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## ENERGY

# Dallas electricity rate provider charges into Houston market

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Dallas-based SaveOnEnergy.com has hired a former Reliant Energy Inc. executive to serve as president and chief operating officer and to lead a new Houston office for the firm.

David Roylance, a 25-year energy industry veteran, will handle the day-to-day operations of the innovative online company from the new Houston office, and head up the North American expansion of the business.



Roylance

SaveOn offers residential and business electricity consumers a price comparison Web site similar to the sites that are prevalent in the airline industry such as Priceline, Travelocity, Orbitz, Expedia, Hotwire and Kayak.

"I left Reliant (as senior vice president) in May, and had been looking at opportunities to continue to advance competitive markets," Roylance says. "One of the issues that I saw is that there are still a very large number of residential and business consumers in markets like Texas that are not exercising their choice to switch providers."

Roylance cites other deregulated industries that have advance comparison shopping sites such as the airlines and loan industry, where LendingTree.com has found success.

Since its inception in 2002, SaveOn says 7,000 commercial and 120,000 residential consumers have used the site to shop for an energy provider in Texas. The company is active in 39 states and two Canadian provinces, but thus far only by word-of-mouth.

That's about to change. As provider choices spring up in other deregulated electricity markets across the country, Roylance sees opportunity.

"We are largely focused on the Texas market, but Chicago, New York and the Boston area, and soon-to-be Philadelphia, are all open to competition," he says. "The need is there."

Roylance says SaveOn basically does the "groundwork" for energy consumers by meeting with retailers and reviewing their financials and products, essentially leading to a prequalification process.

In a way, this prequalification limits the choices on the site, especially when compared to PowerToChoose.org, the government-run clearinghouse for electricity rates. SaveOn currently has about 20 electricity providers serving Texas represented on its site.

Terry Hadley, director of communications for the Public Utility Commission of Texas, which oversees the deregulated electricity market in the state, was not familiar with SaveOn, but noticed the absence of a few big-name providers on the commercial and residential price quotes, including Reliant and StarTex Power.

"If you want to look at a complete list of offers, you won't see it here," Hadley says.

Offering limited choices, however, is one of SaveOn's assets, according to Roylance. The company's prequalification process

centers around the competitiveness of the offers, the financial stability of the company, and the fairness and simplicity of the contracts. Providers that don't qualify aren't listed.

"We want to make sure the consumers are getting the best rates," Roylance says. "We're looking for things that provide convenience to the consumer. If they are shown to be competitive long-term, and they are a stable company, they can be on there. You've got to be in the competitive landscape and, more importantly, interested in growing customers."

SaveOn's price listings, while more limited than PowerToChoose.org, are competitive. And unlike PowerToChoose, which only lists options, SaveOn actually signs customers up with the provider of their choice.

"Perhaps it's a useful tool for some customers, to the extent that they might be willing to pay more for a product that gives them a little easier use," Hadley says. "If it is an added customer service, then customers may want to pay for that."

Roylance counters that because his company enrolls clients, relieving some of the burden of finding new customers for the providers, SaveOn can offer even better rates.

"We would hope that our prices would be lower than what you would see on PowerToChoose," he says. "We provide the lower cost of acquiring a customer."

SaveOn generates revenue by collecting fees from providers that sign up customers through the Web site.

## POWER TOOLS

SaveOn founder and CEO Brent Moore credits Roylance's work with commercial and industrial users in deregulated markets as a primary factor in his hiring, and his Houston base makes sense for an Internet business that has more to gain from being close to businesses in Houston than in its Dallas headquarters.

"Houston is the capital for energy, including the competitive electricity markets," Roylance says. "We are largely Internet-based, but we do need to draw on energy expertise."

Privately held SaveOn does not disclose employee information, but Roylance says it is an "efficient, small shop" that effectively doubled in size by adding a Houston presence.

The location for the permanent Houston office has yet to be finalized, but downtown, Midtown, the Museum District and Greenway Plaza are possibilities.

At this point, SaveOn has little competition, but that could change.

"Millions of consumers really don't have a comparison site to go to," Roylance says. "I fully expect others will copy the model or take interest in what we're doing."

In fact, they already have. Roylance says SaveOn has been approached about being acquired, but would not provide details.

"It confirms that this is an exciting concept that people quickly grasp," he says. "They are going to continue to show interest in what we're doing." ■