



Choosing the right energy partner

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Deregulation of the energy markets introduced competition where none existed before. By the separation of supply (actual supplier) and distribution (means energy is transmitted), deregulation gave rise to a number of energy service companies (ESCOs) offering lower energy prices and more choices. Taking steps to properly manage energy costs can have positive effects on your bottom line.

Switching from your current utility to an ESCO for your energy needs is often a seamless process. However, there are a few things you should find out to determine which ESCO is right for you.

First and foremost, find out if the ESCO is listed on your state's public service/utility board or commission. This department of state government has varying names depending on the state, but no matter the name they are the department's responsible for approving and reviewing ESCOs.

Price: This is probably the number one reason you are thinking about switching to an ESCO - to lower your energy bill. Many ESCOs have different pricing options. Typically, there are three kinds: Fixed, variable, and hybrid. Here are some tips on how to determine the best price:

Ask for ESCO's price-per-kilowatt hour. Make sure you have your current energy bills on hand so you can know your rates and usage. Find out if the price quoted includes taxes and other fees.

Find out if there are any promotions or incentives that the ESCO is offering new customers.

Billing: It's generally best to go with an ESCO that offers consolidated billing. If anything, it can be considered a tacit endorsement of the ESCO by your utility since they are agreeing to share the bill.

Financial Stability: You should always choose a provider that is doing well and has been in business for a while. The longer an ESCO has been in business, the more reliable they are, and the longer track record they have.

Customer Service: Research how the ESCO handles customer complaints - what their customer service hours are, toll-free numbers, ease of speaking to a live person, customer satisfaction, etc.

Agreement Terms: Get a good understanding of the contract terms. Always find out what their cancellation policy is and if there are any penalties for canceling.

Getting the answers to these questions will give you the most insight into choosing the ESCO that best suits your needs and start saving money on your energy bills.

Sam Ritter is chief operating officer of
Plymouth Rock Energy, Woodmere, N.Y.