

About Us

America Approved was established to give commercial entities in energy de-regulated states access to a variety of energy providers that cater to their specific energy needs.

Our competitive portfolio of energy products offer both fixed (short and long term) and indexed or variable rate pricing.

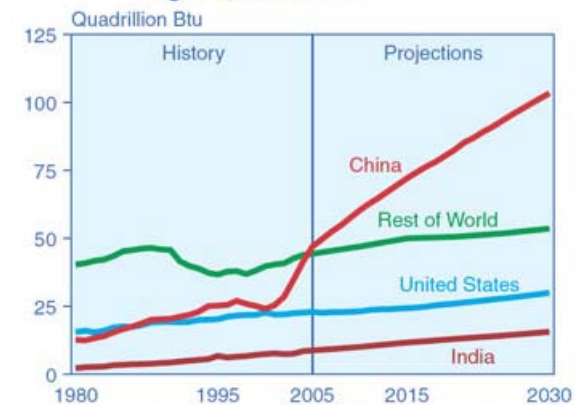
Every business has cost savings initiatives and can benefit by controlling their energy costs. Deregulation is your opportunity to shop for the best energy rates.

The Bottom Line For The Energy Consumer

Market trends suggest that the demand and cost for energy resources will rise dramatically over the next 25 years:

- Global demand for all energy sources is forecast to grow by 57% over the next 25 years.
- U.S. demand for all types of energy is expected to increase by 31% within 25 years.
- By 2030, 56% of the world's energy use will be in Asia.
- Electricity demand in the U.S. will grow by at least 40% by 2032.
- New power generation equal to nearly 700 (1,000MW) power plants will be needed to meet electricity demand by 2030. Cost of constructing new power generating facilities is 40% higher than a decade ago.
- Currently, 71% of U.S. electrical generation relies on coal and natural gas, a fossil fuel; while 85% of U.S. greenhouse gas emissions result from energy-consuming activities supported by fossil fuels.

Figure 13. Coal Consumption in Selected World Regions, 1980-2030



Sources: **History:** Energy Information Administration (EIA), *International Energy Annual 2005* (June-October 2007), web site www.eia.doe.gov/iea. **Projections:** EIA, *World Energy Projections Plus* (2008).

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The Solution-Hedge Energy Costs

How Hedges Work

When a company takes an offsetting financial position designed to protect itself against fluctuations in a commodity price, it is called a hedge.

Electricity Prices will continue to rise: Electric utility deregulation introduces new price risks for companies that consume large quantities of power. Some companies have been surprised by sudden and dramatic electricity price moves. Hedging energy cost can reduce those risks. A good hedging strategy can be as simple as a long-term fixed-rate contract eliminating long-term price increase trends as well as sudden and dramatic price moves. America Approved sells energy security by educating energy users on the price risk and recommending that they "Lock Down" or "Hedge" their energy cost with all-inclusive fixed rate contracts.

Taking Action Now for the Future

The Global Business Network (GBN), in cooperation with the U.S. Environmental Protection Agency (EPA), gathered senior executives from twenty major U.S. companies to consider the potential energy impacts that U.S. businesses may face over the next decade. Their findings identified a set of strategies that will help businesses act now to prepare for future energy-related risks.

5 Robust steps companies should take to Manage Future Energy Use

1. Master the fundamentals of energy efficiency.

Build an energy efficiency culture through executive leadership: appointing an empowered corporate energy director and team, set aggressive goals, measure and track energy performance for all operations, and establish accountability and review and recognition systems across the business.

2. Take both a longer and a broader view of investments and strategic decisions about energy.

Make major company strategic decisions (e.g., acquisitions, technology choices, and facility location) with energy cost, use, and supply in mind. Balance more assured returns of energy project investments against lower initial returns across a longer time horizon. See the entire Energy Value Chain, including upstream inputs from suppliers (into internal operations) and downstream outputs to customers (from internal operations).

3. Search out business transformation opportunities in the way the company manages, procures, and uses energy.

Frame energy as a lever for positive growth and change within the business, not simply a cost. Make the most of the strategic value of energy by thinking in terms of "Embedded Energy" and "Energy Productivity." Be innovative and aggressive in pursuing and publicizing new product and service offerings based on new energy technologies and supplies.

4. Prepare contingent strategies for emergent future scenarios.

Rehearse specific aspects of the future, including substantial and sustained swings in energy price and supply, severe weather events, and penalties or incentives around energy use and greenhouse gas emissions. Actively manage exposure to risks, and ready plans to take full advantage of what the future brings. Monitor for signs of which "road ahead" is emerging.

5. Take personal action.

Corporate leaders can take a number of "to-do" actions today for tomorrow. All can be taken individually, in companies, on corporate boards, and across industries.

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872 Cypress Lake Circle
Fort Myers, FL 33919

www.americaapproved.com
email: info@americaapproved.com



Bring Your GREEN TO WORK

Learn how you can make many of the same green choices at work as you make at home to save energy and fight global warming with help from EPA's ENERGY STAR program.

1 Give It a Rest

Use the ENERGY STAR power management settings on your computer and monitor so they go into power save mode when not in use. Also use a power strip as a central "turn off" point when you are using equipment to completely disconnect the power supply.

2 Unplug It

Unplug electronics such as cell phones and laptops once they are charged. Adapters plugged into outlets use energy even if they are not charging.

3 Light Up Your Work Life

Replace the light bulb in your desk lamp with an ENERGY STAR qualified bulb. It will last up to 10 times longer and use about 75 percent less energy. Turn off the lights when you leave, especially at the end of the day.

