Energy Asset Solutions, LLC

In Focus: Natural Gas Supply Optimization

By EAS Staff October 20, 2009

What's harder than optimizing natural gas supply for a high–volatility production facility? How about having to do that while simultaneously lowering risk & reducing cost all without disturbing the underlying commercial arrangements? Now that's impressive!

Read on to find out how an <u>EAS Strategic Partner</u> managed to deliver an optimized solution in an environment of commercial constraints.

Not every facility has the flexibility to be able to start from scratch when optimizing natural gas supply. For one large, high volume facility with significant potential load fluctuations, their gas supply portfolio consisted of multiple suppliers and multiple pipeline capacity agreements that required daily management with significant balancing penalty risk exposure.

Rather than scrap everything and start over, the Client asked Energy Management Resources (EMR), an EAS Strategic Partner, to make the most of what they already had in place. With a long-standing reputation for problem-solving, EMR put its experienced team to work.

Over the ensuing weeks, EMR developed an operational strategy to capitalize on supplier & transportation diversity, negotiated pipeline discounts, maximized the value of the Client's transportation assets and secured complementary long-term contracts with favorable basis pricing. With this foundation in place EMR was then able to optimize daily buying, selling & storage on an ongoing basis, while executing regulatory strategies to counter pipeline operational changes and minimize risk exposure.

As a result EMR's efforts, the Client decreased execution risk through comprehensive operational management of gas supply and made competitive basis buys at market lows generating a combined total of over \$2 million in year-over-year cost reductions.

Another market-leading result delivered by EMR!

To learn more about EMR's services – including how they can help you plan, execute and manage your on-going natural gas & power needs – click <u>here</u>.