Total Energy Management: Utility Management Corporation achieves full service vision with EnergyCAP®

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UTILITY MANAGEMENT CORPORATION

Description: Utility Management Corporation (www.utilitymanagement.org) is an independent energy management firm that helps clients to manage and reduce utility expenses.

EnergyCAP Installation: 2005

Tracking: More than 13,000 buildings including multi-family housing units; industrial, commercial, and corporate facilities; and educational institutions; and 20,000 meters including gas, electricity, water, sewer, propane, and telephone.

Total Utility Spend: $730,000,000

Summary

For more than 20 years, Utility Management Corporation (UMC) has worked with commercial, industrial, educational, multi-family, health care, and utility clients to manage energy supply risks and rates. The company presently provides energy management services for more than 10,000 multi-family units; 2,800 educational institutions; and multiple industrial facilities, restaurants, commercial, and office buildings.

In 2005, UMC decided to add utility bill processing to its services portfolio. Since acquiring EnergyCAP® energy management software, UMC has been able to enhance company efficiencies, expand its client base in new markets, and more completely fulfill a long-standing commitment to conservation and energy savings. Using EnergyCAP, UMC is now able to offer services such as bill payment, auditing, reporting, energy supply, energy procurement, risk management, greenhouse gas tracking, carbon footprint reporting, demand response, rate analysis, and energy cost avoidance.

The Need

As an energy consultant and service provider, UMC needed a bill processing platform to serve the multi-family real estate market. Manual processes were hampering efficiency for bill auditing. It was difficult to reconcile supply and transportation statements. Historical billing information was difficult to access. Bill payment processes often resulted in late fees and penalties. There were few accessible resources for energy accounting, trend analysis, and other utility bill-related company processes.

The Solution

EnergyCAP met UMC's immediate need for a robust bill processing front end for their utility-focused consulting services. Immediate benefits included automation of the audit process, the ability to consolidate

EnergyCAP®

usage and rate information, and the ability to immediately and conveniently access bill history. But the payback was more comprehensive, as EnergyCAP provided sophisticated benchmarking, reporting, and project measurement and verification (M&V). These functions provided value for a growing portfolio of new clients.

Bill Entry. Several UMC clients use the EnergyCAP Accounts Payable interface. This enables electronic export of EnergyCAP-audited billing data to the client AP system. This process has greatly increased utility bill payment efficiencies. The company reports the virtual elimination of bill late fees and billing errors. An additional benefit is improved client relations, particularly with IT and accounting groups, whose members appreciate the data UMC is now able to provide.

UMC primarily tracks common areas, residential units, and hotels. EnergyCAP's Audit 46, a comprehensive audit group, was especially helpful in identifying billing errors and savings opportunities. Energy-CAP's PowerViews™ charts and graphs provided new and convenient ways for UMC staff to assess utility data. Manual bill review efficiency increased as staff learned how to easily compare current and historical billing data in EnergyCAP.

A recent multi-family bill refund was obtained through audits of properties exhibiting energy cost/use increases of 10–15% over the previous year. UMC contacted the vendor—whose internal investigation confirmed the error and resulted in a credit of $60,000.

Utility Rate Shopping. The development of a utility-oriented database enhanced procurement, budgeting, and energy-focused reporting. EnergyCAP enabled UMC to easily run historical reports for usage and cost for individual commodities. This information facilitated the submittal of multiple RFPs for better client utility contracts.

In its communication with prospective utility vendors, UMC made use of EnergyCAP reports tailored for these cost-control situations. According to UMC Chief Executive Officer Howard Randolph, "The Electric Price Quote (BL31) & Natural Gas Price Quote (BL32) are extremely helpful with regards to those efforts."

Benchmarking. Accurate and reliable client utility reports have resulted in energy reduction and savings. EnergyCAP's powerful benchmarking features enabled UMC to target inefficient buildings for energy improvement, and to spot leaks. The Greenhouse Gas Tracking feature has enabled the organization to assess the size of clients' carbon footprint, paving the way for conservation efforts.

