

# Wholesale Energy Purchasing



charity**energy**basket

A unique **energy** purchasing scheme exclusively for the **not for profit sector**



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understanding energy

# What is Wholesale energy purchasing?

Wholesale energy purchasing is where companies buy energy from the wholesale energy market where it is traded as a commodity. The minimum energy consumption requirement for a business to trade on this market is 50 GWh per annum. By combining the energy consumption of a number of businesses in a portfolio arrangement Inenco, the UKs' largest energy consultancy, will trade the portfolio as a notional company and thereby bring the advantages of the wholesale market to the Small to medium enterprise. Since 2003 when Inenco first moved clients onto the wholesale market, the demand for this service has grown until Inenco now has £1 Billion of energy under management for a number of "Blue chip" companies and many SME businesses including some major charities.

Inenco and utility Aid have now signed an agreement, which will allow any charity into the scheme, irrespective of their energy spend.

## Why is this advantageous?

Conventional tender style purchasing leaves clients at the mercy of the market on any given day as energy prices, since de-regulation now fluctuate hourly. The supply of energy and price you pay is divided into three main components.

- a) **Generation - accounts for 70% of the final billed price**
- b) **National distribution - accounts for 25% of the final billed price**
- c) **Local distribution and billing - accounts for 5% of the final billed price**

Conventional tendering falls within area C and thus, there is little room for manoeuvre. Purchasing directly from the wholesale market takes us to area A where 70% of price is generated and energy is purchased flexibly. Eg energy can be bought for delivery tomorrow, next week, the month, the year. Or out to 2014. whenever the energy traders seen an advantage.

## How much does this cost?

Fees, as with traditional purchasing will be included in the delivered price, **it is therefore cost neutral to the end user.** The term of the agreement is a 36 month minimum with the option to continue after that is desired.

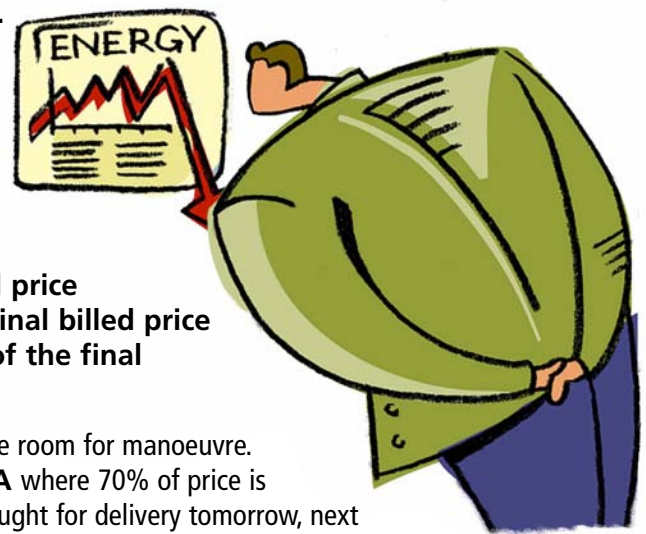
## What are the benefits of joining the scheme?

- For the first time ever, regardless of usage, profile, charities can combine their energy purchasing power with others to gain entry to a market previously denied them.
- Buying on the traditional market is highly risky as the user has only one chance to set the annual price, but by joining this scheme, the risks are managed by Inencos' professional energy traders, thereby improving the chance of achieving better prices. .
- Conventional billing is still maintained as energy is delivered and billed by selected distributors who bill the prices previously set by the Inenco traders. Therefore billing will be familiar to the user.
- The Inenco wholesale purchasing scheme has the endorsement of the CBI

To find out more about Utility Aid's services for charities and apply for your free energy audit. Please contact us on

**0808 178 8170**

or visit **[www.utility-aid.co.uk](http://www.utility-aid.co.uk)** and **[www.inenco.com](http://www.inenco.com)**



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