

Southeastern Power Users Group



A strong voice for industries across the Southeastern United States promoting the lowest possible electric and natural gas rates

Southeastern Power Users Group

Represents all clients of Energy Architects to promote the lowest fair and equitable electric and natural gas rates with their respective utility providers.

MISSION STATEMENT: To continually maximize energy cost savings while creating strategic partnerships for the good of all client companies of Energy Architects

Our Purpose

Thirty six (36) years ago in 1981 when Energy Architects was formed, it was apparent that larger industrial & commercial facilities needed a voice to properly represent them with their respective electric & natural gas utilities and Energy Architects and the Southeastern Power Users Group were happy to fill this void. The Southeastern Power Users Group (SEPUG) is capable of representing all clients of Energy Architects, even outside the Southeastern United States, at Public Service Commissions, Municipal Boards, groups of utilities and where necessary with individual utilities. This is especially true in situations where companies we represent have plants in multiple states where there are significant differences in the electric and or natural gas rates being charged to their various plants.

As an example, with the 150 plus Distributors who are a part of the Tennessee Valley Authority (TVA), which is a Federal Authority, sometimes it is necessary for SEPUG to conduct meetings in Washington, D.C. with the group of Congressmen and Senators who are tasked with overseeing TVA. It should be noted that within the State of Tennessee, there is no Public Service Commission which oversees or approves the rate structures offered by TVA Distributors and thus the reason we must on occasion make trips to Washington. For many years TVA had some of the best industrial electric rates in the country, however, between 2003 and 2013, TVA's industrial rates at some industries escalated over 100% while their residential rates went up less than ½ that amount. As a result TVA's industrial rates as implemented by their Distributors are no longer some of the best rates in the country. This is especially true in areas like North Georgia where several Georgia Electric Utilities have industrial electric rates that are 30% to 40% less expensive than those offered by TVA Distributors located in North Georgia. In our opinion TVA needs to work toward lowering its wholesale rates to its Distributors in Georgia in order for them to once again be competitive.

Services and Benefits

- ❖ Give individual clients & groups of clients of Energy Architects a unified voice with their respective electric and natural gas utilities from our company of previous utility insiders
- ❖ Take on high load factor and low load factor rate disparities. Because of the “cost-to-serve” analyses we have performed on industries that operate 24/7, it is much less expensive for any utility to serve a high load factor customer in the 75% to 90% range versus another industry that only has a 40% to 50% load factor. In other words any utility will make considerably more profit on a cost-to-serve basis with high load factor customers and as a result, the rates offered to high load factor customers should definitely be lower.
- ❖ Provide regular feedback to clients of Energy Architects on the dynamic market of natural gas pricing with methods to promote savings from natural gas suppliers and pipelines
- ❖ As a added benefit to clients of Energy Architects, we are happy to act as an **“energy answer team”** to provide guidance to an individual company on energy cost saving matters.

“Energy Answer Team”

General guidance to all clients of Energy Architects on their individual energy related systems in such areas as:

- ❖ **The most proven and effective electric and natural gas energy cost saving and conservation systems**
- ❖ **Electric and gas primary and secondary distribution systems and relationship to rate savings as well as proper metering techniques**
- ❖ **Co-generation and standby generation including peak-shaving and load-sharing possibilities**
- ❖ **Load factor improvement techniques to improve the ratio of demand to energy usage**
- ❖ **Least expensive ways to correct low power factor**
- ❖ **Advice on the validity and effectiveness of various energy saving products or systems on the market.**

Management Advisors

- ❖ **Managing Director: Paul W. Holland, P.E., CEO of Energy Architects, a Division of PHA Corporation**
- ❖ **Gary Meisner, CPA/MBA and former operating unit CFO/CIO of Fortune 500 Companies**
- ❖ **Jimmy Williamson, Director of the Northwest Tennessee Port Authority**
- ❖ **Spike Noonan, CPA, McKerley & Noonan PC**

Some Action Items Underway

- ❖ **Presenting cases for using a “cost-to-serve” basis for setting industrial rates with both electric and natural gas utilities, with special attention given to high load factor customers**
- ❖ **Injecting new rate ideas into the rate offerings by utilities that can benefit both utilities and their customers. Many times utilities who can be monopolistic in their thinking are not aware or just not paying attention to other more favorable rates being offered by utilities in the same state or region. Therefore, these utilities stand to lose these customers or at least lose load expansions to these customers due to load additions that are made at other company plants outside their service area.**
- ❖ **Investigating non firm rates for total demand load or partial demand load curtailment during high peak energy usages with flexibility built in on the number of curtailment hours**
- ❖ **Making sure that utilities in different states with similar generation mixes offer similar priced large power user rates**

. . . Additional Action items

- ❖ Investigating the feasibility of using a total or partial combined Heat & Power (CHP) System to provide all or a portion of the electricity needs of a large plant or commercial facility while at the same time providing all or a portion of the process hot water or steam requirements for that same facility. CHP Systems can provide electricity with process heat at **twice the efficiency** of electric utilities, thus considerably lowering electric costs & eliminating gas heating costs



In his representation of clients before regulatory agencies across the country, Paul Holland has been successful 100% of the time.

Contact Information

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