

# the Business Ledger

The Business Newspaper for Suburban Chicago

22 Nov. 24, 2008 • THE BUSINESS LEDGER

## The GreenPage



# Electrifying times for energy consulting firms

By Beth Carter  
Contributing Writer

The energy market is in turmoil and the economy might be heading for a recession. Either one is cause for a headache. Put the two together, and it's a migraine.

On the up side, companies now have big incentives to cut their energy expenses. And as a result, the energy consulting industry is booming.

ElectriTech, Inc., of Naperville, and TDI Consulting, Inc., of Lemont, are two examples of this growing field.

ElectriTech focuses on helping companies become more efficient energy consumers. The company performs corporate energy audits, walking the factory floor if necessary to uncover inefficiencies. It also provides assistance on the implementation of any improvements that can be made.

According to ElectriTech president Emmet George, businesses can easily reduce their energy consumption by taking a few simple conservation steps. For instance, he suggests turning off lights when offices are empty, putting lights on timers or sensors and switching from incandescent to LED lighting.

"Because LED bulbs produce 95 percent less heat, companies can turn down the air conditioning while actually improving their building's overall comfort level," George said. "Even though these bulbs can be four times as expensive, the energy savings can pay for the bulbs within the year. And they don't have the mercury disposal problem like compact fluorescent bulbs do."

In addition to lighting systems, George also looks at a client's motors, compressors, or air conditioning, which typically are the biggest sources of energy consumption.

Certain motors and machinery can be equipped with capacitors that make the motor's electrical system run more efficiently. And special lubricants can make air conditioning systems run easier and cleaner.

"Many of these products have been around for many years, but there has been no incentive to use them to lower electric costs," he said. "Until now."

At the other end of the quest for energy savings, TDI Consulting specializes in utility cost containment. Reducing the rates companies pay for their energy can be complicated. But TDI president Brian Reinke says there is hope.

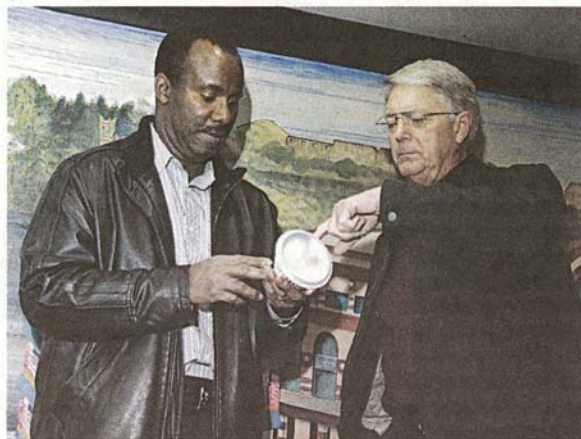
The first place he looks is his client's utility bill. Overcharges are common, but these can be refunded if the company can prove the error.

Reinke also looks at the client's tariff rates. ComEd, for instance, has a number of tariff distinctions; if a company's current tariff has a time of day clause, for example, switching the hours of peak usage may qualify the company for a better rate.

But TDI helps its clients find the biggest savings through the strategic re-negotiation of energy contracts.

When Illinois deregulated the market for electricity in 2007, it created a plethora of new options—and also new headaches—for corporate electricity consumers. Unfortunately, few companies have the time to become an expert on the energy market.

Typically, no two quotes for energy contracts look alike. Each comes with a dizzying variety of terms, prices, and conditions, and the bid usually has a time limit because it depends on current market conditions. Consultants such as TDI help businesses obtain and analyze the quotes to determine the best deal for the client.



Emmet George (left), president of ElectriTech, Inc., and Brian Reinke, president of TDI Consulting, demonstrate how companies can become more energy efficient through the use of LED lighting. (Photo by Dietrich Wolfram)

Reinke explained that, when negotiating contracts, "the goal is to find not necessarily the lowest price, but a reasonable price and predictable cost for what could be a very expensive part of your cost structure."

He pointed to a customer who had an index-based contract, in which the company's electric rates were tied to the market price. When Hurricane Katrina hit, energy prices shot up, and this customer found that his expenses doubled in as many weeks.

The American Foundry Society (AFS), based in Schaumburg, has formally enlisted TDI's help. Its members, metalcasting foundries, are major consumers of energy; these companies use incredibly high temperatures to melt metal and pour it into molds to produce usable goods or components.

In this industry, which has a less than 5 percent profit margin, even small savings in energy expenses can have a big effect on bottom lines.

"It takes time and knowledge to understand all the different utility companies out

there," said Leo Baran, the society's director for member services. "In our industry, 40 percent of businesses employ less than 100 people."

"Most are family-owned, and because these owners tend to wear many hats, they're busy and strapped for time. AFS felt we needed to support these business owners."

The TDI-AFS program offers energy conservation audits, utility bill audits and energy procurement assistance to members. The program, which rolled out in October, appears to already have helped AFS member Dynacast Corporation, a zinc and aluminum diecaster in Elgin.

Tim Smith, financial manager for Dynacast, said his company is looking at many ways to reduce its expenses. He recently used TDI to renegotiate Dynacast's electric contracts.

"Brian got us quotes with fixed pricing, so that we can budget our energy expenses," he said. "We are now on a one-year contract; if we can cut our energy cost by 3 percent in 2008 and keep that savings in 2009, we'll be happy."