

# OBTAINING BEST VALUE IN ENERGY MANAGEMENT AND PROCUREMENT

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**2buy2.com Limited working in  
collaboration with the Welsh  
Automotive Forum**



Purchasing made simple



**Welsh Automotive Forum**  
**Fforwm Modural Cymru**

# Members Participation



# Consolidated Volumes

	Number of meters	Volume (KWh)
Power	12	18,440,303
Gas	10	10,188,869

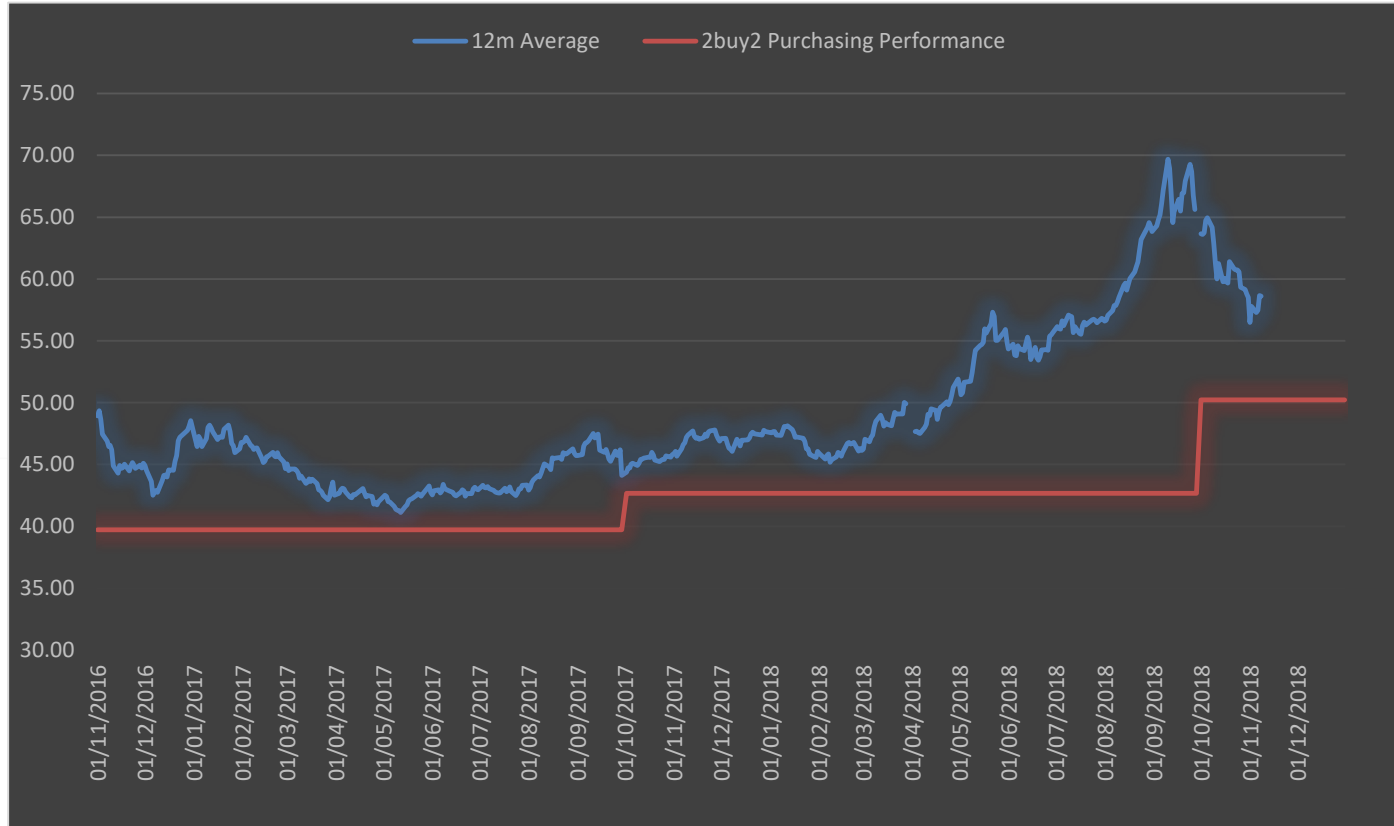
# Mock Pricing Summary December 2018 - Power

