

**Date:** Wednesday 17<sup>th</sup> August 2016

**Time:** 10:30-15:30

**Venue:** Borders College

[Website for presentations](#)



Advanced Procurement  
for Universities & Colleges

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

### **Attendees**

Albert Young	University of Glasgow
Andy Anderson	APUC
Bill Henderson	RGU
Bruce Laing	Queen Margaret University
David Charles	University of Strathclyde
David Fairhurst	Edinburgh Napier University
David Jack	University of Edinburgh
David Somervell	University of Edinburgh
Derek Mitchell	University of Dundee
Gilbert Valentine	Perth College
Jim Killoran	University of Glasgow
Kenny Allen	Glasgow Caledonian University
Pete Smith	Borders College
Rebecca Petford	EAUC
Robert Hewitt	Borders College
Sara Cameron	RGU
Serame Broderick	University of Glasgow
Stuart Macintosh	Queen Margaret University

### **Apologies**

Alan McGhee	Glasgow Clyde College
Stewart Miller	University of Glasgow

### **1) Welcome and Introductions**

*Pete Smith – Vice Principal Borders College*

The group were welcomed to Borders College and given a brief overview of the campus and its recent development.

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

Everyone was welcomed to the meeting and invited to introduce themselves to the room

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## 2) Brief Market Update

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

Presentation available [here](#)

In the current market the pound is low against the dollar, this accentuates the recent increase in oil prices, which is historically linked to the costs paid for gas and electricity. Gas prices have risen over the summer due to maintenance outages in UK Storage and slower import levels. Natural gas prices are still quite low compared to previous years but will rise.

Electricity prices are mirroring gas in the absence of any other major factors affecting price changes. Prices are likely to rise in 2018 due to a predicted lack of generation. Transmission and distribution costs will only continue to rise due to the need for repairs and upgrade. It is estimated these will account for up to 60% of the overall bill by 2017, depending on the distributor network area.

DJ – Possible to reduce draw from grid at the grid's peak using back up generators (which may need tested anyway) at triad points throughout the year to earn money. Depends on site and deal offered.

AA – Should APUC get involved in developing a collaborative contract for this? Very difficult. APUC could support Universities to share information on the deals they have been offered to ensure fairness, and will circulate a form to gather data on offers to share. Also need to talk to EDF, who have the contract, about what they're doing or can offer.

Meter changes of 05s to 08s should all be done by April 2017.

Electricity and gas contracts presently due to be renewed in 2018, but gas can be extended to 2020 and electricity to 2019.

## 3) Category A Electricity and Gas Update

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

100% of electricity used to need to be bought far in advance, now it's 60% with the rest able to be bought nearer the time of delivery (within the year of supply) to take advantage of price fluctuations. Costs look like they are decreasing, but this is just the raw electricity costs and not transport and distribution costs.

CRC going into energy bill in 2018. VAT exemption affects this. HMRC want annual reviews.

With gas 90% is pre-purchased, with 10% settled at day ahead charge. Up to 40% of the 90% can be bought within the year of delivery if this is considered favourable depending on market conditions

Key summary points:

- Electricity contract extended for 12 months to 2018
- Change in clause to prevent/restrict non-legislative charges revision
- Consumption tolerance reduced in electricity contract, promoting reduced management fees
- EDF Blue energy option (non-fossil fuel) to be discussed at next RMC meeting
- Extended Market Horizon Option (electricity)
- Metric to be identified to track progress against other contracts still outstanding

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#### 4) **Liquid Fuels and Biomass**

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

Scottish Government call-off contract from Crown Commercial Services (CCS) Framework agreement (RM1013) live October 2015

Biomass energy supply agreements and supply of consumables (wood pellets only) expire in December 2016 and August 2017 respectively. Scottish Procurement have advised these will not be re-tendered.

#### 5) **Water and Wastewater Services Contract**

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

Revised billing format being developed and rolled out by Anglian Water Business. Some sites were lost on transfer and there have been other billing issues. Any additional costs incurred will be sought from AWB, where these have been proven to be as a direct result of their failing.

Student Accommodation charges shouldn't exist where there is separate or sub-metering for full time student occupied buildings. Template issued for non-fulltime student and commercial occupation to be returned by 31/10/16.

#### 6) **Scottish Futures Trust – Non Domestic Energy Efficiency Framework**

*Jamie Goth and Richard Lockhart – Scottish Futures Trust*

Presentation available [here](#)

Framework and Contract went live on 1<sup>st</sup> March, running until 2020, and is available to support institutions through the process of preparing, procuring, and saving (carbon and financially). Framework has 12 contractors who can develop energy efficiency measures in public buildings in Scotland. The Energy Performance Contract has to have guaranteed energy performance, payment linked to results, and ongoing services (such as maintenance, bureau services and behaviour change).

Allows you to achieve value for money in energy efficiency projects of all sizes, transfer the risk to installers, and make greatest use of internal resources.

Measures bundles and payback periods are balanced under the framework, with total project sizes to be more than £500,000, and ideally more than a million pounds, with payback probably 8 years or more.

Prepare – do a first sift of possible projects: scope, present internally and approve, prepare mini-competition, make application to Low Carbon Infrastructure Transition Programme

Procure – tender (notice and invite to mini-comp, investment grade proposal), select contractor, contract

Construct, followed by milestone 1 payment

Operate for 12-18 months, which following measurement and verification leads to second (retained) payment worth around 1 year of the energy savings anticipated

Process is supported by the Non Domestic Energy Efficiency Support Unit. Register interest online, and receive help to do the application, to scope and outline business case, outline mini-competition procurement process, and develop sample evaluation questions and criteria.

LCIPT grants available to support basic work. Capital expenditure put up by institution.

For retrofit projects only, taking a year or more.

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## 7) SHARC – International Wastewater Systems

*Russell Burton – Chief Operating Officer, International Wastewater Systems – SHARC*

Presentation available [here](#)

IWS have a heat supply agreement contract with Borders College using the SHARC wastewater system. Funded by the green investment bank, with monitoring and maintenance agreements, and an agreement with Scottish Water around sewer access. Eligible for the Renewable Heat Incentive, with £950,000 capital expenditure covered by SHARC.

IWS took on a lot of the risk to develop the first demonstration of this technology in the UK, with Borders College wanting CO<sub>2</sub> savings and high user comfort, without risking disruption to supply. Retained working gas heating to minimise risk or boost heat in winter, and had to make no infrastructure changes. Temperature level of water circulating building lower than before, but more than warm enough to heat the building except perhaps at the dead of winter (as yet untested).

Work involved pre-contract design, outside construction and distribution through 5 plant rooms (using existing heating system). Retrofit to ageing buildings was demonstrated. Commissioned in March. BMS and retained boiler interface need some modifications.

Sewer temperature chilled from 25°C to 20°C after going through SHARC system – not a problem.

Benefits: 1.8GWh of annual heat, which is 95% of previous use. More than 150 tonnes greenhouse gas savings per year. 20 years of stable heat supply costs. Social benefits through work and learning too.

### [TOUR OF THE SHARC PLANTROOM](#)

## 8) Next Meeting and Closing Statements

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

*Rebecca Petford – Scotland Programme Coordinator, EAUC*

Thank you for attending and to all speakers for contributing their time.

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

Next joint meeting in Spring 2017.

Minutes prepared by: Rebecca Petford  
EAUC-Scotland Programme Coordinator

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