UMC cited several client benefits from specific EnergyCAP reports:

- Troubleshooting Bill Data: The Missing Bills report (BL08) finds gaps between the end date of one bill and the start date of the next bill, which may indicate missing bills or data errors.
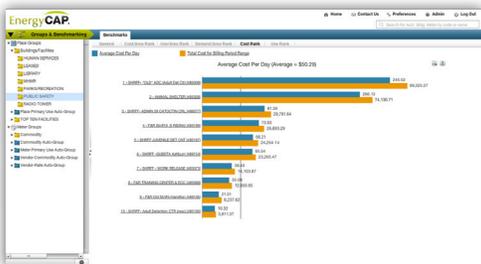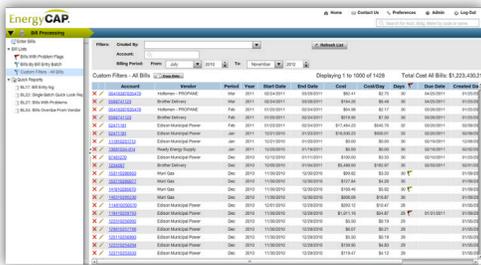
- Creating Action Items for Energy Management: The Issues report (CAP14) provides an actionable to-do list for bill-related problems that have been noted at some point in the bill entry or auditing process. "[It's] great for tracking bill issues and quantifying cost," said Randolph.

- Spotting Overdue Bills: The Bills Overdue from Vendor report (BL34) provides a list of bills that have not yet been received from vendors and may be overdue (i.e. may be lost in the mail). The report uses three most recent bills to estimate when each bill should be received. If bill is not entered within x days, the account is shown on this report.

- Performing Building-Based Analysis: The Meter Summary by Account report (BL02) shows individual bills for each meter, organized by building. "[BL02 is] a good way to spot data anomalies missed by the audits."

- Summarizing Commodity Expense: The Executive Summary by Commodity report (BL12) provides a one-page summary of cost, usage, unit cost and cost/area of all commodities for all buildings or all cost centers, or filtered for single locations. According to Randolph: "[BL12 is] a good overview for most clients—not too messy for VPs."

Budgeting. In addition to the 200+ available reports, a number of UMC clients have used the EnergyCAP Budget Manager. It's a meter-by-meter budgeting module that enables them to quickly obtain budgets for any commodity at any organizational level. Calculations are based on historical data, and budget values can be adjusted globally or granularly. "It is a powerful forecasting tool, and has become invaluable to our older clients that have the benefit of several years of history in the system," said Randolph.

Measurement and Verification. Some UMC clients have used the sophisticated Cost Avoidance module in EnergyCAP to perform M&V for energy campaigns and projects.

Recently a national hotel chain installed programmable thermostats in each room to reduce electricity costs. They also installed low-flow shower heads to cut down on water consumption. EnergyCAP's Cost Avoidance Manager enabled the client to monitor savings by normalizing baseline use and cost for variables including weather, billing period length, and building square footage changes. The module also enables adjustments for other factors known to the energy manager, such as occupancy, schedule changes, etc.).

The automated ENERGY STAR submittal features of EnergyCAP have greatly reduced the labor and time associated with obtaining and monitoring EPA building ENERGY STAR ratings.

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>
> **Howard Randolph, CEO of Utility Management Corporation**

Total Energy Management. EnergyCAP has enabled UMC to widen the range of services for existing and new clients. According to Randolph, UMC was started as a natural gas and electricity consulting firm in 1987. "By adding EnergyCAP to our services' portfolio, UMC can now boast that we are a full service energy management firm," he said. "It allows UMC to offer more services to our existing customers, as well as bring new…customers that do not need our natural gas and electricity consulting services."

Conclusion

Utility Management Corporation has integrated EnergyCAP into its energy management mission. The software has provided sophisticated process and management tools that have increased operational efficiencies, particularly in the areas of bill entry and auditing. The powerful reporting and benchmarking features have facilitated more successful energy management. These features and others, such as the Budget Manager and the Cost Avoidance Manager, have contributed to UMC's full service vision for the future. These capabilities have opened the door for business opportunities in new markets.

Acknowledgement

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