

National Healthcare Energy Portfolio

OFMS ADVISORY SERVICES: Electric, Natural Gas, Portfolio Management Services

Background

A long term care company (the “Company”) with facilities located across a number of different states wanted to develop a comprehensive energy plan to help manage its utility costs. The Company traditionally used local incumbent electric and/or natural gas suppliers where its facilities were located for its supply needs. The Company tried using alternative retail suppliers a few times, but never knew if it was receiving the best rate or using the right product/program given prevailing market conditions.

Knowing opportunities existed to better manage the Company’s energy spend, but lacking the tools necessary to develop a well defined energy plan, the Company searched for a trusted energy consultant. The Company’s guideline was that the energy consultant should possess not only pricing and structuring experience, but also energy portfolio management experience on a national level.

National Energy Portfolio Solution

Optimal Facility Management Solutions (“OFMS”) was selected as the Company’s trusted energy advisor. To begin, OFMS broke down the Company’s energy portfolio into identifiable opportunities by separating the electric and natural gas accounts into two groups, those in deregulated markets and those in regulated markets.

Next, OFMS analyzed the electric and natural gas accounts in each respective deregulated energy market where the Company’s facilities were located. Short, medium, and long-term energy solutions were developed that incorporated (1) energy profiles, (2) utility rates, (3) historical, current, and forecasted energy and economic conditions, and (4) the Company’s risk tolerance level.

A formal Request For Pricing (“RFP”) was developed for the short-to-medium term energy solutions and distributed to national, creditworthy, and operationally strong electric and natural gas suppliers. Knowing the pricing methodologies of all the major programs and products available in the marketplace, OFMS was able to negotiate favorable pricing and contract language for the energy solutions developed.

To help manage the national portfolio of energy accounts, OFMS developed an energy platform. From the energy platform, the Company tracks actual versus forecasted spend on a monthly basis for all its electric and natural gas accounts under management. OFMS audits the monthly bills for accuracy. If there are any discrepancies or errors, OFMS handles all issues directly with the energy suppliers, allowing the Company to remain focused on its core business.

The Company receives Weekly Energy Market Updates and Monthly Energy Market Reviews to help keep it informed of the changing energy market conditions. Most importantly, the Company now has an energy partner to ensure its energy plan is kept current and to help it optimally manage its utility costs today, tomorrow, and into the future.

“The Company now has an energy partner”