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Friday, October 5, 2007

## SaveOnEnergy flips the switch on electricity bidding site

Houston Business Journal - by [Ford Gunter](#) Houston Business Journal[Print Article](#) [Email Article](#) [Reprints](#) [RSS Feeds](#) [Add to Del.icio.us](#) [Digg This](#)

Electricity deregulation coupled with the dot-com boom has led to the creation a host of electricity rate comparison Web sites over the last several years. But now, a Dallas-based company has launched a Web site where electricity retailers actually make a bid for consumers' business.

**SaveOnEnergy.com**, which went live on Oct. 1, is primarily designed for commercial customers but is also available to residential customers. Users enter their street address and usage numbers, then sit back and wait for the offers to start rolling in from eight pre-qualified utility providers.

Whether the rates will drop below advertised prices remains to be seen, but Brent Moore, CEO of **Save On Energy Ltd.**, is optimistic.

"By throwing all eight of them in a ring at one time, we believe that is what will happen," he says. "We think they're going to get a little bit more competitive, and that's what we've heard from them."

Five of the eight providers are from the Houston area, and Moore says about 40 percent of Web hits in the first two days were from electricity consumers in the Houston area. He declined to give specific numbers, but did say the number of hits was in line with expectations.

Suez Energy Resources NA, headquartered in Houston, received three leads in the first three days. Because the company only markets to commercial and industrial companies, Suez doesn't have advertised rates, per se, and because its customers vary so much in size, Suez doesn't have a target number of leads to generate.

"We're looking at this as an additional channel to reach potential customers," says David Coffman, vice president of marketing.

Suez signed a one-year contract to pay \$6,500 a month to subscribe. Coffman says the goal is to contact the lead within 30 minutes of the SaveOn hit, requesting additional information such as access to past utility bills.

"If we get the right information back, we could give them a bid in as early as an hour," he says.

SaveOn takes a small cut of the value of each signed contract while footing the bill for advertising and billboards.

This competitive bidding site is the first model of its kind in the retail electricity market, much like **LendingTree.org** was for the loan market.

"It's a completely different channel, a different margin," says Moore, who founded Save On Energy Ltd. in 2003. "(Providers are) not having to pay a broker's fee."

But whether the scenario will prove cost-effective to providers remains to be seen.

"Is this a lower-cost channel to gain access to prospects?" Suez's Coffman says. "We have yet to get an answer to that."

SaveOn plans to launch in four more states next year, with long-terms aims on Canada and Europe.

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