

**Date:** Tuesday 17<sup>th</sup> February

**Time:** 10:00-13:15 (EAUC TSN am, APUC Utilities UIG pm)

**Venue:** University of St Andrews

[Website for presentations](#)



**Advanced Procurement  
for Universities & Colleges**

## EAUC Energy Management Topic Support Network

### Attendees

Andy	Anderson	APUC
Kenny	Allen	Glasgow Caledonian University
Sara	Cameron	Robert Gordon University
David	Charles	University of Strathclyde
Chris	Evans	Abertay University
Grant	Ferguson	Edinburgh Napier University
Gillian	Gibson	EAUC
Jamie	Goth	Scottish Futures Trust
Bill	Grace	Dundee and Angus College
Mohanad	Halawani	Abertay University
Bill	Henderson	Robert Gordon University
Darren	Holman	Total Gas & Power
Kirsten	Jenkins	University of St Andrews
Susan	Jolly	Total Gas & Power
David	Jordan	University of Stirling
John	Kingsland	University of Aberdeen
Fergal	McCauley	City of Glasgow College
Scott	McCrinkle	Scottish Government
Alan	McGhee	Glasgow Clyde College
Mark	Maclennan	EDF Energy
Stewart	Miller	University of Glasgow
Derek	Mitchell	University of Dundee
Sam	Moore	EDF Energy
Rebecca	Petford	EAUC
Ian	Simpson	Abertay University
David	Stutchfield	University of St Andrews
Steven	Turnbull	Zero Waste Scotland
Elizabeth	Vander Meer	University of Edinburgh
Fernando	Wattala	Abertay University
Roddy	Yarr	University of St Andrews
Bert	Young	University of Glasgow

### Apologies

Martin	Webb	Edinburgh College
Chris	Larkins	Heriot-Watt University
Kate	Fitzpatrick	SRUC

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## 1) Welcome and Introductions

*Andy Anderson – Head of Category Team – Estates, APUC / TSN Convenor*

*Rebecca Petford – Scotland Programme Coordinator, EAUC*

*David Stutchfield – Energy Officer, University of St Andrews*

Andy Anderson from APUC welcomed everyone to the meeting, and introduced himself, EAUC Programme Coordinator Rebecca Petford, and host at St Andrews David Stutchfield. This event was designed to showcase and allow presentations from energy suppliers and organisations which can help institutions work on their energy consumption and efficiency targets.

David Stutchfield from the University of St Andrews outlined the University's estate, energy technologies and annual energy spend, and shared their target to be carbon neutral in energy consumption by 2016-17, zero waste to landfill and a transition university. This will be done by a combination of smart building, clean energy and conscientious people, including smaller energy technologies such as boiler replacements, CHPs and solar thermal, but also large scale renewables including 12MW of wind energy to be developed at Kenly Farm and the renovation of the old Guardbridge Paper Mill into a district heating plant for the University's North Haugh area.

## 2) EDF Energy – Contract Overview and Associated Carbon Management / Energy Reduction Services

*Sam Moore – Energy Services Partner, EDF Energy*

*Mark Maclennan – Senior Relationship Manager, EDF Energy*

Presentation available [here](#)

EDF Energy are the contractor for the National Energy Contract.

There are a number of webinars and events coming up, including webinars in the next two months on understanding your invoices following migration to the new online systems, maximising savings, and budgeting. Customer events will be held around Scotland over the year, which will outline the new system and services available. There is also a quarterly session on market fundamentals people can join, and weekly update reports available.

The market is volatile and there are strict carbon targets, and energy costs are down due to the efficiency of networks. The consumer's objectives are to pay less per unit, reduce energy consumption, change fuel type, and consider on-site generation. The energy journey is to optimise, reduce, and then generate.

EDF are trying to help customers save carbon and costs. Guarantees for different projects can be financial, carbon-based or about insurance, depending on customer requirements. There are many funding options, including in-house, public sector, private loans and agreements, and depend on what offers acceptable terms.

On an energy efficiency journey, value is linked to scope and progression – having patience, a senior sponsor, accurate data, and a listening, partnership approach. Technology should be independent and offer the best-fit solutions – transparency by companies is important. EDF Energy aim to support clients on their own energy efficiency journeys.

COMMENTS AND Q&A:

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- It is up to organisations to decide how they wish to pay for services, there is no stipulation
- This EDF-Energy support sits within current contracts and can engage with both the energy and gas contracts to compare and scope
- The project involves engagement with external consultants, some of whom have been approached.
- Some institutions who have some expertise in house aim to keep the savings profits all in house, and so invest the money themselves
- Joint projects often don't achieve the anticipated savings on paper, and as it is a legal contract you still have to pay, so investing your own money also means no fear of legal battles in the future
- Notional and cash savings are not the same, and notional savings should be used at the start of a journey, to bring people together to discuss possible activity
- Energy reduction support schemes and organisations want a positive reputation, so will try not to cause disappointments!
- The changes on the online system are that Energy Zone has changed to My Account, where you can download PDF copies of invoices and apply for CRC reports. A webinar may be needed from EDF Energy to make people aware of the support and tools available online

