

SPECIAL REPORT

ENERGY CONSUMPTION

WHY YOU SHOULDN'T PANIC ABOUT THE ELECTRICITY LANDSCAPE



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Guest contributor

Few industries have been spared from the effects of the COVID-19 coronavirus pandemic, but when it comes to the greater electricity landscape, it seems as though business owners may be able to breathe.

The impact varies across industries and sectors. For instance, restaurants and bars have been feeling the heat as forced closures and delivery-only services have led to little to no income flowing throughout most of the industry. When it comes to housing, multifamily developers are unsure if they will be able to pay utilities because of the uncertainty surrounding their residents' ability to make rent.

SO, WHAT CAN BUSINESSES EXPECT?

The biggest change seen is within usage volumes. Because of the "Stay Home, Work Safe" order in Houston, all nonessential workers are now working from home, which led to an increase in residential power and a sharp decrease in commercial and industrial power. However, thanks to Governor Abbott's "COVID-19 Electricity Relief Program," residential customers are now temporarily exempted from making energy payments, if necessary. While the program is meant for residential users, there is hope for businesses, as well.

WHICH LEADS US TO ENERGY SUPPLIERS?

Several energy suppliers have taken a proactive stance, committing to clients that they won't be disconnecting power for non-payment. Additionally, we're seeing other suppliers reach out to customers (or in response to inbound customer outreach) offering payment plans to ease financial strain. Provisions can be made to contracts that could impact energy rates; some suppliers are proactively making clients aware of these provisions, while others will wait to hear from their clients surrounding their individual needs. For instance, suppliers may suspend certain contract provisions that increase costs for using too little or too much power. Many suppliers are looking at contracts on a case-by-case basis.

WHERE ENERGY BROKERS OR YOUR SUPPLIER CAN HELP:

Energy consultants serve as the conduit between the supplier and the customer, finding the best rates depending on clients' needs. It is important for brokers to understand the current state of their clients' specific industries to pursue the best

possible rate adjustments for them. Additionally, we are finding that some suppliers are not willing to include lengthier terms in their contracts because of the unknown or are unwilling to work with businesses that are now deemed risky (like restaurants or brick and mortar retailers). This is where working with a broker can benefit during these unpredictable times.

Our largest piece of advice: Do not pan-

ic. If you already have a relationship with a broker, reach out to them. If you do not have a relationship with a broker, reach out to your supplier directly. In either scenario, it's important that you are proactive about your energy bills and speak with your broker or supplier directly to discuss all available options. Additionally, consider applying for an SBA loan which covers utilities through the Paycheck Protection Program.

This is going to be trying for everyone, but there is hope, as the trends continuously show that by 2021, it should be business as usual.

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