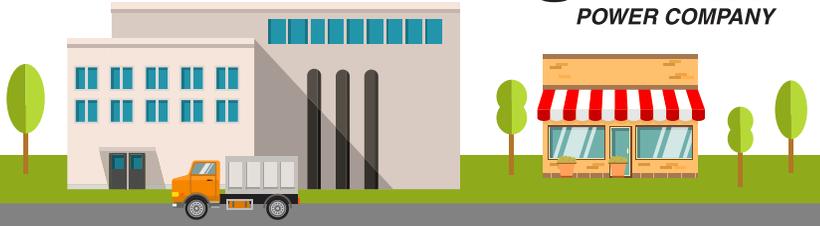


Customer Connection for Business



Energy information to help you manage your operation

August 2019

What you need to know about energy prices

We believe electricity is a great value, but we'd like our customers to judge for themselves. When determining the value you'd get from any energy source you'll want to weigh several factors, including:

- Price fluctuations and projections.
- Equipment efficiency.
- Flexibility and safety.

Price fluctuations and projections

The graph below shows energy price fluctuations since 1990. During the last 28 years the price of electricity consistently has been stable while fossil fuel prices saw increases of an average of 15 percent a year and spikes of as much as 40 percent. Even after fossil fuel price spikes dissipate, they rarely drop back to previous lows. Over this same time period electricity prices fluctuated on average just 3 percent.

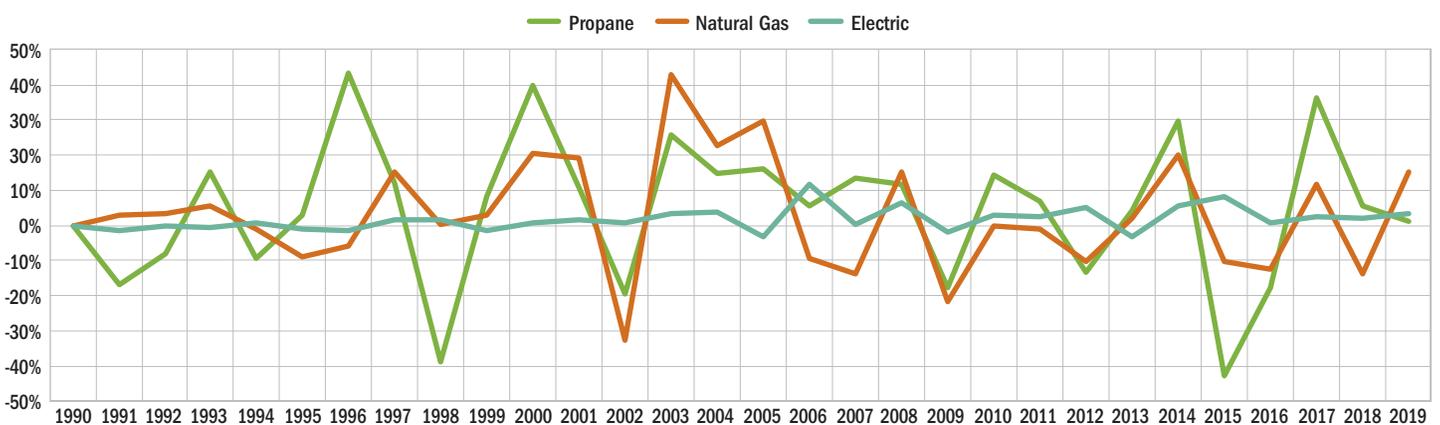
Electricity delivers prices you can count on.

Energy use in small business is big!

According to ENERGY STAR®, small businesses in the U.S. spend more than \$60 billion a year on energy. And the National Federation of Independent Businesses states that energy ranks as one of the top three business expenses in 35 percent of small businesses. That's BIG!

BIG opportunity: To manage and reduce these costs, small business owners and operators that invest strategically can cut utility costs 10 to 30 percent without sacrificing service, quality, style, or comfort. In fact, small businesses typically can save as much money per square foot as large corporations.

Energy price fluctuations 1990 - 2019



Efficiency makes a difference

Equipment efficiency varies greatly. Standard electric heating systems—such as plenum heaters or boilers—produce one unit of energy for each unit of electrical energy it uses. That means they're 100 percent efficient. And with electric heat pump technology, efficiency levels are even higher—achieving efficiency levels of 100 to 300 percent!

That's not true of fossil fuel operated equipment. Due to combustion waste, efficiency always is less than 100 percent and can be as low as 60 percent.

Using high-efficiency electric heat pumps is like buying energy at 1/2 to 1/3 the price!



Electric resistance heating such as a plenum heater, boiler, or thermal-storage system delivers **100 percent efficiency.**



Add a standard efficiency air-source heat pump and efficiency rises to **120 to 150 percent.**



Install a cold-climate heat pump (CCHP) and realize efficiencies of **200 to 300 percent.**

Annual heating and cooling costs for a small business owner

Check out the graphic below for a look at costs for a typical small business operation. You'll see that costs can vary greatly depending on the type of equipment you use, the efficiency of that equipment, and the energy source you use.

For illustration purposes we used an averaged Small Dual Fuel Rate from across the three states we serve. Rates for your location will differ.

