



EQUITY

ENERGIES

Andrew Donald

4th June 2026

APSE Southern Sports and Leisure Seminar 2026

Sustaining Leisure, Strengthening Communities



Thursday 4 June 2026

Madejski Stadium (now Select Car Leasing Stadium) M4,
Junction 11, Reading, RG2 0FL

Implications of cost of conflict to council sports and leisure budgets

- How global economic pressures and conflict are reshaping local authority leisure and sports budgets
- Maintaining access, participation, and inclusion under tightening budgets
- Energy costs, inflation, and funding gaps across council-run facilities

“He was so learned that he could name a horse in nine languages; so ignorant that he bought a cow to ride on”

Benjamin Franklin

Where is the energy market going?

Hello, Andrew

Ask Gemini



Tools



Create Image

Write

Build

Deep Research

Learn

Humans review some saved chats to improve Google AI. To stop this for future chats, turn off Gemini Apps activity. If this setting is on, don't enter info that you wouldn't want reviewed or used. [How it works](#)

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Where is the energy market going? 2025


Where is the UK energy Market going

- ◆ The UK energy market is undergoing a significant and transformative transition, driven primarily by ambitious climate change commitments (Net Zero by 2050) and the need to enhance energy security and affordability. [🔗](#)

In summary, the UK energy market is rapidly moving away from its traditional reliance on fossil fuels towards a **decentralized, highly-electrified, and flexible system** dominated by **low-carbon domestic sources** like wind, solar, and nuclear, with hydrogen and CCUS playing critical roles in hard-to-abate sectors. The path involves significant regulatory changes and massive infrastructure investment.

Where is the energy market going? 2026



In 2026, the UK energy market is undergoing a fundamental structural shift: energy is moving from a "national top-down" system to a "local bottom-up" one. For Local Authorities, this means transitioning from being mere consumers of energy to becoming **strategic stewards, generators, and market makers.** 

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MAKE AMERICA

GREAT AGAIN



45-47

It's all about Gas....

1. The "Marginal Pricing" Mechanism

- **The System:** UK electricity is priced via a "**pay-as-clear**" market system. Generators bid to meet demand, starting with the cheapest (renewables/nuclear).
- **The Rule:** The *most expensive* generator required to meet the final megawatt of demand sets the wholesale price for **all** generators active in that period.

2. Gas as the Gatekeeper

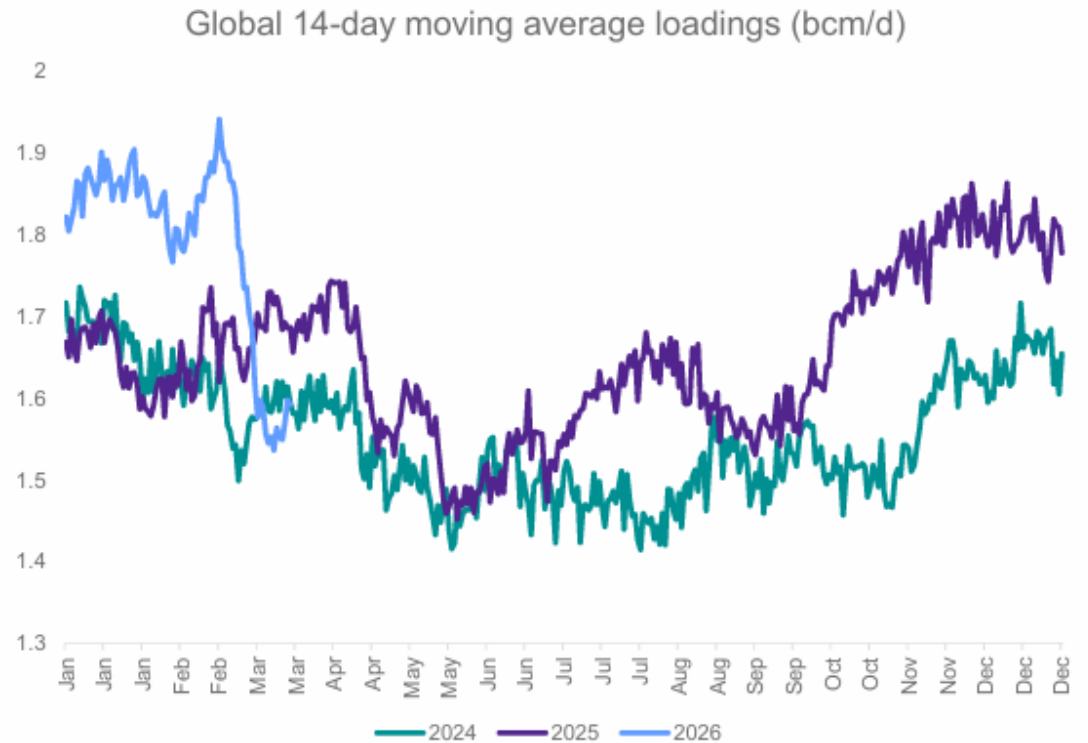
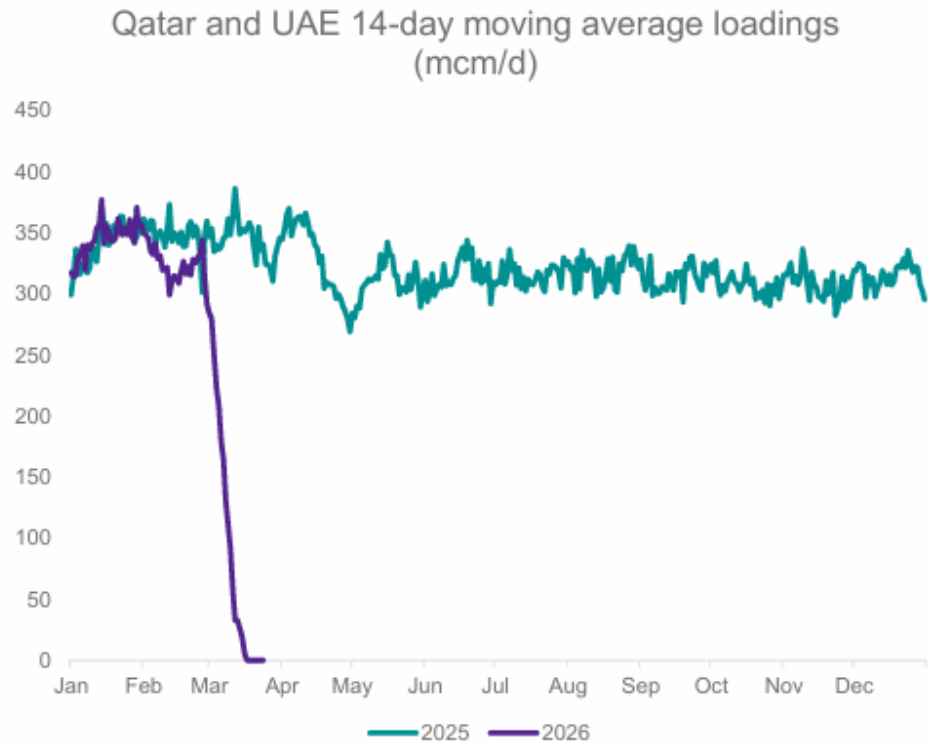
- **The Gap:** Because renewables are intermittent, flexible **gas-fired power plants** are consistently called upon to bridge the gap and keep the grid stable.
- **The Impact:** Gas sits at the top of the supply chain, meaning it sets the wholesale power price **85% to 95% of the time**, despite generating only ~30% of total volume.

