SUMMARY

Start date: 1st October, 2016
End date: 30th September, 2020
OJEU Number: 2014/S 008-009195
Lead Consortium: The Energy Consortium
Main contact: Stephen Creighton (stephen.creighton@tec.ac.uk)
Website: https://www.hecontracts.co.uk/agreements/340

Scope

This single supplier framework first makes provisions for the aggregation of framework user electricity, half-hourly (HH) and non half-hourly (NHH) metered supply points, from this derives an aggregated forward risk managed portfolio (or basket). Once established, the framework then sets out tools and methods by which TEC manages forward purchases of electricity against the wholesale market on behalf of the Member. Finally it sets out the basis on which these forward purchases are transferred to basket Member’s electricity bills on a basis which delivers the benefits of aggregated flexible purchasing but without cross-subsidy between basket members.

In recognition of the significant volume of electricity under contract with TEC, this framework sees a reduction in supplier margin versus the previous TEC framework of 75%, with provision for further discounts as the portfolio grows. The margin on the previous framework was already 45% lower than that available under a standalone fixed price supply contract.

In addition there are provisions in the framework for careful management of supplier performance in all areas of customer service, on-line access to all areas of customer management and dedicated supplier relationship management from members of the TEC team. There are a range of additional services in support of the core electricity supply offerings, including Automated Meter Reading (AMR), Demand Side Response services and Energy Efficiency and Carbon Management services.

AGREEMENT BENEFITS
Guaranteed OJEU compliance, guaranteed collaborative procurement, guaranteed member governance through the TEC board.
- Savings on administration costs (supplier margin) through significant aggregation.
- Further discounts on supplier margin to reflect future growth in the portfolio.
- NHH meters can be added to the portfolio and included in flexible forward purchase strategy.
- Supplier margin for NHH is the same as for HH, demonstrating a significant saving against standalone NHH contract margins secured through conventional fixed price contracts
- Aggregated forward energy price risk management directly accessing the wholesale market.
- Access to significant experience and knowledge of energy markets and administration.
- Ability to transfer (sleeve) forward purchases to another framework supplier, allowing continuity of risk management beyond the framework end date.
- A full range of tools and reports to support budgeting and business cases for energy efficiency measures.
- A dedicated customer service team at the supplier, avoiding call-centre or service desk facilities.
- Dedicated and professional supplier relationship management by highly experienced TEC staff.
- Access to a full on-line account management tools giving information on billing performance, query management, site management, and account credit status.
- All key benefits quantified and reported as part of TEC’s Annual Benefits Statement and in support of sector efficiency and collaboration agendas.

**USING THE FRAMEWORK**

Contact TEC at enquiries@tec.ac.uk and they will put you in contact with your area Member Services Advisor who will take you through the benefits and access process.

TEC membership is required in order to access this framework. Once membership is granted a document set including:
- Agency Agreement – Sets out the rights and responsibilities of TEC and the Member. This also includes authority to make forward purchases for the Member as part of the wider portfolio purchases and provides access to other TEC services and frameworks.
- Risk Management Policy Document which establishes the rules and strategy by which TEC manage the forward purchase of gas for and in conjunction with the Member.
- Supply Agreement which contains the arrangements for billing, payment and other regulated or Energy Supply License activity.
- Fully Completed Site Data Template There is a requirement for all gas supply point data to be provided and verified. This should include arrangements for billing and payment terms, VAT status and emergency contact details where required. This will populate the site schedule in the supply contract.

**SUPPLIERS**

The Energy Consortium,

**SUSTAINABILITY**

We are very conscious of the sectors carbon management plans and also recognise that it is a reality that fossil fuels will continue to be an important part of the energy mix for many years to come. We have also considered the additional costs of having electricity delivered from renewable sources. Through this framework we have commitment from EDF that they will ensure that they obtain enough electricity generated from a low-carbon source to match every unit of electricity estimated to have been supplied to our portfolio. This is at no extra cost.

Further to this they have confirmed that they can provide renewable energy backed by Renewable Energy Guarantees of Origin (REGOs) and can secure sufficient for the whole portfolio if required by the members. REGO backed energy has a premium and we have built in a six monthly review of this price to make sure it is priced in line with prevailing market rates.

**NEXT STEPS**
Contact TEC at enquiries@tec.ac.uk and they will put you in contact with your area Member Services Advisor.