

Erie County Utility Aggregation

2/14/22

What is a Utility Aggregation?

- A Utility Aggregation is a mechanism for local governments to save money and/or pursue various procurement strategies by cooperatively purchasing energy.
- Erie County operates a Municipal Utility Aggregation
 - Municipal Law authorizes EC to purchase gas and electric on behalf of public entities – local governments, school districts, fire districts
 - Erie County is the supplier for member entities

Erie County Electric Aggregation

- Erie County is a Load Serving Entity (LSE) that is authorized to purchase electricity directly from the NY Independent System Operator (NYISO)
 - Wholesale electric purchase is at market price. For market-based electricity there is no lower price than NYISO
 - We pay the same rate as Utility Companies (National Grid, NYSEG) and other Energy Services Companies (ESCOs).
 - No hidden costs (profit margins, cost of credit, marketing expenses, overhead, etc.)
 - Low volumetric fee to cover administrative costs
 - \$0.0005/kWh
 - Total transactional transparency
 - All supply cost line-item details are known and tracked

Erie County Natural Gas Aggregation

- Erie County procures Natural Gas supply through periodic bid process. Wholesale gas suppliers bid to flow gas to EC's Direct Customer pools.
- Natural Gas savings through economies of scale
- Bid follows municipal procurement requirements
- Low Volumetric fee to cover administrative costs
 - \$0.08/Mcf

Additional Benefits

- Erie County provides a monthly summary for each energy type
 - 1 invoice/month summarizing all electric accounts
 - 1 invoice/month summarizing all gas accounts
- Online web portal organizes energy expenditures all in one spot
 - Access years of utility data
 - Instantly charts energy consumption and costs
- Budget Preparation and Modeling
 - Annual summary and account level reports
 - Budget forecast for upcoming year

Program Statistics

- 41 Municipal participants (including the County)
- Total Savings since 1999
 - Electric: \$10.37 million or 3.1%
 - Gas: \$26.8 million or 17%
- Annual Electric Usage: ~285,000,000 kWh
- Annual Gas Usage: ~955,000 Mcf

West Seneca Analysis

- Initial Analysis Period: 12 months ending May-21
 - Electric: \$29,463.21 or 18.7% savings compared to NYSEG
 - Gas: \$564.62 or 1.9% savings compared to NFG
- Saving vs local utility supply rate is not guaranteed, however, it is extremely rare for the Aggregate to not show annual savings to members.
- Savings can vary widely month to month, but a realistic long-term savings expectation is 5-10%.