



**MINUTES OF THE WME FLEXIBLE ENERGY ADVISORY PANEL
HELD ON 9th SEPTEMBER 2019 at 2pm**

PRESENT

Nigel Denton	-	Shropshire Council
Nigel Evans	-	West Mercia Energy
Gareth Maude	-	West Mercia Energy
Gavin Owen	-	West Mercia Energy
Mark Sanders	-	Worcestershire County Council

<u>Dialled in:</u>		
Ben Boswell	-	Herefordshire Council

1. APOLOGIES

Sarah Bass	-	Telford & Wrekin Council
Julie Wassall	-	West Mercia Energy

2. MINUTES OF LAST MEETING

The minutes of the meeting of 11th July 2019 were formally approved.

3. REVIEW OF BUYING ACTIONS

GM went through the Transaction Summary as at 9th September 2019 and talked through some slides to update the market movements and illustrate some of the market drivers since the last meeting.

GM commented that the last meeting coincided with a spike in market prices of a similar nature to that seen at the beginning of April and as a result we had been forced to increase our hedged positions to protect against further increases. This accounted for trades executed on the 11th and 12th July. Since then the markets have resumed their downward trend, driven by comfortable supply levels as a result of increased LNG shipments into Europe, and high levels of European gas storage. The majority of trades from the 16th July onwards were executed to take advantage of these lower market prices.

4. REVIEW OF MARKET TRADING POSITIONS

GM reviewed the Trading Dashboards and associated position charts and highlighted the following;

Gas:



[REDACTED]
[REDACTED]
Power:

5. FINANCIAL RESULTS

NE discussed the trading results for the 5 months to 31st August which had been recently distributed and explained the reasons for the improvement against the budget.

6. PRICES FOR NEXT TERM

NE discussed pricing for the period 1st September to 31st December 2019 providing the Panel an update from the previous meeting. The Panel were supportive of the recommendation to discount the capped gas price for schools by [REDACTED]
[REDACTED]

7. PORTFOLIO CHANGES – ADDITIONS / REMOVALS

The Panel were presented the summary of the WME portfolio as at 4th September and the movements from the last meeting were reviewed. Volumes within the overall portfolio had [REDACTED]

8. CUSTOMER/BUSINESS DEVELOPMENT UPDATE

GO gave an update on the contracts ending March 2020: [REDACTED]
[REDACTED] and an update on number of terminations received to date.

GO also gave an update on the position of the following prospects:

[REDACTED]
[REDACTED]
[REDACTED]

9. SUPPLIER CONTRACT UPDATE

GM confirmed that evaluation of the liquid fuels tender had been completed and the 10-day stand-still period was due to commence on the 10th September. At the completion of this the contract would be awarded to Certas Energy, the incumbent supplier, for three years from 1st October 2019.

10. FIXED PRICE SUPPLY CONTRACT ARRANGEMENTS

The Panel were presented with the draft Joint Committee paper on this area and this was discussed. NE provided the Panel a progress update on the set up of a new DPS fixed price supply arrangement.

11. GREEN ENERGY UPDATE

NE provided the Panel analysis on the costs of REGO (renewable energy guarantees of origin) backed electricity.

12. WATER UPDATE

The Panel were provided a verbal update on a potential collaborative arrangement between WME and other Central Purchasing Bodies.

13. AOB

None

14. DATE OF NEXT MEETING

It was agreed that dates would be circulated at a later date for a December meeting.