

LCE Statement of Requirements

The Statement of Requirements was developed, with Atos Consulting, to outline to the market exactly what London customers expect from energy procurement service providers (both in trader and administration functions).

The Statement of Requirements was developed using three key inputs;

- » Project team knowledge of the energy industry and commercial arrangements
- » Review of current agreements throughout the public sector and other sources of reference documentation
- » Programme of visits to and consultation with London authorities

Service requirements are split into core and additional services. Core services apply to all customers irrespective of individual customer preferences for the service. Additional services include all optional services which are flexible for each customer to request as they wish. The final column of the table indicates where requirements are core (C) or additional (A).

Service A - Energy supplier selection and contract management		
Master requirement	Requirement	C/A
Provide energy and carbon products	Undertake energy supplier selection process complying with EU procurement regulations and negating the need for customers to undertake for themselves any further EU regulated procurement activity. Contracts to be pan-government enabled allowing access by any public sector body	C
	Provide energy products covering mains gas, half hourly electricity, non-half hourly electricity and unmetered supplies electricity. Take or pay conditions must only be applied to annual volumes.	C
	Electricity contracts must provide access as available to green and Good Quality CHP electricity sources to match customer's chosen carbon intensity profiles	C
	Provide four-year energy frameworks with energy delivery commencing on 01 October 2008	C
	Utilise transparent charging mechanism of all costs including energy costs, pass through costs, supplier costs, green/GQCHP premiums, and PSP costs. PSP charging mechanism for core service requirements to include options for fixed charge per month per site and charge per kwh. PSP charging mechanism for additional service requirements to use a price menu/tariff guide	C
	Provide access to carbon markets to trade/broker European Union Allowance (EUA)s to meet customer legislative/environmental requirements	A
Provide energy purchasing options	Aggregate customer volumes to a single portfolio (split into separate purchasing baskets according to defined risk management strategies), but providing site specific pricing and preventing cross-subsidisation of sites	C
	Provide fully flexible contract with direct access to wholesale market to trade market blocks (including Seasons, Quarters, Months and up to day ahead market and spot indexes) either by accessing live prices or contacting counterparties to seek prices	C
	Provide interim contracts to enable transition from existing contracts into main portfolio rounds	C
	Utilise transparent pricing mechanism for wholesale/traded and residual volumes	C
	Provide a choice of billing options for volumes bought in short-term markets, for example, fixed price billing supported by annual billing reconciliation for rebates/additional charges to be settled in future year prices on a pro-rata basis	C

Service A - Energy supplier selection and contract management		
Master requirement	Requirement	C/A
	Provide unlock facility to unfix the price of purchased energy and allow re-purchasing	C
	Provide commercial sellback options to facilitate demand response options	A
	Provide ability to deliver energy via customer nominated 3 rd party counter parties, complying with required industry agreements e.g. Grid Trade Master Agreement (GTMA) agreement or National Balancing Point (NBP) contract	A
Provide customer service options	Provide automatic meter reading service to move customers from conventional meters to AMR service	C
	Provide billing method options including but not limited to billing via PSP, consolidated billing, ebilling, self billing, online bill viewing, paper bills	C
	Provide mechanism within pricing/billing arrangements to enable rebate payments to be paid directly to customers as requested	C
	Provide payment terms and options including but not limited to prompt payment discounts, BACs options, Direct debit options, debt interest rates	C
	Make available consumption data held by energy supplier relating to customer supplies in format agreed with customers to facilitate auto-loading into customer systems or systems belonging to customer appointed third parties. Data should also be accessible via online methods. Data feeds to undertake trial process.	C
	Provide a dedicated customer service team at framework energy supplier(s)	C
	Develop communication channels with customer organisation representatives	C
	Make provision for meter agent services (MOP, DC/DA) and/or accommodate customer-appointed meter agents.	C
	Provide a customer query support service, with query logs to track all customer service queries raised with supplier including unique reference number, authority contact, PSP/supplier owner, brief overview of issue, response date, expected resolution date, progress status and close date	C
Undertake contract and account management to maintain service levels	Establish, self-monitor and report on service performance against Key Performance Indicators, allowing customer auditing for assurance purposes	C
	Establish and monitor supplier performance against supplier performance management reports including query log, disputes/complaints, new business, live sites, terminations, debt, unbilled sites, site works requests, meter reading performance	C
	Hold regular supplier performance review meetings and provide meeting reports to customers	C
	Provide dispute escalation procedures	C
	Provide intervention and support to customers to resolve supplier disputes	C
	Establish continuous improvement procedures to identify service improvement and innovations	C
	Survey customer opinion to assess customer satisfaction levels in association with intelligent client	C
	Produce standard report suite e.g. invoicing, consumption/profile analysis, carbon emissions inc performance, costs, historical data, benchmarks etc	C
Support customers in preparation to join portfolio	Issue welcome pack to customers including but not limited to scope of services, key process descriptions, customer responsibilities, key contact details	C
	Work with energy supplier to achieve site transfer registrations and resolve registration issues	C
Manage changes to customer portfolios	Interface with supplier to manage site additions / changes to portfolio	C
	Manage renewals process interfacing with customers and energy supplier	C

