

Strategic Risk Management

Data center turns to Tradition Energy for risk management strategy and procurement advice and saves millions



“We are very lucky to have Tradition Energy working on our behalf. They have helped us purchase our electricity in the most effective way.”

– CFO, Data Center

Services Provided

- Market Research & Intelligence
- Strategic Risk Management
- Supply Management & Procurement: Electricity

Opportunity

- Our client is one of the largest and longest operating mission-critical telecommunications and data center facilities in the nation. When Tradition contacted them about serving as their energy advisor we were told that their goal was to achieve the lowest possible rates and minimize their energy bills, and that they were willing to assume some risk in order to do so.

Approach

- Tradition understood the client’s detailed budget requirements and appetite for risk and made minimizing costs its top priority in identifying an appropriate product strategy.
- After a lengthy evaluation of the client’s historical and projected energy usage, and load profile, Tradition recommended a variable-rate product structure that had the potential to outperform the default utility rate as well as enable the client to shed some risk when the market dictated it necessary.
- Tradition implemented the variable-rate product, which had an immediate impact on the price our client was paying, and then leveraged its proprietary energy market intelligence to reduce risk over the term.

Results

- After two separate transactions, the first with more risk and the other with less risk, Tradition’s guidance and expertise **helped the client outperform the default utility rate offer by over \$3 million and counting.**