

8 QUESTIONS TO ASK A PROSPECTIVE ENERGY BROKER

To Ensure The Best Rates And Quality Service



There are more than 2,200 energy brokers in the Mid-Atlantic region, all with varying levels of expertise and experience. So how do you identify the best one for you and your business?

To help you decide, consider these eight questions.

- 1. Are they licensed?**
All brokers should be licensed by the Public Utility Commission to operate in your utility area. If they're not, they are either operating illegally or working through a third party with a license, which simply adds another layer of expense.
- 2. What is their bidding process?**
Reverse auctions, in which multiple different suppliers compete head-to-head for your business, are hands-down the best way to find the lowest price for you. If an energy broker is not conducting reverse auctions, eliminate them immediately.
- 3. How do they develop the request for pricing (RFP)?**
Expect your broker to fully understand your energy strategy and goals, and to craft an RFP that clearly explains *all* your requirements to the suppliers. These might include multiple term lengths, bandwidth, green-power, pass-through of capacity and transmission charges and terms for buying and selling overage/underage.
- 4. How many suppliers do they work with?**
A capable broker should have a network of at least 30-50 suppliers. New suppliers entering the market often bid aggressively to capture market share, so your broker should keep up with new entrants.

5. Is this a good time to buy?

Of all the factors that affect energy pricing, the most important is timing. A good broker should have the knowledge and experience to understand the factors that drive the market.

For example, say current electricity prices are holding at five-year lows and the futures pricing curves are highly favorable. If your broker doesn't alert you to this, you would be missing a historic buying opportunity.

6. What is their contracting process?

This critical step is often overlooked. Every supplier has a different contract process for booking, and an experienced broker should leverage their knowledge to help you avoid contracting pitfalls and regulatory headaches.

7. Do they value your time?

Once the bids are in, your broker should present you with *every* bid on *every* contract variable, followed by a concise summary of your best options. Moreover, the entire process should take no more than two or three hours.

8. What ongoing support do they provide?

To ensure that you are being billed correctly by both the supplier and utility, bill audits must be conducted throughout the term of the contract, with your broker taking charge if an issue emerges. Also, seeing that your broker or consultant has access to data, you should be able to lean on them for any needed support.

Lastly, see if they offer energy efficiency programs, demand response or energy management and monitoring hardware and software. Reducing your energy consumption is as important as buying it at the lowest possible cost.



If you're interested in learning more about how to choose an energy broker for your business, contact us to talk with an expert.

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