

Date: Monday 3rd April 2017
Time: 10:30-15:30
Venue: University of St Andrews



APUC Utilities User Intelligence Group and EAUC Energy Management Topic Support Network



**Advanced Procurement
for Universities & Colleges**

Attendees

Allison Dixon (AD)	Robert Gordon University
Andy Anderson (AA)	APUC
Chris Litwiniuk (CL)	University of Edinburgh
David Stutchfield (DS)	University of St Andrews
Dean Drobot (DD)	University of Strathclyde
Derek Mitchell (DM)	University of Dundee
Gilbert Valentine (GV)	Perth College
Gillian Gibson (GG)	EAUC
Kenny Allen (KA)	Glasgow Caledonian University
Rebecca Petford (RP)	EAUC
Ruth Dwyer (RD)	SRUC
Sara Cameron (SC)	Robert Gordon University
Tom Kemsley (TK)	Queen Margaret University
Tristan Wolfe (TW)	University of Aberdeen

Apologies

Alan McGhee	Glasgow Clyde College
Stewart Miller	University of Glasgow

1. Welcome and Introductions – David Stutchfield

2. Brief Market Update – Andy Anderson

Presentation can be found [here](#).

- Oil: The market continues to be driven by Oil prices in the main, with OPEC's cut in production standing firm and prices sitting just below \$53 per barrel. The pound's recent recovery against the dollar has not been sufficient to mitigate this.

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- Gas: Gas Pricing has seen bearish prices on the European market, but these are expected to settle. Recent capacity restrictions at the UK's Rough Storage facility are expected to be lifted following survey and testing of most of the 24 wells. This will mean the process of storing Norwegian production will remain relatively high for the remainder of March and April as these contracts are currently holding a premium compared to the summer months. All other supplies flowing well, except slight temporal downward trend in the Dutch System. UKCS - flows remain strong again from UK gas fields - current restriction at Barrow was expected to end but has been extended until the beginning of April 2017. LNG - there has been an increase in tankers heading towards the UK.

- Electricity:

Coal - China's National Development and Reform Commission (NDRC) said that it will not seek to lower coal output on a large scale. Coal prices are however still strongly bullish as the cyclone Debbie that hit Australia disturbed the country's coal export capacities for the next 5 weeks.

Wind power generation has been dropping in Germany, but should recover. Wind and solar power will also be low in most parts of North West Europe for the next few days. We have also seen nuclear, hydro and lignite power generation decreased over the weekend, and should they not re-increase back at the previous levels, this could bring a little tension in the short-term.

Coal and gas prices are still the major driver. On Friday, the German year-ahead contract reached a 3 week-high and in France prices surged to their highest level since the beginning of the month while at the same time emissions prices were back near their lowest level this year. The EU Commission is due to release partial data on emissions figures for last year and this could cause some volatility in prices. However it is thought that prices should remain unchanged overall.

Budget - In the budget statement the UK Government announced that they remain committed to a carbon price support and that from 2021-2022 the Government wants to target a Total Carbon Price.

- Cat A Electricity and Gas Update

Electricity: Purchasing for the current year of delivery has been completed and there will be no in-year purchasing or monthly reconciliation. Energy Prices have been set just slightly below the previous year's but changes in transportation charges may offset this.

It was noted that Climate Change Levy (CCL) charges had risen to CCL 0.568ppKWh. These would increase to 0.583ppKWh from April 2018 and jump to 0.847ppKWh from April 2019.

Forecasts were that pricing for the period 18/19 would be higher due to the rising market conditions.

It was noted that some sites had not been billed since the P272 meter replacement programme had been completed. *This was to be chased with EDF Energy.*

The re-tender process for the new Electricity Contract had begun and it was aiming to be awarded before Christmas 2017.

Gas: Again, purchasing for the current year of delivery has been completed, but attendees were reminded this was only for 90% of requirements with 10% being left to close out on the day ahead market as a 'tolerance' of actual consumption against predicted usage levels. Pricing will rise significantly next year compared to last year's rates as not only has the market risen, but the energy prices for last year used the reconciliation surplus to offset pricing (see email issued 6th March 2017). At the time of the event transportation charges were still to be advised.

It was noted that Climate Change Levy (CCL) charges had risen to CCL 0.198ppKWh. These would increase to 0.203ppKWh from April 2018 and jump to 0.339ppKWh from April 2019.

- Cat A Liquid Fuels Update

A brief update on the Liquid fuels and Biomass Consumable framework Agreement were given. Attendees were reminded that the latter agreement ended in August 2017 and would not be renewed so any mini-competitions should be actioned before this.

- Cat A Water & Wastewater Discussion

Billing Services: It was noted that there had been problems with the PDF Combi-bill. AWB had advised this had been corrected. Reconciliation issues for a number of institutions who paid in advance were noted.

Other matters: AWB have merged with Northumbrian Water and will be known as Wave Utilities. There are no changes expected in the delivery of services. It was noted that AWB sent notification letters to all sites rather than clients.

APUC to remind them to use relevant distribution lists.

*APUC were to check with AWB if the recent change in Rateable Values would affect Surface and Road drainage Charges – **response outstanding***

It was advised that Vacant Site charges are to be introduced from 1st April 2017 – Guidance to be issued and this will mainly affect institutions that act as landlords (excluding student residences which are exempt)

Attendees were reminded to contact AWB about any gap site notifications and apply for transfer at the earliest opportunity to avoid paying 'deemed rates' of the appointed LRP

Comments from attendees

DM noted that anyone with responsibility for budget forecasting for 2017/18 should be careful. Previous advice at the UIG meetings was to use the Procurement Scotland Price Guidance rates and use the percentage difference from year to year to then estimate their own rate, but as two consolidations had been applied to the actual invoice rate for 16/17 was well below the figure listed in the Procurement Scotland tables

TW stated that Procurement Scotland had declared the 2017/18 gas rate as 1.44 p/kWh for energy only. With Typical average pass through charges the rate on the invoices will be between 1.64 – 1.84 p/kWh. DM advised that this would constitute a considerable increase given the current rate on the main University of Dundee account was 1.36p/kWh.

3. National Utilities Contract update

- Position on REGO clarified and letters / offer to be issued shortly
- Wholesale electricity element of the billing rate for 2017/18 set. No monthly reconciling
- Changes to CRC Scheme from April 19
- Senior Management Changes at TGP
- Re-tender of National Electricity Contract process begun
- Still waiting on notification of any changes for Transportation charges for Natural Gas
- Attendees reminded to feedback any issues to APUC and the Scottish Government

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4. Cool Phase low energy cooling solutions presentation by JRF Chimney

Presentation can be found [here](#)

- Q: *Can it link to BMS?*
It is a decentralised system so it won't be controlled by the BMS but it may be a possibility
- Q: *Has it been used in a IT server room?*
Yes it has been and it can be joined with the heat pump too
- Q: *Will the battery die off if used to full capacity throughout day*
Battery capacity for cooling for 4-5 hours in the day. Gradual decline with the battery not a drop off
- Q: *How much would increase the need to heat the room before occupants enter in the morning?*
Purely used in summer time, in winter it would not be ramped up overnight to cool.

Case studies available from other universities.

5. Presentation on biomass DHS at University of St Andrews

Presentation can be found [here](#)

6. Tour of the Energy Centre at Eden Campus

Minutes prepared by: Gillian Gibson, EAUC-Scotland Programme Coordinator