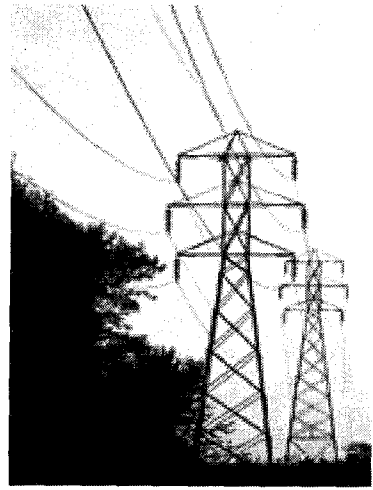


# BWCC Leads Again: Forming Multiple Energy Cooperatives



Knowing that the full deregulation of electric energy was to occur for mid-Maryland on July 1, 2004, the Baltimore/Washington Corridor Chamber of Commerce Board of Directors at its Spring, 2003 Retreat held in Easton, MD approved a bold plan to develop and manage an electric purchasing cooperative on behalf of its membership.

The goal was to provide information to members about the electric market, traded as a commodity on the New York Mercantile Exchange, or NYMEX. The Chamber knew that there was a great deal of information that members would need in order to make an informed decision. While BGE, PEPCO would continue to be the “pipes and wires” for transmission of electricity, taking care of service delivery, billing, providing the meters and being the entity to call in case of service disruption, the actual *generated* electricity was being deregulated, and going to “market-based” pricing. As such, a user could purchase from any of the licensed dealers in Maryland. How would they select a supplier? What criteria would be used, and how would they know if it was a good rate?

The BWCC stepped in to provide this information, hiring CQI Associates, Inc., an energy consultant based in Columbia, MD. CQI had years of experience in energy management, consulting with such industry giants as Northrop Grumman, and even such non-profit users as the Archdiocese of Baltimore. The firm had consulted with many state and local governments, as well as the Ocean City, Maryland, Chamber of Commerce and affiliated business organizations in that resort community.

Hosting overview sessions at the BWCC offices, the Chamber and CQI drew together members and prospective members. In two-hour sessions, the group covered the process, the choices and the likely outcome of members aggregating their electric purchases together to achieve consolidated buying power. Not only businesses joined, but non-profits, government entities, banks, credit unions, condominium associations as well as churches, synagogues and private schools became a part of the cooperative.

World events and abnormal commodity prices—along with severe weather situations, made the process an arduous one. Bombings in Spain, geo-political unrest and the war on terrorism in the Middle East, as well as numerous hurricanes in a single season kept the market for natural gas, oil, electricity and gasoline at historically high levels. However, we were patient, and waited for the market to provide the cooperative with long term budget stability. We landed a three-year contract for all accounts with Select Energy, a Connecticut firm. We had succeeded in bringing value to our cooperative members,

anticipating a \$2.2 million dollar savings for the 129 businesses, 330 accounts that collectively purchased some 10 Megawatts of power.

But there is much left to do. Many businesses have still not realized that they have options for the purchase of electricity. In spite of increases ranging from 30 to 50 percent, businesses are not gathering the information to help control electric energy costs. We urge all members to share with business friends and associates, as well as the non-profit organizations and institutions with which they work, to encourage them to gather the information through the free overview sessions provided by the BWCC.

The BWCC, through request of its members, has now added a natural gas purchasing cooperative. We remain committed to serving our members through the work of these cooperatives, charging a reasonable “one-time” fee and providing a contract that is between the user and the supplier. The BWCC is **NOT** a party to any contract and receives **NO COMMISSION** from any supplier.

The BWCC is a chamber of firsts. This is yet another service to members that shows we truly value innovation and implement programs that *serve* members. Ask the BWCC staff for more details. We look forward to assisting you to improve your bottom line. As the energy purchasing cooperative byline states, we provide you with the “power to control your bottom line.”