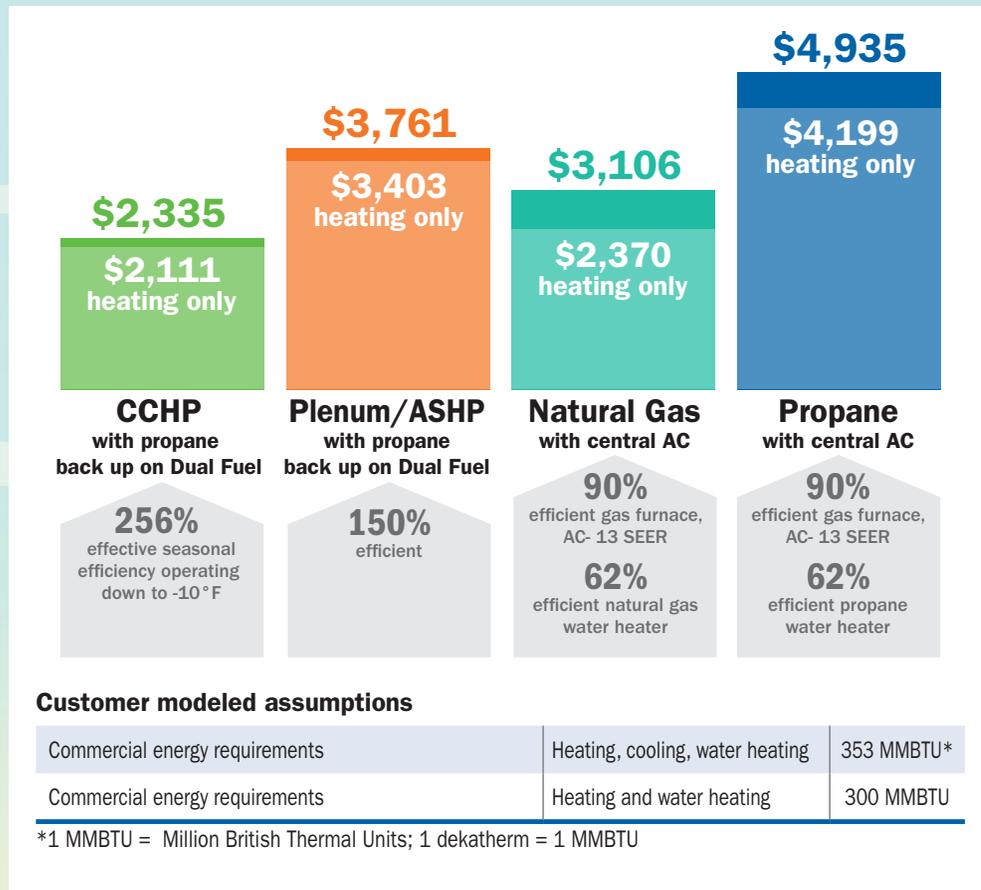
Source	Price	Unit
Natural gas	\$7.90	Dekatherm
Propane cost	\$1.28	Gallon
OTPCo firm service*	10.2¢	Kilowatt-hour
OTPCo off-peak rate*	4.94¢	kWh

*Average total price per kWh 2018

Small changes that can help you save

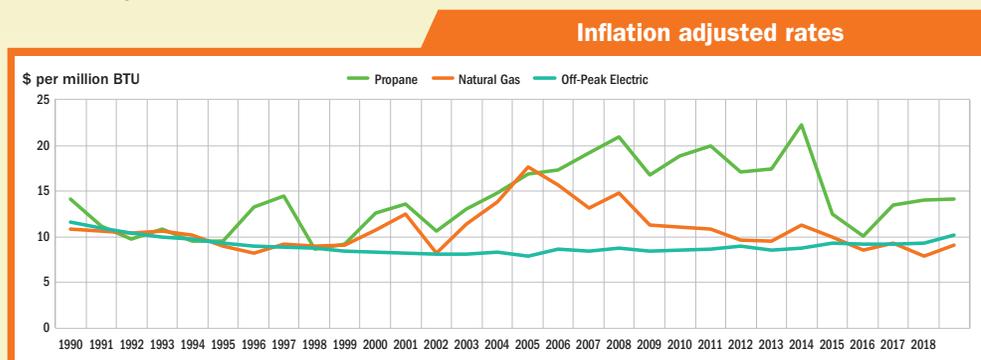
Use these ideas to keep your business running efficiently

1. Install LED lightbulbs. They use a fraction of the energy and have a much longer lifespan. This simple switch will reduce your energy use and maintenance costs for lightbulb replacements.
2. Give your HVAC systems a tune up to ensure they're working as efficiently as possible.
3. Install dimmers and occupancy sensors in proper locations. When installed properly—not behind a door, bookcase, or other furniture—they'll help cut costs.
4. Invest in a smart thermostat. Smart thermostat automated technology gives greater climate control and eliminates waste. Some smart thermostats will give analysis of your monthly usage to help you improve your savings.
5. Switch to laptop computers. Laptop wattage can be almost one-third of desktop systems so when you're ready to change out your system, make the switch and save.
6. Use smart power strips. ENERGY STAR® smart power strips can be timer-equipped, motion-detected, or enabled by a sleep mode. All three will power down unnecessary energy use.
7. Seal drafts from windows and doors. Sealing these airways will help with heating and cooling efficiencies.
8. Install LED exit signs. Exit signs remain on 24 hours a day, 7 days a week, which makes this measure more cost effective.



Get the whole story

Off-peak electric systems provide the best value. **History shows the benefit of stable, low off-peak electric rates over volatile fossil fuels.** It's only at the lowest price points that natural gas is able to compete with off-peak electric systems.



Rebates are available

Generous rebates are available for off-peak installations of plenum heaters, boilers, thermal storage systems, water heaters, and heat pumps. Energy efficiency rebates for qualified technologies also are available in Minnesota and South Dakota as part of those states' required efficiency programs. Contact one of our commercial energy management representatives or industrial service engineers for help to plan your project!

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