### 3) Total Gas & Power – Contract Overview and Associated Carbon Management / Energy Reduction Services

*Susan Jolly – National Account Manager, Total Gas & Power*

*Darren Holman – Energy Services Product and Compliance Manager, Total Gas & Power*

Presentation available [here](#)

Market update: Production cuts announced by Dutch Government, leading to an increase in future gas prices across NW European gas hubs due to drop in supply; drop in flows meaning gas coming from elsewhere at increased cost; additional supplies and energy sources now being sought. There has been a heavy drawdown in storage stocks with a 40% fall since the start of this winter – more than usual due to colder weather and weather-interruptions of supply. More cold weather is forecast for late February / early March, with the risk premium priced into futures. Generally oil prices have been falling due to increased supply coupled with a reduction in demand due to economic slowdown, but have begun to recover this month due to a drop in infrastructure and exploration spending, potentially impacting future supply.

Energy Reduction Services by Total Gas & Power involve working with trusted providers to support customers use energy more efficiently, reduce carbon, and generate on-site. These fall into four main areas:

- 1) Automated Meter Reading (AMR) Services – Replacement of fiscal gas meter and fitting of AMR meters at no cost, leading to more accurate remote readings, accurate invoicing and additional supportive data and tools to cut consumption and costs. Flexible, end-to-end project management by Total Gas & Power and partner manufacture and installation company. New AMR arrangement started April 2014, with only 2 rates – standard and premium.
- 2) Embedded Generation – Purchase agreements for embedded generators with access to online price optimisation platform, regulatory products such as feed-in tariffs and required certificates, and working with SunPower UK who are a leader in high-efficiency solar panels but with zero distribution and wholesale channels.
- 3) Compliance in Energy Efficiency and Carbon Reduction – Carbon Reduction Compliance statements and services, Energy Savings Opportunity Scheme services, and Energy Performance of Buildings Directive compliance
- 4) Energy Efficiency – Delivered in partnership with NIFES Consulting Group they offer a Guaranteed Savings Programme which removes risk, time and upfront investment to deliver high performance

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energy solutions, is a single service provider with a technology agnostic approach, and delivers guaranteed savings which are measured and verified. Bespoke solutions are designed around the customer.

Programme fulfilment is through a five-stage process: analyse, baseline, implement, manage and track.

#### COMMENTS AND Q&A:

- There are live examples, including a college in Essex. NIFES themselves have many case studies
- 7 energy from waste contracts are ongoing, and about the same number of CHP contracts
- Minimum scale for anaerobic digestion plant is 500kW, but uncertain of tonnage
- For Energy Performance Contracts NIFES brings the technology and funding partners, providing a flexible approach for the needs of the client, in a transparent model
- The programme is viable for a utility spend of around £0.5million plus – the same for EDF Energy
- Decisions to adopt new technologies can be driven by sustainability criteria and not just return on investment
- Collaborations between estates of different institutions would be possible under one contract, for both Total Gas and EDF Energy
- The advantage of going through this programme rather than direct to NIFES is that Total Gas & Power give preferential rates, and are a cost recovery vehicle, meaning costs can be put into revenue expenditure so some can be recovered
- Projects need fairly short term paybacks as the contract with Total Gas & Power expires in 15 years and the supplier could change – there needs to be a mechanism for repayments to continue after the contract
- Total doesn't have a policy on reducing meter sizes if they are inappropriate, but can do so if the client requests it
- Customers would deal with SunPower directly, but on a preferential contract with Total normally as a funding partner
- Procurement guidelines are changing, and mean everything over £50,000 will need to go to tender (formally £179,000)

#### 4) Resource Efficient Scotland – Energy Management: How RES Can Help You Reduce Energy and Carbon

*Steven Turnbull – Key Account Manager, Zero Waste Scotland*

Presentation available [here](#)

RES is a programme run by Zero Waste Scotland (ZWS) to reduce energy and water consumption as well as improve waste management, minimisation and recycling. The HE sector is now being taken in-house and will be given a more strategic focus next year.

Projects so far:

- 1) Strategic Energy Efficiency Projects – some of these have been done, involving an assessment of estate and savings under each proposal and outlining delivery packages as a starting point for Energy Performance Contracts and baseline for comparison
- 2) Call-off Support: Energy Efficiency – up to five days of free technical support, to identify opportunities or support tender process etc. This will be continuing with improvements and a focus on collaboration
- 3) Technical e-Learning Modules – case studies and information which support building the business case for change, which will be CPD accredited

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- 4) Light Touch Calculator – considers and recommends lighting options, calculating costs, savings and payback as a consultant would (for a charge)
- 5) BMS Guidance – interactive PDF supporting users on procuring BMS and support services
- 6) Boiler Replacement Tool – assesses opportunities at design stage, including renewable technologies, and providing a summary sheet of statistics for the Business Case

Plans for coming year:

- 1) Technical Energy Efficiency Framework – open to all public sector organisations to support procurement of technical consultancy services
- 2) Energy Manager Guidance
- 3) Pilot Project Delivery – support pilot projects and provide technical assistance if required, sharing learning with the wider public sector and providing valuable PR and communications support
- 4) Call-Off Support: Business Case Development
- 5) Leadership Programme – a training / awareness raising programme designed for senior management / board level, to raise the profile of carbon management and sustainability, improving the business and how funding decisions are made. Delivered in-house and tailored.
- 6) Workshops, seminars, training and videos

Next steps – be better at promoting the programmes and events we have, and continue to encourage users to say what they want.

