

AMI Strategies Reduces Energy Spend by 28% for Link Engineering



Industry:

Precision test systems manufacturer – automotive

Implementation/ Services:

- Invoice analysis
- Cost reduction recommendations
- Rate negotiation
- Forecasting

Our Assignment

Link Engineering, a multinational manufacturer of precision automotive test systems, was looking for ways to manage its significant energy spend on natural gas and power. Detroit Edison and Consumers Energy provide power and gas to the company’s multiple sites throughout the state of Michigan.

Situation Analysis

Link Engineering wanted AMI Strategies to identify ways to streamline costs and better manage its energy spend to achieve price certainty.

The Results

AMI Strategies analyzed energy invoices for Link Engineering and identified opportunities in the deregulated natural gas arena to better manage the spend, providing a significant cost reduction and a predictable spend for the future. AMI Strategies identified three categories for natural gas opportunities with relative ease of implementation, to deliver immediate cost reductions and price certainty:



- Accessing available pipelines for distribution of natural gas to their sites
- Negotiating rates and contracts utilizing third party energy suppliers to achieve cost reductions
- Taking advantage of energy market conditions to manage future spend

Link Engineering agreed with the recommendations and was able to reduce its energy spend by 28%. It also took advantage of energy market conditions to accurately forecast energy expenditures for the following 36 months, providing much needed budget certainty.

About Electricity and Natural Gas Deregulation

Historically, the utility company in your local area supplied and delivered natural gas and electricity. In the mid-1980s, the country started moving toward deregulation, which un-bundled electricity and natural gas supply and delivery, and opened up the industry to competition. Today you can buy natural gas and electricity at a competitive price from the supplier of your choice.

Results:

- AMI Strategies reviewed Link Engineering energy invoices and identified ways to reduce the energy spend by 28%.
- Link Engineering can now accurately forecast energy expenditures for the next 36 months.

What Does Energy Deregulation Mean?

The power of choice, made possible by energy deregulation, fosters competition and allows you to choose from a number of independent, third-party providers and pricing options. Here is a map of the continental U.S. utility deregulation progress by state (December 2015).

