

Energy and purchasing managers turn to BAI for fast and effective service... creative solutions... and an aggressive and consistent pursuit of excellence. An established and respected partner like BAI can help achieve measurable results in the rapidly changing energy and utilities industry. Typical activities that BAI professionals engage in:



Utility Rate Cases - Typically working for an intervenor group, BAI reviews the utility rate filing to determine the reasonableness of the total rate increase requested, along with allocation of rate responsibility to customer rate classes, and the design of rates. If unreasonable proposals are made, BAI investigates the issues in more detail, including preparation of discovery requests. If problems remain, BAI prepares and submits expert testimony addressing the problem area or areas, on behalf of its client(s). Then, BAI witnesses defend their positions through responding to discovery requests, addressing adverse witnesses' testimony and withstanding cross-examination. In addition, BAI often provides technical assistance in the preparation of

briefs in the case.

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Energy Procurement - Informed and diligent electricity or natural gas procurement by large energy users is critical to success due to the energy dollars at stake. In a typical procurement assistance project, BAI first helps the customer determine the best energy product to seek, based on his risk tolerance, budget objectives and expectations of future energy needs (especially if operations are changing). BAI then prepares and distributes a solicitation of supply offers, usually through a request for proposals, or RFP, specifying the load to be served and the rate product sought. BAI then administers the solicitation, answering questions and receiving the responses. Once responses are received, BAI interprets them and provides an economic evaluation of the offer, taking care to ensure that all offers are analyzed and presented on a comparable basis. Then, as needed, BAI accepts price refreshes and assists in contract execution.

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Ongoing Energy Management - No rate or supply contract lasts forever. In the case of competitive supply, it is often wise to set contract terms in accordance with market conditions, whether it is related to volatility or general trends in market prices. Many BAI clients diversify their cost exposure to market swings by strategically hedging portions of energy spend and layering in additional hedge positions from time to time. BAI assists such customers by continually monitoring market conditions, the customers' hedge positions and providing periodic reports. By continually monitoring these conditions, we can identify opportunities for (and threats to) reduced energy prices. In addition, for some clients, we regularly verify energy related charges from suppliers, utilities and transmission providers, to ensure accurate billings.

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Environmental and Sustainability Issues - BAI clients are facing increasing uncertainty as they attempt to manage the changing sustainability landscape. An effective sustainability strategy requires the ability to navigate state and federal policy, standard market practices and competitive pressure, all while pursuing goals that are supported by a strong business case.

BAI assists its clients in creating sector-specific strategies and developing tactics that are consistent with overall organizational goals. BAI routinely assists its clients in evaluating the cost and effectiveness of carbon reduction opportunities including renewable energy investments and energy efficiency projects to ensure that its clients are pursuing projects that meet established financial and sustainability targets. We also assist clients with evaluating the direct and indirect impact of state and federal policies such as renewable portfolio standards, emissions markets and EPA regulations.

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Legislative and Regulatory Policy - When new laws or public utility commission rules are proposed that can affect our clients' costs, BAI is often called upon to provide technical analysis of the proposal and its potential impact on customers' energy bills, to assist in the negotiation process. Sometimes this even leads to providing expert testimony to legislative or regulatory bodies, to help shape the law or rule. BAI has provided this service on multiple occasions.

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Special Studies - With our broad base of expertise in the energy field, BAI is hired for assistance on a variety of energy related matters. Such special study engagements include, but are not limited to, the following:

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Forecasting - BAI provides clients with cost and price forecasts, based on our knowledge of applicable market conditions and factors that will drive future energy cost trends. This analysis often involves production cost modeling to determine expected incremental energy costs.

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Plant siting - For energy intensive industries, energy costs can be as important to plant siting decisions as are input materials, transportation and labor. Because of our knowledge of both regulated and competitive energy markets, we can provide clients with information to help them select the optimal plant site.

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Contract negotiations - Even in regulated markets, supply contracts are often necessary. BAI provides intelligence to our clients on underlying cost and regulatory parameters to help them negotiate the most favorable contract terms.

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Interconnection studies - BAI has performed load flow and stability analyses to evaluate transmission limitations in connection with interconnecting new generation or cogeneration facilities.

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Seminars and Training - BAI annually holds its Spring Conference on Utility Ratemaking Fundamentals. In this two-day seminar, BAI professionals provide information on the various parts of a utility rate case, wholesale and retail energy procurement, and emerging issues. In addition, BAI provides customized, on-site training to clients on a variety of issues within our range of expertise.

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