



# ENERGY Matters

The newsletter for ESPO's energy customers

Number 4

December 2000

## ENERGY PRICES IN TURMOIL

At the end of a topsy-turvey year, the forecast for 2001 is uncertain.

### Gas up and up

All traditional or established price trends were overturned as, during the spring and summer, gas prices rose sharply instead of falling and were even more volatile than before. Against this background, future prices remain unpredictable and, with the onset of winter demand and continuing pressure on oil prices, the short term prospects for significant reductions appear bleak.

See 'Gas prices at flashpoint'.

### Oil up and slightly down

The price of crude oil peaked at \$35 a barrel in September but the pressure on oil prices is expected to ease a little next year, with OPEC predicting 'stabilisation' at between \$22 and \$28 a barrel.

However, continuing political unrest in the Middle East and a cold winter could keep prices high.

See 'Oil prices still fluid' - on page 3.

### Electricity down and slightly up

Electricity prices have been low for much of 2000 but have now started to rise again.

See 'And the good news is...'

**All of which means that your energy team at ESPO is working even harder on your behalf to secure**

- the best possible terms, at
- the best possible prices, with
- the best possible suppliers.

**Of that you can be certain!**

## And the good news is...

### Lower electricity prices make up for gas rises

BETWEEN April and September 2000 wholesale electricity prices fell, partly because of increased competition between electricity generating companies and partly because of the impending introduction of 'New Electricity Trading Arrangements' (NETA). NETA was originally scheduled to come into force in October, but is now due on 27 March 2001. It will replace the previous 'pool' price mechanism with a more conventional trading system similar to that which is already used for gas and oil.

However, electricity prices

increased sharply in the autumn for several reasons: the delay in implementing NETA, the demise of Independent Energy (it is estimated the generators are owed £30m-£35m as a result of the failure of Independent - this will no doubt be passed on to customers one way or another), and higher gas prices starting to have an impact.

Nevertheless, ESPO's over-100kW contracts which started in October - typically County Halls or large schools - are showing reductions of 25% compared with last year. Under-100kW contract prices commencing October have fallen by 16%.

That represents savings in the next year approaching £750,000 for ESPO customers.

## Fill up for Christmas

THIS time last year we were hurtling towards the unknown with Y2K and the mayhem it was supposed to cause.

In the event, we didn't need to worry too much, and the transition to the new century went pretty smoothly.

So this year should be a doddle, shouldn't it? Don't be so sure - the ESPO energy team warns that this is no time to be complacent, especially if you use heating oil.

Suppliers are always busy over the holiday period, so order your fuel early enough to beat the rush - but not so early that you run out at the last minute. Remember, deliveries may not be readily available during and immediately after the Christmas/New Year period.



A typical gas trading room (photo courtesy of BP)

## Gas prices at flashpoint

HISTORICALLY, summer gas prices have usually been lower because there is less demand. This year the traditional pattern has been overturned through unseasonal and, to some extent, unfounded rises in the 'spot' price for gas - that is the price for the gas alone, excluding transportation.

ESPO's energy team has been working flat out to reduce the impact on its customers.

Hitherto, the energy team has only dealt with suppliers' sales teams when obtaining supply quotations. In the face of unprecedented price volatility, links have been developed with several energy traders as well.

Their daily reports on market movements help ESPO evaluate trends and buy at the right moment.

### WARNING

In July, local authority treasurers were warned to be prepared for 'significant increases' when contracts came up for renewal. The graph below shows how prices climbed from 11.5p per therm at the beginning of the year to almost 23p per therm by October. Prices are now back to their 1996 levels.

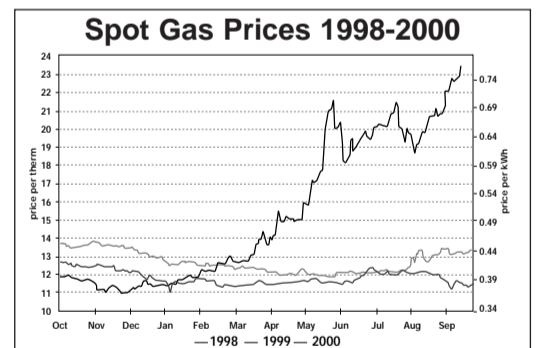
### CLOSE LINKS

The huge increase in the price of gas on the spot market has been far from welcome, and the problem has been exacerbated by the volatility of prices. This has meant that suppliers' quotes are generally only open for acceptance for one day. On several occasions the spot price has risen and/or fallen by as much as 3 pence per therm within a day, forcing suppliers to withdraw quotations submitted only hours earlier.

