

# Best Practices in Energy Procurement



## Managed Heat Rate

How Colleges and Universities Can Secure Best Electricity Prices



“The Managed Heat Rate is one of the most innovative electric procurement strategies I have seen. It truly provides us with flexibility, budget predictability and the opportunity to reduce our electric costs.”

**Bill Laird**  
Chief Financial Officer  
Loyola University

## Executive Summary

This paper is for college and university chief financial officers and chief facilities officers who are concerned about volatile electricity costs and seek

1. to expand their options for energy procurement
2. a better way to manage the price risks associated with energy purchases
3. guidance on best market position as utility price caps expire or long-term contracts end
4. market expertise to ensure future value pricing
5. the potential for greater savings

This paper describes **Managed Heat Rate**, an innovative product that potentially can deliver long-term savings in excess of traditional fixed-priced electricity contracts. **Managed Heat Rate** brings to energy procurement the similar kind of knowledge and discipline employed by chief financial officers in managing investment portfolios.

Available in states that have deregulated electricity markets, **Managed Heat Rate** uniquely separates and then procures the primary components that determine ever-changing electricity prices. Colleges and universities “buy” the components singly when each reaches an attractive price point. Remaining risk is managed by “locking-in” prices when desired, thereby securing predictable rates over the contracted period and facilitating institutional budgeting efforts.

We profile colleges and universities that use **Managed Heat Rate** and show how others can leverage this price management tool for financial benefit.

## Problem

### Colleges face erratic energy costs and a complex market

Many colleges and universities find it difficult to plan and manage energy costs because prices have become so volatile. And even if they escape the erratic market with a fixed-price power contract, they are understandably worried about costs after contract expiry.

No core expense has been more variable over the last five years than energy, according to the Commonfund Institute’s Higher Education Price Index<sup>1</sup>, with prices having moved by as much 38% in a single year. What does the future hold? It is difficult to gauge because electricity prices are driven by fuel prices, which are heavily influenced by unpredictable international events. For example, in 2008 fixed-rate electric prices have varied from \$5MWh (\$.05/KWh) to \$13MWh (\$.13/KWh). Crude oil prices have ranged from a low of \$30/barrel to a high of \$148/barrel<sup>2</sup>.

<sup>1</sup> Commonfund, “2008 Higher Education Price Index,” page 7.

<sup>2</sup> Amerex Energy Services

Deregulation of electricity markets, enacted in several states (See map on page 3.), offers relief – but only for the savvy and proactive buyer. Prior to deregulation, colleges and universities received power under a rate set by a state public utilities commission. While state rate-setting created price predictability, it gave institutions little control over their electricity budgets. Now, under deregulation, colleges and universities are no longer held captive by utility prices; they can shop from competing companies. But to truly achieve the best balance between price and risk, buyers must have an advanced understanding of markets, and they must plan well in advance.

This is particularly true now as deregulation continues, and some states lift utility price caps. The caps were meant to protect customers from market price volatility as they started competitive buying. With the caps expiring, electricity customers without a buying strategy face price shock.

Consider Pennsylvania, where price caps end in 2010. The Pennsylvania Public Utility Commission recently issued a pricing analysis to help customers prepare. It found that depending on their size and location, customers could see costs rise 43% to 103% if the price caps came off now. Early preparation is key to managing this potential budgetary jolt. State regulators say that large electricity users who prepare now<sup>3</sup> – rather than waiting for price caps to end – stand a good chance of finding lower prices.

