Electric Purchasing

The deregulation of the electric industry, currently underway in NYS and across the U.S., presents opportunities and challenges for the University and other energy users. Energy users will be able to shop for the best rates as well as select sources of power consistent with their values. These potentially positive developments, however, need to be weighed against the threats deregulation poses to energy efficiency and other environmental priorities like clean air.

1. The following principles should apply to all electric purchases:
   1. Compatibility with Campus Energy Conservation Efforts – The terms and conditions of electricity purchases should sustain or enhance UB’s energy conservation program – not undermine it – by avoiding damaging rate structures and, if possible, by incorporating energy efficiency services.
   2. Rate Structure – Electric rates should be structured to maintain appropriate financial incentives for continued energy conservation and efficiency. Declining block or marginal rate structures provides disincentives to conservation and efficiency and should be avoided. Flat rates maintain incentives to sustain a program of campus energy conservation improvement.
   3. Energy Efficiency Services – The University will attempt to negotiate electricity purchase agreements which include, as a value-added component, energy efficiency services.

2. Buying Clean Power – UB should buy power from environmentally clean sources as defined by emissions profile, i.e. CO2, SOX, and NOX per kilowatt-hour. Dirty coal power should be rejected in favor of efficiently produced, natural gas-fired electricity. The University should explore buying a percentage of its power from clean, renewable power sources when these are available.

(Signed) Robert J. Wagner 1/12/93
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