



EURO
CITIES

Cyd Cymru - collective energy switching

In search of a better energy deal

Grouping consumers together to negotiate with energy suppliers can provide great savings to local communities. Cardiff is leading a scheme that allows households in Wales to group together and approach energy suppliers in search of a better deal.

While the price of energy in the UK has risen by as much as 24% between 2009 and 2012, household incomes have only grown by 2.9%. This is making people's basic energy demands, for example cooking and heating, less affordable. The most vulnerable people are likely to be the worst affected, and are at risk of fuel poverty.

How does it work?



Collective energy buying schemes mean consumers can band together to negotiate with energy suppliers to get the best rate on the market.

Ramesh Patel, Cardiff City Council's cabinet member for transport, planning & sustainability

This is exactly what the Cyd Cymru ('Wales Together') initiative does. It invites residents to sign up online or by phone over a six week period, providing as much detail as possible about their energy behaviour and consumption. The information from all the participating households is sent to energy suppliers, who can use it as a basis to develop new tariffs or revise existing ones.

A few weeks later an 'energy auction' takes place, where the suppliers battle it out to offer the lowest price. With each round, suppliers offer a better deal until no one submits a lower bid. The winner of the last round wins the auction, and further agreements are made with the winning supplier to secure the final tariff or contract. Factors such as the length of fixed price deals, customer service provision and tariff exit penalties are also taken into account.

Once the final tariff is agreed, each participating household is given a personal offer based on the information they provided. It is up to them to decide whether to make the switch or not. If they decide to switch, Cyd Cymru helps them do so, and if not it will inform them of their next opportunity to switch.

cities in action

December 2014

where: Cardiff, UK
what: environment, social affairs
when: 2013+

Group together for better deals



The more people that get involved, the greater the potential to gain a better deal.

Ramesh Patel

A larger group of customers is more appealing to the energy suppliers, and they are more inclined to offer competitive deals.

Cardiff City Council is leading the scheme, together with Vale of Glamorgan council and with the support of Welsh government, other local authorities and the housing associations.

With its large population, Cardiff can target significant numbers of participants within a relatively small geographic area.

Just over 47% of those who participated in the last switch were from Cardiff, demonstrating the city's role in providing the scale needed to make the project a success.

Given the advantages of involving bigger groups of people, the city has aligned its switch with partners including Liverpool, Manchester and Sheffield, as well as private sector employers, to form a larger collective of over 51,000 consumers.

The city also sees potential for collective switching at national level, which could provide even greater levels of savings for local communities.

Cardiff recognises the importance of developing the local brands, but would also like to spread the message of collective switching nationally and share its experiences more widely.

Savings for households

And the results are convincing: so far the scheme has saved participating households an average of £170 (€213) on their annual energy bill.

If everyone who registered for the switch had taken up the offer, a total of £1 million (€1.25m) could have been saved.

The scheme also generated around £20,000 (€25,000) in revenue for a community fund, as the winning energy suppliers paid a 'kick back' for every person switching fuel.

The first switch was open from October until December 2013, and the second from January until March.

Cardiff also used the opportunity to carry out a broader awareness raising campaign among its citizens, informing them about energy efficiency in their homes, and how to keep warm while also saving money.

