Business Energy Management
Your Next Competitive Edge

white paper

Consumers Energy
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Elevating Energy Management

In a time of complexity and change, business energy management has shifted from a simple matter of overhead to a critical strategic element.

If your business is facing higher costs and evolving sustainability mandates, this paper can show you a new path to a competitive advantage.

> Energy management is seen by many companies as a daunting technical challenge. In reality, it's a holistic framework for leveraging energy use as a competitive advantage.

The U.S. Department of Energy (DOE) defines energy management as, "informed decision-making and the implementation of energy-saving practices across facilities, processes, equipment and operations."[1]

Today's energy landscape demands a broader perspective. Beyond cost reduction, strategic energy management is a catalyst for innovation, protection against market instability and a cornerstone of corporate responsibility.

This white paper will show why businesses must elevate energy management from a tactical concern to a strategic priority.

We'll explore:

- Why energy management is important for your business
- Direct benefits
- Indirect benefits
- Examples from the field

Furthermore, toolkits and action items included in this discussion will guide the next steps on your energy journey.

Why is Energy Management Important for Your Business?

Companies across the Commercial & Industrial (C&I) sector are fundamentally powered by energy. From machinery driving production in factories, to fleets transporting goods to lighting in office spaces — each relies on reliable, cost-effective and sustainable energy.

The scale of this reliance underscores its critical nature. The C&I sector is a leading energy consumer, responsible for approximately 33% of the nation's primary energy use.[2] This consumption is further complicated by diverse and specialized processes which have unique energy requirements that demand tailored solutions, not generic approaches.

In this context, strategic energy management is more than a "nice-to-have" operational improvement. It's essential to operational continuity, financial stability and long-term competitiveness. Failing to proactively manage energy exposes an organization to significant risk, while embracing a strategic approach unlocks opportunities for efficiency, resilience and market leadership.

Businesses can manage a range of considerations that elevate energy management beyond an operational task to a strategic advantage.[3]

Increasing efficiency to reduce energy waste: This may include facility and equipment upgrades, repairs, or revisions to maintenance schedules and procedures. These measures can lower energy costs, help increase the lifespan of capital equipment and improve workplace safety and productivity.

Monitoring energy use to identify sources of waste: Tracking energy use trends from key systems helps identify areas of inefficiency and opportunities for improvement and savings.

Managing energy use during peak demand: Strategic reduction of energy use during times of peak demand, such as extreme weather, can help improve overall grid reliability and lower energy costs for organizations and their communities

Meeting regulatory and stakeholder compliance obligations: These may include reporting, environmental requirements and alignment with evolving standards driven by regulators, customers and upstream supply chain partners.

Leaders who prioritize energy management not only strengthen their operations, but also differentiate their companies from the competition. The benefits are both direct, including cost savings and reliability; and indirect, such as improved safety and productivity, enhanced brand reputation and operational efficiency.

Direct Benefits of Energy Management

Embracing proactive energy management delivers significant, measurable benefits to C&I businesses, beginning with financial advantages. Energy expenses often represent one of the largest and most controllable operational costs for C&I facilities.

Reduce expenditures dramatically

Strategic energy management offers a way to reduce energy spend across many systems, to a powerful combined effect.

Studies by the DOE indicate organizations can achieve up to 10-30% reductions in overall energy consumption without requiring significant capital investments.[4]

This ability to contain and reduce costs becomes even more valuable as electricity prices are projected to increase through 2050[5], driven by growing electrification and necessary infrastructure upgrades.

Beyond immediate financial savings, strategic energy management enhances operational reliability and resilience. Actively managing energy use allows businesses to reduce peak demand, increase load flexibility and extend the lifespan of critical equipment.

Facilities that strategically manage their energy consumption can also mitigate risks associated with downtime. This is a critical concern, particularly for manufacturers, where unplanned outages can incur costs from $16,000-$22,000 per minute.[6,7]

Indirect Benefits of Energy Management

The positive effects of energy management extend far beyond direct cost savings. When prioritized, energy management enhances workplace safety, elevates employee morale and streamlines overall operational efficiency.

Improved Work Environment and Employee Engagement

Smart energy systems, such as automated building controls and real-time monitoring, not only contribute to energy use reductions of 8-18% according to the American Council for an Energy-Efficient Economy (ACEEE)[8]— but have also been linked to higher worker productivity. This is often a result of enhanced working conditions, including better lighting, more stable temperatures and fewer equipment failures, all contributing to a more comfortable, safe and reliable working environment.

Moreover, when employees are actively engaged in energy-saving efforts, they tend to feel a deeper connection to the company's broader mission and values. Initiatives like energy "treasure hunts" and employee recognition programs have shown a measurable boost in morale, which in turn drives better performance and strengthens talent retention.[9] This improvement holds tremendous promise for yielding better products and services across the C&I sector — from learning outcomes in classrooms to customer experience in sales, healthcare experiences, city services and more.