### CLOUT

With an annual spend on energy of over £30m, ESPO is one of the biggest energy buying consortia in the country and carries considerable purchasing clout.

David Kwiatek says: "This is when ESPO really comes into its own. Using our purchasing power we can develop links within the supply industry - links that are not available to smaller organisations - and make informed judgements about the timing of purchasing decisions."



Prices rocketed in 2000, compared with 1998 and 1999.

## Top of the class in energy saving

OVER a thousand schools in the UK have reduced their energy consumption by up to 30%, thanks to a scheme run by the Energy Saving Trust and backed by British Gas.

SchoolEnergy offers a 50% rebate against energy efficiency measures that a school installs. To qualify, a school must identify how it can save energy, develop an energy policy and a three year action plan, get support funding (eg from the local authority, a third party or the school budget), monitor the results and reinvest part of the savings in further energy efficiency measures.

Schools are also encouraged to teach pupils about the need to reduce global warming.

One of the schools in ESPO's area which has benefited from the programme is St Peter and St Paul C of E Primary at Syston, near Leicester. An energy and environmental study carried out in 1998 by Melvin Harrison, Leicestershire County Council's energy efficiency officer, showed that the boilers providing heating and hot water were inefficient. SchoolEnergy provided a rebate against installing Trend

controls and, after twelve months, gas consumption had fallen by 30%. The school saved £2,000 off its energy bill, reduced carbon dioxide emissions by 38,000 kg and received a return on its investment within nine months. Within 18 months the project had paid for itself completely. SchoolEnergy is managed by the Centre for Research, Education and Training in Energy (CREATE) on behalf of the Energy Saving Trust. For more information, contact your local energy manager (see page 4), ESPO or CREATE, telephone 0870 7000 457, or go to the SchoolEnergy web site... [www.schoolenergy.org.uk](http://www.schoolenergy.org.uk)



### Did you know -

UK schools account for 25% of public sector energy costs, spending nearly £350 million a year. They release 8 million tonnes of carbon dioxide, one of the major 'greenhouse gases', into the atmosphere.

## What drives the price of gas?

GAS prices are made up of two elements - typically 60% relates to the product, 40% represents transportation costs.

So what drives the price of gas, given that the cost of getting it out of the ground is fairly static? Not one factor but many, including:

- Higher oil prices, to which European gas prices are closely linked
- The 'interconnector' providing producers with the facility to export gas to the continent (where prices are higher)
- Unscheduled maintenance at some North Sea gas fields, leading to short term supply problems
- Changes in arrangements for purchase by suppliers of entry capacity to Transco's network
- Difficulties with the regime for balancing gas input with gas taken out of the network

- Seasonal factors - such as the onset or the anticipation of colder weather (this drives demand up)
- As gas is a traded commodity, traders' sentiments and perceptions, as such as physical factors, affect prices

### MESSAGE

David's message to ESPO customers is clear. He says: "We don't have a crystal ball, any more than the traders do, but we do have our finger firmly on the pulse and we're aware of all the influencing factors. My team is doing a professional job in the face of very difficult market conditions. We are very aware of the potential impact of the latest increases, particularly in the education sector, and are doing all we can to continue to get the best possible terms for our customers".

# Oil prices still fluid

THE recent round of oil price rises goes back to early 1999 when OPEC cut output in an attempt to revive prices. This followed a 2-year period of over-production which resulted in low prices.

The move was intended to bring oil stocks back down to normal working levels and ease the price of a barrel of crude back up to \$18-\$23. In the event, prices rose faster and further than anyone expected and, in the UK, were pushed even higher when the value of the £ fell against the \$ – the trading currency for oil.

Although OPEC agreed three times this year – in March, June and September – to increase production, prices of crude oil have continued to climb, peaking at nearly \$35 a barrel. The main reasons appear to be doubts about OPEC's ability to achieve production targets and concerns over the low level of gasoline and heating oil stocks in the US.

When the US government said it would release additional supplies of oil from its strategic petrol reserve in October and November, world prices initially fell by \$4 a barrel before recovering due to political unrest in the Middle East.

Against all this background, ESPO anticipates that prices will remain high over the winter period.

