

# Large Manufacturer & Generator Saves \$767k through Competitive Bid Process



## Background

One of CBIA's members is a large designer and manufacturer of fuel cell technology and fuel cell systems. This manufacturer approached CBIA to strategically supply natural gas for a 14.9MW power generation facility in Connecticut.

## Challenge

The client had an existing power purchase agreement with a major utility for electricity. The contract pricing for the power generated was predicated on the utility default price. The client was interested in learning if they could get a better value and wanted CBIA to analyze their current contract pricing and structure.

## Solution



CBIA, in conjunction with our partner Usource, developed a model to compare a forecast of predicted utility rates in Southern Connecticut versus the overall natural gas market. We then issued a competitive request for proposal (RFP) to our vast base of suppliers. As part of the RFP process, the CBIA team evaluated various product types, focusing on daily versus monthly swing, and the associated gas daily adders. In addition, CBIA analyzed and presented different supplier responses to the client while explaining the contractual nuances of each supplier.

## Results

Through the competitive RFP process, and by identifying the right time to go to market, CBIA delivered approximately **\$767,000 in savings** over a 14-month period to the client. The consumption of **825,000 Dth per year should result in a 15% savings for the client** compared to their previous contract with the utility. In addition to the savings generated through the RFP process, the client was able to regain a significant portion of their \$600,000 letter of credit when they left the utility.