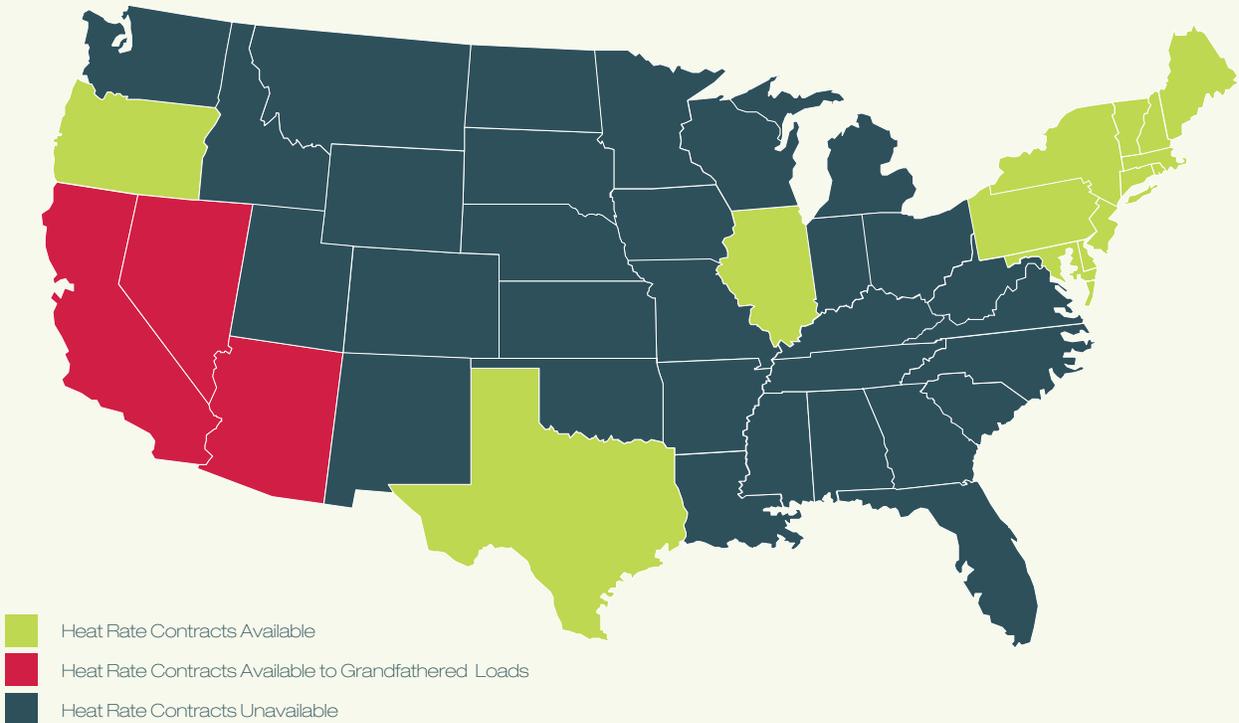
Even institutions in states without price caps have good reason to worry. Following deregulation, many colleges and universities signed long-term contracts with competitive suppliers. It is essential that these institutions determine their power purchasing strategy in advance of contract expiration. Otherwise, they may find that there is insufficient time to execute a replacement contract on favorable terms.

Power prices are now so sensitive to outside forces, it is difficult for even experienced energy managers at colleges and universities to strike the best deal. As seen with Hurricane Katrina in 2005, and more recently with Hurricane Ike in 2008, those who waited to lock in natural gas prices until the storm had begun to threaten Gulf of Mexico production paid a much higher price. Likewise, such Acts of God – or even a negative newspaper report about fuel supplies or storage – can unexpectedly spike electricity rates just before a long-term electricity contract expires, plunging the institution into an uncertain market.

<sup>3</sup> Pennsylvania Public Utility Commission, "PUC Electric Price Estimates August 14, 2008," [http://www.puc.state.pa.us/electric/pdf/PriceEstimates/Electric\\_Price\\_Estimates081408.pdf](http://www.puc.state.pa.us/electric/pdf/PriceEstimates/Electric_Price_Estimates081408.pdf).

## Where to Find Heat Rate

Deregulated Power and Heat Rate Availability



### Many energy procurement choices fall short

Before deregulation of state electricity markets, energy procurement was easier, but offered less opportunity for cost savings, product innovation and pursuit of green energy. There was utility service, but no choice. Colleges and universities simply relied on the local utility, and paid dearly for this convenience, often subsidizing costs for smaller energy users. And since the utilities sometimes deferred expenses over time and then billed the carrying costs, customers paid under credit-card style terms, i.e. the cost-of-service plus interest.

What's changed? Deregulation unbundled the primary components of electricity price, improving transparency. Colleges and universities can see and work with wholesale market components of the overall cost of electricity. The fuel or power price is now shown separately on the utility bill from other costs, such as transmission and distribution charges. The power price is isolated because it represents the deregulated portion of the bill, the charge that a customer can influence by shopping for a better rate than the utility offers.

“This energy contract program has been very effective for Baylor. We now have a high degree of confidence that we have secured a very advantageous price for electricity for many years to come. This has dramatically improved our long range budget and its predictability.”