4 Let It Flow

Keep air vents clear of paper, files, and office supplies. It takes as much as 25 percent more energy to pump air into the workspace if the vents are blocked.

5 Team Up

Create a Green Team with your co-workers, help build support for energy efficiency in your workplace, and reduce office waste. Set a goal to make your building an ENERGY STAR qualified building.



What is Electricity Deregulation?

As a business operating in a deregulated market, you will enjoy many benefits

For the electricity industry, deregulation means the generation portion of electricity service is open to competition. During the deregulation process the local utility is forced to sell their generation capacity, what remains is a regulated delivery (utility) company that continues to distribute electricity and provides billing and customer service to the consumer.

It is the generation portion of electricity that is deregulated; meaning customers can choose who provides the energy portion of their electric bill.

The idea behind deregulation is that in competitive markets consumers benefit because suppliers compete on price and their unique products and services. As a business operating in a deregulated energy market, you enjoy the following benefits:

- Multiple options for selecting an electricity and natural gas provider
- Flexibility in developing an energy strategy that's right for your business
- Freedom to choose from a variety of products, prices and terms

- Protection from rising costs
- Budget certainty
- Rebates and incentives.

Security-transmission and distribution are regulated by the PUC and guaranteed. However, the reality is that lower price and better services do not come by default. In a deregulated market the business must decide who to buy from, when to buy, what type of contract, how long to contract or whether they should consider a market based rate. With every option, comes a certain level of risk for the consumer. The decision a business makes or fails to make will drive their cost.

The multitude of options combined with dramatic price fluctuations makes the competitive market infinitely more complex.

Volatility in the market simply refers to the fluctuations in energy prices that are part of the deregulated market. Without a regulated rate structure, many factors affect the price, including fuel cost, supply & demand, weather, geopolitical

issues, legislation, speculation, season, inflation, etc.

The electric market is 10 times more volatile than the stock market. The only consistency in deregulated energy markets is volatility and a significant trend to higher prices.

The underlying market mechanics work the same way as the stock market. A business's buying decision should take into account risk tolerance and goals.

"The electric market is 10 times more volatile than the stock market"

Most businesses lack the time, expertise, and tools to track the market and make good decisions. Businesses today rely on experts when it comes to financial,

insurance, real estate and other complex transactions. For the same reasons most businesses now purchase their energy with the assistance of a broker consultant like America Approved.

America Approved connects businesses with the right supplier and the right contract at the lowest possible rate. We then provide the information and strategy to support all future buying decisions.

'Deregulated Market' Includes Oversight



Regulators strictly monitor electricity markets to ensure reasonable prices, require compliance with extensive rules, and comprehensively oversee virtually every aspect of the reliability and financial security of the electricity industry

- The Federal Energy Regulatory Commission (FERC) and state public service commissions exercise comprehensive regulatory authority over generation and delivery services at the wholesale and retail levels and over financial and reliability matters.
- Where prices for generation services reflect competition among suppliers, regulators maintain strong oversight of markets. For example, the FERC, screens out sellers that can exercise market power on a daily basis, monitors prices, activity and conditions in wholesale markets.
- All entities that use the transmission grid must adhere to strict and detailed standards set by FERC for reliable operation and must meet generation adequacy standards. FERC can order interconnections and power sales if needed to maintain reliability.
- Regulatory approvals are needed for acquisitions and dispositions of public utility assets, security issuances, and liability assumptions. Utilities must regularly file detailed financial reports that are publicly available.
- The FERC has a vigorous monitoring and enforcement program and can levy fines of up to \$1 million per day per violation for market manipulation or violations of any of its rules, and can refer serious cases to the Department of Justice for criminal prosecution. Regulatory monitoring and periodic audits as well as anonymous "hotline" calls are used to identify rules violations.
- Regionally organized competitive wholesale electricity markets have additional safeguards to ensure competitive market operation, reliable supplies, and reasonable prices. Price caps are in place and creditworthiness requirements bar financially weak participants. Behavior is monitored in real-time by independent professional market monitors who periodically assess market rules and operations and issue publicly available reports.

MEASURING ELECTRICITY

Electricity is measured in units of power called watts. It was named to honor James Watt, the inventor of the steam engine. One watt is a very small amount of power. It would require nearly 750 watts to equal one horsepower. A kilowatt represents 1,000 watts. A kilowatthour (kWh) is equal to the energy of 1,000 watts working for one hour. The amount of electricity a power plant generates or a customer uses over a period of time is measured in kilowatthours (kWh). Kilowatthours are determined by multiplying the number of kW's required by the number of hours of use. For example, if you use a 40-watt light bulb 5 hours a day, you have used 200 wathours, or 0.2 kilowatthours, of electrical energy.

ENERGY TERMS

Ancillary Services:

Ancillary services are regulatory approved cost components included in an electric price which covers the totality of services required to provide and deliver electricity.

Bandwidth: Bandwidth refers to a range of energy usage, such as +/- 10% of the contract volume.

Capacity Costs: These are charges applied by the supplier to the customer for electricity demand (kilowatts) as opposed to electricity usage (kilowatt hours).

Fixed Price: A fixed price is an unchanging price for all electricity used during the contract period.

Index Price: An index price is a variable price that moves with price changes in the energy markets. With electricity this price is likely to be a Day Ahead Market (DAM) or Realtime Market (RTM) price.

Locational Marginal Pricing (LMP): LMP refers to a commodity price based upon a specific location.