

Case Study

International manufacturer streamlines energy procurement to reduce operational costs.

By partnering with a dedicated consultant, this manufacturer was able to strategically lock in energy costs, avoiding a 300% increase during an extreme winter storm.

TITAN EXPERTISE YIELDS ANNUAL \$250,000 SAVINGS

Titan Energy worked with an international manufacturer to meet cost-saving targets, mitigate risk and help enhance a centralized energy procurement approach by paying closer attention to each site. Prior to working with Titan, the manufacturer's energy accounts were contracted on a one-size-fits-all energy procurement approach, with scant attention paid to the unique characteristics of individual markets. As a result, there was very little transparency into whether the manufacturer was actually saving money.

Using a comprehensive utility bill audit, Titan Energy's market support team evaluated the client's utility usage and demand profile. With locations across North America, Titan helped establish a solid baseline understanding of the benefits and risks of each energy market they operate within. Titan Energy with its large array of supply options, the company was able to expand its network of top energy suppliers across diverse deregulated energy markets.

[continued on next page]

AT A GLANCE

- ▲ Annual Usage: ~60 Million kWh
- ▲ Number of Suppliers Bidding on Natural Gas/Electricity: 10
- ▲ Annual Savings: \$250,000
- ▲ Cost of Annual Power Usage: \$5,000,000

TO SCHEDULE A CONSULTATION: TITANENERGYNE.COM



Titan Energy issued a customer Request For Proposal (RFP) on the customer's behalf, negotiating the most competitive rates, simplifying the legal review process and onboarding the client onto a data management platform to track costs and savings. Titan was able to lock in a fixed-rate product until 2024, offering both immediate savings and protection against any future market pricing shifts.

\$5 Million in Cost Avoidance

Another challenge facing international corporations is mitigating the risk of operating in many different types of energy markets. As an example, electricity markets can be regulated or deregulated, backed by a capacity market or an "energy-only" supply market, or riddled with various other surcharges that can change over time if not accounted for. It is important to have an energy consultant with experience and knowledge of operating in these markets as each market presents different challenges and opportunities for controlling costs.

This manufacturer operates a large Texas facility in the "energy-only" ERCOT load zone which, in extreme conditions, is subject to constrained supply. Titan's expert team of energy procurement staff ensured the client was protected by securing a long-term fixed contract through a competitive RFP process. This product allows the customer to control annual energy costs, avoiding market swings.

February 2021's polar vortex brought record cold temperatures to a significant part of the Midwest and Texas. The additional heating demand and transportation issues created scarcity in the natural gas market, skyrocketing natural gas and electricity prices. During this polar vortex, the manufacturer was protected from any market exposure because of the fixed-rate product. Instead of paying an escalating \$12.50/kWh (a >300% increase), the client kept paying \$0.04/kWh and avoided a \$5,000,000 February bill.

AT A GLANCE

- February 2021 Electricity Usage: ~400,000 kWh
- Current Fixed Rate: \$0.04/kWh
- Actual February Energy Spend: \$16,000
- Avoided Market Rate: ~\$12.50/kWh
- Avoided February Energy Spend: ~\$5,000,000
- Savings: ~\$4,984,000

FUTURE ELECTRICITY RATE SAVINGS (BEYOND 2021)

- Future ERCOT forward pricing increase was avoided.
- Current Rate of: \$0.04541
- Avoided Increase of: \$0.005/kWh
- Estimated Future Savings: \$52,000

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