Reagan Ramsower  
Chief Financial Officer  
Baylor University

As we will discuss in this paper, Managed Heat Rate takes unbundling a step further, giving customers even greater precision in managing price. But before we discuss why this approach positions consumers for the best opportunity to manage price risk, here are advantages and disadvantages of other electric products commonly available.

- **Fixed-price contracts:** These contracts may be with competitive retail suppliers or utilities. Utilities often use the term “special contracts” to describe such arrangements. Price is fixed for several years, or linked to a standard index. College and universities receive price assurance, but they do not benefit if power prices fall. Given the volatility of energy markets, it is very difficult to predict future prices, making these contracts a gamble. Their primary advantage is that price predictability and budget certainty is achieved to the extent the price is fixed, thereby avoiding the risk of price increases.
- **Buying consortiums:** Also called aggregations, these are buying pools. Energy companies known as aggregators will group customers together and use economies of scale to secure the best price for the group. In theory, this approach sounds like a good idea. In reality, the cyclical nature of higher education represents a cost liability under aggregation.

Here is the problem: Electricity costs are highly dependent on a customer’s “load profile,” which represents the amount of energy used at given points in time. Energy costs vary dramatically by time of day and season. Prices rise, for example, during hot summer afternoons when electricity demand is high. If customers run air conditioning full tilt at that time, they use very high-priced power. **Those customers whose loads do not require intensive cooling – such as colleges that reduce operations in the summer – end up subsidizing those who do.**

Since the cost of all customer load profiles are averaged over the group, those with an unfavorable profile reap the benefit of higher education’s favorable load profile. Colleges and universities end up paying more than they should for power. For a buying pool to benefit **all** participants, all need to use power in a similar manner (e.g. groups of colleges, groups of healthcare providers, but not a mix). Furthermore, given the nature of contract negotiations and pricing, it is very difficult to obtain any benefit from the supposed economies of scale. Beyond that, a buying consortium must still address the issue of price risk through the negotiation of a contract for all its members, some of whom may prefer a different pricing regime.

- **Floating price:** A customer may choose to allow the price of the energy commodity to float with the market, purchasing power on a day-by-day basis at a price determined by activity in the wholesale markets. By adopting this strategy, you pay the actual price of power as it fluctuates up and down – often dramatically. In many markets, purchasing at a floating rate price may achieve savings over available fixed prices, but those savings come at the cost of accepting the volatile markets. Although favorable pricing can be secured, taking such an approach requires vigilance and expertise in order to appropriately manage the price risk.
- **Onsite generation:** Some institutions install heat and power generators. While these tend to be efficient, they do require a large capital expenditure, and much effort and time in securing air quality and other required regulatory permits. In some instances, we have found onsite generation facilities to be remarkably inefficient as compared to other sources of power.

Many colleges and universities also are working to “green” their campuses, which adds yet another wrinkle to their decision-making. Colleges and universities are at the forefront of encouraging development of renewable energy in the United States. Those who signed the American College & University President’s Climate Commitment are seeking cleaner energy supply to reduce their carbon footprint. But renewable energy continues to cost more than conventional generation. If colleges install solar panels or wind generation, they often pay high capital costs. They can avoid upfront installation costs by purchasing green power directly from their utility, but then they typically face a higher monthly electricity bill. Pursuing green energy may be noble but it can be costly.

## Benefits and Drawbacks of Common Power Procurement Strategies

Method of Procuring Power	Benefits	Drawbacks
Fixed-price long-term contracts	Predictable prices	Risk losing money if prices decline over term of contract
Buying consortiums	Favorable pricing through bulk purchase	Load profile of colleges and universities subsidizes other consumers
Onsite combined heat and power	Efficient power	High upfront capital investment
Spot market purchase	Pay actual market price of power	Highly volatile prices require constant monitoring
Onsite solar or wind generation	Clean power source	High upfront capital investment
Utility green pricing program	Clean power source	Typically adds a premium to monthly utility bill

## Innovative Solution

### Opportunity emerges from new market structure

While deregulation has created complexity, it also offers new opportunity to secure better pricing through highly specialized wholesale market purchases. This is the premise behind Managed Heat Rate, a product offered by ARAMARK in partnership with internationally recognized energy broker Amerex.