Fully delivered unit rate (POWER)			
Volume:		18,440,303	
Average Market Price p/kwh	13.5	Average Market Cost of Total Volume (£)	£2,489,440.91
WAF Member Price p/kwh (based on 2buy2 18/19 Purchasing Performance)	12.7	WAF Member Cost of Total Volume (based on 2buy2 18/19 Purchasing Performance)	£2,341,918.48
% Difference	-6%	Total Difference (£)	-£147,522.42

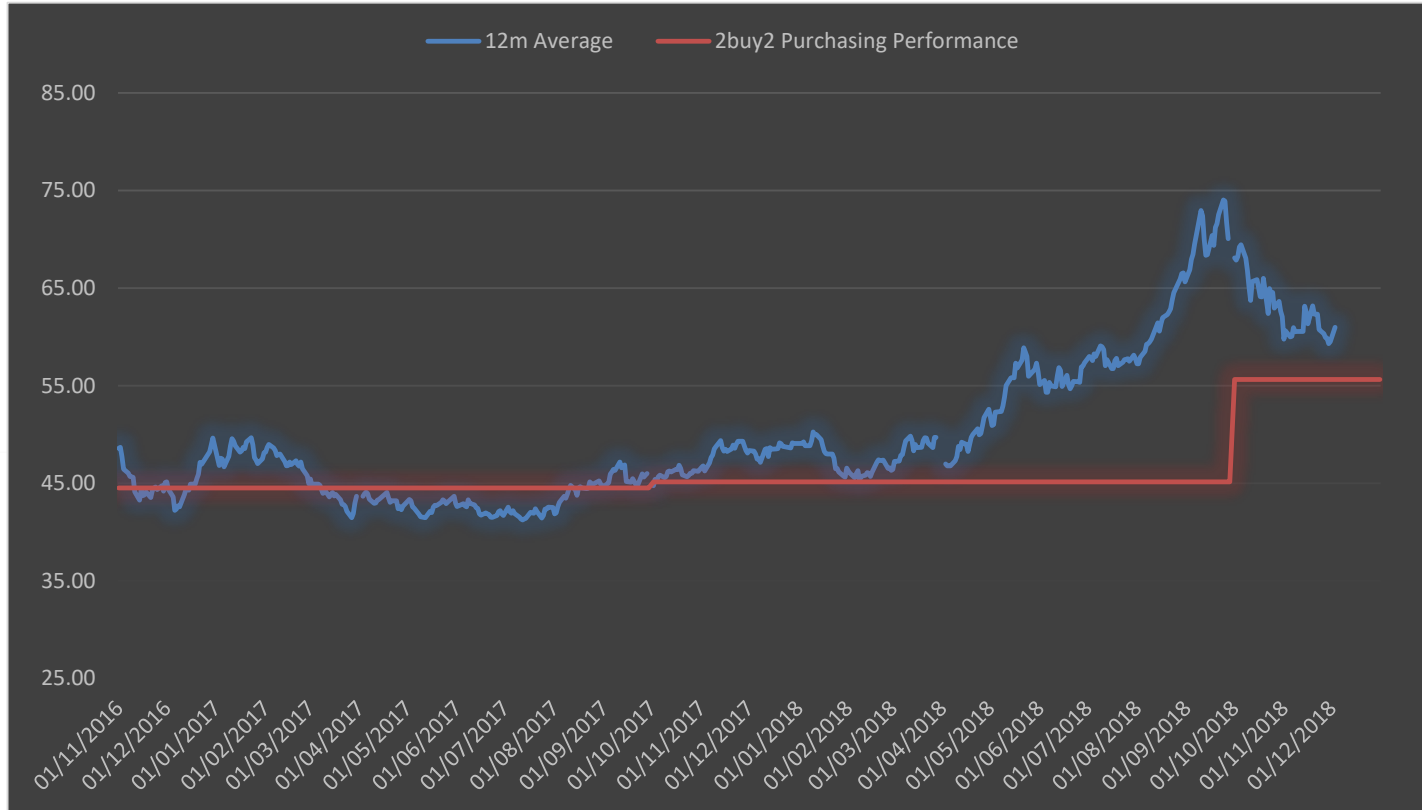
# Mock Pricing Summary December 2018 - Gas

