



Constellation®

An Exelon Company

How One Metal Manufacturer Reduced Electric Costs By 20 Percent

The heavy machinery used to cast and sand metal can be a huge drain on energy. Fifteen years ago, it wasn't uncommon for Aurora Metals Division in Montgomery, Ill., to spend \$55,000 to \$60,000 *per month* on electricity alone.

CEO Dave Bumbar and CFO Mike Schultz knew they needed to get a better handle on those costs to stay competitive globally. The company is a longtime member of the Illinois Manufacturers' Association, which endorses Constellation.

"We were by no means electrical experts, (nor did we understand) the depth of our bill (to the extent) we felt we needed to when they rolled out a program such as this, but we felt very comfortable (in our decision) knowing that the IMA (endorsed the program)," Bumbar said.

Since the company began using Constellation as its electricity and natural gas supplier in 2001, Aurora Metals has reduced its electric costs by 15 to 20 percent. Some of that was due to the reduced costs of electricity resulting from deregulation in the Illinois market, which at one time had some of the highest rates in the country.

However, much of the company's savings have been the result of making more educated decisions about energy management.

"It's always very important for us as a manufacturer to look for ways to reduce our costs of operation, particularly to be globally competitive," Bumbar said. "Constellation provided us those opportunities to reduce our electrical energy costs and our gas costs."

Here are three ways Aurora Metals reduced electric costs and realized energy savings.

1. Curtailing Usage

Aurora Metals participates in two programs that involve curtailing usage at specific times. Through demand response and peak load response programs, Aurora Metals receives

subsidies from its regional transmission organization, PJM, for being willing to curtail usage when the grid is overextended.

Constellation works with [CPower](#), an energy intelligence company providing demand response, to allow customers to curtail electric usage at certain mandated times. The company is notified (by CPower) of these times in advance so they can shift production or plan an employee cookout during a required curtailment, which usually occurs only once a year.

Aurora Metals also takes advantage of voluntary curtailments through Constellation's peak response program. The company is notified of five days during the year when the grid is close to reaching its peak capacity, and Aurora Metals receives a payment if it's able to scale back their usage for a few hours on those days.

2. Strategic Energy Procurement

Working with Constellation, Bumbar and Schultz have developed an energy procurement strategy based on market trends and their own risk tolerance. The company re-evaluates this strategy at least once a year.

They know what their business projections look like in the coming years, so they are able to look at various contract terms and select the one that best fits their risk profile. Constellation also brings in data from our commodities management team to see what's occurring in the energy industry and how it will impact prices in the future.

Aurora Metals typically chooses a [fixed price solution](#), which allows it to secure a set price per kilowatt of electricity and natural gas during the term of their contract. This protects the company from market volatility and gives it greater budget certainty. If they want to take advantage of market fluctuations, which can sometimes offer cost savings, they can [choose a plan with more flexibility](#).

"We've come to trust our account representative," Bumbar said. "He explains things to us in a way that helps us understand and make better decisions."

3. Becoming A More Informed Energy Buyer

In addition to the guidance the company receives from its account representative, Aurora Metals has also taken the initiative to better understand its energy usage and the price it pays for electricity and natural gas. It can [monitor energy market pricing trends](#), view usage to look for patterns and use online energy management tools to make adjustments as needed.

Through the support it received through the IMA and Constellation, it can access a variety of resources, including exclusive webinars, regulatory updates and industry news that can impact its bill in the long-term. What has made Aurora Metals so successful is that with Constellation's help, they've educated themselves with the knowledge they need to plan ahead.