

Electricity Procurement for 2024-28

To: Strategy and Resources Committee

Meeting Date: 28 March 2023

From: Executive Director, Place and Sustainability

Electoral division(s): All

Key decision: Yes

Forward Plan ref: 2023/012

Outcome: To agree a procurement strategy for an electricity supply contract for the supply period starting October 2024.

Recommendation: Strategy and Resources Committee is asked to

- a) approve the termination of the electricity supply contract with Total Energies via the ESPO framework at the end of the current supply period (30 September 2024);
- b) ask officers to carry out further research on alternative suppliers and routes to procurement of an electricity supply contract, and return to this committee with a recommendation in September 2023 (option 2 as set out in the paper); and
- c) request an update in 12 months' time as to the steps taken by officers to engage with ESPO, as a shareholder, to support higher levels of low carbon energy in ESPO's forward strategy.

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1. Background

- 1.1 Cambridgeshire County Council consumes around 20 gigawatt-hours (GWh) of electricity per year, at an annual cost of approximately £3.5m in 2021-22, but this cost is likely to be significantly higher in 22-23 and 23-24 onwards, rising to perhaps £8m a year by 2024. The Council currently is liable for electricity bills at circa 200 supply points, which includes our offices, libraries, community centres and other buildings, plus street lighting, feeder pillars, traffic signals etc. but does not include schools. (1 GWh = 1,000,000 kilowatt-hours (kWh).)
- 1.2 The Council currently has a single contract in place for the supply of electricity with Total Energies, via the Eastern Shires Purchasing Organisation (ESPO) Framework (framework reference 191_B_C_20). This contract will expire at the end of September 2024.
- 1.3 The purpose of this report is to consider options for the procurement of electricity (import) supplies from October 2024 onwards. A paper was brought to this committee in January 2023 and the Committee resolved to defer the decision to March 2023, pending further information about 'netting off' options.

2. Main Issues

- 2.1 Greenhouse gas emissions. Electricity is the source of all of the Council's 'scope 2' (energy indirect) gross carbon emissions; however these emissions are zero wherever electricity is generated from 100% renewable sources (such as wind or solar). The Council's Corporate Energy Strategy includes 'managing cost' amongst its six strategic focus areas, alongside low carbon energy, local generation and energy efficiency. More recently, the Council's updated Climate Change and Environment Strategy includes the principles of working with our suppliers to improve environmental outcomes and using our purchasing power to drive improvement through our supply chain by specifying more sustainable options. Not only that, but the Strategy sets a target for the Council's scope 1 and 2 carbon emissions to reach net zero by 2030. The Climate Change and Environment Strategy Action Plan also specifically includes the commitment: "At each contract renewal, continue to purchase 100% renewable electricity for all buildings and street lighting operated by County Council."
- 2.2 Currently, Cambridgeshire County Council purchase Total's 'Pure Green' electricity tariff at a small extra cost. The cost of this is currently 0.56 pence per kWh, equivalent to 1.77% of our total electricity bill, or around £110k per year. This tariff means that we can report zero net greenhouse gas emissions for electricity, under the market-based emissions accounting method, because the electricity we use can be matched to Renewable Energy Guarantees of Origin (REGOs). Continuing to purchase 100% renewable electricity is necessary for the Council to meet its ambitions in the Climate Change and Environment Strategy by reducing net GHG emissions in scope 2 to zero.
- 2.3 REGO certificates are issued by Ofgem to generators of renewable electricity; one for each megawatt-hour (MWh) of eligible renewable output. (1 MWh = 1,000 kWh). The primary use of REGOs in the UK is for Fuel Mix Disclosure (FMD). FMD requires licensed electricity suppliers to disclose to customers the mix of fuels (e.g. coal, gas, nuclear, renewable and other) used to generate the electricity supplied. The main advantage of REGOs is the ability to demonstrate that the energy we purchase can be matched to the quantity of energy

generated from 100% renewable sources. The more customers that demand 100% renewable tariffs, the more renewable electricity will be required. However, the main disadvantages are that this system does not directly change the source of electricity being fed though the wires on the grid to our particular sites (which would not be possible as long as sites remain connected to the grid), and that the renewable tariffs are usually more expensive.

