

Condominium Building

OFMS ADVISORY SERVICES: Electric, Natural Gas, Energy Efficiency Solutions

Background

A 200 unit condominium building (“Property”) on Lake Shore Drive wanted to develop a comprehensive energy plan for its electric and natural gas needs as well as to identify energy efficiency savings opportunities. The Property received phone calls on a weekly basis from retail energy suppliers and energy brokers trying to sell their services. The Board found it challenging to (1) compare prices, products, and programs between the different suppliers, (2) understand the energy terms and pricing components embedded within the contracts, and (3) track and evaluate the factors that help develop the most optimal energy solutions given certain market conditions. While attending a condominium council event dedicated to energy, a Board Member of the Property listened to a presentation by Optimal Facility Management Solutions (“OFMS”) on what to consider when developing an energy plan.

Energy Profile

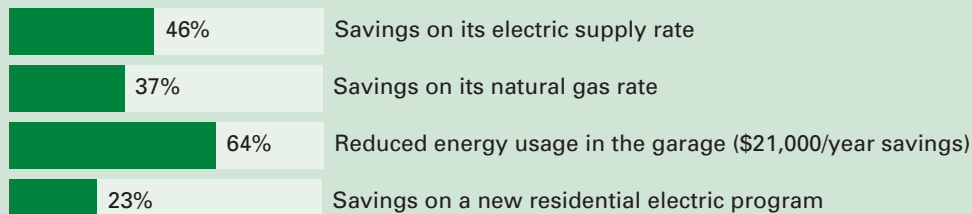
The Property spent roughly \$500,000 a year on its electricity and natural gas. Historically, the previous property management company directed the energy purchases for the building. Unbeknownst to the Property, the original property management company was in a contractual arrangement with one particular supplier, who paid an incentive fee to the previous property management company for signing customers. Not only was there a conflict of interest, but there was also (1) no energy plan to guide the Property’s energy needs, (2) no price transparency, (3) no price diversification, and (4) no price or contract negotiation.

Additionally, the Property was built in early 2000, so there were a number of energy efficiency opportunities throughout the building.

Energy Solution

OFMS worked with the Property to develop a customized energy plan. The energy plan incorporated (1) the Property’s unique energy profile, (2) current and forecasted energy and economic conditions, and (3) the Property’s risk tolerance level. Knowing the pricing methodologies underlying the electric and natural gas solutions developed, OFMS minimized the retail margin to the lowest extent possible and eliminated unnecessary costs premiums.

The Property realized the following benefits within the first year:



OFMS ensures the Property’s energy plan is kept current with the mission to maximize energy savings opportunities and minimize market risk over time.