

# The SAVINGS Spark



Cost Control Associates helps your organization reduce and better manage your energy, waste removal and telecom expenses. This monthly newsletter shares industry-related news, tips and updates.

April 2020



## **Are your daydreams filled with images of a better world where your employees are safe and your business hums along efficiently?**

Only you know how to best protect your employees, but we can help lighten your load and relieve the stress of everyday operations.

Whether your business is extra busy or not busy enough, Cost Control Associates offers utility cost management solutions that will improve your bottom line without burning up your precious manpower. We want to help.

Choose from these **FREE SERVICES** available now to bridge the gap until better times arrive:

- **Quick Analysis** of your utility bills to look for errors and savings opportunities

- **Expert Energy Contract Review** of your existing energy supply contracts
- **20-minute Consultation** to talk about your organization's specific situation

**CONTACT:**

**Jason Checkla** | Regional Manager  
**Keith Laake** | President

Phone: [518-798-4437](tel:518-798-4437)

[jason.checkla@costcontrolassociates.com](mailto:jason.checkla@costcontrolassociates.com)

[keith.laake@costcontrolassociates.com](mailto:keith.laake@costcontrolassociates.com)

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## Energy Procurement Report

### April 2020

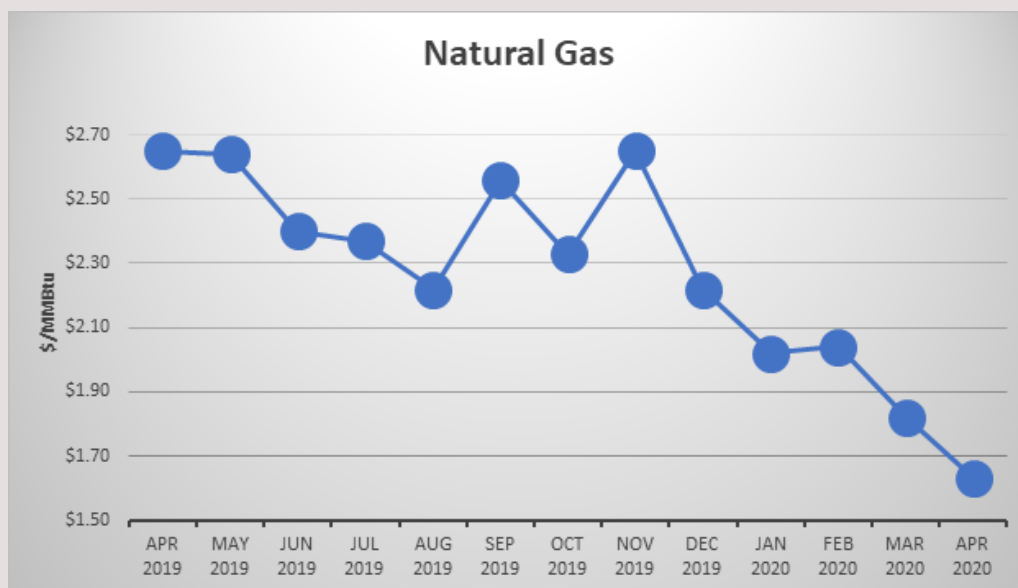
Crude oil has fallen significantly since the beginning of 2020. This is due in large part to a substantial increase in oil production precipitated by a price war between OPEC and Russia. In April, OPEC and other oil-producing countries agreed to production cuts that begin in May and June. According to the [New York Times](#), the production cuts amount to 10 million barrels a day, about 23% of total production levels. The production cuts may help stabilize oil prices, but if demand continues to decline due to the COVID-19 pandemic, the price of crude oil will remain at record lows in the short term.

The pandemic has caused significant changes in energy supply and demand patterns for many energy sources, including natural gas and electricity.

**Electricity Prices:** According to the [EIA](#), wholesale electricity prices set new 12-month lows in New York City and the Mid-Atlantic and were within cents of new 12-month lows in New England (ISONE) and the Midwest (MISO). EIA forecasts that the total U.S. electric power sector will decline by as much as 3% in 2020.

**Natural Gas Prices:** Natural gas prices stayed under \$2/MMBtu across the majority of the country during the month of February. EIA forecasts that prices will begin to rise at the end of the second quarter of 2020 as U.S. natural gas production declines and demand increases. EIA forecasts that Henry Hub natural gas spot prices will average \$2.11/MMBtu in 2020 and then increase in 2021 to \$2.98/MMBtu because of lower production.

The following graph shows pricing over the past year.



## RECENT HIGHLIGHTS

**Wind Power:** According to the EIA, wind power became the third-largest source of U.S. generation capacity in 2019. Texas produces 28.1 GW of capacity or 27% of the U.S. total. Natural gas and coal remain the two largest sources of generation in the U.S.

**Summer Outlook:** EIA forecasts U.S. gasoline prices will average \$1.58 per gallon during the summer driving season. This is down from an average of \$2.72 per gallon in 2019.

### **Covid-19 and CCA**

Even during these unprecedented times, Cost Control Associates is here to support your business. We have taken the necessary steps to keep our employees safe while continuing our work to support both current and future clients. All our work is done by phone and internet, so it's easy to stay socially distanced.

Because every day brings new news, we strive to stay flexible as we meet and respond to your needs. Our phones are still answered by a live person, and our customer service response times will continue to be within 24 hours (usually much less). We are here when you need us.



### **For Laughs**

The only way to see a dentist these days is in an emergency situation. While toothaches are never fun, this dental emergency is sure to get your giggles going.

It aired in 1969 on The Carol Burnett Show with comedians Tim Conway as the dentist and Harvey Korman as the patient. It's still one of the funniest skits ever!

Enjoy!

### **Get the Industry Expertise You Need**

Cost Control Associates is an independent consultant that helps businesses and organizations pay less and understand more about their utility expenses. We've been doing it almost 30 years, and our experience shows. Your interests are our top priority!

[CostControlAssociates.com](http://CostControlAssociates.com)  
[\(518\) 798-4437](tel:5187984437)



Cost Control Associates, Inc. | 310 Bay Road | Queensbury | NY | 12804