## DID YOU KNOW?

- Middle East oil can cost less than 10 cents a barrel to extract, making it relatively cheap to deliver to the world's major consumers
- Crude oil is the world's most actively traded commodity
- In the UK, the cost of refining, including the cost of the crude oil itself, makes up less than 20% of the price of a litre of petrol. Almost 73% goes to the government as tax\*. The balance – about 8% – represents operating and transportation costs.
- In the US, fuel consumption per person is twice that of Europe and four times as much as the rest of the world.
- It now costs £20,000 to fly a Boeing 747 from London to Houston compared with £9,000 a year ago, so air travel is certain to go up
- A 3,000-litre domestic heating oil tank which cost £200 to fill last year now costs £500.

*\*This high level of tax prompted the spontaneous blockades at oil terminals and the September fuel crisis. In his pre-budget speech on November 7, the Chancellor announced a number of measures, including:*

- a freeze in fuel duties until 2002
- 2p per litre reduction in duty on ultra low sulphur fuels
- reduced excise duty for lorries



Queues at petrol stations – likely to become a familiar sight? Picture courtesy of Leicester Mercury.

# GEMS to reveal more facets

WITH all ESPO's customers now receiving gas invoices generated by the GEMS management system, the next challenge is to use all its features to the full.

ESPO receives some 2,000 invoices each month from gas suppliers. Three quarters of these are transmitted electronically via electronic data interchange (EDI) and are automatically loaded into the GEMS system, which checks that meter details and prices are correct, that there is no gap or overlap in meter readings, and that consumption is correctly calculated.

If all is well, the system clears the supplier's invoice for payment and generates a corresponding bill for despatch to the customer.

The system has now been operational for a year and has resulted in significantly reduced processing times – 96% of

'electronic' invoices are processed by the next day. The remainder are intercepted because something doesn't tie up – due to an incorrect price, for example. In these cases a 'dispute' is logged and linked to the invoice until resolved with the supplier.

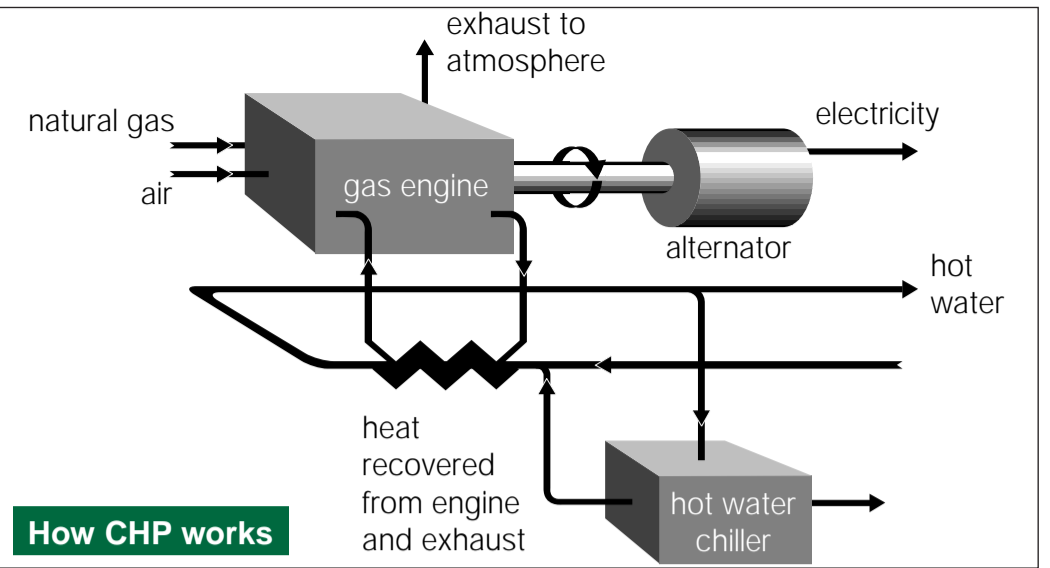
Although the system cannot speed up the responsiveness of suppliers it is helping ESPO to manage disputes by intercepting more queries earlier – before they reach the customer – resulting in less hassle for them.

The system has also proved its worth when contracts come up for tender.

The ESPO team can extract from the system vital information, such as sites and meter information and consumption profiles, to make the suppliers' task of quoting for business simpler.



GEMS is proving its worth



# The power to provide heat

IN the last issue of *Energy Matters* we talked about sources of 'green' energy. The most advanced – and the one most certain to attract a rebate under the Climate Change Levy – is combined heat and power: CHP.

CHP is a very efficient and environmentally sound technology for generating electricity for power and heat simultaneously in what is, in effect, a mini on-site power station. A turbine or engine is connected to a generator to produce electricity, while the exhaust heat is used to create steam or hot water for space or community heating. The heat generated can also be used to power absorption chillers and provide industrial cooling or air conditioning.

