

MEDIA RELEASE

PROCUREMENT AUSTRALIA AWARDS ERM POWER its FIRST PROGRESSIVE PROCUREMENT ENERGY CONTRACT IN VICTORIA

ERM Power Pty Ltd has been awarded Procurement Australia's inaugural Progressive Procurement Energy Contract for the supply of LARGE MARKET electricity for defined members in Victoria.

Announcing the contract today, Procurement Australia's Chief Executive Officer, Joe Arena, said: "This contract is part of our new energy product development and the first part of a wider strategy to be delivered nationally".

"A subsequent tender for this requirement for additional members is scheduled for March 2018," he said.

Procurement Australia's Sourcing & Sales teams and its energy consulting partner, SavvyPlus Consulting, worked together to deliver the tender and subsequent contract, confirming Procurement Australia's superiority in providing energy product options to members.

According to Brendan Hoare, Procurement Australia's Director, Strategic Sourcing, the contract responds to key energy market available options and Procurement Australia member and client needs.

"After reviewing the energy market and analysing members' needs in light of rapidly shifting electricity prices and price volatility, and to offer members and clients greater flexibility, we now have two energy products and a third in development, along with a strategic new business intelligence approach to energy, one of our major aggregated procurement categories" Mr Hoare said.

"Part of our response has been to bring the business intelligence services of specialist energy consulting firm, SavvyPlus Consulting, in house, enabling us to ultimately offer three contract options together with an energy management model and a team of energy specialists to give clients the business intelligence they need to remain cost effective."

In the past, Procurement Australia has only offered a single energy procurement solution with in-house category management and no add-on business intelligence services that we now provide.

These services include features such as data feeds from metering agents, budgeting & forecasting, accrual management, annual network tariff reviews, invoice verification

services, meter data readings, consumption & spend reporting, and power factor management.

Mr Hoare said, "This major strategic upgrade to our energy category is designed to ensure that this category continues to successfully meet our members' energy and product innovation requirements."

Procurement Australia's broader energy category now encompasses greater than 20,000 sites nationally and upwards of 700 GWh in electricity consumption.

Commenting on market conditions, Mr Arena said, "Australia's energy markets are no longer as stable as they used to be in terms both price and supply confidence.

"Recent government announcements in regard to building gas infrastructure around the country together with market trends towards renewable energy and innovative solutions to mitigate cost, risk and exposure, mean that our approach to this category needs to move with the changing landscape."

Procurement Australia's energy category now offers three options: a fixed price for a fixed term (the only existing option); a progressive procurement varying procurement over a two year period; and a long term Power Purchase Agreement (PPA) likely to extend out to 2030.

For further information on changes to Procurement Australia's energy procurement category, contact:

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