

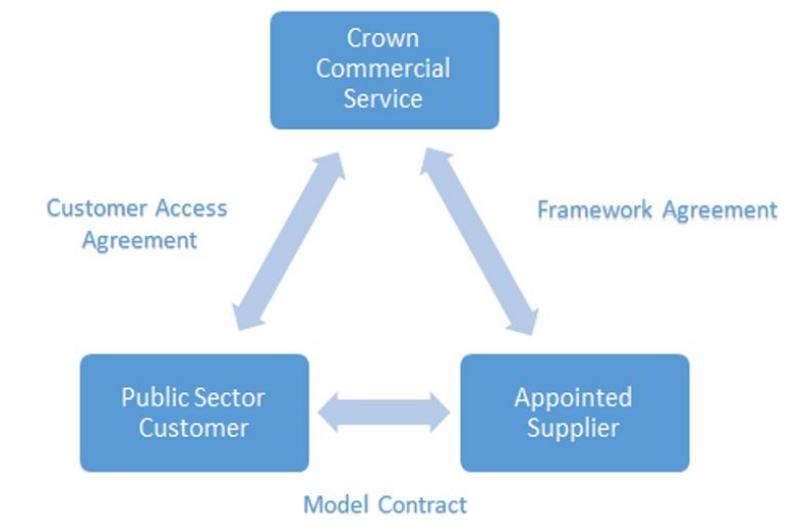


RM6011 & RM6012 Electricity and Gas Procurements Frequently Asked Questions

1. What is the contractual relationship between Crown Commercial Service, Suppliers and Customers?

The contractual relationship is established as a tripartite agreement made up of the Framework Agreement, Customer Access Agreement and the Model Contract.

- *The Framework Agreement is between Crown Commercial Service and the appointed Supplier(s) and establishes the Terms and Conditions for the delivery of the contract.*
- *The Customer Access Agreement is between Crown Commercial Service and the Customer to grant CCS authority to enter into market transactions on their behalf.*
- *The Model Contract is between the Supplier(s) and the Customer to establish the customer specific requirements such as payment and billing terms.*



2. Are you intending the appointed supplier to provide both Electricity and Gas, or will this be a separate requirement?

The current intention is for the Electricity and Gas to be procured as one Framework Agreement, under separate Lots (Gas, Electricity and Peer to Peer Marketplace).

3. How long will the contractual arrangement last?

The maximum framework length as permitted by procurement legislation is four years. Crown Commercial Service have engaged with the market and believe 4 years is an optimum length for this Framework Agreement.

4. What will be the requirements for support from the successful supplier?

The current arrangements are for the appointed Supplier to provide support through a customer account manager, customer service team and Framework Account Manager. Each of these roles have a number of requirements which are detailed within the Framework Schedules. We are currently in the process of reviewing our current practices and will be keeping the market informed as to what the requirements for the new agreements will be.

5. How will CCS be conducting their tender activities?

CCS will be conducting their tender activities through a restricted route to market due to the sensitivity of customer data. This will start with the publication of the OJEU Notice and invitation to participate in the Pre-Qualification Questionnaire (PQQ) on Tenders Electronic Daily (TED). Suppliers can respond to this notice and submit their responses through the online procurement portal Emptoris.

Suppliers who are successful at PQQ stage will then be invited to submit their responses to the ITT documents, assessing their quality and the competitiveness of pricing. During this response time there will be the opportunity to submit clarification questions through the portal which CCS will anonymise and release to all registered participants.

Following the submission of the responses to the ITT, a panel of external evaluators, will assess and score the submissions received. All evaluation will go through a rigorous moderation and consensus process to reach a final awarded mark for each of the suppliers. The weighted quality marks will be combined with the weighted scoring for pricing to determine the winning supplier(s). All registered suppliers will be alerted to the outcome of the procurement.

6. Will there be an opportunity for smaller suppliers to work with Crown Commercial Service?

We are currently looking to work with the market and our customers to investigate how we could potential divide the procurement into smaller lots. We will be developing our agreement structure over the coming months and will be keeping the market engaged as to our progress.

7. What has the uptake for the supplier 1-2-1 sessions been?

CCS have engaged with many different suppliers in the market to try and open up the marketplace to encourage competition and facilitate conversations. CCS hope these opportunities have been well received.

8. What trading products are available to your customers?

We currently offer our customers a number of trading products for both Electricity and Gas to suit their risk and buying profiles. These include:

- *Short-term variable*
- *Short-term locked*
- *Long-term variable*

9. For trading, how do you currently execute bids?

Currently prefer to conduct bids over the phone call with the supplier for them to execute on the market on our behalf.

10. Is unmetered supply covered in the Electricity framework?

Yes, this is part of the framework which has a basket within the Half Hourly and Non-Half Hourly UMS but CCS separate out the strategies.

11. Who will be responsible for conducting the volume forecasting?

The incumbent supplier for Electricity is responsible for volume forecasting to create the final shape. Following the sign off of the final shape, this is transferred over to the incumbent who then takes on the risk. Gas forecasting is conducted with the supplier but CCS retains the risk due to variability of the market. Managing this variability is supported by access to 2 week weather forecasted reporting.

12. How far out do CCS currently purchase their energy?

To support our long term variable product, Crown Commercial Service can purchase up to three years in advance for our customers.

13. What is the process for any forward hedges made on behalf of a customer who then leaves CCS?

Customers are required to sign up to the Customer Access Agreement to grant CCS the authority to purchase on the behalf of the customers. This also commits the customer to the delivery period and therefore they are committed and unable to terminate their contract during this period. CCS also have opportunity to sell back to the market based on the reforecasts as CCS currently have the opportunity to reshape twice during the year but are willing to do it more if required.