The overall efficiency level of CHP is typically twice that of conventional power stations. It optimises the use of fossil fuels, reducing harmful emissions and making a valuable contribution to the climate change programme. For this reason the energy used in CHP will be exempted from the Climate Change Levy.

CHP schemes can cover a very large range of electricity, space heating and hot water requirements, from a small block of apartments or offices to a large chemical processing plant. Adjacent sites with

complementary energy requirements can be linked to a community heating scheme, thus providing an integrated energy supply solution.

CHP is not ideal for every application because of the need to balance heat and power requirements and the amount of capital required. There are various ways of financing CHP schemes and it is essential, therefore, that a comprehensive investment and design appraisal is undertaken at the outset.

## What could CHP do for you?

- reduce energy costs
- reduce exposure to Climate Change Levy
- offer security against energy price fluctuations
- provide a secure supply of energy to your site
- reduce energy usage and harmful emissions
- provide enhanced capital allowances for good quality CHP

The next issue of *Energy Matters* will carry a more in-depth article on the benefits of CHP, along with some examples of how and where it is in successful operation.

In the meantime, for more information, have a look at the following websites: [etsu.co.uk](http://etsu.co.uk), [chpqa.com](http://chpqa.com), [chpclub.com](http://chpclub.com) and [chpa.co.uk](http://chpa.co.uk)

# Understanding the Climate Change Levy

**IN just over three months' time this new tax comes into force. Here are answers to some of your questions:**

**Q: What is the Climate Change Levy?**

A: A tax on natural gas, electricity, coal and LPG, to be paid by industry, commerce and agriculture.

**Q: Why has it been introduced?**

A: To encourage businesses to use less energy so that the government can meet its commitment, made at the Kyoto summit in 1998, to reduce greenhouse gas emissions by 2010.

**Q: Are other countries doing something similar?**

A: Yes; other EU members already have, or are planning, similar taxes.

**Q: Will all businesses have to pay?**

A: Yes, unless you already qualify for the reduced rate of 5% VAT – for example if a proportion of your consumption is for domestic use (eg a boarding school) or a registered charity, or if your consumption is lower than 33kWh of electricity or 5 therms of gas per day.

**Q: How much will we have to pay?**

A: For electricity, 0.43p/kWh; for coal and gas, 0.15p/kWh; and for LPG, 0.07p/kWh.

**Q: What will the government do with the money raised?**

A: Its aim is to raise £1 billion in the year from April 2001. It says it will return this revenue in full to businesses in two ways: (a) by reducing the employers' National Insurance contribution by 0.3% – whether a business pays the CCL or not – and (b) by making £150 million available to support energy efficiency measures through advice centres and capital allowances.

**Q: Will VAT be charged on the levy?**

A: Yes. CCL must be considered as an additional overhead which will attract 17.5% VAT like any other.

**Q: Will there be any exemptions?**

A: Yes, for example on electricity generated from certain renewable sources, but the government has yet to confirm precise details. As things stand, the only clear indication is that CHP – 'good quality' combined heat and power – schemes will be exempt when the new levy is

introduced in April 2001. See the next issue of *Energy Matters* for more information on CHP.

**Q: Where can we get help?**

A: Contact your local VAT officer or your local HM Customs & Excise office. Information is also available on the web (see 'Webwatch', page 4).

*If you qualify for the lower rate of VAT on energy but do not currently claim the exemption, you should do so now in order to qualify for an exemption from the Climate Change Levy.*

# New procedures for electricity siteworks

THE change in structure of the electricity supply industry has brought in its wake new and rather convoluted procedures for siteworks, for example making changes to existing connections or installing new ones.

The process is generally as follows – but remember that ESPO is there to guide you through the maze!

- contact the networks department of your local REC (regional electricity company) for a quotation
- accept the quotation, and agree a connection date
- you will need to nominate your supplier and meter operator\* (contact ESPO for guidance)
- complete an application for supply and send it to the supplier, allowing at least 20 working days' notice before the agreed connection date
- if your existing supply is on an ESPO contract, tell us about the changes so the contract can be amended

*\*if your supply is below 100kw your supplier is responsible for appointing a meter operator.*

Telephone contacts within the various Regional Electricity Companies are as follows:

|   |                      |
|---|----------------------|
| Eastern (24:7):.....                            | <b>08701 963 090</b> |
| East Midlands Electricity:.....                 | <b>01332 393001</b>  |
| GPU Power (formerly Midlands Electricity):..... | <b>01905 727102</b>  |
| Yorkshire Electricity:.....                     | <b>0113 241 5682</b> |

# GAS MEANS SAVINGS

By **DAVE ANDREWS**,  
Shell Gas Direct Technical Services

ABOUT 20 schools supplied via ESPO converted from oil to natural gas this summer with our help. Here is a simple guide to the benefits of using gas and how to convert your premises and, for existing gas users, information on additional site engineering services.