- 2.4 Most suppliers (including the Council's current supplier, Total Energies) offer both 100% renewable and other tariff options, whilst few suppliers only offer 100% renewable tariffs. The majority of suppliers to non-domestic customers are involved in fossil fuels to some extent.
- 2.5 **Changes in electricity usage.** In the year to 30 September 2022, the Council used over 19 GWh of electricity across its sites, over 11GWh of which was for street lighting. However, the programme of LED replacement street lighting due to start in 2024 will reduce energy use by 6.5 GWh annually by 2026. There will also likely be some increases in electricity use in future years due to the switch away from fossil fuel heating systems to electricity-powered heat pumps and the uptake of electric vehicles, but some of this may be offset by improved energy efficiency, changes to the property portfolio and/or the potential for more on-site solar generation. All of these changes mean that the exact quantity of electricity that the Council will use over the 4 years from October 2024 to September 2028 is therefore very hard to predict, but based on the information we have, could be around the following:
- October 2024 to September 2025: 16.5 GWh
 - October 2025 to September 2026: 14.6 GWh
 - October 2026 to September 2027: 14.1 GWh
 - October 2027 to September 2028: 14.3 GWh
- 2.6 **Volatile markets.** The UK and global energy markets have been very volatile recently, especially since the Russian invasion of Ukraine in February 2022, with prices often reaching record highs. Wholesale electricity prices have been driven further up due to a series of reasons, including sanctions on Russian oil and gas, and operational issues at key pipelines, interconnectors and power stations. Electricity prices are also influenced by demand (varies with weather), European gas storage levels, renewables output, and global economic factors as well as UK policy. Therefore it is very difficult to predict future prices now.
- 2.7 Based on a combination of current prices, future price projections from the UK Government, and market intelligence from ESPO, a central estimate of future prices and usage would lead to an annual spend of around £5.7m for the contract period, meaning the total contract value over four years would be around £23m. However, sensitivity analysis on changes to either prices or usage (or both) means that the likely range is from £3.2m to £8.5m per year, and a contract value of between £15m to £31m.
- 2.8 The specialist electricity requirements of the County Council, with the large portfolio and particularly the use of un-metered supplies (UMS) which are required for large numbers of street lights, means that generally only the larger energy suppliers have the capability to supply the Council. There are therefore only a limited number of suppliers who are likely to be willing and able to meet our needs. The majority of these larger suppliers are oil and gas companies, with a few exceptions.

- 2.9 'Netting off'. The Council both buys and sells electricity, as it is both a consumer and also a generator through its solar generation assets. It is theoretically possible to match some of the volumes of electricity exported and sold from the Council's solar generation assets against part of what is purchased through our incoming supplies from the grid, (known as 'netting off'), through arrangements such as sleeved Power Purchase Agreements (PPA). Netting off is possible if the import (buying) and export (selling) contracts are with the same supplier. If such an arrangement were made, this would mean the Council would be (at least partially) self-supplying its own locally generated renewable electricity to its own sites.
- 2.10 Decisions on the export contract(s) for electricity generation assets sit with the Environment and Green Investment Committee. The decision for Strategy and Resources Committee is just for the import side. In any case, whether or not a netting off arrangement is utilised, an electricity supply (import) contract would still be required, since the volumes bought and sold at different times would not match exactly.
- 2.11 Four years ago, the Climate Change and Energy Service investigated the possibility to sell electricity it generated from its renewable energy assets to itself via a 'sleeved' PPA or 'netting off' arrangement. A range of options were explored but at that time there was no financial benefit to the Council of doing this. Since then, the energy market has changed, and the Council also has more renewable generation assets coming forward. It is therefore worth exploring this again.
- 2.12 A netting off arrangement would mean that the energy-only ("commodity") price would be likely to be the same for buying and selling, for those volumes that could be matched. A range of trading arrangements would be possible for any excess generation volumes to be sold, and any remaining required volumes to be purchased. This could either be on a fixed or flexible unit rate, depending on the arrangement agreed with the supplier. However, transmission and distribution network charges, and relevant taxes and government charges ("non-commodity" charges), would still apply to all volumes purchased, as long as sites are connected to the grid. These non-commodity charges are pass-through charges, which are the same no matter who the supplier is, and typically account for up to half of the retail price of electricity. Balancing fees and management fees to the supplier would also likely apply.
- 2.13 An additional benefit of netting off is that the Council would be able to self-supply its own REGOs, avoiding the need to purchase them through the supplier's green tariff premium.
- 2.14 It has now been established that it would not be possible to net off the electricity generated from the Triangle Farm site specifically, because that site already benefits from the Government's Contracts for Difference (CfD) scheme, the regulations for which dictate the mechanism for selling exported electricity. Nonetheless, a netting off arrangement for the larger North Angle Solar Farm (NASF) (which is currently under construction and expected to come online later in 2023) would be possible. NASF is expected to generate 39GWh of electricity per year; around double what the Council uses at all of its sites combined. A small proportion of the electricity from NASF is to be reserved for the private wire to supply the Swaffham Prior Community Heat Network, but the majority left over (around 37GWh per year) would be available to export and sell. Comparing the forecast export volumes from NASF with the forecast volumes required to import to all CCC's own buildings and street lighting across the year, it is expected that the Council would produce an excess of electricity from March to October, but there would be a deficit from November to February.

