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THE YEAR IN REVIEW **CHAIR JO BUTLIN**



"I am delighted that with TEC's first annual report, we can showcase some of the work that is being done across our membership..."

JO BUTLIN - CHAIR, TEC

In a world currently dominated by the challenges of managing in the COVID pandemic, it is easy to lose sight of the enduring challenge of the world's climate emergency. However, with the commitment to achieving Net Zero by 2050, the challenge of delivery at an affordable cost is coming ever more into focus.

With the likely electrification of heat and transport, the growth of renewables and a rapidly changing energy market which requires active management of demand, the importance of effective energy strategies in delivering Net Zero cannot be underestimated. I am delighted that with TEC's first annual report, we can showcase some of the work that is being done across our membership to actively support the development and delivery of these energy strategies. Whether delivering the UK's first multi party Power Purchase Agreement, providing data driven insight on consumption management or facilitating learning about the rapidly changing market, TEC continues to build its capability beyond traditional energy procurement to support Member needs in addressing the climate emergency and the impact of Covid.

Importantly, addressing climate change across the sector cannot be done in isolation. Common challenges face most Members and the learning and innovation from new solutions is valuable for all. TEC takes pride in its role to facilitate and support this learning and delivery of solutions.

In what is probably the most challenging times of our working lives, I am very proud to be Chair of TEC, working with the Board and team to ensure that we are on the front foot as we emerge from the Covid crisis and support growing momentum in addressing the climate emergency.





ORGANISATION



"It has always been clear that TEC, in the various stages of evolution, has benefited from the significant support of our Members."

RICHARD MURPHY - MANAGING DIRECTOR, TEC

2020 was another period of significant development and growth for TEC with the rollout of additional services, following on from a two year freeze on our from 2019 and of course our ground-breaking aggregated Renewable Power Purchase Agreement (PPA) which has entered the second of 10 years of delivery through our framework.

This Annual Report (a TEC first) helps us to further demonstrate the value and expertise we offer our membership in managing their energy estate assets from the perspective of cost, consumption and carbon and help you to spread the TEC word within your own institutions, from Vice-Chancellors to students.

It has always been clear that TEC, in the various stages of evolution, has benefited from the significant support of our Members. The further development of our Board with representation from Member Institutions across all sector disciplines ensures we remain at the forefront of sector requirements. This was perhaps demonstrated better than ever with the Annual Conference in late 2019 which also saw us celebrate our 25th Anniversary.

In what is now the 10th year of my role I am delighted to have presided over the addition of even more new Members from our core Higher Education sector and beyond. This brings further growth in the volume of energy under frameworks, the services delivered and of course money and carbon saved. Against this the principles of integrity, transparency and compliance remain core to the TEC offering.

Of course no report on 2020 could ignore the huge challenges which we all face due to the Covid-19 Pandemic. I am delighted that the TEC team have

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continued to provide the highest standards of service in support of our Members while operating from entirely home based working in March 2020. Timely then that we completed the procurement of our 5th generation of flexible frameworks, once again with EDF Energy and Corona as our suppliers literally days before the first lockdown. The terms secured in this framework and the standards of service which support it might be very different were we to procure in the current market, but I am delighted that it secures favourable terms out as far as September 2024.

With the challenges we face in recovery from the impact of the pandemic and our response to the Climate Emergency, it is vital that we set the agenda and provide the necessary tools and education to you, our Members, to deliver on the demands made on us by your organisations, the students and the planet.

We remain committed to the highest standards of service from the highly skilled and experienced TEC team as well as from our suppliers. TEC is better placed than ever to lead our Member sectors to a low energy cost and Net Zero carbon future and this Annual Report is further evidence that energy and education are connected like never before.

THE YEAR IN REVIEW MEMBER SERVICES



"I am certain that as we enter into a "new normal" Member Services will continue to provide solutions in the upcoming challenges that Members face in managing their estate assets from the perspective of cost, consumption and carbon."