Service B - Energy Buying and Risk Management		
Master requirement	Requirement	C/A
Formulate aggregated portfolio and purchasing baskets	Optimise load shaping of portfolio to reduce the amount of peak/residual energy to be bought	C
	Agree with energy supplier the aggregated portfolio volumes, the declared contract volumes and structure of tradeable blocks (split into separate purchasing baskets according to defined risk management strategies)	C
	Integrate additional new/existing customer sites/volumes in each new portfolio round	C
Develop energy risk management strategies	Facilitate with customers the assessment of risk and agree customer risk profiles	C
	Conduct market analysis (including market forecasts) and develop risk management strategies	C
	Execute trades in accordance with agreed risk management strategies	C
	Agree pricing template with supplier for communication with suppliers	C
Develop carbon risk management strategies	Facilitate with customers the assessment of risk and agree customer risk profiles	A
	Conduct market analysis (including market forecasts) and develop price targets/stops	A
Produce management reports	Track performance of portfolio purchasing against market prices	C
	Provide customer reports covering energy market analysis, available via online access	C
	Produce customer reports covering budgeting/financial information including end of year financial statements for financial accruals needs	C
Maintain audit standards on trading	Maintain auditable records of risk management strategy and purchasing tactics	C
	Record, track, and provide audit of all trades	C
Work with 3 rd parties	Work with nominated third parties nominated involved in the delivery of energy services to customers, including but not limited to PSP Administrator	C

Service C - Customer administration		
Master requirement	Requirement	C/A
Support portfolio data management	Work with customers to gather, validate and cleanse portfolio data	A
Carry out customer communications	Develop and carry out communications plan for customers e.g. newsletters on service developments, energy-related topics etc.	A
	Carry out customer contact/visit programme including visit requests from customers	A
Energy education	Provide programme of seminars/workshops/information sheets covering energy topics to be agreed by customers	A
Support the resolution of queries	Work with customer and suppliers to resolve service queries including but not limited to meter reads, billing, registration queries	A
Produce customer reports	Produce bespoke reports as requested by customers	A
Provide bill validation service	Develop customer site database and share with customers on a quarterly basis	A
	Provide bill processing and validation processes including but not limited to tariffs, power factors, ASCs, meter sizes, missing bills	A
	Provide automated bill validation/bill validation systems with electronic interfaces to customer finance/energy management systems. Bill validation processes to undertake trial process.	A
Support compliance with legislative/regulatory requirements	Offer services to support customer to comply with requirements of Energy Performance in Buildings Directive (EPBD)	A
	Offer services to support customers to comply with requirements of Carbon Reduction Commitment (CRC) scheme	A
	Offer services to support customers to comply with requirements of UK and EU Emissions Trading Schemes e.g. verification	A
	Identify and communicate other legislative/regulatory requirements placed on customers	A
Offer site works service	Gathering and assessing site works quotes	A
	Manage site works progress with contractors	A
	Provide fully managed site works service options	A
Work with 3 rd parties	Work with nominated 3 rd parties involved in the delivery of energy services to customers, including but not limited to PSP Trader	C
Offer range of value add services	Consumption benchmarking service to identify energy performance on buildings on an individual basis	A
	Site surveys incorporating energy and water consumption, services/systems in place,	A
	M&T service including use of data collection devices, monitoring against benchmarks and recommended recovery action plans	A
	Helpdesk service providing technical advice on energy matters such as energy management, energy and water efficiency	A
	Provide fully managed energy management administration service	A



Evaluation criteria

The high level evaluation weighting are listed below:

Service	Master requirement	Maximum marks available	Part compliant	Compliant	Exceeded/ innovation	Total marks available
A - Energy supplier selection	Provide energy and carbon products	4	1	4		48
	Provide energy purchasing options	10	4	8	10	
	Provide customer service options	10	4	8	10	
	Undertake contract and account management to maintain service levels	8	2	8		
	Support customers in preparation to join portfolio	6	2	4	6	
	Manage changes to customer portfolios	10	2	4	10	
B - Energy Buying and Risk Management	Formulate aggregated portfolio and purchasing baskets	8	4	6	8	34
	Develop energy risk management strategies	10	4	8	10	
	Develop carbon risk management strategies	4	2	4		
	Produce management reports	4	2	4		
	Maintain audit standards on trading	4	2	4		
	Work with 3rd parties	4	1	4		
C - Customer administration	Support portfolio data management	4	1	4		56
	Carry out customer communications	4	2	4		
	Energy education	4	2	4		
	Support resolution of queries	10	4	8	10	
	Produce customer reports	4	2	4		
	Provide bill validation service	6	2	4	6	
	Support compliance with legislative/ regulatory requirements	6	2	4	6	
	Offer site works service	4	2	4		
	Work with 3rd parties	4	1	4		
	Offer range of value add services	10	4	8	10	