



PENN STATE FACILITIES ENGINEERING INSTITUTE & COSTARS:

Electricity Procurement Services

Since 2009, the Penn State Facilities Engineering Institute (PSFEI) has provided electricity procurement services to the Commonwealth of Pennsylvania, resulting in more than \$160 million in savings. Working together with the Pennsylvania Department of General Services Bureau of Procurement (DGS-BOP), PSFEI actively assists more than 138 COSTARS clients (representing over 1,922 electric accounts) and saves an average of more than \$800 per month in utility costs.* A free utility bill review service conducted by PSFEI has identified more than \$710,000 in refunds for clients.

How it works: PSFEI's certified energy professionals continually monitor electricity market conditions and determine the best times to shop for electricity. We aggregate appropriate loads to obtain the lowest pricing from suppliers who have agreed to the Commonwealth's terms and conditions. This means you get the best pricing on terms that protect you. It's that simple.

Ever heard this before: "We help you buy lower-priced electricity and it won't cost you anything?"

The truth: No one does anything for free. There are always charges, which are hidden in the cost of your electricity, based on a relationship between the broker and electricity supplier. With PSFEI and COSTARS, you'll receive full price transparency at a highly competitive rate!

The solution: Join other COSTARS members and let PSFEI and DGS-BOP work for you!

I receive so many calls from energy suppliers, I don't have the resources or expertise to determine what is best for our organization.

PSFEI and DGS-BOP manage the entire procurement/award process. Once a COSTARS client enrolls in the program, PSFEI and DGS-BOP will determine the best time to shop for electricity, issue a Request for Quote (RFQ), review qualified supplier price quotes, and email the successful supplier.

"The ease of acquisition has been one of the biggest benefits of being a COSTARS member. Especially with limited work staff, the benefit of outside help has been tremendous."

– Jean Zore, Chief Clerk, Elk County

"Scott from PSFEI helped a lot and made the process very simple for us. He also discovered that our previous supplier was charging us sales tax and we'll be getting that returned. The new contract looks like it is going to save us a lot of money over the years, which we can certainly use for other priorities."

– Judy Snyder, Purchasing Agent, City of Allentown

*The average monthly savings are based on the difference between the tariff based "Price to Compare," the price per KWh supplied by the regulated electric utility, and the price per KWh achieved through the COSTARS Electric Procurement program. All estimated savings are based on the number of participating clients.



PSFEI can provide best practices for electricity procurement program clients exploring:

- On-site, behind-the-meter, renewable electric generation systems including solar, wind, and co-generation
- Sustainable and energy-efficient design concepts and associated utility rebate programs
- Utility net metering regulations, managed electric supply, and renewable energy credits

How will I know if I saved money and what is the cost of the service?

Sometimes the utilities pricing is the lowest. DGS-BOP will only select a supplier if savings can be achieved in comparison to the current regulated utilities' default pricing. The client is provided with a consolidated summary of avoided costs, including current contract and regulated utility default pricing. The cost of the services is transparent (\$0.001/Kwh) and is embedded in the supplier's pricing.

What electric suppliers will be bidding my accounts and what type of product will they be offering?

A large pool of pre-qualified suppliers will compete for COSTARS client business. These suppliers have met the Commonwealth's qualification criteria and agreed to their terms and conditions. Only a fixed-price electricity supply product will be solicited, protecting COSTARS clients from price fluctuations and providing budget certainty.

"We've experienced a significant savings as COSTARS members, but the biggest benefit is in the time savings in preparing numerous RFPs, soliciting suppliers, bidders and vendors, and spending time doing all of those related tasks. With the COSTARS program, you select and buy ... at a reasonable price, with thoroughly vetted vendors who understand your agency!"

– Karen S. Barwick, Information Technology Administrator,
Monroe County Control Center 911

"The biggest benefit of being a COSTARS member is being able to piggyback off of the state contracts for a wide variety of goods and services."

– Ralph Stewart, Borough Manager, Borough of Bellefonte

What steps do I need to take to initiate the COSTARS/PSFEI electricity procurement services?

Current COSTARS Members

For more information contact:

Scott Harford
Energy Management Consultant
Penn State Facilities Engineering Institute
srh18@psu.edu
814-863-2090

Ready to enroll in the program? Download the enrollment form at psfei.psu.edu and follow instructions.

Interested in becoming a COSTARS Member?

Contact:
COSTARS Marketing Manager
1-866-768-7827
GS-PACostars@pa.gov

Further information on the COSTARS program is available by visiting the COSTARS website at www.costars.state.pa.us.



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