



Joint procurement of green electricity - Eleven municipalities and the province of Drenthe, The Netherlands

End 2001 – 1 July 2003

Introduction

In 2003, the community of Assen received the Dutch Sustainable Procurement Prize for its leading role in the joint procurement of green electricity by eleven municipalities and the province of Drenthe (The Netherlands). Now, agreements are defined in a framework agreement with the energy supplier, complete with annual energy conservation targets and ambitions for various projects with solar and wind energy, hot/cold storage, bio-mass and hydroelectric power.

Implementation

At an early stage, in depth discussions were held with politicians and civil organisations on the environmental and financial benefits of joint procurement, and existing procurement practices. These discussions helped convince local authorities to participate in a joint procurement of green electricity.

In 2002, Hans Slot from the municipality of Assen and Jan Koops from the province of Drenthe, set up a project team responsible for the development and implementation of the project. Also, an advisory workgroup was established, involving facility managers, procurers and environment co-ordinators from the municipalities and the province. After the call for tender was finalised by the project team, a European procurement took place and a supplier was selected. A single contract was signed with the winning supplier on behalf of all participating authorities.

Challenges faced

During the process, Slot continuously had to approach the individual councils. This proved to be rather unpractical. It takes, for instance, 4 to 6 weeks before a council can come to an accord, and offers from energy suppliers are valid for only 14 days. An important lesson learned is therefore to organise the decision-making process well. The joint procurement of gas, which is currently being prepared, is organised differently. The call for tender is proposed to the involved councils only once. After they have approved the document, the project team deals with the implementation and only comes back to the councils when a framework agreement is finalised. Also, it was agreed that when 75% of the councils approves, the other councils should also accord, thereby ensuring advantages of scale.

Another important aspect is internal communication within the administrations involved. In some municipalities, for example, it was discovered that departments were making their own agreements with the old supplier, as they did not know they fell under the new contract.



Results

Currently, all municipalities in the province and the province itself purchase 100% green electricity, representing some 4,000 electrical connections, and an electricity use of 45 million kWh per year.

By purchasing jointly, the authorities save €300,000 per year. Partly, this money is being invested in energy saving and sustainable energy (solar and wind energy, hot/cold storage, bio-mass and hydroelectric power) and in communication and education projects. Primary schoolchildren in Drenthe are being made aware of sustainable energy, and two municipalities will install solar panels at different schools.

An important result of this collaborative project is the insight gained into energy costs. In the past, around 2,400 invoices were processed each year, which is expensive. The communities and the province now receive one total and transparent invoice that goes to one department. Also, it was agreed with the supplier that better insight should be given into energy consumption figures.

Future perspectives

Private households will be given the opportunity to join the green electricity project.

As a follow up to the project, the municipalities and the province are now working together on the procurement of gas, with a special interest for sustainable alternatives, like bio- or deposit gas.

In September 2006, a project concerning energy efficiency in public buildings will start.

A project will be launched on improving energy efficiency in low-income households, supported by the Dutch Ministry of Housing, Spatial Planning and the Environment.

In 2003, the Assen local authority received the Sustainable Procurement Prize for its leading role in the project. The project was praised for its combination of the demand for green electricity plus the investments in energy saving and sustainable energy.

Based on information available at: <http://www.senternovem.nl/duurzaaminkopen>, and an interview with Hans Slot.

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