## WHY USE GAS?

As a clean, cost-effective form of energy, natural gas provides significant benefits over other fuels. Using gas removes the need for the delivery and on-site storage of fuel. Gas is a more environmentally friendly energy source than oil, decreases noxious emissions and remains one of the most versatile and controllable fuels. It can also help to reduce maintenance and equipment running costs, thereby saving you money.

## WHAT ARE SITE ENGINEERING WORKS?

Site engineering means any work which facilitates and improves the gas supply at your premises. Installing a new gas connection is just one of several services offered by a typical gas supplier – although not all suppliers have specialised in-house technical support. Suppliers can also arrange to upgrade existing gas connections to accommodate an increased supply, connection equipment relocation or gas meter testing. You can also collect consumption data from your gas meter and Shell Gas Direct can help you download this data direct to your PC to help you manage your energy use effectively.

## HOW TO COMMISSION GAS ENGINEERING WORKS

Identify your requirements and inform your gas supplier, who will select the best service provider for your particular need. The supplier will liaise with Transco and any third parties and continually monitor progress, so you know what is happening at all times. As Transco owns and operates most of the UK's gas distribution system, they are responsible for confirming that a new supply is feasible and identifying the most appropriate point on their network from which a new gas connection can be taken.

Some of the larger suppliers can also provide specific technical advice, in addition to being a 'one-stop shop' for site engineering works, and it usually takes 8 to 10 weeks from initial request to completion.

And you don't need to be a customer of Shell Gas Direct to benefit from our technical expertise.

For further advice and information, contact Dave Andrews on 0800 0568111 or email [technical.services@shellgasdirect.co.uk](mailto:technical.services@shellgasdirect.co.uk) for a free 10-step guide to successful site engineering works and a booklet on how to convert to natural gas, or visit the website at [www.shellgasdirect.co.uk](http://www.shellgasdirect.co.uk)



Dave Andrews conducts a site visit



## Focus on Northern Electric & Gas

NORTHERN Electric & Gas is one of the UK's leading energy suppliers with a majority share of the 100+kWh electricity market. It also supplies in excess of 280 million therms of gas to businesses and public sector bodies.

Since the market deregulation of the 1990s, scores of major clients have switched to Northern to take advantage of competitive prices, the highest standards of customer service and innovative energy options. Customers include Sainsbury's, Marks & Spencer and many local authorities around the country.

Northern Electric & Gas is part of the Mid-American Energy group, operating across four continents, with 3.4 million customers of electricity and gas and annual revenues of \$5 billion.

### LINKS WITH ESPO

Northern Electric & Gas has recently secured a number of key energy contracts following competitive tendering by ESPO. These include the natural gas supply contracts for Fenland District Council and Leicester City Schools, with a combined annual gas requirement of 30MkWh, as well as Leicestershire County Council's street lighting contract for an annual requirement of 20 million kWh.

### FUTURE AMBITIONS

Northern's ambition is to gain market share by continuing to provide competitive prices and by working closely with customers to deliver a quality service.

Eric Connor, president and chief operating officer of Northern Electric & Gas, says: "We recognise that to stand still is to lose. So we are continually strengthening our business to increase cost transparency and control, to focus on service delivery and to reflect the evolving regulatory environment."

As the UK energy market evolves, for example with the introduction of New Electricity Trading Arrangements (NETA), Eric Connor promises that customers can look forward to new products and services, higher levels of customer care and continuing competitiveness in terms of fuel bills.

For further information regarding any Northern Electric & Gas products and prices please ring 0191 210 1262.

## ESPO joins the e-community

SINCE deregulation, tendering for electricity supplies has grown increasingly sophisticated. The volume of data required, the variety and complexity of pricing options and the limited validity of suppliers' offers have made the tendering process – and the analysis of quotations – more difficult.

Tenders must be accompanied by a breakdown of half-hourly consumption for a full year – a total of 17,520 items of data for each supply point. That means around 4 million items for all the sites on ESPO's contracts.

