



## Energy Buying Options in a Deregulated Market—Module Overview

### 1. Ag Service Provider (ASP) Training Description

#### SECTION 1 TITLE

- a. Learning Objectives - Participants in the educator training session will understand the basics and implications of deregulated electric and natural gas markets and how these factors may be used to reduce energy costs on the farm. This includes the ability to:
    - i. Understand how some of the electric market came to be deregulated.
    - ii. Understand which part of the electric market may be deregulated and what it may mean to the farmer's electricity costs.
    - iii. Understand how part of the natural gas market came to be deregulated.
    - iv. Understand which part of the natural gas market may be deregulated and what that may mean to the farmer's energy costs.
    - v. Be able to use a calculator to estimate potential energy savings from switching energy suppliers (if any).
  - b. Presentation Outline –
    - i. 05 min - Introduction – Introduce self and purpose of presentation; give brief overview of energy (electric and natural gas) deregulation concepts. Point out that although deregulation has been popular, it is not universal.
    - ii. 05 min – Describe the traditional concept of vertical integration of gas and electric companies. Steel companies may be a good historical analogy. They mined their own iron ore and coal. They made their own coke, then made iron and steel. They may have even owned the railroad everything was hauled on.
    - iii. 10 min – Discuss the intent of deregulation. The concept that a competitive market is usually more efficient than a regulated market, that only the generation portion of electric service has been deregulated, at least in places. Generally, each state controls its own destiny in this regard.
    - iv. 10 min – Emphasize that a contract is frequently required by the alternate electric or gas supplier and that whether the price is fixed or variable may be very important.
  - c. Activity – ASPs will be asked to estimate electric cost savings available through an alternate supplier (if available) using an online PA comparison website.
  - d. Calculation Tools – ASPs will use the tool listed below that considers the zip code of the farmer to determine available alternate suppliers (if any).
2. Presentation File —Energy Buying Options in a Deregulated Market-ASP Presentation

3. ASP Activity Sheet – Energy Buying Opt Dereg Markets—Activity
4. 4. Calculation Tool – <http://www.papowerswitch.com/shop-for-electricity/>
5. Additional Reading for ASP – PSU Fact Sheet Shopping h85.pdf
6. **Farmer Training Description–**
  - a. Presentation Objectives – Farmers who participate in the farmer presentation will learn about deregulation of electric and natural gas supplies and how they may benefit economically by utilizing an alternate supplier. This includes:
    - i. Knowing what electric supply is.
    - ii. Knowing if alternative electric supply is available at the farm.
    - iii. Know what the natural gas supply is.
    - iv. Knowing if alternative natural gas supply is available at the farm.
    - v. Knowing how to estimate potential savings and avoid complications with fixed and variable rate contracts.
  - b. Presentation script –Energy Buying Opt Dereg Markets—Farmer Presentation Outline
7. Slide File for Farmer Training – Energy Buying Opt Dereg Mkts -Farmer Presentation.pptx
8. Fact Sheet for Farmer Training – PSU Fact Sheet Shopping h85.pdf – Describes aspects and benefits of shopping in greater detail and more variables than the presentation.
9. Case Study for Farmer Training – Energy Buying Opt Dereg Markets—Case study

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