



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

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