Advances in technology and the dawn of e-commerce have provided a number of alternatives to traditional procurement. ESPO evaluated the options and selected The Utilities Exchange (TUE).

Using TUE, the buyer electronically sends suppliers an 'invitation to tender', along with comprehensive site, meter and consumption details. It permits tendering via 'closed' or 'sealed bid' procedures, in compliance with the EU Supplies



TUE - saving ten man days each year on data management

Directive, preventing the buyer from accessing suppliers' quotations before the tender deadline.

Using TUE, tenders can be assessed much more quickly and, equally importantly, the scope for transpositional and other errors is virtually eliminated.

David Kwiatek explains: "Tendering and evaluating bids for electricity supply

is now faster and easier. TUE saves us about ten man days each year on data management, so we can focus on the nitty-gritty of contract negotiation. Using TUE for the renewal of contracts this autumn helped us save over 25% on customers' electricity costs, compared to last year."

The Utilities Exchange is the UK's largest electronic procurement platform with over 6,000 sites buying electricity, equivalent to over 10 per cent of the UK industrial and commercial market. The system is used by all the major suppliers and by leading UK industrial and public sector purchasers including Boots, Marconi, CWS, British Aerospace, Severn Trent Water, Laser, Welsh Purchasing and NHS Supplies.

Following a recent merger with Buyenergyhere.com (owned by Norsk Hydro) TUE is due for further development, including an integrated and highly advanced on-line version, within the next few months.

## Who to contact at ESPO

|                  |                  |               |                     |
|------------------|------------------|---------------|---------------------|
| David Kwiatek    | team manager     | 0116 265 7845 | d.kwiatek@espo.org  |
| Graham Holley    | gas              | 0116 265 7399 | g.holley@espo.org   |
| Russell McCarten | gas              | 0116 265 7858 | r.mccarten@espo.org |
| Toni Yates       | fuels            | 0116 265 7859 | t.yates@espo.org    |
| Nadeem Ghani     | electricity      | 0116 265 7924 | n.ghani@espo.org    |
| Wendy Dilley     | customer support | 0116 265 7969 | w.dilley@espo.org   |

## Here today, gone tomorrow?

**IN the event of a supplier going out of business, as happened recently with Independent Energy, a new supplier has to be found by the Receiver or appointed by OFGEM.**

**The new supplier will almost certainly offer different terms – although these will not necessarily be higher. During the period between the old supplier going out of business and the new one agreeing a contract, 'default' terms apply.**

**OFGEM says: "We would not expect supplies to be disconnected as long as bills are being paid" – which, as David Kwiatek points out, is a small crumb of comfort. In any event, he adds, large scale disconnections would not be realistic, either politically or commercially.**

**Independent's business was taken over by npower who implemented 'pool' prices for an initial period of about six weeks until new contracts were agreed.**

**This 'pool' pricing mechanism will cease to exist when the New Electricity Trading Arrangements (NETA) take effect in early 2000. OFGEM is expected to produce a consultation document shortly on what future arrangements, known as 'the supplier of last resort', will be.**

**David warns: "NETA means that suppliers face even greater commercial risks and Independent Energy will almost certainly not be the last to go."**

# Well dung!

ESPO is always evaluating new forms of energy, especially those which use readily available but hitherto untapped resources. The energy team is currently considering a number of environmentally friendly schemes to recommend to customers.

It's a well known fact that, in some countries, bird droppings provide a valuable fuel. Now, for the first time, a similar scheme is undergoing trials in Sweden, Norway, Lapland and Britain. But in this case, the potential fuel being evaluated is reindeer dung, which is highly combustible but gives off no noxious gases.

Energy authorities in each of the four participating countries have set up task

forces of willing volunteers, most of them ecology students, to collect the droppings. Trials have proved successful, but much larger quantities are needed to run a proper pilot scheme. ESPO has offered to help recruit more student volunteers over the Christmas holidays, when there are likely to be many more reindeer about.

Every helper will be equipped with a special detector, poop scoop and sturdy plastic satchel in which to store the droppings until they can be collected by the task force leader.

If you know anyone who may be able to help, please call Santa's little helper c/o The Grotto, Glenfield.



## 3 becomes 2 becomes 1

YEAR 2000 has seen yet more buy-outs in the electricity supply market.

Scottish Hydro and Southern Electricity – who had already merged to form Scottish & Southern – bought Swalec, the South Wales supply operation. This was Swalec's third change of ownership.

At about the same time, the Norweb supply business was acquired by TXU, the owners of Eastern Energy.

