

Appendix 2

Cyd Cymru - Collective Energy Buying

A number of local authorities, and their partners, across Wales are responding positively to the opportunities afforded through collective energy buying. Participation means that households could see their energy costs reduced. Given the large numbers of households suffering from fuel poverty there is a significant opportunity to support many of the most vulnerable in our communities.

Recognising the opportunity for residents and businesses, Cardiff and the Vale of Glamorgan applied for Regional Collaboration Funding to pilot a scheme - "Cyd Cymru / Wales Together"- across the Cardiff and Vale of Glamorgan area. With the support of the Welsh Government we are developing a model of working that will ensure the best deal for prospective participants in Wales. Though the immediate focus of the project centres on Cardiff and the Vale, the results of the scheme will be shared with other Councils in Wales so the benefits could be universal.

As local members leading on this agenda, our first responsibility is to ensure that any scheme delivers the best possible opportunity for residents. We want to make sure that we will be offering people the best possible deal whilst also maximising any community benefit.

We also want to make sure that the scheme is not just about cheaper energy, but more sustainable use of energy. That is why we have been working hard to develop a coordinated package of energy advice that will deliver further benefits to residents and also impact the wider sustainability aspirations of Wales.

Because there is no set model for how individual schemes operate, we are committed to getting it right. Not just for Cardiff and the Vale of Glamorgan, but everyone in Wales. We also want to get the best deal for the people who would benefit most. The opportunities collective energy switching might provide for people on lower income are clear so we must ensure that they take advantage of this opportunity. A number of people rarely switch energy suppliers to obtain savings on their bills so getting the communication and engagement right is essential.

However we must be sure about what we want to achieve and we need to be sure that our scheme:

- Maximises community value
- Provides a full assessment of the positive outcomes (i.e. cheaper tariff) as well as negative outcomes (i.e. any exit charges, other fees) for customers
- Identifies existing Warm Homes discount customers and Priority Service Register customers.
- Delivers direct debit, quarterly, and pre-payment options, single fuel, dual fuel, economy 7, green and no standing charge tariffs that can be offered to all residents who have signed up to the auction

Officers have therefore been working closely with partners with specialist knowledge of energy and consumer engagement to develop the best possible approach for Wales. This knowledge is being put into good effect and we will be looking to run our first auction by November 2013.

We are eager to do this as fast as we can, but we also want to do it right. We will focus our engagement activities on those in most need but the message to Wales is clear. We are developing a model that will deliver best value for everyone. Our aim, therefore, is to run an auction that everyone in Wales can not only learn from, but participate in, should they wish to do so.

We will share our experience, knowledge and delivery plans as soon as possible to help get Collective Energy Buying working for every household in Wales. We appreciate the need for urgency and we will issue an update to you again in early August. In the meantime we will continue to shape the best delivery model for Wales.

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