#### COMMENTS AND Q&A

- Support is needed not at the assessment but the implementation stage, and RES are looking to do this in the future
- Support would be valuable in dealing with contractors, including having someone knowledgeable who can sit in on meetings and ensure all is as it should be
- The 5 days of support is rough, but new approach is currently uncertain in terms of costs. Making it free can mean time is wasted and more chasing needs done
- Co-funding model used in Glasgow can be replicated, which contracted ZWS who pulled in a consultant from framework to support
- Pilot projects will be large-scale, but the details are still unclear and will be circulated soon
- RES support typically includes funding for technical services but not kit or equipment
- Time allocation of RES support for Pilot projects is still unclear
- Support through RES will be both in-house and outsourced
- The application process for pilot projects is not yet clear

#### 5) **Scottish Futures Trust – Energy Performance Contract: financing energy efficiency through guaranteed savings**

*Jamie Goth – Associate Director, Scottish Futures Trust*

Presentation available [here](#)

Energy Performance Contract Framework is about to go out, and will be advertised by the end of the week.

Scottish Futures Trust focuses on innovative ways of financing projects, and is owned and run the Scottish Government.

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Energy Performance Contracts aim to support the design, funding and management of projects, and SFT are keen to take contacts for pilot projects.

Three-part process:

- 1) Identify Measures – RES’s Carbon Management Plan tool is used to create a Project Register, showing a technical list of projects and allowing demonstration of senior management support. This is a whole-building approach, allowing optimum impact. SFT’s financial model is used to assess the financial benefits by pasting in the RES tool Project Register, allowing comparison of all measures and packages of measures to construct a programme. Value is calculated over time, and the tool allows an energy cost avoidance calculation.
- 2) Call Off Framework – Pre-procured contractors are invited to participate in a mini-competition, which is quick to call off. Audits are at the cost of the contractor, so before doing an extensive audit they need to know you are going ahead. Level of savings is guaranteed before signing (strengthening the business case and allowing ambitious projects), and payment linked to meeting that guarantee so deducted if savings aren’t met or the service isn’t delivered, or the contractor doesn’t report on outcomes. The projects can be self or third-party funded – this is the only format in the UK that can work if you can’t borrow. Support to access the Framework is provided by RES’s Project Register Tool and Authority’s Energy Audit, with the Framework covering access costs. There is still a lot of work for energy managers to do at a strategic level.
- 3) Guaranteed Savings

Minimum expected £1m capital spend for a 3<sup>rd</sup> party financed project, and around half a million pounds if it’s an in-house spend. However projects can be a mixture of both.

#### COMMENTS AND Q&A

- Currently data can be put into the tool by the SFT, but eventually it will be on the SFT website
- Framework will be available to use from Autumn 2015
- If undertaking a general refurbishment project this would add extra complexity, and more risk for all in terms of anticipated savings. Generally the Framework is looking for pure energy efficiency contracts, but they would be assessed on a case-by-case basis
- The financial model takes the RES Project Register and level of confidence given to each, which provides the business case. This is followed by an audit, surveys, then a return to the model with additional information to create an informed business case. This is followed by the tender document, mini-competition, investment grade high-level audit and full business case creation, then establishment of the delivery contract before the project begins.

#### 6) Next Meeting and Closing Statements

*Andy Anderson – Head of Category Team – Estates, APUC / TSN Convenor*

*Rebecca Petford – Scotland Programme Coordinator, EAUC*

The consultation on statutory reporting for public bodies on compliance to climate change public bodies duties opens on Friday 20<sup>th</sup> February and is open until the 29<sup>th</sup> May. It can be found [here](#). The EAUC will be doing a sector response and running training on the reporting later in the year. Please take the time to have a look and feed back on the consultation if you wish.

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Please take the time to feedback on the event today through the survey you will be sent. It would be helpful to know what format you would like future TSNs to take.

Energy is an important issue for all due to costs, but also due to the energy situation in Scotland, with Longannet's future in question highlighting potential supply risks. Marginal gains from smaller project are as important as large projects, and all help HESA reports! Please let us know if you need more support in any way – the EAUC-Scotland team can be contacted on [Scotland@eauc.org.uk](mailto:Scotland@eauc.org.uk) and will try to point you towards useful organisations or resources.

Our next TSN will likely be again joint with the APUC Utilities UIG in late Autumn. If anyone would like to volunteer to host it would be much appreciated!

Minutes prepared by: Rebecca Petford  
EAUC-Scotland Programme Coordinator

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