



PhillyBuyingPower

When PECO rate caps expire at the end of the year, Philadelphia businesses will be able to purchase electricity generation from a supplier of their choice. In other cities with expiring rate caps, generation suppliers have competed to serve larger businesses, institutions, and residents, but often have made fewer competitive offers to small and medium businesses and non-profits. To help those businesses adjust to the rate cap expiration and to ensure they receive the best energy prices possible, the City released a Request for Information in July. The RFI sought a consultant to form a buyer's group of Philadelphia businesses and administer an on-line auction for electric utility providers to compete for the aggregated electrical demand of the buyer's group. The City then vetted the RFI responses to find the consultant most qualified to run Philly Buying Power, the citywide aggregation program.

In October, the City selected Taylor Consulting and Contracting, a Pennsylvania-based energy management firm, to operate Philly Buying Power. The City and Taylor do not have a contractual relationship, and neither receives payment from the other. The City endorses Philly Buying Power to let Philadelphia businesses know that Taylor has experience building and operating successful energy aggregations, including one in the City of Boston. Taylor recently opened an office in Philadelphia to recruit, enroll, and service businesses in Philly Buying Power. They anticipate increasing their local workforce as the Philly Buying Power program grows and holding their first auctions for 2011 energy generation in late November or early December 2010.

Taylor will group Philly Buying Power members with other businesses that share similar energy use profiles, and suppliers will bid for the opportunity to generate electricity for each grouping. The supplier that bids the lowest price wins a contract to generate power for the group. Over time, the buyer's group and their total purchasing power will continue to grow, increasing the ability of the group to command lower prices and a higher percentage of sustainably produced power in their supply from energy providers.

The City developed Philly Buying Power to help small and medium-sized businesses and non-profits realize the same savings as large institutions when rate caps expire. Large electricity users can cut their costs dramatically by negotiating terms with suppliers or by buying electricity on the wholesale market. Small businesses can benefit from similar savings only if they aggregate their demand and shop together through Philly Buying Power.

For more information or to enroll, visit www.phillybuyingpower.com or call 215.558.5185.

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