14. Is the residual volume fixed?

No, we currently use N2EX or fix it based on our requirements with the trading dependent on the basket type i.e. fixed or variable.

15. How is the Half Hourly Electricity currently reconciled?

The Half Hourly Electricity is currently set against a reference price and reconciled for our variable baskets. This is to account for adjustments required on continued trading within year (including the potential for residual and N2EX) and billed on a monthly basis as a separate invoice line item.

16. What element of the Electricity Bill is subject to monthly reconciliation?

Just the commodity element of the bill is reconciled on a monthly basis. The non-commodity element is released at intervals (typically quarterly) and reconciled accordingly.

17. Is reconciliation required on a monthly basis?

We have structured it in this way to facilitate customers to access any money which is owed to them on a more frequent basis. However this may be reviewed as part of our development of documentation

18. Do you have any district heating on your portfolio?

There are some existing products served on our portfolio such as Whitehall District Heating. CCS are looking to develop a new product on the marketplace for Heat networks and Electricity Generating Assets (HELGA). Further information on the HELGA agreement can be found on our [webpage](#).

19. Are PPA's an area of large interest on your portfolio?

There are some customer owned PPA's on our portfolio but the majority is currently embedded generation with the customers. It is an area we are currently investigating and are envisaging an increase in interest on the new agreement.

20. In terms of existing PPA's are they with existing your generators?

CCS have the ability to sleeve within the existing arrangements with the incumbent supplier. The existing and future PPA's will be directly between the customer and the generators without any direct CCS involvement.

21. What ancillary services do you currently offer and is there any intention to reduce this as a result of the new products you are bringing to the market?

We currently offer our customers a range of supporting ancillary services as part of the agreements including Site Works, AMR services and Demand Reduction

Services. We are looking to review and develop the ancillary services provided through the new agreements with our customers and currently have no plans to reduce the ancillary services available in light of our new products in the marketplace. We will keep the market updated on the requirements for Ancillary Services as we develop the agreement.

22. Are we able to advise if LEP are looking to merge all their portfolio with CCS

LEP use CCS and LASER for some of their sites. Up to individual authority. If good service with CCS, likely there will be some growth in terms of volume, but no guarantee.

23. Are CCS customers interested in the 'White Label' solutions available in the marketplace?

There are conversations happening at the moment from some of our customers and we are exploring what options are available to them. This could be facilitated in a number of ways in terms of where the power is sourced, billing and administration activities. CCS will provide more information on what (if any) this requirement will be as we develop the strategy following engagement.

24. How do the current sleeving arrangements work for PPA's on the Electricity agreement?

If it is a direct PPA, then the new supplier has to facilitate the delivery of it. However, if its an indirect PPA, then the new supplier has to look to sleeve the volume across from old supplier on the same terms (clauses that deal with the situation if this is not possible).

25. How granular do CCS customers want their budgets?

It varies depending on the customers ranging from small schools to the large departments. We engage with them throughout the procurement process to understand their requirements which will feed into the development of our documentation.

26. Do customers need budget certainty?

Customer who have this requirements are managed through the locked trading product which is communicated clearly to our customers to help them choose the appropriate baskets.

27. Is Electric Vehicle charging covered under this agreement?

The supply of internal use charging points (for customers own fleets) can be covered under the agreement. For the establishment of charging tariffs and equipment, this is covered under a separate CCS agreement for Traffic Management Technology 2 (TMT2). Further information on the TMT2 agreement can be found on our webpage.

28. What are the opportunities for DSR available through the Framework Agreement?

Yes there are customers who are currently utilising or could utilise DSR solutions. This is particularly prevalent with customers who have access to their own assets such as health, MoD and MoJ. CCS currently has a standalone agreement for DSR to support customers utilising these services.

29. CCS mentioned white label in the RFI, is this going to be something that will be included in the future?

It is not something we currently provide our customers but is an area of growth we are seeing with local authorities/councils. CCS are looking to explore whether this option is available in the marketplace and how it could be implemented for our customers

30. Do CCS have an indication as to what the price/quality split will be for the new agreements?

We can't give an indication at this moment in time as we are currently engaging with customers as it can change based on their appetite and market conditions.

31. How will the CCS quality questions be evaluated?

As part of standard CCS practices, external customer evaluators will be used to score the quality criteria for suppliers bids. These will be assessed against their technical competencies to conduct the evaluation. There will typically be 3 customers per question who will award the marks against the defined marking criteria. All marks will then be compared and passed through a consensus process to determine the agreed final marks for each supplier. This will be combined with the pricing scores to determine the successful supplier.

32. Are CCS open to working with a new supplier on the agreements?

CCS are open to working with new suppliers. All evaluations are conducted anonymously so the best bid received will be the successful supplier on the new agreement, irrespective of who they are.

33. Under the current arrangements, the supplier is contracting with each of the individual entities separately for billing and administration services. How does this work currently in regards to reviewing the credit adequacy/financial standing on these sites?

Payment performance has not been something previously provided to suppliers but could be considered if necessary. Suppliers can conduct credit checks but this is not something that is traditionally seen.

34. What will be the start date for the contracts?

The frameworks will be awarded for April 2019, however the first delivery date for power and gas will not be until the opening of the April 2020 baskets.

35. When will the NHH portfolio be joining the electricity framework

We do have separate frameworks but both can cover the supply of Non Half Hourly and Half Hourly Electricity. Some customers have moved their non-half hourly over to the half hourly contract in line with the market changes as a result of P272. Following recent market movements we are predicting that the Non-half hourly will become a diminishing requirement in the future and therefore expect the power framework to cover both the Half Hourly and Non-Half Hourly meters.