Fully delivered unit rate (GAS)			
Volume:		10,188,869	
Average Market Price p/kwh	2.4	Average Market Cost of Total Volume (£)	£244,532.86
WAF Member Price p/kwh (based on 2buy2 18/19 Purchasing Performance)	2.1	WAF Member Cost of Total Volume (based on 2buy2 18/19 Purchasing Performance)	£213,966.25
% Difference	-14%	Total Difference (£)	-£30,566.61

# Past Procurement Performance Power



# Past Procurement Performance Gas



# Product Outline

- Providing access to wholesale market providing greater opportunity for cost reduction and control
- Fixed – Flexible Gas and Electricity contracts with new price fixed for period issued every 12 months
- Purchase energy ahead of time and lock the energy price for the entire contract, single years, or individual months independently.
- 100% Renewable Electricity as accredited by OFGEM
- Transparency of all contract charges
- Timing of purchases conducted in line with an agreed purchasing strategy managed by 2buy2
- Supplied by Total Gas and Power

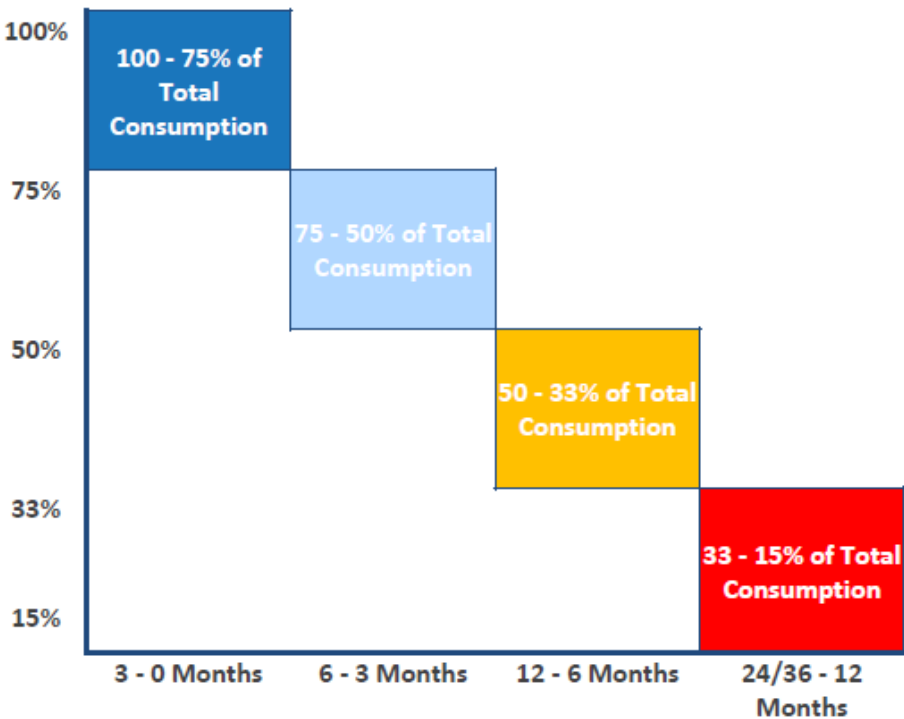


# FIXED - FLEXIBLE CONTRACTS

## Benefits

- Risk management - Rather than committing to 100% of your volume on one day spread the risk across multiple purchasing decisions and take advantage of market dips and downturn.
- Reduced risk premiums - Flexible procurement allows you to purchase energy closer to the date of use, reducing the risk premium you pay with fixed contracts
- Longer term strategic approach – Flexible purchasing enables you to create a more forward-thinking procurement strategy where you can purchase energy several years in advance of delivery. By setting triggers and stop losses you can also protect yourself from any nasty market spikes.
- Budget Certainty - This allows members to combine budget certainty with having the flexibility still to take advantage of market movements

# Pricing Strategy



# Why would this work for WAF?

- Energy Schemes are already being done elsewhere in the automotive sector
- Collaboration already being undertaken throughout WAF on other initiatives
- WAF members have mutual goals, ability to share resources, access to shared procurement knowledge, expertise and experiences.
- It's a tried and tested approach to energy procurement in the manufacturing Industry and our strategic energy partner has supplied some of the largest automotive deals in the UK.



# Next Steps

- Require commitment of minimum volumes
  - 6,000,000 kwh Gas
  - 10,000,000 kwh Power
- Meet with key stakeholders that have provided commitment to establish a procurement strategy document (April 2019)
- Launch flexible purchasing (October 2019)
- Offer out to all members

**Thank you for listening**