Further rationalisation is expected to follow, leading to fewer players and potentially a reduction in competition.

## Power to the purchaser

THE Utilities Act, given Royal Assent in July 2000, will give gas and electricity consumers a better deal.

The Act paves the way for price reductions and more effective competition, particularly in electricity generation and supply. A combined regulator – the Gas and Electricity Markets Authority – will oversee both industries.

The office supporting the new authority, OFGEM, will have powers to impose financial penalties on companies who fail to comply with their licence conditions or other requirements.

An independent Gas and Electricity Consumer Council has been set up to resolve complaints and provide information for consumers. It will also act as the mouthpiece to put the consumers' case to the regulator, government, utility companies and others.

The Act also enables the Secretary of State to make regulations to promote energy efficiency and the generation of electricity from renewable sources.

## Russell's charter for success



RUSSELL McCarten, ESPO's gas buyer and a member of the energy team since 1998, has joined other colleagues as a fully qualified member of the Chartered Institute of Purchasing & Supply (CIPS).

This summer he completed the final three elements of the professional stage qualification – strategy, case study and legal aspects.

David Kwiatek says: "We're committed to giving our customers the best service from well qualified staff. MCIPS is the recognised 'seal of approval' for the purchasing profession and we're all proud of Russell for his achievement."

# ESPO TEAM RE-ENERGISED

AT the same time as coping with immense changes in the energy market, the ESPO energy team has undergone its own metamorphosis.

Two new people, **Toni Yates** and **Graham Holley**, joined in the summer. As *Energy Matters* went to press, ESPO appointed a new buyer for electricity, **Nadeem Ghani** whose profile will appear in the next edition.

Team leader David Kwiatek says: "Our strategy has been to recruit experienced professionals from both the public and private sectors and to develop graduates who are new to the workplace. Our aim is a team with a balance of specialist and professional skills which, combined with a strong customer focus, will provide a comprehensive energy buying service."

**Time to meet two of the new team members.**

**TONI YATES, TRAINEE BUYER (FUELS AND OILS)**

**Education:** BA Hons (2:1) in Business Studies, Derby University.

**Qualifications:** currently doing a 2-year CIPS professional course at Derby University  
**Home:** North Leicestershire  
**Age:** 23

**Interests:** Travelling – she spent two months in the summer backpacking to Hong Kong, Bali, Australia, New Zealand and Honolulu  
**She says:** "During my university course, I did a placement year at an oil additives company and knew from that experience I wanted to go into buying."

"Being away in the summer, I missed ESPO's first recruitment ad. Luckily for me, they advertised again, I applied, and here I am!"

**David says:** "Apart from a few spells of work experience, this is Toni's first appointment – a case of 'baptism of fire' since her first week coincided with the September fuel crisis! She's already proving a very valuable member of the team."

**GRAHAM HOLLEY, SENIOR BUYER (GAS)**  
**Education:** BA (Hons) Business Studies, Nottingham Trent University.

**Previous jobs:** Various buying posts with Boots the Chemists, Armitage Brothers, before a one-year working holiday in Malaysia and Australia. GKN Sankey Engineering Products and most recently as Manager, Energy & Utilities, at First Procurement Associates Ltd.

**Qualifications:** Associate member of CIPS (Chartered Institute of Purchasing and Supply)

**Home:** Beeston, Nottingham

**Age:** 30  
**Interests:** Cricket (all-rounder, plays for Clifton Village CC in the Nottinghamshire league), five-a-side football, cinema, music and travelling.

**He says:** "When the ESPO job came up, I saw it as an opportunity to develop my energy procurement skills and work with a

*New ESPO energy team members Toni Yates and Graham Holley.*



whole new range of customers.

"I like the set up here and am working with a good mix of people. It's been very busy from day one, with a number of major contract renewals and such a lot happening within the gas market."

**David says:** "Graham's background in energy buying in the private sector and his consultative skills will strengthen the ESPO team and help our future development."

**Trevor Laxton**, who joined the organisation a year and a half ago and was responsible primarily for oil and fuels buying, has moved to a new role with ESPO's ICT (Information & Communications Technology) purchasing team.

**Rob Munson**, the team's gas buyer, moved on to pastures new in the summer.

**Mark Power** reached the end of his placement and is now back at De Montfort University for the final year of his degree course.

## Transco website launched

ESPO has long been at the forefront of lobbying pressure for access to sites and meters data and was one of the organisations that took part in Transco's early Internet trials – see issue 2 of *Energy Matters*.