Managed Heat Rate is a pricing strategy that provides a better means of managing the price risk inherent in other energy options. Colleges and universities that use this product:

- Gain pricing flexibility not provided by fixed-price contracts
- Do not subsidize other energy users
- Do not expend upfront capital
- Position themselves to seize favorable pricing in support of budgeting efforts
- Pay no special premium to their utility
- Free cash to apply toward other goals, such as sustainability

This strategy capitalizes on deregulation and gives colleges and universities a broader, more effective price risk management tool, and control over the separate price components and timing. Rather than commit to a fixed price for power at a predetermined time when it may not be most advantageous, using Managed Heat Rate constructs favorable electricity pricing based on market conditions.

If managed effectively, Managed Heat Rate can achieve better long-term savings than traditional fixed-priced contracts. Why? Deregulation allows customers to unbundle the primary inputs that determine electricity price, so institutions can now secure the individual components of the electric rate at times of their choosing. The aggregation of these individual components typically results in a lower electric rate than a fixed-price contract. In essence, the Managed Heat Rate product monitors the market and provides the opportunity to secure each of the components of electricity individually when they reach what are considered their optimal price points. These components are:

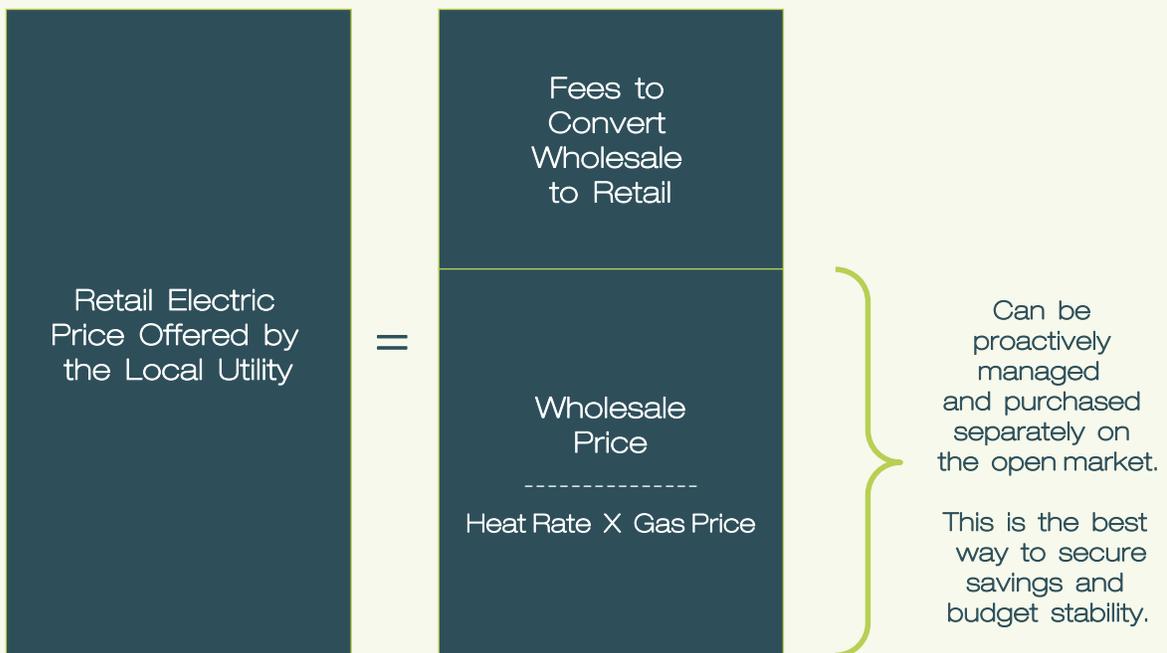
- **Heat Rate:** A measure of the efficiency of a power plant (or pool of plants) in converting fuel to electricity. This is a key component in determining electricity costs. The more efficient the plant, the lower the heat rate.
- **Fuel Prices:** The second key element that determines cost is the fuel that powers electric generating plants. In many regions, the price of natural gas heavily drives electricity rates. Gas prices are often set based on the NYMEX commodities exchange or on published indexes.
- **Retail Adder:** These are fixed costs to convert wholesale power to retail power, including fees set by grid operators, ancillary services, etc.

