



NEWSLETTER

Issue 12. 2018

Season's Greetings -

We want to wish you a very Merry Christmas and a Happy New Year! We look forward to catching up with each and every one of you in the New Year! Cheers!



PJM - (PA, NJ, DE, MD, DC, OH, WV, KY, VA)



PJM proposes new pricing regulations with regard to calculating scarcity prices. What does that mean to the end user? IF the proposal passes it could mean hourly pricing would increase \$1-2/MWh. This proposal faces some legal battles and probably won't be settled until the end of 2019 or 2020, which means pricing wouldn't be affected until late 2020 or 2021.

Long term, market dynamics will most likely weaken in the coming spring as we see a large supply dynamic that will tip the scales to favor the Bears.

California

As we mentioned in our two subsequent newsletters the state of CA voted and APPROVED the Senate Bill 237 which increases the size of the direct access (DA) market by an additional 4,000 GWh, which increases the current market share from 13% to 16%. Currently based on the latest data we have seen there are 7,400 GWh worth of businesses seeking entry into the DA market.

What does this mean to you, the end user? We strongly encourage you to participate in the DA lottery held the first week of June. You might be asking yourself, "I don't know how to do this?" No worries, OEM provides a turn-key service for DA submissions and better yet, it's FREE. We can help you from start to finish submitting your paperwork to be included in the DA lottery. If you are awarded a spot in DA, we can help you arrange supply and give you an estimate on the total dollars you will save by switching. We typically see anywhere from \$30k - \$200k /annual savings by switching to a third-party supplier with DA. Email info@OurEnergyManager for more information.

Getting ready for 2019? Ready to find some savings?

Are all of your facilities optimizing their energy purchasing power in those states that are deregulated??? It might surprise you that every state in the US is deregulated for natural gas. If your facility uses 3,000 MCF (MMBtu) per year then your site is most likely eligible to buy its natural gas from a third-party supplier. We are happy to take a look at your facilities portfolio and help you find savings opportunities.

