



Energising procurement

National energy procurement category strategy

Kelly Greer, Research Director

Association for the Conservation of Energy (ACE)

Introduction

- National Procurement Strategy for Local Government
 - Making savings
 - Supporting local economies
 - Leadership
 - Modernising procurement
 - Other category management strategies: ICT, Construction and Social Care
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Energising procurement

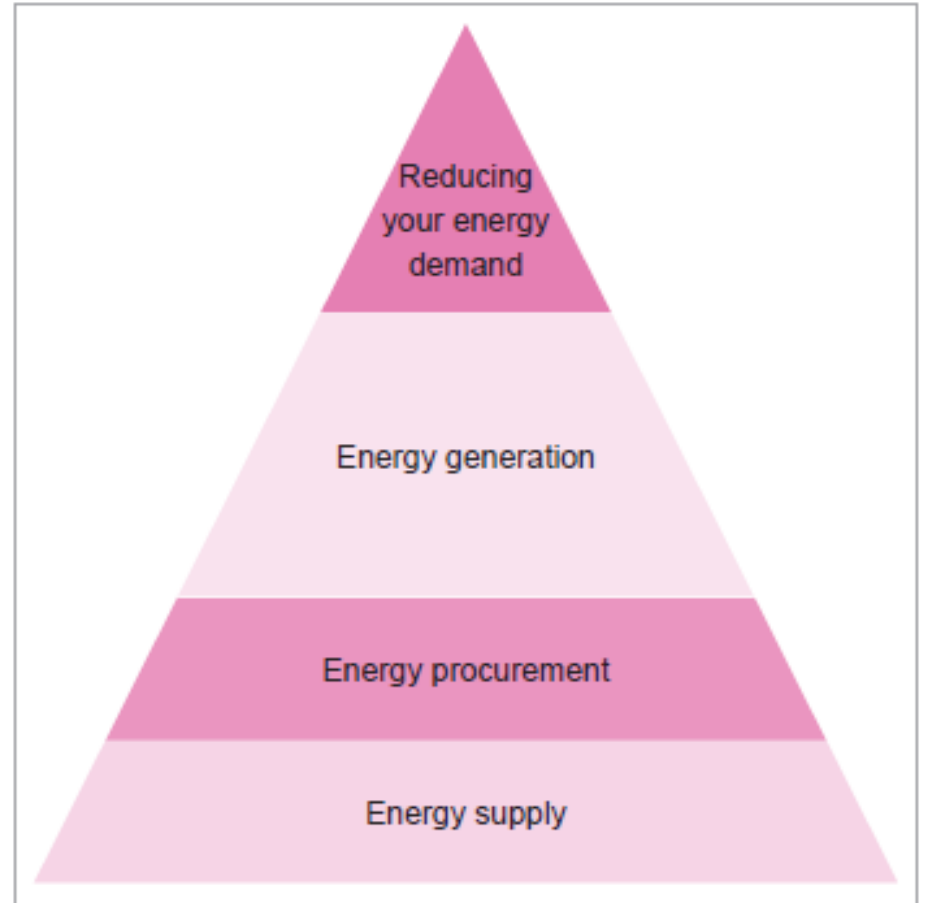
- Estimated that councils collectively spend over £773 million each year on energy
 - Financial savings are a principal driver for procurement strategies, but there are wider benefits for councils:
 - Social
 - Economic
 - Environmental
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Energising procurement

- Energy sector is evolving rapidly
 - Opportunities for councils to get involved:
 - Generation
 - Supply
 - Procurement
 - Aimed at procurement officers, but will also be of interest to wider council stakeholders
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Themes

1. Reducing energy demand
2. Energy generation
3. Energy procurement
4. Energy supply



Reducing energy demand

Islington

- M&T team can demonstrate a cash benefit of their service
- £1 spent on M&T: £3.40 benefit
- Service extended to neighbouring councils (income generation)

GMCA & Salix

- £10 million 0% finance for retrofit of public buildings, including schools

South Gloucestershire

- £14million 'Invest to Save' LED street lighting programme
 - £1million savings per year
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Energy generation

Swindon Solar Bond

- UK's first ever 'Council Solar Bond' to finance a community solar farm
- £3 million council funding
- £1.8 million from small investors
- 65% of distributable profits towards local community initiatives

Berwickshire Housing Association's wind farm

- Income generated funds the construction of homes for social rent

Suffolk County Council

- Energy from Waste plant saves tax payer £350 million by avoiding landfill tax
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Energy procurement

- Volatility of energy market leads to additional complexities and risks
 - You can procure energy in a number of ways:
 - Internal procurement of energy (standalone or in partnership)
 - Using professional buying organisations or brokers
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Energy supply

- Energy supply market has changed significantly in recent years
 - Simpler to operate in the market:
 - White label supplier approach (Peterborough Energy, Southend Energy)
 - White label switching approach (Portsmouth City Council)
 - Becoming an energy supply company (Robin Hood, Mutual and Municipal)
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