

Specification

1. Introduction

This section of the Invitation to Tender sets out the specification relating to this Framework Agreement.

2. Specification

The minimum specification(s) required under this Framework are listed below.

LOT 1 – Supply of Mains Gas
Description
<u>Gas Procurement Services and Costs</u> YPO will operate a flexible purchasing strategy where the wholesale energy component is predominantly sourced via the traded markets employing both buys and sells on a forward and prompt basis. The gas will be purchased and sold predominantly via the Supplier's trading desk, and YPO's authorised traders shall require access to the Supplier's trading desk to effect gas trades. The start date of this Framework Agreement will be 1st April 2021. The supply will be split into the following supply periods: 1st April 2021 – 31st March 2022 (12 months) 1st April 2022 – 31st March 2023 (12 months) 1st April 2023 – 31st March 2024 (12 months) 1st April 2024 – 31st March 2025 (12 months) 1.1. The YPO Portfolio consumption is detailed in Appendix C, the approximate values are: Current Volume (indicative): 1.5 TWH Lead Customer Accounts: 200 Number of Meters: 7200 The successful Supplier shall supply gas (and any required ancillary service) to all sites within the YPO portfolio that wish to use the framework, provided that there are no industry related objections (e.g. Customer's account has overdue debt) from the incumbent supplier, and provided that the customer has a satisfactory credit rating (if a Customer has a lower than satisfactory credit rating, then wherever possible it would be expected that the Supplier would work flexibly with YPO and the Customer to offer a solution, e.g. to request more stringent payment terms).

The Framework Agreement is non-exclusive; Customers give no undertaking that they will purchase the whole or any of their requirements through this Framework Agreement and they may decide not to do so.

For the supply of gas, the Framework Agreement shall allow for pricing to Customers based on a fixed price where all the purchasing is completed before the delivery period (Price in Advance).

The Framework Agreement shall also enable the option for pricing to the Customer based on a provisional price to the Customer followed by a cash reconciliation payment (annual or monthly) where purchasing continues into the delivery period (Price Within Period).

The Framework Agreement shall also allow YPO to adopt any other trading strategies that are available within the Supplier's range of trading strategies.

YPO reserves the right to change or amend the buying strategy during the term of the framework at no additional cost to the management fee.

The framework agreement shall allow YPO to trade gas from the market ahead of the Framework start date, to allow sufficient volumes to be available in readiness for the contract start date.

Throughout the framework term, sites will be added and deleted from the portfolio in line with Customer requirements. These changes must be confirmed in writing between the Customer, YPO and the Supplier, and on the agreed forms. These forms shall be submitted prior to the reconciliation of any volumes that may have an effect on the overall portfolio.

The Framework Agreement shall provide Customers with the additional option of a fixed price contract. This may be on an interim, short term basis to cover contract start dates that do not align with the contract start period for a flexible contract, or it could be a longer term fixed price contract.

The Framework Agreement shall, at the discretion of YPO, provide those Customers whose contract start dates do not align with the annual contract start period of 1st April, with the option to join the flexible price contract at any point during the contract year.

The Framework Agreement shall permit YPO to introduce a number of distinct customer trading baskets; each basket will provide for a different trading strategy. It is anticipated that each separate customer will be placed into their preferred trading basket, and gas will be traded separately for each customer basket.

Customers may swap between different baskets during the framework term as and when required, at the discretion of YPO.

This framework will allow YPO to purchase fixed price contracts for customers as and when required, and these fixed term contracts shall be permitted to extend beyond the framework end date if required by the Customer.

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