3. Exposure to Global Volatility

- **Just-in-Time Reliance:** Low domestic gas storage capacity (approx. 12 days) leaves the UK highly exposed to international supply shocks and geopolitical spikes.
- **The Result:** When global gas prices surge, UK electricity bills spike immediately, regardless of how much wind or solar is on the grid.

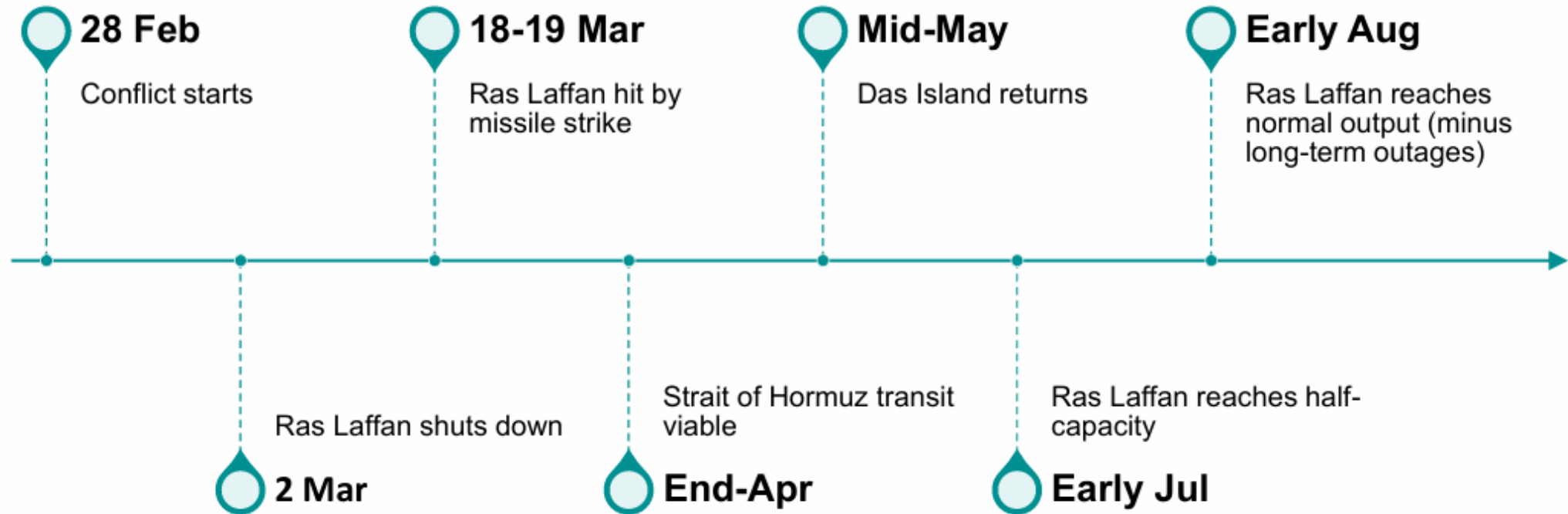
LNG Market in Turmoil

18% of LNG supply cut off from global market



Looking Forward

Setting assumptions



Looking Forward

Global supply drops





Expectations and forecasts of out-turn prices and ranges of possible out-turn prices are based on analysis of market conditions which involve risks and uncertainties and are not guarantees of future performance.

