

Big Energy Summit



Fairer Street



Cheshire East



Heart of the Northern Powerhouse

5.3 times more people employed in science R&D than UK average

Over 224,000 cars are owned in Cheshire East, highest in NW

Fairerpower – the first LA energy partnership since 1948

Visitor economy is worth over £807m and supports 10,800 jobs

Alderley Park BioHub has attracted 150 new companies + 500 jobs

Average household income of £33k is 16% above UK average

Over 18,500 SMEs in Cheshire East 2015

640 new affordable homes completed 2014/5

Life expectancy is 80.4 for men and 83.6 for women

Cheshire East Renewable Energy

- Cheshire East Energy Framework
- Knowledge Transfer Network- Keele University
- Cheshire East Energy Ltd
- Fairerpower- partnering agreement OVO
- ELENA £1.4m
- Dry Anaerobic Digestion
- Geothermal District Heating
- Solar PV
- Cheshire Energy Networks Ltd- JVP Engie
- LED street lighting



What is Fairerpower?

- Fairerpower is partnership formed between Cheshire East Council and OVO Energy managed by the Skills & Growth Co.
- A local alternative to the 'Big Six', we aim to tackle fuel poverty and help residents struggling to pay their fuel bills
- Providing competitive rates, Fairerpower offers affordable energy deals and drives prices down locally
- This includes a choice of pay monthly (fixed or variable) or pre-pay (PAYG) deals
- Surplus income generated goes to the Local authority, and money saved from the tariff can be re-invested in the local community



How does it work?

- OJEU compliant procurement undertaken via competitive dialogue within 5 months in 2014
- Area procured includes 17.4m catchment, East & West Midlands and North West England
- Partnering Agreement with OVO allows the opportunity to create customer base with industry expertise, share risk and reward
- Tariffs are pegged to OVO, with open book assessment by Council retained advisors on an annual basis
- This is a politically-neutral scheme with shared success goals to alleviate fuel poverty and generate a surplus to be reinvested into renewable energy projects



Year 1 Statistics

- 5,500 customers signed up
- Market capture = 3% of residents joined
- 1 strategic partner acquired
- £1.4m savings for residents
- 60% of customers are “Sticky”
- Expanded into Cheshire West- catchment 380,000
- Cheapest PAYG tariff Nationally mirroring OVO
- Strong resident engagement
- Consistently cheaper than big 6 tariffs
- Prepayment meters installed as standard for PAYG

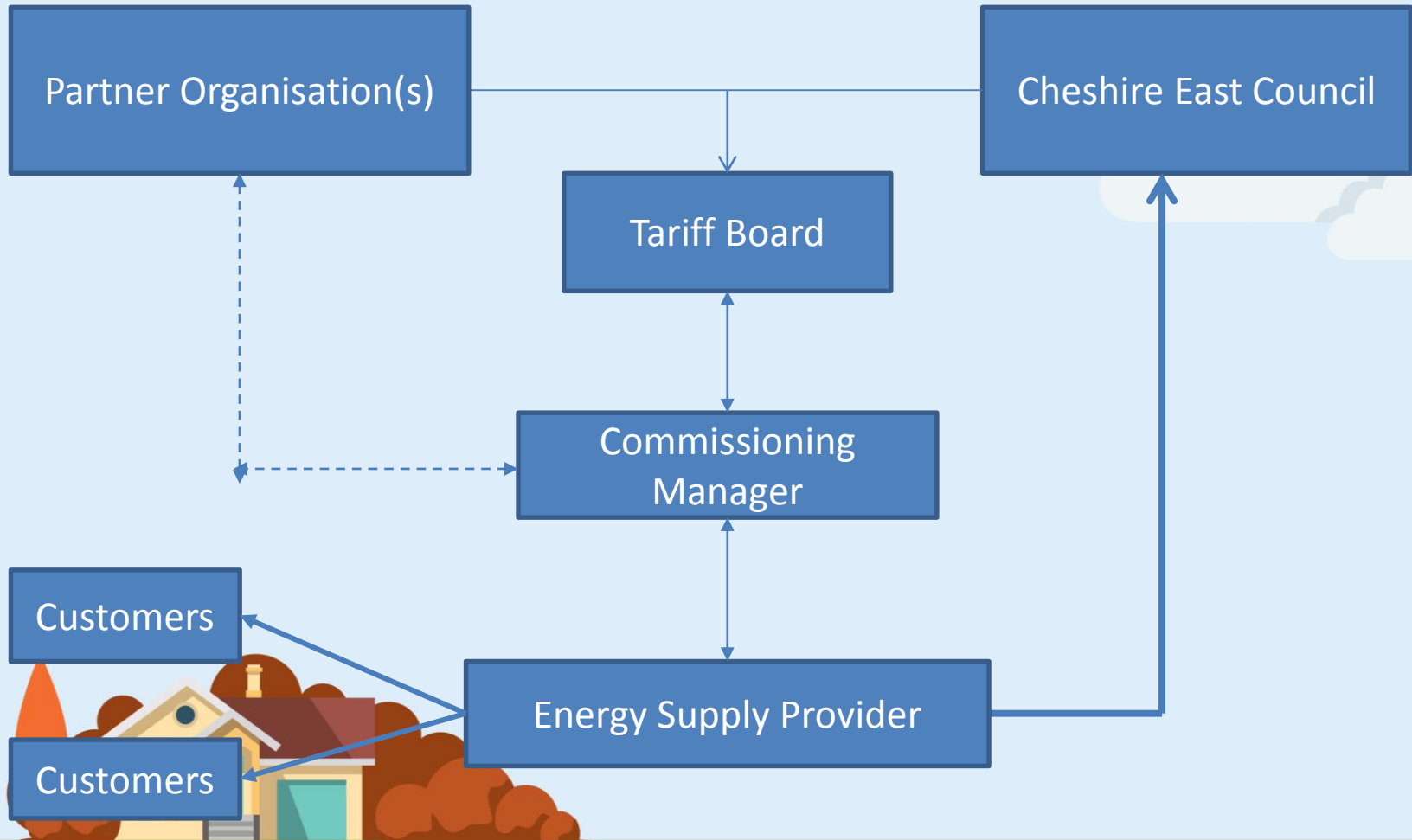
Customer benefits

- Low rates for both electricity & gas
- Average savings of £200-£300 per customer per annum
- Customers are offered 3% interest reward on credit balances, and a standing charge of just £100
- Simple, straightforward billing from award-winning customer service provider
- Fixed-Term of 12 months – with no increases during this period
- All sections of the community and businesses can benefit

Partner benefits

- Exclusivity for Partner organisation, their residents and businesses
- Branded tariff “Fairerpower...”
- Guaranteed income stream dependent on catchment for Local Authority = £
- Contributing to alleviation of fuel poverty
- No procurement involved, with savings of up to £120k on legal, project management
- Share of ECO funds from supplier
- Quick to market – approx. 1 month timeframe
- OJEU compliant

Governance



Joining as another local authority

The following (simple) steps are required in order to join Fairerpower:

- No procurement involved
- Signing of standard partnering agreement
- Define catchment area & guaranteed income stream
- Mobilisation plan for community marketing & capacity building
- Release of postcodes in your area
- Launch Fairerpower “white label”
- Timeframe: Approx. 1 month



Risks (?)

- Shortfall in customer acquisition targets = reduced income stream
- Lack of support from stakeholders
- Not joining.....



Contact Details



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