These three components create an institution's electricity price as follows:

$$\text{Heat Rate} \times \text{Indexed Gas Price} + \text{Retail Adder} = \text{Electricity Price}$$

The graphic below depicts how the components can be separately procured for maximum benefit.

## Components of Retail Electric Price



“By breaking down the components of the energy rate, we have flexibility and even greater opportunity to save money.”

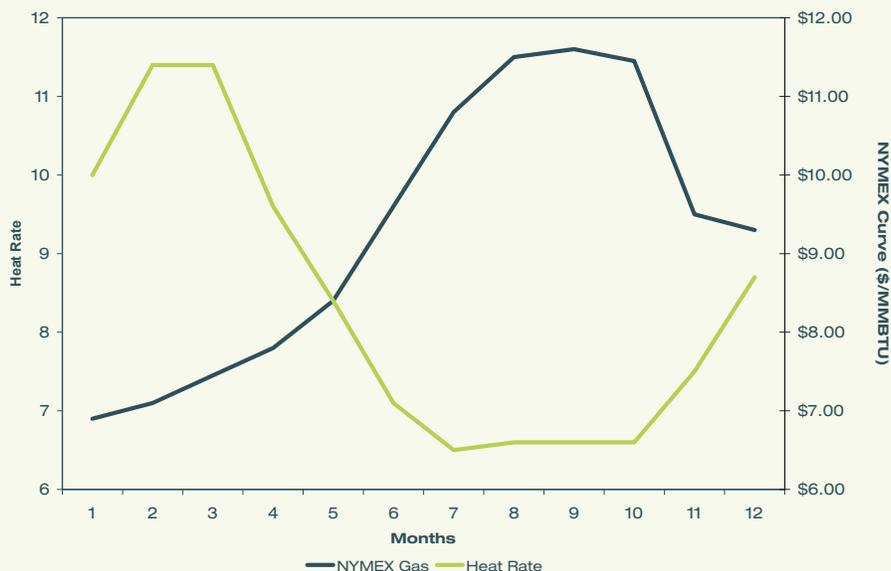
Kana Wibbenmeyer  
Assistant Director of  
Budget and Contract Control  
Loyola University

## Leveraging the Formula for Higher Education

In making this formula work for higher education, timing is everything. Why? **Because the heat rate is normally inversely related to the price of natural gas.** Generally, when gas prices rise, the heat rate falls. To optimize this relationship, both heat rate and natural gas must be secured at or near their market lows. For colleges and universities, this means “purchasing” heat rate and natural gas separately and at different times. The price for each of the components is “locked in” at separate points, so that you can manage the price risk associated with each component and attempt to secure each at the optimal price point. A low heat rate multiplied by a low gas price results in the best electric price. The best price risk management practice for colleges and universities involves continuously monitoring the market with the intention of buying each component at or near its optimum low while being mindful of the benefit of locking in one or both price components to manage price spike risk.

Exactly how the formula is used depends on the level of price predictability, i.e. the level of risk, a college or university seeks. Managed Heat Rate products are customized to an institution’s budget model. Some colleges and universities seek stability, others flexibility; some longer terms, others shorter terms. Baylor University, in Texas, sought long-term stability, so in 2006 it secured an industry-leading contract over a ten-year term. While Baylor initially intended to follow a managed heat rate approach to power procurement, the expert advice they received led to a particularly advantageous long-term price and locked in a fully fixed price at the outset of its contract. The university secured an average electricity price 35% below its previous rate and expects to save \$20 million over the ten-year term. The deal also supports the development of wind generation in Texas. (Please see case study on page 13.)

Inverse Relationship of Heat Rates and NYMEX Curve



The best electric price is secured by purchasing Heat Rate and Gas separately and at their respective low points.

## How it works

Energy broker Amerex secures a favorable electric price by first locking into the heat rate, since that is the most manageable of the two inputs. The gas price then becomes the floater. Amerex watches the ever-changing forward curve of the natural gas market and consults with the customer to determine the most advantageous point at which to lock in the gas price in light of the university's risk profile and goals. This requires access to real-time price information and monitoring of forward curves. Amerex seeks to secure the best electric price for colleges and universities by continuously monitoring the market and buying each component at or near its optimum low. They help institutions evaluate price risks and advise on the best course of action to balance between energy risk and opportunity. As gas trades, second-to-second, day-to-day, the curve changes, creating both opportunity and risk. Each price move has its own nuances, something that requires an educated, methodical analysis by experts immersed in wholesale natural gas markets. As a wholesale energy broker, Amerex has constant access to changing price information and a deep understanding of markets. Its experienced brokers not only vigilantly monitor prices, but also use the company's 30 years of expertise to sift out the bad market information from the good, and determine the best recommendation to suit a customer's objectives.

