impacting oil and natural gas producers³.

While each of these events was different, they each reshaped energy markets in similar ways. Changes in availability, pricing and usage patterns made planning more difficult and highlighted how quickly conditions can shift. These patterns ultimately revealed a set of recurring outcomes that continue to influence how businesses operate and manage energy across the economy:

1. Shifting business operations

During periods of disruption, some businesses scaled back or paused operations. This reduced commercial demand for energy and contributed to broader market instability.

2. Changes in consumer demand

Instability in business operations and changes in work patterns impacted demand for energy. The rise in remote work following COVID-19 increased residential usage while reducing demand in some commercial spaces³. However, that tradeoff wasn't necessarily proportional, considering the amount of energy used in complex and energy-reliant industries, such as manufacturing.

Recognizing how these conditions affect operations and demand can help strengthen your energy strategy and prepare for uncertainty.

Achieving Stability in Your Energy Purchasing Strategy

It can be challenging to predict every event that will impact your business, but you can take steps to prepare for uncertainty. Energy is one of the top five expenses for many businesses, so managing it strategically can create more stability in your energy purchasing and support long-term budget planning and predictability.

1 Stay informed on the energy market

Staying informed about the energy market is one of the most effective ways to manage risk and build a stable energy strategy. By understanding current events and market trends, you can better anticipate change, which can lead to more strategic and proactive purchasing decisions. There are several sources you can follow for timely updates:



News and blog posts: Monitoring current market conditions can help you understand what's influencing energy prices. Insights from industry professionals can add important context and help you determine how to respond to developments that may affect your business.



Industry and market webinars: Webinars provide insightful information in a clear, accessible way. They often offer opportunities to hear directly from specialists and get your questions answered.

2 Adjust your energy purchasing strategy for your risk tolerance

When it comes to managing uncertainty, every business approaches risk differently. Some may prioritize taking advantage of market opportunities, while others focus on budget predictability. The key is choosing a strategy that aligns with your goals and risk tolerance.

For example, buying energy in smaller intervals over time, also known as a managed or layered purchasing strategy, can help balance cost control with flexibility, allowing you to respond to market opportunities while maintaining budget predictability.

3 Consider automating your energy purchasing

Automation can help bring more consistency to your energy purchasing strategy. Taking an automated, algorithmic approach can help you reduce guesswork and reliance on timing decisions — helping support a more consistent procurement process over the long term, regardless of market fluctuations.

4 Understand your energy contract

Gaining a clear understanding of your energy contract is essential for managing costs. While fixed-price options can offer predictability, it's important to consider all the components that contribute to your total energy costs.

Beyond electricity supply pricing, several cost components change over time. Fees related to capacity, transmission and ancillary services may vary throughout a contract term. In some cases, certain cost elements, such as suppliers' prices, are not fully known or finalized upfront and may appear later on your invoice.

Your energy contract should clearly specify which components are fixed or variable and explain how usage is measured and billed. This transparency can help you understand how your energy usage and costs may change in response to unexpected future events.

5 Look for a stable energy supplier

Your supplier plays a key role in supporting your energy strategy. An energy supplier with a strong track record of navigating market change can help your business adapt as conditions evolve.

Look for a supplier with strong credit support, extensive experience and advanced tools to share market insights with customers. With the right supplier, you can strengthen your energy strategy and stay prepared for future uncertainty.

Reducing Energy Risk with an Informed Strategy

Proactively planning for changes in the energy market can help your company prepare for unexpected changes. With the right energy management strategies, you can better manage risk across a range of market conditions.

At Constellation, we have decades of experience helping businesses build energy strategies based on their unique energy needs. From proven solutions and innovative tools to in-depth perspectives on market trends, sustainability, energy management and policy topics shared through our blog and monthly Energy Market Intel webinars, Constellation has the resources you need to plan for uncertainty.

Ready to start building a stronger energy strategy? **Contact us** to discuss your energy usage and current needs, so we can help you maintain stability through uncertain conditions.

¹<https://www.weforum.org/stories/2026/04/the-big-chart-price-of-oil-through-history/>

²<https://www.eia.gov/todayinenergy/detail.php?id=14671>

³<https://www.cbsnews.com/news/workers-home-electric-costs-are-rising-summer-heat-employers-reimburse/>

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