

Membership of the  
Major Energy Users' Council (MEUC) est. 1987



**MAJOR  
ENERGY  
USERS'  
COUNCIL**

8 Fenchurch Place  
London  
EC3M 4AJ

T: 020 3432 0333  
E: [enquiries@meuc.co.uk](mailto:enquiries@meuc.co.uk)  
[www.meuc.co.uk](http://www.meuc.co.uk)

## **Introduction**

The MEUC is a dedicated corporate membership organisation supporting major energy and water using companies in industry, commerce and the public sector; buying, managing, understanding and reducing energy, carbon and water costs and consumption.

For more than 30 years the MEUC continues to provide vital information, contacts and networking to energy users, helping them to develop and maintain a competitive edge by minimising costs and usage.

The enduring need for a corporate membership organization is borne out by the essential requirement for a central managed community. A place to discuss best practice, understand the challenges and solutions others from the same and other sectors are putting in place and gain insight and provide input into both policy and regulatory direction at a national and international level.

In the words of one of our members:

*“The world of energy procurement is a complex one, membership of the MEUC has proved invaluable. Knowledge and guidance received from both the team and fellow members has given me a deeper understanding of the markets and the confidence to discuss strategies with the rest of the business.”*

*Graham Harrison,  
Purchasing Manager, Heron Foods*

Membership is available to those responsible for the procurement or management of energy, water in their business but relates to the whole company, so colleagues can make use of the membership in addition to the main contact.

The following pages layout why such an enduring need exists and the services provided within the membership for our community of energy and water professionals.

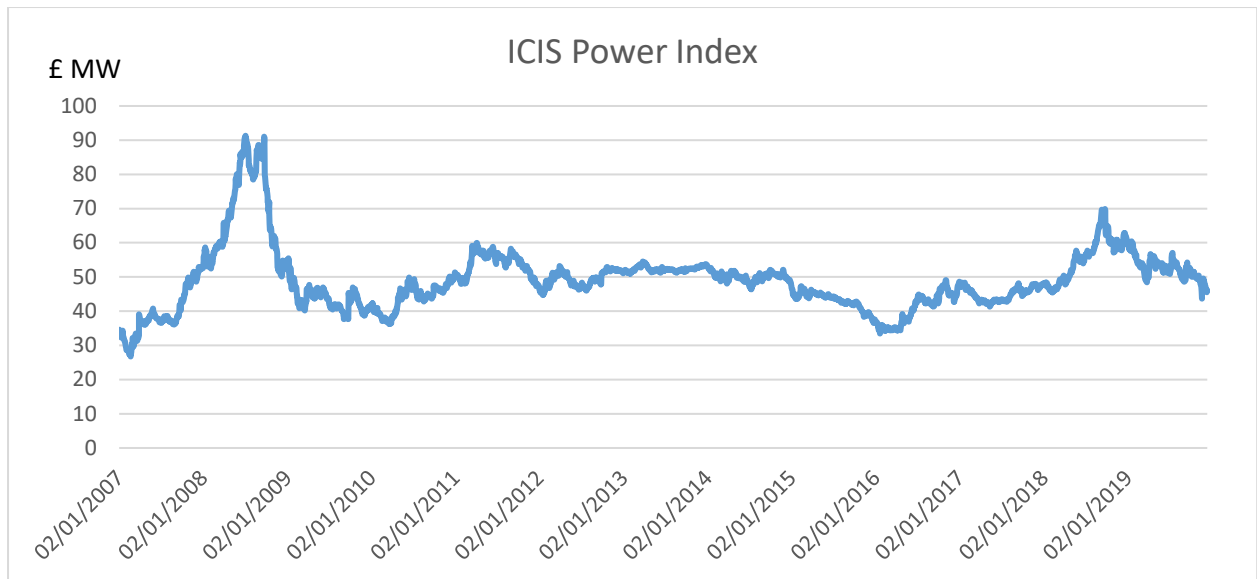
## Overview of UK energy market

The UK energy market is one of the most complex, dynamic and volatile internationally. It has and continues to experience major changes in its structure and operations, making decision making a serious challenge to all businesses, both large and small.

Examples of recent key changes includes;

- The significant growth in the use of renewable energy generation with the subsequent demise of coal as a fuel.
- Over 33% of all energy generated by renewable sources, with the strength of wind blowing across the UK and how much the sun shines having a major influence on the wholesale cost of energy.
- The legislative drive to improve the use of renewable energy raising the non-energy component of electricity costs from some 35% of the total per kWh paid to 60% in less than 10 years.
- The cost of carbon is now a major driver for wholesale electricity costs.
- Gas supplies from the UK continental shelf continuing to decline in importance whilst tankers filled with LNG now represents over 10% of all supplies consumed.
- Western Europe now sources over 30% of its total gas consumption from Russia, a trend that will only increase with the completion of Nord Stream 2 in 2020.
- The significant reduction in the number of major integrated energy suppliers, moving from the “Big 6” to basically only 2 operations and with this consolidation has come the tsunami of small new entrants, with a corresponding high failure rate, over 16 in the past 2 years.
- The UK becomes the first major economy to pass a net zero emissions law with the new target requiring all greenhouse gas emissions to net zero by 2050.

Although an island economy, the UK’s energy costs are driven by a plethora of both domestic and international drivers along with the introduction of increasingly onerous legislative instruments and taxes.



