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Do you purchase natural gas and electricity on a fixed-price basis?



If you do, then you are probably OVER-PAYING by around 12% to 15% on your electricity costs and by as much as 25% on your natural gas costs.

That's where Kore Energy comes in.





## Paying too much for energy?

Do you purchase natural gas and electricity on a fixed price basis? If you do, then you are probably overpaying by around 12% to 15% on your electricity costs and by as much as 25% on your natural gas costs.

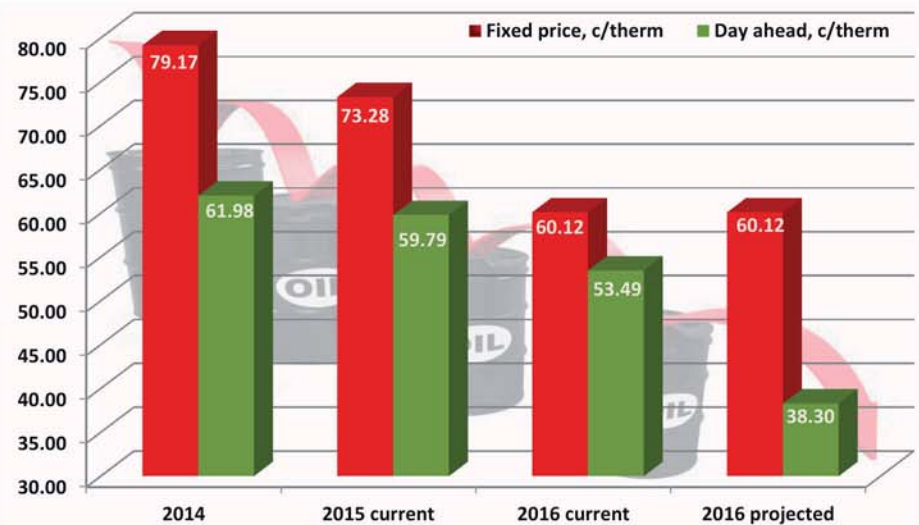
Over the past 18 months, we have witnessed and welcomed the collapse in crude oil prices, from around \$110 a barrel, a level that had been sustained for almost three and a half years, to below \$50 a barrel.

However, for large energy users buying on fixed price contracts, the full extent of the decline in crude oil prices has not fed through to their electricity and natural gas costs. This is due to the forward risk premium that is normally included in wholesale futures market prices, while the slow response of the wholesale gas market to the lower oil price environment is also at play.

For the years 2014, 2015 and 2016, large energy users who have contracted on a fixed price basis have typically paid around 15 cent/therm above the cost paid by those engaging in flexible supply contracts. That equates to around 1.10 cent per kWh in a delivered electricity price and, for 2016, that gap could expand to as much as 1.50 cent/kWh.



*Differential in gas input price in fixed price and variable price electricity and natural gas supply contracts*



### ***Key deliverables from our energy procurement service:***

- We collect and collate all relevant data from market operators and Suppliers and from you
  - We prepare and issue tender documents to Suppliers, tailored to your specific needs
- We evaluate all Suppliers proposals, providing you with a comprehensive but accessible overview of the supply options available to you
- We discuss and review your options with you and recommend a way forward
- We review all supply contract documents and validate through to contract sign-off
  - You just sign the supply contract



# Wholesale energy markets don't only fall, they also rise.

Of course, wholesale energy prices don't only fall, they also rise or, rise and fall or fall and rise. At times, volatility can be significant, making it difficult to decide on when to fix forward.

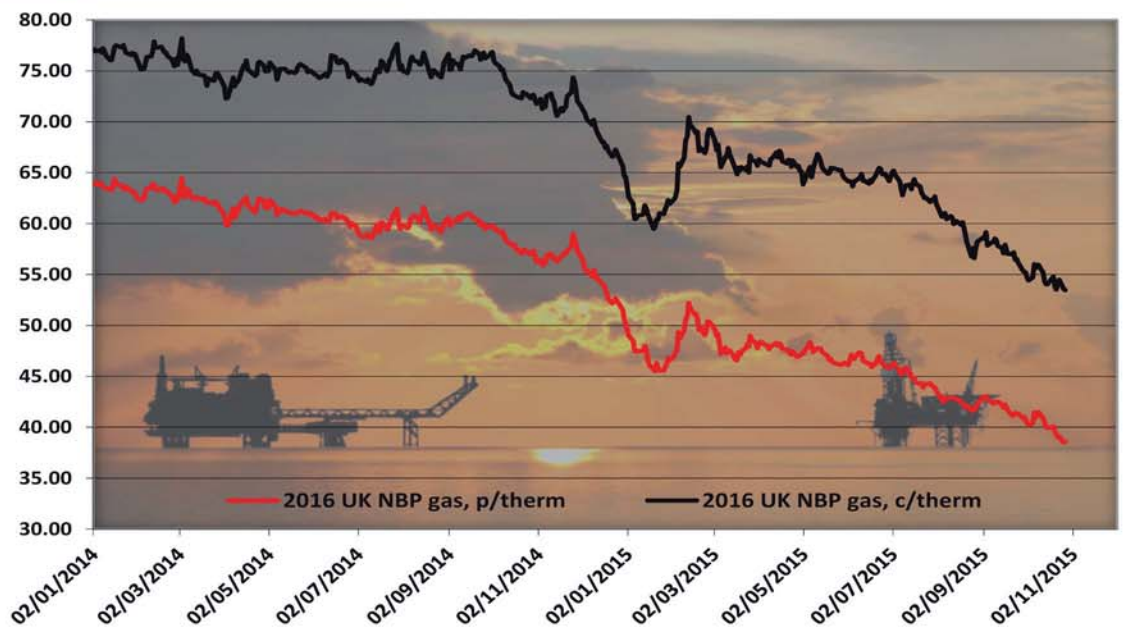
By engaging our energy procurement and risk management services you can help ensure a better future for your organisation, in terms of lower energy costs, competitiveness and *peace of mind*.

## *That's where we come in.*

Kore Energy is the leading provider of energy price risk management services to Ireland's commercial and industrial energy users. We provide services to leading multi-nationals in the pharmaceutical, IT and food sectors and to leading Irish and UK owned businesses. The risk management strategies that we deploy on behalf of our clients are designed to optimise price while minimising risk. In short, the key objective is to ensure that you can achieve price certainty at competitive prices.



2016 wholesale gas prices track lower: But how much lower will they go and when will you buy?



## **Key deliverables from our risk management service:**

- A cost competitive energy procurement solution
  - Price certainty and budget certainty
  - Reduced exposure to volatile energy markets
- Development of a clear risk management strategy and policy
  - Establishing clear and effective price hedging strategies
    - Budget formation and target setting
    - Market monitoring and analysis
  - Position reporting including mark to market costing
- Reporting against budget, market highs, market lows and other key metrics
- Analysis of Green energy developments and carbon management requirements
- Regular review of your energy requirements with our senior energy consultants



To find out more, contact us today at [energy@kore.ie](mailto:energy@kore.ie) or +353 1 808 5555 or visit [www.kore.ie](http://www.kore.ie)



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