To balance low price and price predictability, Amerex works with the college or university to set a "strike price" – the target point to lock into the market. Flexibility is created by allowing the strike price to be "soft," meaning the price is not set in stone – if the market nears the strike price, the college or university has the opportunity to push it a little further, or stop a little sooner, depending on an evaluation of market conditions at that time and the degree of acceptable institutional risk.

Here are actual numbers. Heat rate value is expressed in units (7, 8, 9, etc.) – measuring power plant efficiency. This changes based on market demand for generation. Remember that heat rate measures power plant efficiency. When demand for power is high, and all of the efficient plants are in full operation, less efficient plants – such as older diesel-fired peaking units – must be called upon to operate. Thus, the overall efficiency of the power pool declines, and heat rate rises.

The salient points are that the summer typically has big heat rate multipliers (10 – 11) and the winter has small multipliers (around 7). Given an \$8/MMBTU price for natural gas, electricity prices for the summer would equal approximately 10 times this, or around \$80/MWh (\$.08/KWh), whereas the winter price with \$8/MMBTU natural gas would be around \$56/MWH (\$.056/KWh).

**Just as colleges and universities do not manage their endowments without outside advisers, nor should they buy energy in a deregulated environment without professional assistance.**

Managed Heat Rate seeks to average down the high price period by incorporating the lower price period. Consider a situation where a college has selected a heat rate of 6.90. Amerex then monitors the price of gas for the most advantageous purchase point. It turns out to be \$7.10/MMBTU, creating a compound electricity price for the institution of \$44.85/MWh or \$.04485/kWh. This represents potentially tremendous savings over conventional fixed-price agreements. In the example below, it represents a 34% discount to the lowest fixed-price available. The chart below depicts this comparison and the associated savings calculation. The Managed Heat Rate approach is not without risks, and it may prove that a fixed price contract is the most advantageous. However, the point of Managed Heat Rate is to provide the customer with the opportunity to accept some risk in exchange for the opportunity to proactively manage the procurement of each price component in search of better prices.

## Comparing Pricing Models

### Heat Rate Versus Traditional Pricing

Traditional Electric Pricing				versus	Managed Heat Rate Pricing		
Month	Heat Rate Multiplier	x	Natural Gas Price [\$/MMBTU]	=	Managed Heat Rate Electric Price [\$/MWh]		
					Lowest Heat Rate Multiplier (January)	x	Lowest Gas Price (July)
January	6.9		\$10.00				
February	7.1		\$11.40				
March	7.5		\$11.40				
April	7.8		\$9.60				
May	8.4		\$8.40				
<b>June (best)</b>	<b>9.6</b>		<b>\$7.10</b>		<b>6.9</b>		<b>\$6.50</b>
July	10.8		\$6.50				
August	11.5		\$6.60				
September	11.6		\$6.60				
October	11.5		\$6.60				
November	9.5		\$7.50				
December	9.3		\$8.70				
						=	
							<b>\$44.85</b> (\$0.04485/kWh)

In this example, Managed Heat Rate pricing is **34%** lower than the best price available under a traditional electric pricing model.

## How it originated

Before deregulation, utilities simply passed through fuel costs to consumers, whatever that fuel happened to be: gas, oil, coal, nuclear. After deregulation, when pricing became more complex, gas emerged as the natural index because it is traded in a uniform way on a recognized exchange. This made for relatively straightforward calculation of electricity pricing. It also paved the way for Managed Heat Rate.

Managed Heat Rate developed in Texas, a state that deregulated energy several years ago, so it has developed a high degree of maturity in wholesale trading. Also, Texas is the largest market for natural gas in the United States with a long history of businesses managing the associated price risk.

## Who benefits?

Managed Heat Rate works well in deregulated states and now has a strong record where it has been pioneered by colleges and universities. It is appropriate for institutions that are large or small energy consumers; kWh profile does not matter. And it is effective regardless of whether the local utility burns natural gas or another fuel to generate electricity.