- 2.15 The forecast import volumes are somewhat uncertain and subject to change each year, as explained in paragraph 2.5 above, but the table below is the best estimate, based on the information we have, of forecast monthly use and generation for the first year from October 2024.

Month	Forecast total volume imported to all CCC sites (MWh)	Forecast total volume exported from NASF (MWh)	Forecast volume that could be netted off (MWh)	Forecast remaining volume to import (MWh)	Forecast excess generation to sell (MWh)
October 2024	1,541	2,338	1,541	-	797
November 2024	1,740	1,275	-	465	-
December 2024	1,867	887	-	980	-
January 2025	1,921	853	-	1,068	-
February 2025	1,640	1,463	-	177	-
March 2025	1,601	2,964	1,601	-	1,363
April 2025	1,104	4,689	1,104	-	3,585
May 2025	1,013	4,950	1,013	-	3,937
June 2025	935	5,112	935	-	4,176
July 2025	1,004	4,832	1,004	-	3,828
August 2025	1,033	3,964	1,033	-	2,931
September 2025	1,117	3,599	1,117	-	2,482
Year total	16,514	36,925	9,348	2,689	23,099

- 2.16 It is unknown whether or not the overall financial position of netting off would be advantageous compared to procuring completely separate import and export contracts. This is because the prices of electricity (both buying and selling) are not known in advance of the supply period, and the prices paid depend on both the position of the wholesale energy markets, and the trading and risk strategies adopted for both import and export. A trading and risk strategy would be negotiated and agreed with the supplier.
- 2.17 There are a variety of procurement mechanisms available for an electricity supply (import) contract, and we have considered the following potential routes to procurement.
- 2.18 Option 1: ESPO framework (framework reference 191_24) for supply during the period from October 2024 to September 2028. ESPO is a public buying organisation owned by six member councils, including Cambridgeshire County Council.
- 2.19 All ESPO's profits are shared amongst the six member authorities on a pro-rata basis depending on spend. The dividend is calculated by ESPO and depends on overall performance and an annual Members vote. The total dividend that the Council gets from ESPO is around £500k per annum, and this is based on the County (and local schools) total share of spending with ESPO. The portion of this relating to electricity will be below 10% and potentially much less. However there is a general benefit of supporting ESPO and their collective buying power and the Council will see a payback overall from the County's spend through the consortium.
- 2.20 The current ESPO framework (2020-24) is currently used by all six of the member local authorities of ESPO, as well as a large number of other local authorities and other public sector organisations, totalling around 28,000 sites.