STEPHEN CREIGHTON - HEAD OF MEMBER SERVICES, TEC

2020 was a period of significant expansion for Member Services with 10 new Members joining the TEC family.

Investment in, and roll-out of, a wide range of additional services such as: Bill Validation, the aggregated renewable Power Purchase Agreement (PPA), AMR DNA and Power Now, to name but a few contributed to this. Our reputation was further enhanced by our swift response to the Covid-19 Pandemic in the protection provided Members under our award winning frameworks and the implementation of software solutions to re-forecast budgets based on pandemic scenarios and the design and build of our post-Covid energy prediction tool.

Notwithstanding the challenges presented to us all by the Covid-19 Pandemic the "Climate Emergency" is still present and our membership responded, either by declaring even more stringent "NET ZERO" targets or declaring their own "Climate Emergency" plans. This focused the Member Services team and TEC to further extend our well-developed strategy of collaboration and our privileged position of being the "voice" of our Members in the Public, Education and Energy sector.

As well as our crucial partnerships with other Members of the UK University Purchasing Consortia, we've also partnered and engaged with sector and policy makers such as: Students Organising for Sustainability (SoS), the National Union of Students (NUS), the EAUC (the Alliance for Sustainability in Education), BEIS (Department for Business, Energy and Industrial Strategy), the Cabinet Office and OFGEM the energy regulator.

We continue to support our Members with Supplier Relationship Management. This year, it included implementing more stringent service KPI's within our latest ITT, based on feedback from our Members when looking at the requirements of different disciplines. To support this, we included 7 Members within the evaluation panel and I'd like to thank them for their support and the time taken to engage.

The Member Services Team has attended and supported a wide range of sector events and have hosted networking meetings across the sector discussing the challenges faced with Carbon Offsetting, the Road to Net Zero and beyond.

Our conference in December 2019 to celebrate 25 years of TEC gave Members the opportunity to network and talk to leading organisations in regulation, policy and supply markets, implementing renewable energy technology, district heat networks, energy management, behavioural change and Business Management System (BMS) optimisation.

As the 2020 year came to an end, we conducted a wide range of engagement and service evaluations with the aim of driving forward the innovative product that we offer and that the team prides themselves on delivering. I'd like to take this opportunity to thank the Member Services Team: Paula, Kerry and Ian for their outstanding efforts in supporting the membership during the year.

I am certain that as we enter into a "new normal" or a "normal normal" Member Services will continue to provide solutions in the upcoming challenges Members face in managing their estate assets from the perspective of cost, consumption and carbon.





THE YEAR IN NUMBERS



2,891,922,047kWh

The volume of electricity and gas consumed through

> **TEC FRAMEWORKS** during the year costing £194,001,168

> > All figures exclude VAT

SAVED

£2,822,526

FLEXIBLE VERSUS FIXED CONTRACTS



Energy consumed is equivalent to

1,875 LARGE SUPERMARKETS



£1,784,711

Was the financial benefit of being part of an

AGGREGATED FLEXIBLE BASKET

04

19/20

TOTAL COST AVOIDED

£2,465,047

by using

TEC **FRAMEWORKS**

£278,505 of this was through the **POWER PURCHASE AGREEMENT**



SAVING

£5.58

for every £1 paid to TEC in fees

MEMBER BENEFITS

We continue to be open in all our practices and develop our services to add value and cost-reduction for our membership and the Education Sector.



RISK MANAGEMENT



DEDICATED MEMBER SERVICES













FROM CLEAN **TECHNOLOGY**

PURCHASING





WHAT YOU USE



TO FRAMEWORK

FEES FROZEN UNTIL

OCTOBER 2021

RENEWABLE AGGREGATED POWER PURCHASE AGREEMENT

A UK first in the public sector, twenty Member Institutions collaborated on the energy deal to buy renewable energy directly from British windfarms and to lock-in a proportion of their power at a fixed price over a ten-year period.

