

**Community Bulk Energy Purchase Scheme.**

**LEAD OFFICER:** Steve Smith  
**REPORT AUTHOR:** Denice Gallen

**Summary and Recommendation:**

This report provides a summary the Community Bulk Energy Purchase Scheme that has recently been undertaken by South Lakeland District Council.

**Recommendation:**

That the contents of the report are noted and a decision is taken on whether Copeland should consider a similar Community Bulk Energy Purchase Scheme?

**1. Introduction**

- 1.1** The Community Bulk Energy Purchase Scheme has been operated by South Lakeland Council earlier this year and they had over 1600 people register an interest in participating. The Council was assisted by a company called [ichoosr](#) whose main business is to connect consumers, community leaders and suppliers by organizing collective switching schemes.
- 1.2** The idea behind the scheme is that by bulk purchasing electricity a better rate can be negotiated for those participating in the scheme than by purchasing electricity directly/individually from a supplier.

**2. How does it work**

- 2.1** The Council works together with ichoosr to determine the content of the scheme and recruit participants. The Council is in charge of promoting the proposed scheme with the help of ichoosr.
- 2.2** ichoosr are in charge of energy supplier management, including the agreements, relationship management and even operational cooperation.
- 2.3** Participants (the general public) register their initial interest, with no obligation to participate in the scheme, by logging their name, address and annual gas /

electricity usage. The company ichoosr then hold a reverse auction in which suppliers bid to provide the best tariff. In the week after the auction participants will be given a personal offer by email and they will then have a few weeks to decide whether or not to accept the offer.

- The more people who participate in the scheme the greater the buying power.
- Energy suppliers compete to make the best offer in an auction.
- The supplier with the best tariffs win the auction

**2.4** ichoosr is paid a fee for each new subscriber that switches to the new provider. The Council is paid an agreed compensation rate by ichoosr which can be used to help assist those in fuel poverty. The winner of the South Lake Land Council auction was OVO Energy, a British energy company. There are no available figures yet of the number of people who decided to switch to the winner of the auction.

**2.5** It is argued that one of the main advantages of the scheme is that residents have the opportunity to be socially responsible and use their purchasing power to both make savings for themselves but also, through the share of the switching fee paid by the suppliers to the Council, help their neighbours who may be struggling to heat or insulate their homes due to rising fuel costs.

### **3. Implications for Copeland / Way Forward**

**3.1** In a time of ever increasing electricity bills and with homeowners facing greater financial difficulties it is important that the Council undertakes to promote the most effective services and makes all members aware of the options available to them.

**3.2** A briefing note on the Community Bulk Energy Purchase Scheme was presented to the joint meeting between Cumbria County Council, Copeland Borough Council and Parishes joint meeting on the 27<sup>th</sup> September 2012. Refer to appendix 1: Briefing note.

**3.3** The Council needs to determine if this is a scheme that Copeland Borough Council should promote and run. If so an agreed framework and project plan to move the project forward should be designed and developed.

### **4. List of Appendices - Appendix 1: Briefing Note**

### **5. Consultees**

## Appendix 1: Briefing Note

### **Briefing Note for Copeland, County, Borough and Parishes Joint Meeting 27<sup>th</sup> September 2012 Community Bulk Energy Purchase Scheme**

South Lakeland District Council has worked with a company called iChoosr to develop a collective approach to purchasing energy. The process is on-going and the success of the scheme is not known at this stage.

Below is reprinted the flyer issued by South Lakeland District Council, which sets out further detail.

The website for iChoosr is: <http://www.ichoosr.com>

There is good detail on how the scheme works at: <http://www.ichoosr.com/en/faq>

Next steps:

- If there is indicative support for a similar scheme to operate in Copeland, how would it best be organised and by whom?
- What would it incorporate? Potential to bundle other services such as phone/broadband.
- SLDC have indicated that an officer could attend a future meeting to describe the scheme further if this is preferred.



### **POWER UP YOUR COMMUNITY!**

#### **South Lakeland District Council's collective energy switching scheme**

##### **Fed up with high energy bills?**

South Lakeland District Council is inviting residents to be part of a scheme that will give householders discounted energy costs.

Register for the scheme and you could save money on your home energy bills, and help other residents who are in fuel poverty and struggle to pay energy bills.

##### **Purchasing energy together is much cheaper**

By grouping together with other residents, your purchase power is increased therefore discounts can be obtained by negotiating discounted rates with the energy companies.

##### **How to be involved**

Registration will be open for residents to sign up for the scheme from **1<sup>st</sup> August up to and including September 17<sup>th</sup>, 2012**. An auction will take place on September 18<sup>th</sup>, 2012. This auction will allow

energy companies to bid for the custom of those registered. Residents will not need to do anything at this stage. From 25th September 2012 an offer with a price for energy supply, calculated based on the usage, will be sent to residents by email. Only then will residents need to decide whether to accept the winning supplier's offer or not. By switching energy suppliers householders can often save a lot of money and what's more, switching has never been so easy thanks to the support and guidance of South Lakeland District Council.

### **Switching collectively is easy and safe**

South Lakeland District Council negotiates on your behalf and ensures a safe and easy switch if you choose to accept the offer.

### **How does it work?**

- Residents can sign up from 1st August to take part in the scheme.
- Sign up is with no obligation and SLDC will inform residents of the outcome of the auction.
- Residents will be asked to give their annual usage from their gas and / or electricity bills when registering.
- In the week after the auction residents will receive a personal offer by e-mail and then will have a few weeks to decide whether or not to accept the offer.

### **How do we get a good deal?**

- The more people sign up, the greater our buying power.
- Energy suppliers compete to make the best offer in an auction.
- They decide their bid based on the number of people taking part.
- The supplier with the best tariffs wins the auction.

### **Can you register without a computer?**

- Yes. You can register by telephone on 0845 050 4434 or by calling into South Lakeland District Council offices in Kendal, Windermere or Ulverston.
- Residents will need their energy bill details with them in order to be given a more accurate quote following the auction.
- Once registered and the auction has taken place SLDC will contact residents to inform them of their offer by post. Residents choosing to accept the offer will need to sign the form that is enclosed and return to SLDC.

### **Can you register from outside South Lakeland?**

Yes. Registrations will be accepted from anywhere inside or outside South Lakeland.

Further details can be found from 1st August at [www.southlakeland.gov.uk](http://www.southlakeland.gov.uk), by calling South Lakeland District Council's Contact Centre on 0845 050 4434 or calling into one of our offices at Kendal, Windermere or Ulverston.