Supply Chain Benefits

A critical indirect benefit is the growing cascade effect across supply chains. It's estimated that 40-60% of a manufacturer's carbon footprint originates from upstream suppliers.[10] Leading by example with energy-efficient practices and enhanced procurement criteria and expectations, C&I businesses can incentivize suppliers to adopt similar measures, creating collective gains in energy savings and emissions reductions. These upstream improvements also build critical resilience, helping suppliers better weather energy price volatility and adapt to regulatory shifts.

More profoundly, collaborative energy management fosters stronger partnerships grounded in shared metrics, open communication, and a common commitment to sustainability.

Build a Stronger Brand

Integrating smart energy strategies boosts a company's brand reputation and market appeal. Today's customers and investors are increasingly discerning about corporate responsibility.

Research indicates that 77% of consumers prefer to buy from companies making a positive societal impact[11] and more than half say corporate responsibility directly shapes their brand perceptions.[12]

By transparently showcasing energy progress, businesses differentiate themselves in a crowded marketplace and unlock opportunities for growth and partnership. When sustainability is built into a company's identity, it reinforces core values that drive customer loyalty, inspire internal teams and attract purpose-driven partners.

In short, energy management is more than a technical strategy; it's a business advantage that fundamentally improves how a company performs, how it is perceived and how it builds for a sustainable future.

Energy Management in Action
Examples from the field

The benefits of energy management are clear, but how are real-world companies capturing value with it? Let's dive into case studies from disparate industries like agriculture and healthcare to explore how these strategies apply across industries.

Achieving Egg-Cellence Through Energy Management: Herbruck's Multi-Faceted Approach[13]

Herbruck's, a family-owned egg producer in Michigan, uses energy management to support animal welfare, community values and sustainability. Maintaining ideal living conditions for millions of hens requires precise lighting, ventilation and temperature control, making energy a critical part of their operation.

Through an energy efficiency rebate program, Herbruck's began with simple upgrades like switching to LED lighting. Over time, they expanded improvements to include HVAC systems, fans and boilers, all focused on reducing usage while improving animal comfort. These efforts have created savings that Herbruck's is reinvesting in additional upgrades, creating a cycle of continuous improvement.

Herbruck's also participates in demand response, temporarily reducing load during peak demand to support grid reliability, while earning incentives for their participation. According to the company, this partnership has "greatly improved the living systems for the hens" while also advancing Herbruck's broader goal: to be a better member of the community, a better steward of the planet and a long-term investor in Michigan.

Their story shows how even specialized operations can find value in energy management. By working with Energy Solutions Managers to identify opportunities, Herbruck's leverages energy management to support both operational and environmental outcomes.

Energy Management for Healthcare: McLaren Health Care and Oakwood Health Systems[14]

Healthcare facilities have unique energy needs around patient welfare and equipment reliability. That's why McLaren Health Care in Macomb and Oakwood Health Systems acted to improve efficiency while supporting their core mission of care.

McLaren replaced outdated lighting with modern LED fixtures throughout its facility, cutting electricity use by approximately 500,000 kilowatt-hours each year. The upgrade translates to roughly $35,500 in annual savings and delivers a better-lit, more comfortable space for staff and patients.

Oakwood Health Systems made deeper infrastructure upgrades, including new chillers, re-piping cooling lines and adding variable frequency drives (VFDs) to manage energy use more precisely. These improvements reduced use by about 2 million kilowatt-hours annually, saving the hospital nearly $170,000 a year.

Reliability and savings were top priorities in both projects. As one Oakwood representative put it, "not only did we save on energy costs, but also on maintenance costs." These case studies show how healthcare providers can cut energy waste, reduce operational expenses and improve patient experience all at once.

Ready to Get Started?

Steps You Can Take

Many energy providers offer the services below free or at cost to commercial and industrial customers. Refer to your provider's website to learn more learn more.

1. Reduce Consumption

- Request a free energy consultation
- Work with an energy expert to explore solutions

2. Evaluate Energy Opportunities

- Take advantage of rebates for efficient equipment
- Enroll in a demand response program
- Leverage branding and partnership benefits

3. Collaborate and Share Best Practices

- Encourage suppliers to participate
- Actively engage in available networks

Your Partner in Energy Management

You don't have to go it alone. From free consultations to hands-on support from energy experts, the tools and expertise are available to you. The sooner you begin, the sooner your business can start saving energy, reducing costs and building a more sustainable future.

Visit **ConsumersEnergy.com/SomethingBigger** to learn more and see how Consumers Energy can help you on your strategic energy management journey.

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