- 2.21 ESPO offers a flexible procurement solution, which incorporates a low risk purchasing strategy, in which ESPO purchase gas and electricity between 12 to 18 months prior to the physical supply period. ESPO have an in-house trading team who constantly monitor the markets and make considered purchases on customers' behalf when markets are conducive to do so. The aim is to provide customers with a below average market price and smooth out extremes in forward market prices. Customers using their flexible procurement solution will have their prices fixed for each 12-month term and these will be changed on the anniversary of each term, which for electricity is the 1st of October. Customers joining the Flexible solution will have their volumes aggregated with many thousands of other customers' requirements, enabling the ESPO trading team to operate the risk strategy effectively and make small, multiple purchases over a period of time to flatten the risk curve. The ESPO team manage the procurement and each framework term is for 4 years.
- 2.22 ESPO has already run a fully compliant procurement process and procured a single supplier for the 2024-28 period. ESPO have awarded the contract to Total Energies, who also have the current 2020-24 contract. Public sector organisations can access this framework by direct award without any further procurement processes.
- 2.23 Total Energies is a French multinational publicly traded oil and gas company, whose businesses cover the entire oil and gas chain, from exploration and production to power generation, transportation, refining, marketing and trading. They employ over 100,000 people (2,353 in the UK) and had annual revenues of over US\$184 billion in 2021. Total Energies state on their website that their aim is to reduce their share of petroleum products and "increase natural gas, as a transition fuel, and renewable electricity". (Natural gas is lower carbon than oil but is still a fossil fuel.) However, they remain primarily an oil and gas company. In 2021, 44% of Total Energies' sales were from petroleum products (down from 65% in 2015) and 48% were from natural gas (up from 33% in 2015).
- 2.24 The arrangement with ESPO provides Cambridgeshire County Council with a wide range of services including:
- Development of and periodic review of price risk strategy;
 - Data collation and validation;
 - Invitation to tender, supplier evaluation, selection and appointment;
 - Contract award;
 - Supply point transfers;
 - Support with disputes and queries;
 - Contract performance monitoring;
 - Provision of market intelligence information;
 - Trading team expertise: purchase required energy volumes in line with agreed price risk strategy.
- 2.25 For these services, ESPO charge annual fees which are included in the standing charges that we pay. These fees currently equate to around £14,500 per year or ~0.23% of Cambridgeshire County Council's total electricity bill. The service from ESPO to date has in general been very good and what we get for the fee is considered good value for money.
- 2.26 Contract renewal deadlines. ESPO initially asked Cambridgeshire County Council to confirm by 31 January 2023 whether or not we wish to renew our contract from October 2024, but agreed to extend the deadline for signing contracts to April 2023. The early deadline is to enable ESPO's trading team to commence purchasing of electricity up to 18

months in advance of the supply period. The Council therefore needs to either sign the renewal or give notice to terminate, by this April.

- 2.27 The Council's Energy, Procurement and Finance teams have held discussions with ESPO and Total Energies regarding the option to 'net off' our import (buying) and export (selling) of electricity. 'Netting off' is offered under the ESPO framework but would require two separate contracts, one for import and one for export, but both would be possible by direct award under the framework without any further procurement process. ESPO and Total Energies have confirmed that they are willing and able to enter into a netting off arrangement for NASF.
- 2.28 **Option 2:** Terminate the contract with ESPO and Total Energies at the end of the current contract period (30 September 2024) and seek an alternative supplier. The Council needs to give notice if it intended to terminate the existing contract with ESPO, by April 2023. However, the alternative supplier could be determined at a later date. Indeed, many suppliers would not engage with customers for a supply period of October 2024 onwards until much nearer the time.
- 2.29 The timetable for option 2 would therefore be as follows:
- March/April 2023: Give notice to ESPO and Total that the Council will terminate the electricity supply contract at the end of September 2024.
 - Spring/summer 2023: Research more information on alternative suppliers and procurement routes.
 - September 2023: Return to this Committee with a recommended route to procurement and key principles for inclusion in the specification and evaluation criteria.
 - October 2023 to March 2024: Finalise specification, carry out procurement (if the chosen route requires it) with preferred buying organisation, award and sign contract with new supplier.
 - 1 October 2024: Commencement of new contract.
- 2.30 Option 2 would open up a wide range of possibilities. Some of the potential routes to procurement for option 2 are discussed below.
- 2.31 **Option 2a:** E-Energy Group PLC (formerly known as Beond) ("eEnergy"), operate a Dynamic Purchasing System (DPS), which is an alternative method of procuring a supplier. Unlike a normal framework contract, suppliers can be added to or removed from the list at any time. (Suppliers are still required to qualify and pass financial, legal and quality checks.) A secondary competition would be required to obtain a supplier under this DPS and direct award is not possible. The DPS offers a live, reverse auction process, with fixed price or flexible options. eEnergy would advise when to run the reverse auction based on market intelligence, and contracts could be for 2, 3 or 4 years. The price paid by the Council would depend on the bids received by suppliers on the day of the auction, although repeat auctions are possible. eEnergy claim that their DPS can find more competitively priced supply contracts than traditional public buying organisations. For supplies for October 2024 onwards, eEnergy would likely run an auction in the second half of 2023 or early 2024.
- 2.32 eEnergy charge a fee based on a set percentage of spend, depending on services. The fee would be added to the supply contract unit rates. The services from eEnergy include supply contract procurement, trading and risk strategy formulation and execution, purchasing