The foundations for the agreement were laid as far back as 2015, with legal drafting for the Flexible Electricity framework agreement enabling deals to be sourced directly with energy generators for longer term arrangements.

TEC facilitated the arrangement through their current framework energy partner (presently EDF Energy), with renewable British onshore wind power provided by Statkraft, the largest renewables generator in Europe and Squeaky Clean Energy, a 100% renewable supplier providing balancing services.

This deal is structured so the power from the wind farms contractually flows with the Renewable Energy Guarantees of Origin (REGOs) and meets the high standards demanded by TEC on behalf of our Members.

BRITISH WIND FARMS

RENEWABLE AGGREGATED POWER PURCHASE AGREEMENT

ALLTWALIS

Alltwalis Wind Farm is located near the Brechfa Forest to the north of Carmarthen, Wales.





NUMBER OF TURBINES

EQUIVALENT

HOMES SERVED*



CAPACITY



COMMUNITY FUND

90,000 P.A.



Andershaw Wind Farm is located to the south of Glasgow in South Lanarkshire, Scotland.





TURBINES



CAPACITY

36.3_{MW}

COMMUNITY



HOMES SERVED*



91,250_{P.A.}

BAILLIE

Baillie Wind Farm is located near to the west of Thurso in the Scottish Highlands.





NUMBER OF TURBINES

7 21



EQUIVALENT HOMES SERVED*



INSTALLED CAPACITY

52.5 MW

COMMUNITY



FUND 130,000_{P.A.}

BERRY BURN

Berry Burn Wind Farm is located south of Forres in the Scottish Highlands. Currently in talks to add a further 9 wind turbines.





NUMBER OF TURBINES



CAPACITY

66.7 MW



HOMES SERVED*
47,966



COMMUNITY FUND 170,000 P.A.

*Calculated using the most recent statistics from the Department of Business, Energy and Industrial Strategy (BEIS) showing that annual UK average domestic household consumption is 3,781kWh.





NEW SERVICES BILL VALIDATION - THE TEC CHECK

Launched across the membership, our bill validation service is part of our ongoing commitment to providing value for our membership.

We believe that leveraging data can support Member institutions to liberate internal resource to focus on teaching excellence and other areas as required.



This service is a health check on the framework supplier's invoices received by our Members and we highlight discrepancies by reviewing and calculating each component of the invoice. This supports our Members to resolve incorrect invoicing, providing a full report and peace of mind that institutions are paying only for the energy they use.

The resulting report is also issued to the framework supplier/s, and the while initially provided on a "post payment" basis, improvements are being made to deliver validation before payment falls due. Whilst many bureau services offer Bill Validation and make claims of well over 100 checks on each invoice, here is a selection of industry standard checks that our experienced Data Services Team validate (the following is not an exhaustive list):

- ACCOUNT NUMBER MATCHES
- MPAN/MPR MATCHES
- CORRECT SUPPLIER
- CORRECT DATES
- DO THE READS FOLLOW ON?
- IS IT AN ESTIMATED OR ACTUAL READ?
- HIGHLIGHT CONSECUTIVE ESTIMATED READS
- IS IT MATHEMATICALLY CORRECT? (Does the bill add up?)
- CONTRACT TARIFF RATES
- VAT/CLIMATE CHANGE LEVY RATE
- BILLING ELEMENTS (Correct application of all regulated charges, including distribution,

The TEC Check was formulated and designed around feedback from our Members on what they would want from a Bill Validation product and prior to launch piloted at various institutions for final testing. All of these steps ensured that we launched a new service that supports the needs of our Members.

NEW SERVICES RE-DEVELOPED WEBSITE

To keep up with ever-evolving technology, we have created a mobile optimised site that allows Members to access across a full range of devices with no loss of functionality and an easy to navigate design.

The Member area of the website, accessed via a secure log-in, was of great importance and the entire area was recreated to make it more user friendly by adding new features and making information such as Member Contracts, Benefit Statements and Agency Agreements easily accessible. An Energy Watch and Energy Price feature was also implemented so Members could keep up with the generation mix and energy commodity price trends, along with an interactive forum feature that allows Members to communicate directly with each other on topical subjects in the Energy and HE sectors.