As deregulated markets mature, an increasing number of colleges and institutions are adopting Managed Heat Rate. When Illinois entered its second stage of deregulation in 2008, Managed Heat Rate helped several schools actively manage their price risks with favorable outcomes. Loyola University, Saint Xavier University, Rockford College, and the Indian Prairie School District became the first Illinois users of a Managed Heat Rate. These institutions understood the advantage of this innovative product and are now positioned for upside gain.

Colleges and universities in Pennsylvania also are well-positioned to benefit from Managed Heat Rate. Utility price caps already have been removed in the Pittsburgh area, leaving large energy users vulnerable to high utility rates or volatile market prices unless they secure expert guidance. The market opens in most remaining areas of Pennsylvania in 2010 as price caps are lifted.

Other states also offer prime conditions for the benefits of Managed Heat Rate – among them Delaware, Maryland, New Jersey and New York, and the District of Columbia.

Still, no one product is right in all circumstances, given the volatile and complicated nature of energy markets. Sometimes a properly timed fixed-price will be the best, but without the assistance of expert energy traders, it is impossible for the casual or even informed energy observer to know the best strategy.

## A word of caution about *unmanaged* heat rate purchasing...

It is important to note that colleges and universities can “buy” a heat rate directly from a wholesale supplier in an unmanaged situation. But they should think twice before doing so. Unmanaged buys are like day trading in the stock market – a gamble for the uninitiated. They offer none of the safeguards or market flexibility of Managed Heat Rate. So the buyer may end up bound to an unfavorable rate, one that leads to higher electricity costs. In contrast, colleges and universities with a Managed Heat Rate can trade out an unfavorable heat rate for a better one. Why? Because the Managed Heat Rate customer operates under the guidance of Amerex – market experts networked deeply into the industry with extensive access to real-time market information.

## What to do now

Given today's wavering economy, what is the best power buying strategy for colleges and universities? When the economy slows, so does energy use, often creating excess supply and declining costs. The U.S. does indeed have much stored natural gas, and prices do appear to be falling. But uncertainty prevails. The government is moving vigorously to ease the credit crunch, but forecasters remain divided about the speed of recovery. Meanwhile, the financial markets react radically to even small events. What does this mean for energy markets? Continued volatility – making it a perilous time to navigate energy markets unguided. In this time of instability, good energy planning requires the kind of diligence, guidance and depth of understanding offered by Amerex, a recognized and award-winning energy broker, and ARAMARK, an experienced energy manager.

One thing is certain. Colleges and universities need to plan their next purchasing strategy well in advance of contract expiration or price cap removal. As the most experienced providers of Managed Heat Rate contracts, Amerex and ARAMARK encourage institutions to investigate their options early. The opportunity exists to lock in to a beneficial heat rate well before an existing power contract expires.

## The bottom line

Wholesale energy buying works much like borrowing and investing money. It requires knowledge of component values, fundamentals and forward yields to take full advantage of market opportunity. Colleges and universities who fail to properly “invest” in power are doing the equivalent of stashing cash under the mattress. They miss the opportunity to make the deregulated power market work in their favor.

Managed Heat Rate is a pricing strategy uniquely suited to those seeking the best combination of price and predictability, through the assistance of a sophisticated trading partner to help them achieve their particular budget goals.

## Case Studies

**Baylor University** has a long-term financial planning model that places emphasis on budget predictability. In 2006, the university's power contract was up for renewal and ARAMARK, Baylor's energy manager, recognized the opportunity to renegotiate the unfavorable electric contract, signed in a post Hurricane Katrina/Rita environment. ARAMARK and Amerex worked with Baylor to identify an alternative procurement strategy. As a result, an industry-leading ten-year power deal was developed. This ground-breaking contract reduced Baylor's energy costs by approximately \$2 million in each year of the contract.

Baylor obtained a price 35% below its previous rate and has secured price certainty for the next ten years at substantially less than expected industry rates. The university remains on schedule to save \$20 million. For its efforts, Baylor received the 2007 Innovation Award by the National Association of College and University Business Officers. The award honors achievements that increase revenue or improve productivity in response to a campus need. In addition, *Energy Risk* magazine recognized the Baylor contract as a 2007 Top Deal.

