School District Develops Energy Procurement Process While Saving $200K Over the Term of New Electricity Contract with Tradition Energy

When we first spoke to the Independent School District (15,000+ students enrolled), the District was comfortable and pleased with its energy expenditures since it had fortunately procured its last electricity contract during a 10-year low in the power markets. As we discussed their upcoming renewal, they realized that the markets had moved up significantly since they last signed their current contract.

**Approach**

At the client’s request, we evaluated multiple product strategies, including index and heat rates for electricity procurement. Tradition’s market forecast indicated future prices would likely remain stable, which resulted in our recommendation to continue averting risk and lock-in a fixed price.

Utilizing our U.S. Communities contract gave us the leverage to gain more supplier participation, and even though the overall electricity market prices were higher we were able to secure a new rate 2.5% lower than the school district’s current rate.

**Results**

Tradition Energy developed a formal energy procurement process through an advisor, which was a new experience for the District. With the help of Tradition Energy and the U.S. Communities contract, the District saved close to $200,000 over the term of the new contract and achieved budget certainty into the future.

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U.S. Communities™ Government Purchasing Alliance is a nonprofit government purchasing cooperative that assists local and state government agencies, school districts (K-12), higher education, and nonprofits in reducing the cost of purchased goods through pooling the purchasing power of public agencies nationwide. This is accomplished through competitively solicited contracts for quality products through lead public agencies.