Developing the front end of the new website was also a key part of the project and in doing so, the site was transformed into a clear and comprehensive layout which is easy to navigate and explains clearly who we are and what we do.



KEY BENEFITS IN THE MEMBERS AREA:-

ENERGY WATCH:

A full breakdown of the UK Electricity generation mix alongside UK Gas forecasts and flow. These are updated every 15 minutes with a direct feed from The National Grid (Elexon).

ENERGY PRICES:

This covers the four main commodities; Oil, Carbon, Electricity and Gas. The prices are provided through an interactive graph allowing you to view trends over 1 Week, 1 Month, 3 Months, 6 Months and 1 Year.

MY DOCUMENTS:

This includes all Member-facing flex reports, reviews, newsletters and post-event content. This area also includes your institution's bespoke documents for download, including your most recent Benefits Statement, RMPP and Agency Agreement. Direct links to the login pages for our three suppliers; Corona, EDF Energy and View (Mitie budgeting tool).

FORUM:

You can pose questions to colleagues from other institutions across the four main disciplines; Sustainability, Finance, Procurement and Estates. There is also a Member Feedback forum where you can tell us what you think about the new website or submit ideas for future updates and development.

GLOSSARY:

Energy terminology can be very confusing so our glossary features an active search that covers everything from trading terms to energy acronyms. It also has categories to search within such as; electricity, gas, carbon, units of measurement, legal and many more.





FRAMEWORKS

We have concluded the complex procurement and award of our 5th generation flexible energy supply frameworks and this sees EDF Energy and Corona Energy selected as suppliers to the portfolio.

WHAT HAPPENED:

In a process which began in early 2019, the unique features of the previous framework were included in the statement of requirements (SoR). We used a "Restricted Procedure", as we are in a regulated market where only licensed suppliers can operate, so that we could set our own terms and conditions rather than simply accept those offered by the supplier.

Framework wording from 2015 was reviewed, to build on the significant key features of the sleeving of wholesale energy between framework suppliers and access to Power Purchase Agreements. Particular focus was given to supplier support, customer service and continuing to provide access to fixed price energy products which allow Members more accustomed to this approach to source their energy supply arrangements.

However it is the flexible energy contract which remains the "product of choice", complemented by



TEC's highly developed risk management services and market leading budget forecasting tools.

In order to achieve the highest level of compliance on this £1 billion procurement, TEC received support from London Universities Purchasing Consortium (LUPC) in managing the process, using their newly procured EU Supply portal. Having narrowed the field from an initial 19 interested parties to 12, we issued the ITT. 3 suppliers elected not to bid having completed the pre-qualification, as they did not feel they had the necessary resource to meet the high customer service standards required for the portfolio.

Suppliers took the opportunity to raise questions about the challenges posed by the new framework and over 80 clarification requests were responded to. The ITT was then evaluated by 14 experts, including a selection of TEC Members from a variety of disciplines, such as procurement, sustainability and energy management specialists.

THE RESULT:

On completion of the rigorous procurement process, we awarded to EDF Energy and Corona Energy for an initial 2 years from October 2020, with an option to extend to September 2024.

"With the careful balance of low costs reflective of the large and growing TEC portfolio, access to market leading energy trading tools and a very high bar for standards of supplier service this is a framework of which TEC Members can be proud. This latest procurement reflects the very best of a collaboration in action."

RICHARD MURPHY - MANAGING DIRECTOR, TEC

CASE STUDY

UNIVERSITY OF

LEICESTER

At the heart of the UK, Leicester is a leading university committed to international excellence, world-changing research and high quality, inspirational teaching.

It celebrates diversity amongst its staff and students; widening the participation in higher education and engages with local, national and international communities.

Founded in 1921 as a memorial to the Great War, the University of Leicester has a proud history of ambitious projects that lead to amazing discoveries.