required volumes on market, provision of market intelligence information, query management/support and supply point transfers. For an extra cost, eEnergy can also provide metering services, invoice validation, consumption data collation, performance monitoring, sustainability strategy planning and compliance services.

- 2.33 The Council's Energy and Procurement teams undertook some soft market testing with eEnergy which was carried out in November 2022 to determine the number of bids likely to be received. The teams also met with officers from other local authorities using the DPS, to understand their experience. Feedback from other local authorities was positive. The DPS would enable a wider range of suppliers to bid, compared to using ESPO or another conventional framework. However, it is uncertain which suppliers would be both interested in bidding and capable of meeting the Council's specialist energy requirements.
- 2.34 It is not possible to prevent oil and gas companies from bidding, as that would contravene procurement rules around fairness and non-discrimination, although the Council and eEnergy could devise a set of evaluation criteria that would help assess bidders' green credentials alongside other quality criteria and price. A specification would be set for the product/service we require (such as to specify a 100% renewable electricity tariff) and officers would explore best practice on setting a green specification to give the Council the best chance of finding a greener solution.
- 2.35 eEnergy have also indicated that they have the experience and capability to manage a netting off and PPA arrangement should the Council require this. This could be procured through their existing DPS.
- 2.36 Option 2b: Other purchasing organisations such as Crown Commercial Services, Laser or YPO also offer similar services to those of ESPO. The Crown Commercial Services 'Supply of Energy 2' framework (reference RM6251) is available for 4 years from April 2024, with customers able to join partway through the framework if required. The successful supplier to this framework is due to be announced imminently. Laser Energy (owned by Kent County Council) also have a compliant framework for 2024-2028, with four suppliers awarded (nPower, Total Energies, EDF Energy and SSE), which is accessible by either further competition or direct award (in some circumstances). YPO (owned by 13 local authorities including North Yorkshire County Council), supply approximately 1.3TWh to over 17,000 MPANs across the Public Sector, and have a new framework (reference 1100) starting 31 March 2023, with a single supplier, nPower.
- 2.37 There are also other energy brokers in the market, however some of these may not have much experience dealing with large local authorities with numerous sites and complex supply requirements. Most energy brokers tend to deal more with small/medium businesses and domestic properties.
- 2.38 We do not know which, if any, of the alternative purchasing organisations or energy brokers, other than eEnergy, offer a 'netting off' service, but it is likely that some of them will.
- 2.39 In addition, it would also be theoretically possible to re-join the ESPO framework contract with Total Energies at a later date, even if we terminated it now. However, doing so would be likely to result in higher prices for the first 12 to 18 months after joining, compared to renewing in advance of the supply period, since the ESPO trading team would not have

purchased sufficient volumes of electricity in advance for the Council's requirements.

