

Case Study: Wholesale Market Access Provides Substantial Savings

OPPORTUNITY

A brass foundry operating in Ohio was looking for opportunities to reduce energy costs. Working with Fellon-McCord, the client was able to gain direct access to the wholesale



energy market realizing substantial reductions in annual energy spend

SOLUTION

The Fellon-McCord team provided market intelligence and a portfolio purchasing strategy to minimize the client's exposure to electricity prices. We tracked, and periodically projected, market pricing to help the client set purchasing targets that substantially and consistently reduced its energy cost. Our review process:

- Analyzed load profile to determine volatility in the client's consumption pattern;
- Discussed risk tolerance to identify the appropriate energy product to meet the client's production needs;
- Established the benchmark price at which the client was willing to lock-in to meet financial goals;

- Tracked electricity futures pricing relative to the benchmark price;
- Conducted periodic market calls with the client's senior leadership to discuss market dynamics and adjust strategy and purchase recommendations; and
- Executed the agreed-upon purchasing strategy.

RESULTS

By actively managing the client's energy purchases and exposure to risk, Fellon-McCord helped the client realize average annual savings of \$2.9 million, or 36 percent, since becoming a client in 2004.

CONCLUSION

Fellon-McCord's understanding of industrial processes and expertise in analyzing complex energy markets allowed us to create and implement a purchasing strategy that dramatically reduced the client's annual energy spend without impacting production. In addition, our understanding of wholesale market dynamics increased the range of energy purchasing options resulting in significant year-over-year savings.