

What is a Customer Access Agreement (CAA)?

The CAA is a formalisation of a relationship and process which offers more clarity and robustness than the old PASA frameworks.

The CAA has been prepared by Buying Solutions in conjunction with public procurement legal advice in order to support the new energy procurement contracts. All documents have been drafted by legal advisors who understand and have a working knowledge of both public sector requirements and the energy supply industry. The CAAs provide proper contractual cover to all parties, Buying Solutions, suppliers and customers.

As a result of the development of energy buying and risk management (in order to help manage the customers delivered price in volatile commodity markets), a customer will need to provide advanced commitment to join the gas and electricity framework. This will provide Buying Solutions the guaranteed volume commitment, allowing them to optimise the timing of the purchase of gas and electricity commodities from the wholesale market – this may well be some time in advance of the framework start date.

Why is there a need for a CAA?

The CAA is a document which when signed, gives access to the Buying Solutions Energy framework agreements for the supply of Gas, Non Half Hourly Electricity, Half Hourly Electricity, and Unmetered Electricity.

The CAA clearly sets out the expectations and responsibilities of all parties before the supply framework is put in place:

- Service levels and performance from Buying Solutions - covering best value, management of risk, good industry practice and maintained capacity and resource levels
- Buying Solutions' responsibility for managing the framework and the suppliers – central management of key performance indicators, service delivery and standards, advice and escalation processes and dispute resolution
- Customer responsibilities - covering commitment to join the supply contract, provision of site information and co operation to ensure obligations under the framework are met
- The provision and protection of data
- The duration of the contract and process for termination
- Commission – fees per site/MPAN

What customer commitment is required?

Although the default procurement approach is a 3 year variable product as recommended and mandated across the central government sites, the CAA allows health customers to select options over term and procurement approach to best suits their needs and

requirements, (12, 24, 36 or longer terms and options of either Locked or Variable procurement approaches).

Once signed, the customer has committed the procurement of its energy through the Buying Solutions frameworks for the term and procurement approach which they have selected.

Why is the CAA important for customers?

The Customer Access Agreement is important because it provides access to the products which are offered under the framework agreements.

These framework agreements are among the most comprehensive in either the public or private sector. Specifically, they offer customers:

- A fully EU-compliant route to market
- A managed procurement service, removing the need to undertake independent costly tendering processes
- Access to the largest Gas and Electricity contracts in the UK, which leverage public sector size and volumes to deliver best value
- Access to in house energy experts and dedicated supplier support teams able to help and advise on energy related matters

Why use Buying Solutions?

Following a review of public procurement instigated by the new administration conducted by Sir Philip Green, procurement of energy was the only category deemed to be best practice. As a result of further government reviews, Buying Solutions have been selected as the delivery agent for the whole of central government's gas and electricity contracts. On the basis of their experience, expertise and track record within energy. The Councils and the wider public sector are also able to take advantage of these Buying Solutions contracts which offer considerable benefits including:

- Largest buyer of energy in UK public sector with 800 customers split over 100,000 customer locations.
- Energy frameworks covers £1.4 billion per annum equal to 49% of total public sector spend in energy.
- Fully EU / OJEU compliant contracts. By joining the Buying Solutions framework Councils will save time and cost of carrying out the process themselves.
- Aggregated volumes within two baskets per year April / October and no cross subsidisation.
- Highly competitive supplier margins/cost to serve.
- Flexible pricing options (Locked/Variable)
- Option for 12, 24, 36 or 36 month rolling contracts.
- Managed, dedicated service support teams provided by the suppliers for Buying Solutions customers

- Managed, dedicated Buying Solutions energy team with expertise and experience in utilities and public sector procurement
- Market reports and e-zine providing further information across the whole of Buying Solutions, sent bi-monthly.
- Web site - providing instant access to information, help and support

Councils will also have access to additional energy related services and contracts offered by Buying Solutions' suppliers covering:

- AMR – for electricity, Gas, Sub metering and water
- Environmental consultancy

New products and ways to market which will help to deliver future support and savings are currently under development. Some of the areas currently being investigated are listed below:

- Power Purchase Agreements - these will allow Buying Solutions to purchase energy direct from the generators.
- Utilisation of excess on site generation - driving full benefits from feed in tariffs, CHP plant and other generation projects within the public sector
- Invoice validation - bill checking services and revenue recovery
- Biomass/Biofuels - alternative fuels
- Solar Photovoltaics
- Demand Side Response – aggregating and selling back capacity into the market

What would happen if a Council did not sign the CAA?

Without a signed CAA, the Council would not be able to access the Buying Solutions gas and electricity frameworks. Councils would then need to ensure that they remained EU compliant and independently tender for the supply of gas and electricity. Councils would no longer benefit from the aggregated volume, energy category expertise and all of the advantages which the Buying Solutions frameworks offer.