This is where genetic fingerprinting was invented in 1984 and home of the team who found King Richard III. In their second century, they continue to aspire to be the very best in everything that they do.

WHAT HAPPENED:

The University of Leicester's Procurement Team includes dedicated Category Managers. Alongside the University's Energy Manager, the Estates Category Manager undertook a comprehensive project to look at the procurement and management of their energy portfolio.

With their current supply contract arrangements coming to an end in 2022 and to assist in deciding on the most appropriate strategy; the University undertook market engagement in March 2019 with seven companies (four Public Buying Organisations and three private brokers). The purpose was to understand what can be offered in terms of reporting, risk management, supplier service and procurement compliance.

To gain further assurance they also engaged with client references and organised live demonstrations of the reporting tools available.

THE RESULT:

As a result of this rigorous process The Energy Consortium were appointed by University of Leicester.

"Before embarking on an onerous tender exercise for energy brokerage, take a little time to first sound out the market. We did and discovered that the sector's very own provider, TEC, is superior to both public and private sector competitors against all the key criteria; risk management, reporting, customer service and price. As far as procurement compliance is concerned, you can then dispense with the onerous tender exercise given TEC's constitution, and have comfort that TEC is well-versed in public procurement law when buying energy on your behalf."

JAMES TROTTER - DIRECTOR OF PROCUREMENT





FINANCIAL PERFORMANCE

THE ENERGY CONSORTIUM STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 MARCH 2020

TURNOVER COST OF SALES	£1,258,863 (£678,470)
GROSS SURPLUS ADMINISTRATIVE EXPENSES	£580,393 (£550,938)
OPERATING SURPLUS	£29,455
INTEREST RECEIVABLE AND SIMILAR INCOME	£7,235
SURPLUS BEFORE AND AFTER TAX	£36,690
RETAINED EARNINGS AT THE BEGINNING OF THE YEAR	£1,931,703
SURPLUS FOR THE YEAR	£36,690
RETAINED EARNINGS AT THE END OF THE YEAR	£1,968,393



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THE ENERGY CONSORTIUM AS AT 31 MARCH 2020

FIXED ASSETS	£9,179
DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	£195,202
CASH AT BANK AND IN HAND	£2,042,671
	£2,237,873
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	(£250,127)
NET CURRENT ASSETS	£1,987,746
	23,7202,72
TOTAL ASSETS LESS CURRENT LIABILITIES	£1,996,925
PENSION LIABILITY	(£28,532)
NET ASSETS	£1,968,393
PROFIT AND LOSS ACCOUNT	£1,968,393
	£1,968,393
	21,700,373

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1 A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 June 2020.



