

3 Ways to Manage Your Energy Costs in a Shifting Market

Energy prices can shift based on factors like weather, the economy and supply and demand, making budgeting and financial planning more complex. Taking a proactive approach to energy purchasing can help your business manage costs and achieve greater budget certainty. These three strategies can help you prepare for evolving market conditions:

1 Diversify your energy purchasing strategy

Creating a diversified energy purchasing strategy can help your business manage risk and improve budget certainty when energy prices are fluctuating.

- ✓ Consider a managed energy purchasing strategy that combines fixed-price and index-price solutions.
- ✓ Incorporate time diversification into your strategy by purchasing small percentages of energy at regularly scheduled points in time.
- ✓ Use dollar-cost averaging to help manage market volatility by investing a fixed dollar amount on a regular basis.

2 Improve efficiency to reduce energy consumption

Understanding how and when your facility uses energy can help you uncover opportunities to improve efficiency, lower operating costs and reduce exposure to rising energy prices.

- ✓ Identify outdated or inefficient equipment by evaluating energy-intensive systems and technologies that may increase energy consumption and maintenance costs.
- ✓ Replace older lighting and machinery with energy-efficient upgrades that can help lower energy use and improve performance.
- ✓ Reduce energy consumption through efficiency improvements that can help deliver savings through lower usage, reduced maintenance costs and a more efficient load profile.
- ✓ Explore financing options such as Constellation's Efficiency Made Easy, which provides a simple way to implement efficiency improvements with no upfront capital required.

3 Use advanced technologies and data to better understand energy usage

Leveraging analytics, artificial intelligence and machine learning tools can help you identify opportunities to better manage energy use and costs.

- ✓ Monitor energy usage patterns across facilities to analyze historical energy data, understand changing usage patterns and support more informed purchasing decisions.
- ✓ Identify facilities with higher energy consumption by comparing utility and energy usage across buildings and locations to determine which sites are using the most energy and where efficiency improvements may have the greatest impact.
- ✓ Detect unexpected spikes in energy use by leveraging advanced analytics to identify issues such as sudden increases in consumption, unusual utility charges or operational issues that could be driving higher energy costs.



Expert tip: Proactively review your energy strategy to prepare for changing market conditions. By evaluating your purchasing options, energy usage patterns and efficiency opportunities early, you can make more informed decisions and better manage costs.

Managing Energy Costs in a Changing Market

As energy market conditions evolve, it's important to have a strategy that supports operational goals and budget planning. By diversifying your energy purchasing strategy, monitoring energy usage and improving efficiency, you can better manage energy costs during periods of market volatility.

Contact us to discuss energy purchasing strategies, efficiency solutions and energy management tools for your business.