Trends in electricity wholesale costs (illustrated by the ICIS Power Index above), over the past 13 years clearly illustrates the volatility characterised by the UK energy market. To accentuate this price roller coaster, non-energy costs, which initially represented some 35% of the total kWh cost of electricity now are closer to 60%.

In order to effectively manage the procurement and use of gas, electricity and water, it is necessary to collate, analyse and understand a broad range of both domestic and international statistics and trends. Challenging as this analysis is, its creation is key to developing a successful risk management strategy.

*“Risk management is the identification, assessment, and prioritization of risks followed by the coordinated and economical application of resources (such as energy contracts/trading) to minimize, monitor, and control the probability and/or impact of unfortunate events or to maximize the realization of opportunities.”*

*Hubbard, Douglas in The Failure of Risk Management:  
Why It's Broken and How to Fix It (2009)*

Energy markets are completely unpredictable. In April 2011, international energy markets were relatively quiet. Then an earthquake in Japan, a Tsunami striking the Japanese coast, an election in Baden-Württemberg won by the Green Party and a German chancellor shutting down eight nuclear power plants over the weekend in a knee-jerk reaction resulted in markets for electricity and gas in North-Western Europe rising by 20% in less than a week.

However, risk management is not energy trading.

## What the MEUC delivers

- Provides clear, concise and understandable analysis and comment on UK energy and water – markets, legislation, regulation, policy, compliance and planning; to make informed decisions.
- Brings together members and invited stakeholders, particularly energy and energy service providers to highlight, discuss and share best practice
- Can use its unique and comprehensive network of industry contacts to identify, address and help resolve a broad range of members' energy problems
- Ensures its members are not only informed of policy developments but have an opportunity for their needs and wants to be promoted to legislative decision makers.
- Positively influence Government departments, regulators and energy agencies in shaping the UK's current and future energy, environmental and water scenarios.
- Tailored training for energy procurement and management

The above benefits come in a range of formats, from seminars and conferences to specialist workshops designed to address specific issues and trends, training etc.... that are potentially impacting members. Weekly, monthly and quarterly publications keep members abreast of key issues and market developments. The sharing of experiences and information (that comply with EU Competition law) can be vital when considering new aspects of any energy strategy. When members need specific and confidential support, the MEUC provides face to face discussion.

## Broader Representation

The MEUC represents its members on a broad range of stakeholder organisations such as;

Ofgem Large User Group | Access and forward charges challenge group | Charging futures forum | National Grid Power Responsive Steering Group | Gas Transmission – The Future of Gas | Future Energy Scenarios | Northern Powergrid Stakeholder panel | RIIO-II – Electricity System Operator Customer User Group | RIIO-II – Electricity Transmission Customer User Group | RIIO-II – Gas Transmission Customer User Group | RIIO-II – Northern Gas Networks Customer Engagement Group | EIUG (Energy Intensive Users' Group) | PGES Membership of the All-Party Parliamentary Group for Energy Studies | Ofwat | Defra | MOSL | Consumer Council for Water

In addition. MEUC's President, Lord Teverson aids the profile of MEUC in Westminster and hosts our annual House of Lords Reception providing a great opportunity to further network with difficult to reach contacts and make sure the voice of our members is heard.

With an experienced, knowledgeable and respected team on hand, you are assured that your membership will represent the voice of its members pursuing fairer costs and better policy.

## **Return on investment**

The annual fee (£3000+vat), provides access to the combined knowledge and experience of not only a significant number of major energy users in both the domestic and international energy markets, but also key commercial and legislative decision makers.

Members value that this 'assistance' is provided in a wholly neutral and confidential manner, without bias or influence from any commercial or political organisation and is free of any additional costs.

Members confirm that the quality, availability and timing of the 'market insight' provided by the MEUC provides significant commercial benefits in the procurement and cost of energy.

Our insight impacts elements such as;

- the timing, length and nature of energy contracts,
- problem resolution with bills and third-party charges,
- a clearer understanding of the impact of relevant legislative policy
- the development of effective risk management strategies.

Compared to the typical cost of energy consultants, the annual fee equates to significantly less than a few man-days of effort. Whilst savings of only points of a penny per kWh provide members with a significant and rapid payback when compared to the MEUC annual fee.

Planning and development of an appropriate and effective risk management strategy utilising MEUC skills and experience is an additional major benefit.

The following feedback from a recent survey into the current service offering succinctly demonstrates the benefit for that member.

*"The most targeted service we use which is very useful in a 'noisy' industry. Having a network of experts and colleagues dealing with the same issues is a useful comfort and sounding board. Energy Snapshots flag up important issues for I&C and help ensure we're not missing important developments."*

The MEUC provides a unique community and hub of energy expertise from which a wide range of industrial, commercial and public sector organisations have and have continued to benefit for over 30 years.

As a corporate membership, unlike many associations, membership covers the whole of your business – not simply a named individual.

## **Starting your journey as a member**

To progress your membership application, download and complete the brochure and application form. [https://library.meucnetwork.co.uk/MEUC\\_Member\\_Brochure.pdf](https://library.meucnetwork.co.uk/MEUC_Member_Brochure.pdf) or contact: Robin Hale, Chief Executive. 07835 176850 [robin.hale@meuc.co.uk](mailto:robin.hale@meuc.co.uk)