- 2.40 **Option 2c:** An alternative to buying through an organisation such as ESPO or an energy broker would be to run a procurement ourselves to contract with a supplier directly. The advantage of that approach would be that we could define the contract scope ourselves and would have full control over the specification. However, this would necessitate running a full compliant procurement process in-house, which would require significant in-house expertise, not only in procurement but also in the energy markets, and would be time and resource-intensive. It is vital to get the scope and specification of such a contract right, which would have to consider energy markets, trading strategies, metering, Automated Meter Reading, Meter Operator services, site works, data provision, billing platform and more. (A Meter Operator agreement is a legal requirement for all half-hourly electricity supplied meters.)
- 2.41 We do not currently have the expertise in-house to trade on wholesale energy markets directly, and a fixed price contract is likely to be significantly higher cost. The high cost, high risk and difficulty of running such an exercise is currently unlikely to be worth pursuing, when compared with the alternative options. Not only that, but the Council would be more likely to incur higher electricity prices when trading directly, when compared to the higher purchasing power of being part of a larger group of customers. This option would also require more resource to manage, including a much greater ongoing contract management capability than is currently in place.
- 2.42 **Comparison of options.** In selecting an option, the Council must consider a number of factors including financial cost, environmental impact, quality of service, level of risk and practicality of contract management / administration. Neither option would currently be likely to provide fixed price tariffs, and the exact costs would be most likely to remain unknown until the beginning of the supply year.
- Option 1 (ESPO framework with Total Energies) is the best known and most straightforward option. ESPO have an established track record of providing good quality service and good prices. Total Energies offer a 100% renewable electricity tariff, although they are primarily an oil and gas company.
 - Option 2 (Terminate the ESPO/Total contract then seek alternatives) contains greater uncertainties on trading performance and customer service, but could be more likely to lead to greater innovation and the chance of switching to a greener supplier, although this is not guaranteed.
 - Further details on comparison of the options is provided in Appendix A. For now, the decision to make is whether to choose ESPO and Total Energies, or whether to terminate the ESPO/Total contract and seek an alternative. (It is not necessary to identify the alternative until later in 2023.)
- 2.43 Energy efficiency and reducing energy consumption will still have a key role to play, whichever procurement option we select. (The cheapest unit of electricity is always the one we don't use.)

3. Alignment with corporate priorities

3.1 Environment and Sustainability

The report above sets out the implications for this priority in paragraphs 2.1 to 2.4, 2.13, 2.23 and 2.34.

3.2 Health and Care

There are no significant implications for this priority.

3.3 Places and Communities

There are no significant implications for this priority.

3.4 Children and Young People

There are no significant implications for this priority.

3.5 Transport

There are no significant implications for this priority.

4. Significant Implications

4.1 Resource Implications

The report above sets out details of significant implications in paragraphs 2.6 to 2.7, 2.13 to 2.15, 2.19, 2.25 and 2.32. The Council continues to face financial pressures going forward under its Medium Term Financial Plan and the focus of this work needs to ensure that any future procurement is achieving best value and maintaining costs within the current budget or better if possible. Further comments on this will be provided in the update report.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

Both the ESPO and other buying organisations options (such as eEnergy or CCS) are fully compliant with the Council's Contract Procedure Rules. The report above sets out further details of significant implications in paragraphs 2.17 to 2.42 and Appendix A.

4.3 Statutory, Legal and Risk Implications

The report above sets out details of significant implications in paragraphs 2.5 to 2.8 and 2.16.

4.4 Equality and Diversity Implications

There are no significant implications within this category. Equality Impact Assessment reference number is CCC478133107.

4.5 Engagement and Communications Implications

There are no significant implications within this category.

4.6 Localism and Local Member Involvement

There are no significant implications within this category.

4.7 Public Health Implications

There are no significant implications within this category.

4.8 Environment and Climate Change Implications on Priority Areas:

4.8.1 Implication 1: Energy efficient, low carbon buildings.

Positive/neutral/negative Status: Positive

Explanation: A focus on reducing electricity consumption whilst also continuing to purchase 100% renewable electricity supplies will support our drive to net zero carbon for scope 2.

4.8.2 Implication 2: Low carbon transport.

Positive/neutral/negative Status: neutral

Explanation: No impact

4.8.3 Implication 3: Green spaces, peatland, afforestation, habitats and land management.

Positive/neutral/negative Status: neutral

Explanation: No impact

4.8.4 Implication 4: Waste Management and Tackling Plastic Pollution.

Positive/neutral/negative Status: neutral

Explanation: No impact

4.8.5 Implication 5: Water use, availability and management:

Positive/neutral/negative Status: neutral

Explanation: No impact

4.8.6 Implication 6: Air Pollution.

Positive/neutral/negative Status: neutral

Explanation: No impact

4.8.7 Implication 7: Resilience of our services and infrastructure, and supporting vulnerable people to cope with climate change.

