



# **Bidwell Platform Brings New Efficiencies to Utility Group's Natural Gas Buying Programs.**

**Automation Enhances Precision and Bolsters Speed and Accountability of Utility Group's Established Processes—Bidwell Plays a Supporting Role Across Monthly and Seasonal Natural Gas Buys.**

From the outside looking in, there was nothing really to fix. A large, investor-owned utility group with several holdings across multiple states, serving millions of residential and business customers, didn't need help. Its business was growing and its customer satisfaction numbers were high.

But senior executives at the utility knew that becoming complacent and relying too heavily on traditional manual processes to run and report on their natural gas buys would not guarantee future success.

Based on the recommendation of a team member who had worked with the Bidwell team in a prior incarnation, including using their online auction platform for large-scale electricity buys, the utility group decided to see if Bidwell could add value to their current programmatic buying of natural gas.



## Kicking the Tires

The initial test was a tricky one. Could Bidwell, which specializes in helping utilities and other buyers of wholesale energy, procure those products via auction more efficiently and bring the benefits of automation to one of the utility group's most complex buys: an asset management agreement (AMA)?

AMAs are complex transactions to automate, because they

1. are typically non-standard, one-off procurements and
2. involve index pricing and credit related to the release of capacity – just the opposite of what most technology vendors depend upon to establish and scale a repeatable solution.

But Bidwell saw it as an opportunity to highlight not only the wholesale buying experience of its team and its familiarity with the ins and outs of every possible kind of buy, but also the flexibility of the Bidwell platform.

Unlike other platforms, Bidwell's is purpose-built solely for the unique and varied needs of utility energy buyers. That means adaptability and accountability are built in. They are part of the platform's DNA: adaptability to accommodate the wide array of products utilities buy, accountability to meet the demands of watchful regulators.

With a can-do attitude, Bidwell worked closely with the client team to understand the process and quickly tailored the platform to meet the utility's needs and those of the suppliers bidding for the business. In just a matter of weeks, Bidwell adapted its platform, signed up numerous bidders, ran the auction event and delighted the customer with a winning supplier that exceeded financial expectations.

Bidwell and the utility group were off and running.

## Earning a Place at the Table

Utilities are highly-skilled buyers of energy. To gain a utility's trust, a vendor must demonstrate it can add value.

Bidwell owns the process of getting suppliers to show up and participate on game day, getting them comfortable throughout the process on what they will be bidding on and ensuring all legal documents and credit verifications are in order. The platform guides and monitors these communications, making it easy for Bidwell to share supplier-related information with the client.

Having exceeded expectations with the AMA event, Bidwell again succeeded at enhancing natural gas spot buys through its auction platform—leading to larger monthly buys as well as successful summer and winter term buys.

Bidwell added value by creating incremental efficiencies throughout the buying process, end-to-end gains that delivered an overall improvement that everyone at the utility wanted more of. As an added benefit, the suppliers bidding for the utility's natural gas business felt the same way.







## End-to-End Efficiencies

Traditional energy buying programs are laden with paperwork, phone calls, emails and faxes and, for the most part, work just fine. But bringing the processes of RFP development, supplier outreach and tracking, bidding, awarding and reporting all under one automated “roof,” i.e., an online platform, makes inherent sense. And that’s what Bidwell proved.

Over time, and with each success, Bidwell brought more of the utility group’s buying programs into the platform. Today, the Bidwell platform helps a number of utilities within the group automate and manage the key components of their natural gas buys, including:

**1. RFP Development and Solicitation:** The Bidwell team works with the client to understand their program needs, price expectations and desired supplier participation, generating the platform RFP. That RFP is then automatically emailed to each supplier, which Bidwell has already registered to the platform.

