You're Paying too Much for Energy... No, Really

The low cost of crude oil has suppressed natural gas and electricity prices. Energy is unusually cheap…right now. So, from a purchasing perspective, nothing to see or do here, right?

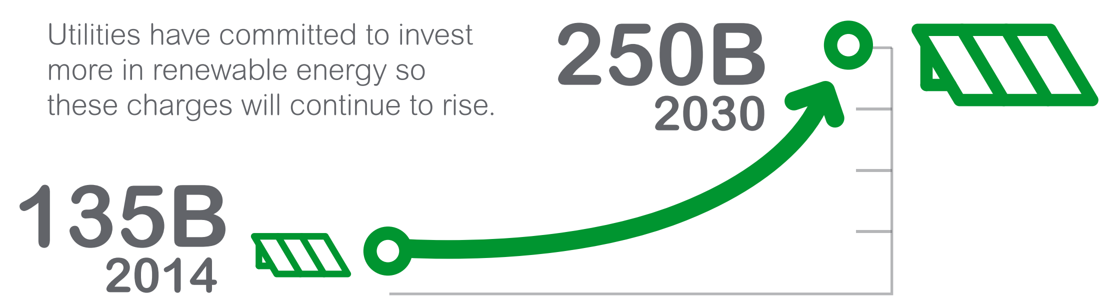
Not true. The actual energy used to power a facility accounts for less than 50% of a utility bill. The other half of the pie, known as non-commodity charges, continues to increase. Check out this breakdown of an average invoice showing the real cost of energy and where potential savings exist.

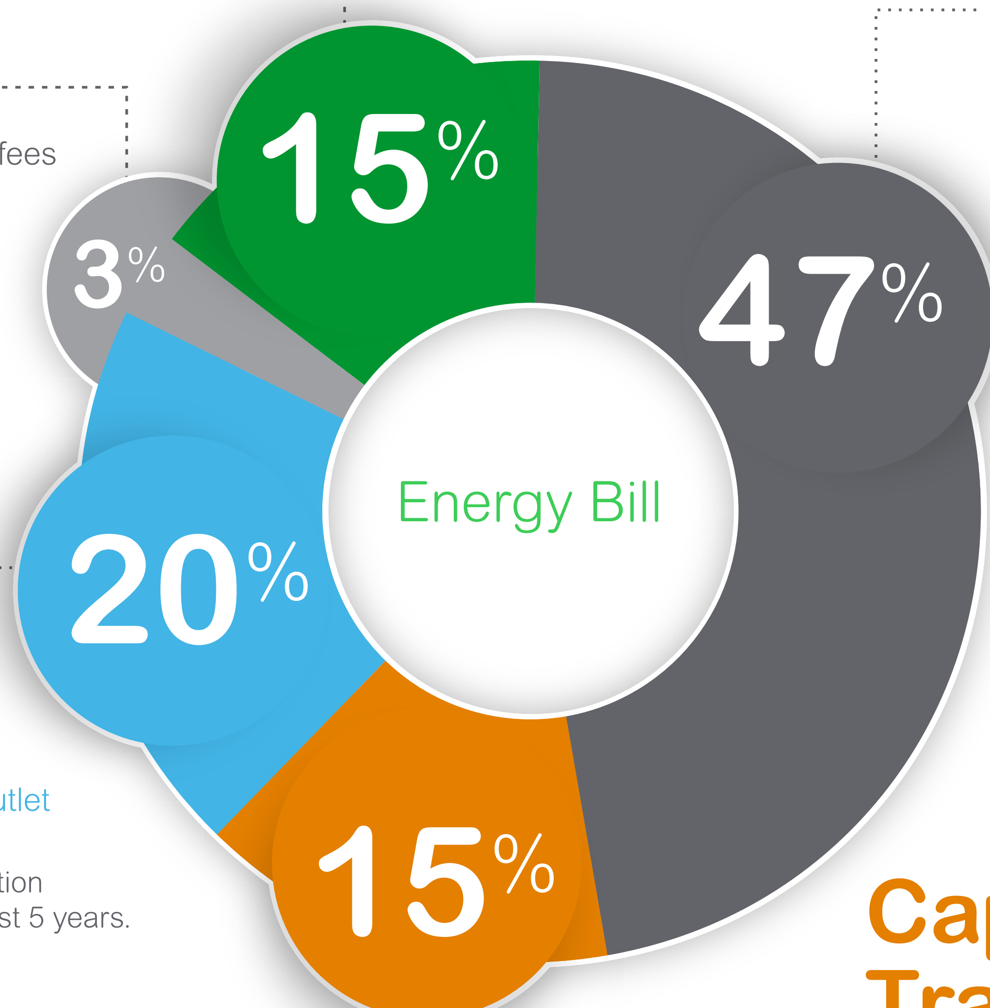
Environmental & Renewables

the charges for climate action-focused programs

Evaluate renewable options carefully. While green energy may be slightly more expensive now, it can lead to **higher returns in the long term.**

Utilities have committed to invest more in renewable energy so these charges will continue to rise.





Miscellaneous

expenses from government tariffs and related fees

These charges are relatively static and inflexible.

The good news: They only account for **3%** of your bill.

Commodity

the cost of what comes out of a generator

Commodity costs now account for less than half of an energy bill – **4% decrease from 2014.**

Despite historically low rates, companies can still trim these fees **2-6%** with a strategic energy sourcing and procurement program.

Distribution

the cost of moving energy from a plant to an outlet

There has been a **6%** increase in distribution charges over the last 5 years.

Build an accurate forecast, analyze power factors and compare rates. A company with a €15-million ($17.2-million) energy spend, can easily **cut energy expenses €150,000+** per year through these measures.

Capacity & Transmission

the charges for poles, wires and other grid tech

There has been a **91%** increase in these charges since 2011.

Reducing energy use when grid-wide demand spikes can **trim invoices by 3%**, on average.

Eurostat - Environmental Tax Statistics (June 2015)
World Nuclear - Energy Subsidies & External Costs (December 2015)
Schneider Electric Energy Action