



WHAT TO LOOK FOR IN A ENERGY CONTRACT

START AND END DATE

Key Takeaway: Most agreements start and end on your meter read date. If the end of the month is noted as your start or end date, confirm that it is in fact your first meter read date after the month's end. It's important to not have contracts overlap OR to have a lapse in coverage.

COST COMPONENTS

Key Takeaway: This is a big one – take the time to review what cost components are being included or passed thru. Not sure? Talk to your energy consultant, we're happy to break this down for you.

CHANGE IN USAGE VOLUMES

Key Takeaway: What happens if you use more (or less) energy than anticipated? This could be monthly or annually. What's more, your contract may note baseline usage requirements. If so, be aware of that moving forward. The early days of Covid-19 and its associated closures is a great example of unexpected decreases in usage for many businesses.

Additional Takeaways:

- Bandwidth provisions for short-term variations – what percentage deviation is allowed?
- Material Adverse Change (MAC) language – for example, does a change to PLC tags constitute a material change? Is your MAC language based on usage (kWh) or demand (kW)?

EARLY TERMINATION FEES

Key Takeaway: In the event you need early termination of your contract, it's prudent to be aware of the potential fees, as well as how they are calculated and if there are any allowances that would avoid financial penalty.

END OF TERM LANGUAGE

Key Takeaway: Make note of what happens at the end of your contract term. Will you be returned to the utility? Is there an auto-renewal? Are you required to give notice? Just a few items to highlight for your team now versus at the end of the contract.