

C-Store Chain Shrinks Energy Spend by \$349,000 Annually with Utility Rate Analysis and Procurement

Utilities Management + Cost Reduction



Client

A Fortune 500 retailer operating over 2,700 convenience stores across a 17-state market. The Ankeny, Iowa-based company, now the nation's third-largest convenience store chain, offers customers freshly prepared pizza and food, fuel, groceries, and general merchandise.

Challenge

Being an existing [Utility Bill Pay](#) client provided company leaders with the insight they needed to tackle a new challenge: developing a utility cost-reduction plan for more than 2,700 stores in regulated and deregulated energy markets across the U.S. But getting suppliers to respond, doing the necessary research, and navigating third-party energy contracts took more time and resources than their internal teams had. The company engaged SIB's utilities management experts from [Cost Control Associates](#) to help them capture rate reduction opportunities across its multi-state energy supply chain.

Solution

Our work began with a comprehensive study of the company's electricity and natural gas spend. The review incorporated a utility cost and tariff analysis to identify stores that were either contracted at an unfavorable rate or paying a utility rate well above current costs in their market. We also performed energy benchmarking to better understand when and how stores were using their energy to pinpoint opportunities for negotiating lower rates (e.g. General Service, Time of Use, etc.).

Beyond rate analysis and negotiating third-party supplier contracts, the company also needed greater transparency into where they had ongoing opportunities for expense optimization. Our in-house development team created a customizable dashboard with aggregated utility bill data, heat maps showing energy consumption by site, and a deregulated procurement contract database.

Results

Most leadership teams have enough on their plates without delving into energy supplier rates, tariff structures, and contract negotiations for regulated and deregulated markets. This is where SIB added significant value. Through insightful rate analysis, vendor comparisons, and strategic contract negotiation, we helped our client uncover best-in-class utility rates with multiple suppliers for hundreds of store locations across the South and Midwest.



Testimonial

"We needed the right team to help us bring efficiency, simplicity, and transparency to managing our energy supplier rates. And we found that partner in SIB. Their work helped us unlock substantial year-over-year energy savings and proactively monitor our contracts while freeing up our internal teams to work on other high-value initiatives."

Ricardo Molina
Senior Strategic Sourcing Manager

Savings Highlights:

- ✓ Total savings per year: \$349,000K (0.3% of electricity spend)
- ✓ Regulated rate analysis savings: \$206,000 annually
- ✓ Deregulated energy procurement Savings: \$143,000 annually

In addition, the customizable dashboard will help the company proactively monitor and validate the implemented rate reductions and stay on top of its deregulated contractual agreements.