Positive/neutral/negative Status: neutral

Explanation: No impact

Have the resource implications been cleared by Finance? Yes

Name of Financial Officer: Tom Kelly

Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the Head of Procurement? Yes

Name of Officer: Clare Ellis

Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or Pathfinder Legal Services? Yes

Name of Legal Officer: Linda Walker

Have the equality and diversity implications been cleared by your EqIA Super User?

Yes

Name of Officer: Sheryl French

Have any engagement and communication implications been cleared by Communications?

Yes

Name of Officer: Sarah Silk

Have any localism and Local Member involvement issues been cleared by your Service Contact? Yes

Name of Officer: Sheryl French

Have any Public Health implications been cleared by Public Health? Yes

Name of Officer: Jyoti Atri

If a Key decision, have any Environment and Climate Change implications been cleared by the Climate Change Officer? Yes

Name of Officer: Emily Bolton

5. Source documents

- 5.1 [Cambridgeshire and Peterborough Corporate Energy Strategy, July 2019](#)
[Cambridgeshire County Council Climate Change and Environment Strategy, Part 1](#)
[Cambridgeshire County Council Climate Change and Environment Strategy, Part 3: High level action plan](#)
[ESPO electricity \(for supply during 2020-2024\) framework](#)
[ESPO electricity \(for supply during 2024-2028\) framework](#)
[Total Energies – Transforming to reinvent energy](#)
[Total Energies ownership structure](#)
[Supply of Energy 2 - CCS \(crowncommercial.gov.uk\)](#)
[Energy | Electricity and Ancillary Services - 1100 Coming Soon \(ypo.co.uk\)](#)
[Electricity Flex 2024 – 2028 \(laserenergy.org.uk\)](#)

Appendix A – Comparison of Options

	Option 1: ESPO / Total Energies	Option 2: Terminate ESPO / Total contract then seek alternative		
Option / details / criteria		Option 2a: eEnergy DPS	Option 2b: Another buying organisation	Option 2c: In- house procurement
Buying organisation	ESPO	eEnergy	Various	N/A
Supplier	Total Energies	Unknown	Unknown	Unknown
Procurement method	Framework	Dynamic Purchasing System	Framework	Direct procurement
Cost of electricity	Unknown. Strong past performance in trading team and aggregated purchasing with other customers.	Unknown. Likely to be similar cost to option 1.	Unknown. Likely to be similar cost to option 1.	Unknown. Likely to be highest cost as less purchasing power when not aggregated with other customers.
Buying organisation fees and charges	Fixed price per MPAN per kWh used. Currently equates to ~0.23% of spend.	Fixed price per £ spend. Estimated 0.5% to 1% of spend.	Unknown	Not applicable
GHG emissions from electricity	Zero if we continue to purchase 100% renewable tariff	Zero if we continue to purchase 100% renewable tariff	Zero if we continue to purchase 100% renewable tariff	Zero if we continue to purchase 100% renewable tariff
Type of green electricity tariff	REGO-backed 100% renewable	Unknown. Council could specify.	Unknown. Council could specify.	Unknown. Council could specify.
Supplier's environmental impact.	Supplier is primarily an oil and gas company.	Unknown. Potential suppliers include oil/gas companies and others that may be greener.	Unknown. Potential suppliers include oil/gas companies and others that may be greener	Unknown. Potential suppliers include oil/gas companies and others that may be greener
Quality of customer service	Good track record of performance in billing, administration and resolving queries.	Unknown	Unknown	Unknown

	Option 1: ESPO / Total Energies	Option 2: Terminate ESPO / Total contract then seek alternative		
Option / details / criteria		Option 2a: eEnergy DPS	Option 2b: Another buying organisation	Option 2c: In- house procurement
Resource required for procurement	Minimal	Small. Some work to agree specification.	Small. Some work to agree specification.	Large amount of work required.
Resource required to manage contract	Same as existing	Unknown. Likely to be same as existing.	Same as existing	Additional full time role likely to be required.
Additional 'netting off' services	Available as optional extra service under existing procurement framework.	Available within DPS as optional service	Unknown	Not practically achievable