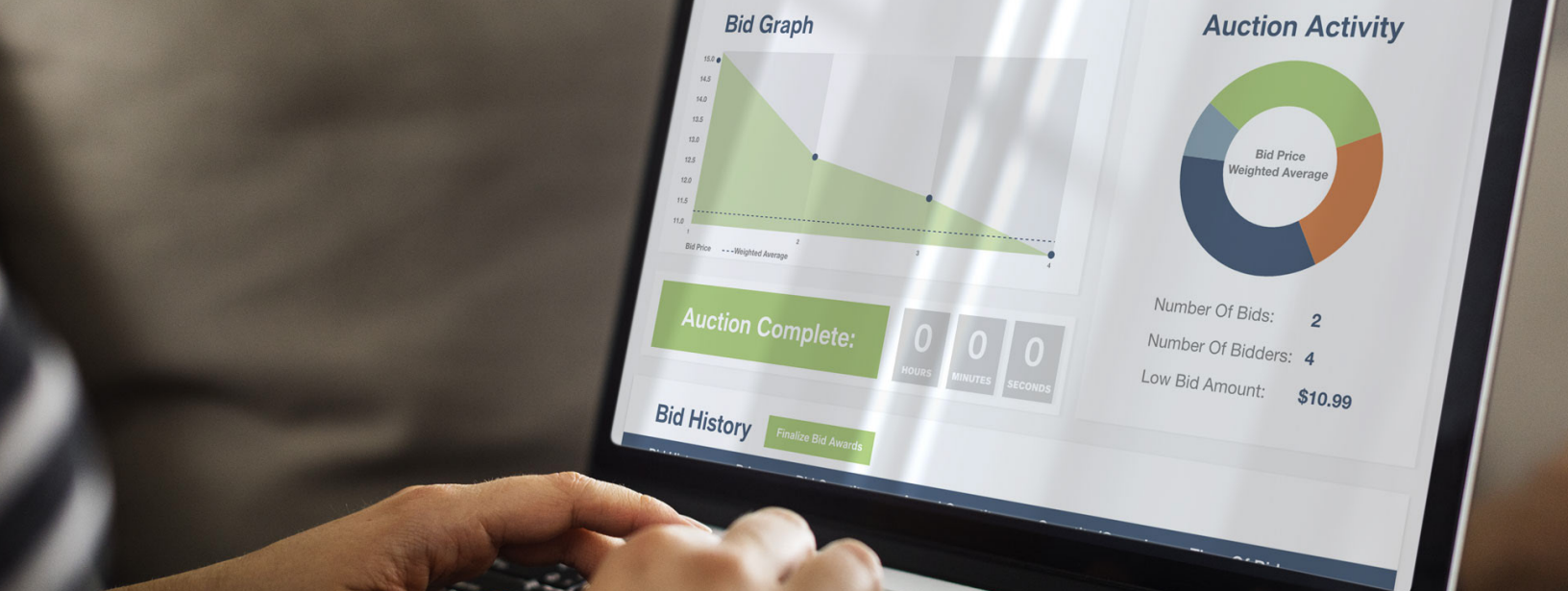
**2. Supplier Management:** Continual communication with suppliers to ensure their participation in a pricing event is a hassle every utility, despite their buying power, would love to eliminate. Bidwell won the process of getting suppliers to show up and participate on game day, helping them decide which components to bid on and ensuring all legal documents and credit verifications are in order. The platform guides and monitors these communications, making it easy for Bidwell to report bidder intentions to the client.

**3. Online Auctions and Procurement:** With suppliers ready to bid, and a client ready to transact, the magic of Bidwell’s online auctions unfolds. Client’s pricing expectations help Bidwell set opening pricing and then, over the course of 15-20 minutes, suppliers bid on the various products and terms in real time—at the same time (this is not the traditional wrangling of bids via email over days or weeks)—always seeing the leading bid (i.e., the current lowest bid) so they can continue to sharpen their pencils in an effort to win the business.

And the client sees every bid. Sometimes they even cheer as the competitive dynamics of the auction drive down the resulting price! One recent auction spurred more than 50 bids. The platform captures every bid from every supplier, providing bullet-proof evidence of a fair and competitive event.

**4. Contract Awards:** Immediately when time runs out, the Bidwell team discusses the results with the client and verifies the winners (many wholesale energy buys could have more than one winner in order to distribute credit risk). Once confirmed by the client, Bidwell sends an intended notice of award to suppliers, letting them know quickly—and all at the same time—which bidders would soon be contacted by the utility and awarded a contract, something the supplier community loves. That is soon followed by actual contracting which, again, is captured in the platform. The speed, efficiency and fairness of the award process not only creates goodwill, it helps suppliers hold their prices with confidence (ultimately lowering prices for utilities and their customers).

**5. Auditing and Reporting:** Perhaps the biggest benefit of all, the Bidwell platform automates the reporting process. The platform captures every RFP, every bid and every communication, providing an audit trail utilities crave. Gone are the days of amassing phone logs and emails, scanning documents and developing a narrative to prove to the public utility commission that you ran a fair, competitive event. With Bidwell, the story is in the system—and all the facts are there to back it up at the push of a button.



## A Future of Automation

To date, Bidwell has facilitated hundreds of natural gas procurement events for the utility group across its many utility holdings, spanning buys of 500,000 MCF – 25 BCF. In each, the client has been able to gain competitive pricing for its customers and demonstrate a fair and transparent process to regulators.

The biggest win of all, however, might simply be the resulting efficiency of the process and the foothold the utility has gained in transacting vital program buys online, which helped the utility group succeed during the COVID pandemic and has positioned it to succeed in a hybrid work environment where some team members may be working from home.

“Change doesn’t come easily to utilities,” said a strategic procurement leader at the utility group, “but Bidwell was smart about it. They learned our processes, demonstrated bit by bit how their platform could enhance those processes vs. changing them and, over time, earned our trust and a wider swath of our business. Our people love working with Bidwell, the supplier community responds well to them, and their auctions provide great results to the communities we serve while helping us become a more efficient, digitally-driven organization.”

Can Bidwell’s technology lower your customers’ rates? Schedule a personalized mock auction today!  
Email [hello@bidwellenergy.com](mailto:hello@bidwellenergy.com) or call (248) 444-2526.