**Saint Xavier University** in Illinois was approaching the end of its electric power contract in the summer of 2008. Faced with securing electricity in an especially volatile market, Saint Xavier sought outside expertise to secure favorable pricing. The University signed a Managed Heat Rate contract with Amerex, ensuring that one of its largest expenses would be monitored constantly. The resulting contract gives the university price stability and predictability despite fluctuations in the marketplace.

**“The managed approach is an excellent alternative to fixed rate pricing. We signed a multi-year contract that protects the integrity of our budget this year. It also provides greater price predictability in future years than we could obtain with a fixed rate agreement. Amerex looked at our campus master plan and factored in our growth expectations and new load into this agreement. We won't have to renegotiate once these new facilities come on-line. We have great confidence in this product. The numbers speak for themselves.”**

**Paul Matthews**  
Assistant Vice President  
for Facilities  
Saint Xavier University

## How We Help

As colleges seek to manage their costs in today's market, energy becomes a prime target for greater scrutiny. Colleges and universities can optimize their supply and demand-side strategies by partnering with experienced organizations. As energy markets become more complex, colleges and universities increasingly seek experts sophisticated in the energy commodity market. Much like trading in bonds, securities or other financial instruments, energy trading requires specialized attention – the kind provided by the partnership of ARAMARK and Amerex. Additionally, as experienced energy managers, we offer comprehensive strategies and approaches to reduce campus consumption and greenhouse gas emissions.

## About Us

The Managed Heat Rate product is a supply-side innovation developed and brought to colleges and universities by Amerex and ARAMARK. In addition to electricity, we help institutions procure other forms of fossil and renewable energy, reduce energy demand, and lower carbon footprints. As hands-on energy managers and consultants, we guide educational institutions to optimize the operation of existing systems, invest in high return energy conservation projects, and educate, train, and involve campus constituents in energy conservation.

## About ARAMARK Higher Education

ARAMARK Higher Education provides a wide range of facility and other support services to approximately 500 colleges and universities in the U.S. As energy managers with over 25 years of experience, ARAMARK provides custom supply and demand-side solutions for its customers. For more than 30 years, ARAMARK has demonstrated proven expertise in developing and implementing energy management programs that deliver solid results for institutions. We bring a customized approach based on the individual drivers of each educational institution.

ARAMARK helps institutions procure fossil and renewable energy, reduce energy demand, and lower carbon footprints. As hands-on energy managers and consultants, we guide educational institutions to optimize the operation of existing systems, invest in high return energy management projects, educate, train, and involve campus constituents in energy conservation. ARAMARK attracts the brightest minds in energy management to work as a team to generate substantial cost and consumption reductions for its clients.

For colleges and universities, additional services offered by ARAMARK include facilities maintenance; custodial; grounds; energy management; capital project management; and building commissioning services. For more information, visit [www.aramarkhighered.com](http://www.aramarkhighered.com).

## About Amerex

Amerex Energy Services is a division of Amerex Brokers LLC. Amerex Energy Services is a national energy consultant that provides industrial, commercial and institutional clients with a wide array of sophisticated energy and energy-related financial tools designed to provide a stable platform to manage risk. Founded in 1978, Amerex is a leading over-the-counter energy brokerage offering services in electricity, natural gas, emission credits and allowances, renewable energy credits, retail energy procurement and energy data services. From its office in Houston, Amerex offers liquidity and timely execution to meet the needs of a global client network of more than 1,000 firms including thousands of traders and risk management professionals. For additional information, please visit [www.amerexenergy.com](http://www.amerexenergy.com). Amerex Brokers LLC is a wholly-owned subsidiary of GFI Group Inc. (Nasdaq: GFIG), a leading inter-dealer broker specializing in over-the-counter derivatives products and related securities. GFI provides brokerage services, market data and analytics software products for a range of credit, financial, equity and commodity instruments. GFI operates one of the largest OTC energy brokerage businesses in North America both directly and through its Amerex and StarSupply businesses.

## Your Next Step

If your state has deregulated its electricity market, we invite you to call ARAMARK today. With partner Amerex we will analyze your energy profile and determine how Managed Heat Rate can serve your institution. We urge you to seek our expertise well before your current energy contract expires, so that your institution can secure the best possible pricing. Market timing is crucial.

## Contact

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# Notes



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