YOUR TEC TEAM



RICHARD MURPHY MANAGING DIRECTOR



STEPHEN **CREIGHTON** HEAD OF MEMBER SERVICES



PAULA PONTING MEMBER SERVICES ADVISOR



IAN SWAINE MEMBER SERVICES ADVISOR



KERRY SHEPPARD MEMBER SERVICES **ADVISOR**



OLLIE ARTHURS MEMBER SERVICES ADVISOR



GEMMA BLACK HEAD OF BUREAU & BUSINESS SERVICES



JENNIFER KERBY DATA SUPPORT ANALYST



ANDREW COOKE ANALYST



DAVINDER SAHOTA DATA SUPPORT ADMINISTRATOR



CAMILLA CHEETHAM ADMINISTRATOR



ANGELA DANCE FINANCE & COMMISSIONS OFFICER

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PAUL COOK



KATE MOTTRAM DIGITAL MARKETING & EVENTS CO-ORDINATOR

YOUR TEC BOARD



NON EXECUTIVE CHAIR
THE ENERGY CONSORTIUM CEO ENERGYBRIDGE (UK) Ltd



ANDY SEAMAN UNIVERSITY OF EXETER



BRENTON SUSTAINABILITY MANAGER (ANALYSIS) CAMPUS DIVISION UNIVERSITY OF BRISTOL



TOM YEARLEY DEPUTY HEAD OF ENVIRONMENTAL SUSTAINABILITY UNIVERSITY OF OXFORD



ANDY DAVIES PROCUREMENT MANAGER NATURAL HISTORY MUSFUM



JAMES TROTTER MCIPS DIRECTOR OF PROCUREMENT FOR LEICESTER UNIVERSITY & HEAD OF PROCUREMENT FOR LOUGHBOROUGH UNIVERSITY



ALISON JARVIS DIRECTOR OF FINANCIAL OPERATIONS AT CARDIFF UNIVERSITY
/ PRIFYSGOL CAERDYDD









NWUPC







Purchasing Consortium









OUR MEMBERS

Aberystwyth University Activate Learning Education Trust Alton College Anglia Ruskin Arts University Bournemouth Aston University Bangor University Barton Peveril College Bath Spa University Birkbeck College Birmingham District Energy Company Birmingham Metropolitan College Blackburn College Bridgwater & Taunton College Brunel University London Buckinghamshire New University Cabot Learning Federation Cambridge Regional College Cardiff Metropolitan University Cardiff University City Literary Institute City of Bristol College City of Wolverhampton College Coleg Gwent Coleg Sir Gar College of West Anglia Cornwall College Courtauld Institute of Art Coventry University Darlington College De Montfort University Defence Infrastructure Organisation **Durham University** Ealing, Hammersmith & West London Exeter City Council Exeter College Falmouth Exeter Plus Gloucestershire College Godalming College Goldsmiths, University of London Gower College Swansea Halesowen College Harper Adams University Henley CollegeHull College Institute of Cancer Research International Students House Itchen Sixth Form College Keele University Kings College London Kingston University

Lancaster & Morecambe College Lancaster University Leicester District Energy Company Newcastle Colleges Group Liverpool Hope University Liverpool John Moores University Liverpool School of Tropical Medicine London Business School London Metropolitan University London South East Colleges Loughborough University Luton Sixth Form College Middlesex University Museum of London National College for High Speed Rail National Library of Wales Natural History Museum, London North East Surrey College of Technology (NESCOT) Newcastle University Newman University North Hertfordshire College Oxford Brookes University Pembrokeshire College Peter Symonds College Plymouth College of Art & Design Queen Alexandra's House Queen Mary's College Regents University London Rose Bruford College Royal Academy of Dramatic Art Royal Academy of Music Royal Agricultural University Royal Central School of Speech & Royal College of Music Royal College of Psychiatrists Royal Holloway, University of London Runshaw College Science Museum, London Sheffield Hallam University Solent University Somerset House Trust South & City College Birmingham St Mary's University, Twickenham Strode College Swansea University Teesside University The Francis Crick Institute Limited The National Film and Television School The Henley College The National Gallery

The Open University The Prospect Trust The Royal Central School of Speech & The Welcome Trust UCL - University College London University Centre Peterborough University College Birmingham University Collegiate School University for the Creative Arts University of Aberdeen University of Bath University of Bolton University of Bristol University of Buckingham University of Cambridge University of Chester University of Cumbria University of Edinburgh University of Exeter University of Glasgow University of Gloucestershire University of Greenwich University of Hertfordshire University of Huddersfield University of Kent University of Leicester University of Lincoln University of Liverpool University of London University of Manchester University of Nottingham University of Oxford University of Plymouth University of Salford University of Southampton University of Strathclyde University of Sunderland University of the Arts London University of the West of England University of Wales Trinity St David University of Warwick University of West London University of Westminster University of Winchester University of Worcester University of York Victoria & Albert Museum Woodbrooke Quaker Study Writtle University College York St John University

Arts (LAMDA)

London Academy of Music & Dramatic



ENQUIRIES@TEC.AC.UK WWW.TEC.AC.UK 0121 483 1963

The Innovation Centre, 1 Devon Way Longbridge Technology Park, Birmingham, B31 2TS