

WHY COMMERCIAL REAL ESTATE PROPERTY MANAGERS NEED TO BE EDUCATED AS TO ENERGY DEREGULATION

By Lonnie M. Barish, New America Power

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Under deregulation, each part of energy service is broken down into separate pieces that are provided by different companies. Delivery of electricity as well as all necessary service is still provided by the local utility company, which ensures that the consumer will be provided with safe and reliable electricity. Suppliers of energy, other than the local utility, are licensed and registered with state and federal agencies and are not in competition with the local utility. Since the local utility does not make any money on the energy, only on the delivery and service of electricity, they support consumers who choose to switch suppliers. Smaller suppliers provide energy to the existing grid and the local utility company still delivers that energy directly to a consumer's home or business. The utility continues to make a profit on energy delivery, however consumers are able to enjoy significant savings and other benefits by buying their electricity or gas on the open market from other suppliers.

The commercial real estate industry is directly affected by energy costs. Energy represents 30 percent of the typical office building's costs and is one of the top five operating expenses for most real estate assets. As such, building owners and property managers are always searching for innovative ways to cut costs, control expenses and save money. With electricity and natural gas deregulation, building owners and property managers in many states now have the power to choose from a variety of energy suppliers resulting in a drop in energy costs. Having the ability to choose an energy supplier allows a property manager to maximize operational excellence by :

- ▶ **Reducing energy costs and operating expenses**
- ▶ **Increasing asset value**
- ▶ **Enhancing tenant satisfaction, attraction, and retention**
- ▶ **Increasing occupant productivity and health**
- ▶ **Demonstrating environmental leadership by reducing energy usage**

Property managers have a responsibility to provide the best service to their clients and tenants including becoming educated as to the benefits of being able to choose alternate energy suppliers that will provide safe and reliable energy at a competitive price.

Did you know these energy facts...

1. 30% of energy in buildings is used inefficiently or unnecessarily- basically wasted, but paid for.
2. Lighting currently accounts for about 20% of U.S. electricity consumption.
3. Only 10% of energy in a light bulb is used to create light. Ninety percent of a light bulb's energy creates heat. Compact fluorescent light bulbs (CFLs), on the other hand, use about 80% less electricity than conventional bulbs and last up to 12 times as long, while LED capabilities exceed even CFLs.

"Are we doing anything to save money on energy costs?" Hopefully, when your boss asks, you are able to provide an affirmative answer. You may even be able to list off some of the actions your company has taken thus far. Now

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it is time to ask yourself, "Am I doing everything I can to help my company save money?" This may be a little more difficult to answer.

MORE ABOUT:

New America Power (NAP), www.newamericapower.com, are Newtown, Bucks County, based Energy Broker and Consulting company, assists in educating their clients of the ongoing changes and advancements in the energy industry and assist them with making decisions on energy procurement, management and curtailment. We also provide our clients with many products and services to facilitate entry into the renewable energy market. We offer a variety of energy products ranging from Fixed-all-inclusive, Index adder, Block and Index, to Wind, Green, Carbon Neutral and more... We work closely with our clients and take advantage of market behaviors that favor our clients' energy cost. We have partnerships with a considerable number of energy suppliers to offer future energy purchasing options up to 18 months in advance. This allows businesses currently under contract with another supplier to hedge future purchases and take advantage of the current market's rates.

As a leading energy consultant, NAP offers a broad array of electricity products and services to fit all of your energy needs:

- ▶ Electric and Natural Gas Procurement
- ▶ Energy Audits and Benchmarking
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- ▶ Utility Incentives/Rebates
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Changing Energy Suppliers is Easy

- ▶ NO switching fees
- ▶ NO visit required
- ▶ NO interruption in power delivery
- ▶ Same reliable delivery service from your local utility company



Lonnie M Barish
lonnie@newamericapower.com
www.newamericapower.com



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