



Purchasing Electricity – What You Should Know

Many Maine organizations have benefited from the competitive electricity market. Maine PowerOptions has once again endorsed Constellation NewEnergy, a competitive electricity supplier, as its exclusive energy provider to our members. An electricity supplier is a company or group that purchases electricity from the wholesale market and sells it to the customer. We believe that choosing Constellation NewEnergy through Maine PowerOptions presents an opportunity to meet all of your energy needs.

Choosing an Electricity Supplier is an Important Decision

Understand What You're Buying

When purchasing electricity, it's ok to ask a lot of questions. The terms of a contract should be given careful consideration, as they may differ greatly. You need to understand more than just the price quote. A fixed rate provides budget certainty, which is one of the chief benefits of the deregulated market. However, some suppliers may offer a fixed price for a year or longer, while others may offer a price that varies from year to year or even month to month. It is also especially important to understand when the contract begins and ends and whether terminating the contract early will result in an early termination or cancellation fee, and how that fee will be determined. Don't sign a contract unless you are sure you understand it. If, after reading your contract carefully, you are unsure about any of the terms, ask for clarification.

Other Energy Products

There are many innovative energy solutions you may want to consider when making your electricity supply purchase. Businesses that can commit to reduce their consumption of electricity by at least 100 kilowatts during peak times can sign up to participate in a demand response program. Businesses participating in a demand response program agree to reduce their energy output for a specific period of time to make more energy available on the regional power grid. Participants in this program can reap significant financial incentives. Some electricity providers can offer this option at the same time as your electricity purchase.

Earnings through demand response programs can also be utilized by businesses that are looking to match energy demand with renewable energy. The most common way to do this is to purchase renewable energy certificates, or RECs. Not all electricity providers offer RECs, however. If your business is interested in exploring its full array of innovative electricity options, Constellation

NewEnergy can offer a comprehensive approach to energy procurement.

Options for purchasing electricity

You can purchase electricity directly from a supplier or retain a third party broker or consultant to act on your behalf. As mentioned above, an electricity supplier is a company or group that purchases electricity from the wholesale market and sells it to the customer. A broker or consultant is a person or firm that acts as an agent, usually representing the customer, in the sale and purchase of electricity; they broker the deal between the electricity supplier and the customer, but they never own the electricity. The Maine PowerOptions program is a form of direct purchase. If you purchase electricity via the MPO program, you will work directly with a representative from Constellation NewEnergy.

Brokers usually charge a fee and you should be sure you understand what those fees are and how they will be paid. A broker may receive a flat fee or may charge a certain rate per kilowatt hour. The fee may be billed directly to a customer or be embedded in the purchase price and disbursed to the broker by the electricity supplier (there is nothing wrong with that but it should be clear that the fee is still being paid by the customer). **BEWARE ANY BROKER THAT TELLS YOU THEIR SERVICES ARE FREE.**

Whatever choice you make, you need to fully understand the process and your options. Ask suppliers and brokers how long they have been in business, check references and ask your colleagues and associates about their experiences. Also, confirm that any entity you are working with is licensed in Maine by the Maine Public Utilities Commission (PUC). The list of licensed competitive suppliers and brokers can be found on the ME PUC Web site (<http://www.maine.gov/mpuc/>).

Choosing Constellation through Maine PowerOptions Makes Sense

Experience

An entity will be better able to serve you if they have experience working with other companies in your industry. Constellation NewEnergy is the #1 retail supplier in the United States and offers a variety of products to suit each customer's needs. When you work with Constellation, via Maine PowerOptions, you get the benefit of their experience and you support your Association as well.

After-Sales Services and Continuing Customer Education

Being well informed about your electricity usage on an ongoing basis is important for effective electricity management. Constellation offers a free online tool to help you review past and current invoices and manage past and future NewEnergy spends. Also, for the benefit of Maine PowerOptions members, Constellation NewEnergy offers access to a variety of education materials including webinars, seminars, or one-on-one discussions.