The web site was launched on November 7, so the data relating to each site – which is used by suppliers to formulate prices – can now be accessed and cross-checked. If the Transco details are not the same as ESPO's, suppliers' price quotations can be challenged and hopefully result in reductions.

Graham Holley, ESPO's senior buyer for gas, says: "The web site has the potential to make a huge difference. We can now verify a customer's site details, through the supplier ask Transco to make any necessary corrections and then, most importantly, check that they have been made. In the past we had no way of knowing for certain what information was held by Transco or of checking that it had been corrected."

## Web Watch

THERE is a growing list of useful web sites which you can access for information on energy-related matters. Here are a few to begin with (all are, of course, preceded by www.).

|   |  |
|---|--|
| Building Research Establishment                               | <a href="http://bre.co.uk">bre.co.uk</a>                                       |
| Centre for Alternative Technology                             | <a href="http://cat.org.uk">cat.org.uk</a>                                     |
| Centre for Sustainable Energy                                 | <a href="http://cse.org.uk">cse.org.uk</a>                                     |
| CHP Association   | <a href="http://chpa.co.uk">chpa.co.uk</a>                                     |
| CHP Club  | <a href="http://chpclub.com">chpclub.com</a>                                   |
| Combined Heat & Power Quality Assurance Programme             | <a href="http://chpqa.com">chpqa.com</a>                                       |
| Department of Trade & Industry                                | <a href="http://dti.gov.uk">dti.gov.uk</a>                                     |
| Department of Transport and the Regions (Climate Change Levy) | <a href="http://detr.gov.uk">detr.gov.uk</a>                                   |
| DETR - info for schools on Global Warming                     | <a href="http://schools.detr.gov.uk">schools.detr.gov.uk</a>                   |
| Energy Efficiency Best Practice Programme                     | <a href="http://energy-efficiency.gov.uk">energy-efficiency.gov.uk</a>         |
| Energy Efficiency & Sustainable Energy Technologies           | <a href="http://etsu.co.uk">etsu.co.uk</a>                                     |
| Enhanced Capital Allowance Scheme (Climate Change Levy)       | <a href="http://eca.gov.uk">eca.gov.uk</a>                                     |
| ESPO  | <a href="http://espo.org">espo.org</a>   |
| Gas & Electricity Regulator                                   | <a href="http://ofgem.gov.uk">ofgem.gov.uk</a>                                 |
| HM Customs & Excise   | <a href="http://hmce.gov.uk">hmce.gov.uk</a>                                   |
| National Energy Foundation                                    | <a href="http://natenergy.org.uk">natenergy.org.uk</a>                         |
| School Energy Scheme  | <a href="http://schoolenergy.org.uk">schoolenergy.org.uk</a>                   |
| Schools & Homes Energy Education Project                      | <a href="http://pluggingintothesun.org.uk">pluggingintothesun.org.uk</a>       |
| Shell Gas Direct  | <a href="http://shellgasdirect.co.uk">shellgasdirect.co.uk</a>                 |
| Solar Energy Society  | <a href="http://brookes.ac.uk/other/uk-ises/">brookes.ac.uk/other/uk-ises/</a> |
| Transco   | <a href="http://transco.uk.com">transco.uk.com</a>                             |
| Water Industry Regulator                                      | <a href="http://ofwat.gov.uk">ofwat.gov.uk</a>                                 |

## Need advice on energy efficiency?

MOST of the local authorities in the ESPO area have an energy efficiency manager:

|                   |                 |               |
|-------------------|-----------------|---------------|
| Cambridgeshire    | Roger Ling      | 01223 717489  |
| Leicester City    | Don Lack        | 0116 299 5132 |
| Leicestershire    | Melvin Harrison | 0116 265 6896 |
| Lincolnshire      | Mike Pollard    | 01522 552682  |
| Norfolk           | John Cobb       | 01603 222674  |
| Peterborough City | John Bates      | 01733 742207  |

For other areas please contact your local council direct or ask ESPO for guidance.

Energy Matters is a customer newsletter published by

**ESPO**

**Eastern Shires Purchasing Organisation,**  
Leicester Road, Glenfield, Leicester LE3 8RT.

Telephone 0116 265 7845.

Fax: 0116 265 7900.

E-mail: [info@espo.org](mailto:info@espo.org)



This newsletter has been produced with the kind support of Northern Electric & Gas and with contributions from Shell Gas Direct and John Hall Associates.

Printed on chlorine-free paper from farmed forests.