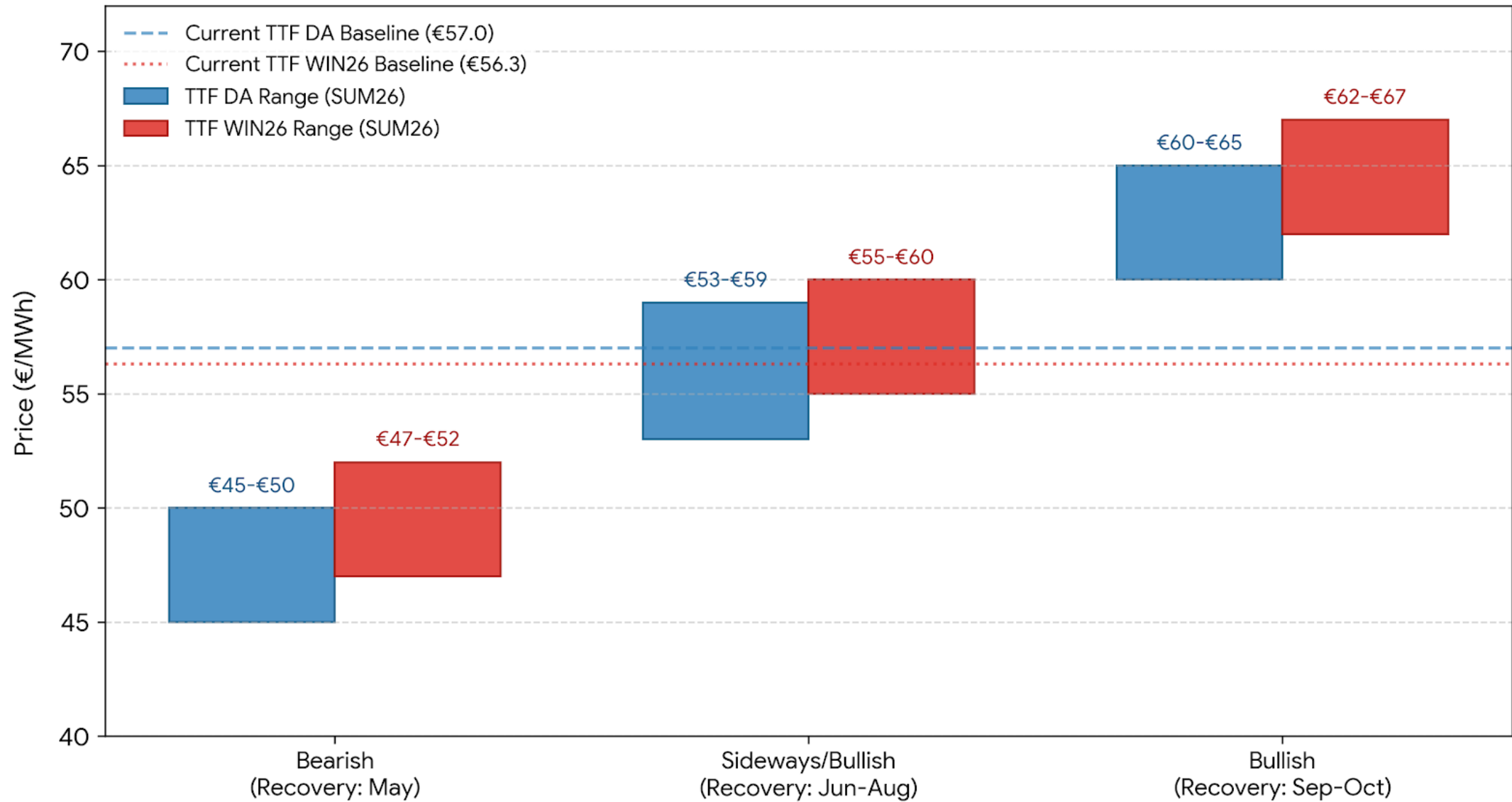
Actual out-turn prices and trends may differ materially from what is forecast due to a variety of factors.

Equity Energies cannot accept liability for errors and omissions and in no circumstances can be liable for losses, either direct or consequential.

Customers must exercise all due diligence and rely upon their own interpretation and judgement when taking commercial decisions.

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TTF Price Scenario Projections for SUM26 (Based on Middle East Supply Recovery Timelines as of 23 March 2026)



May Summary

GAS & POWER PRICING



GAS



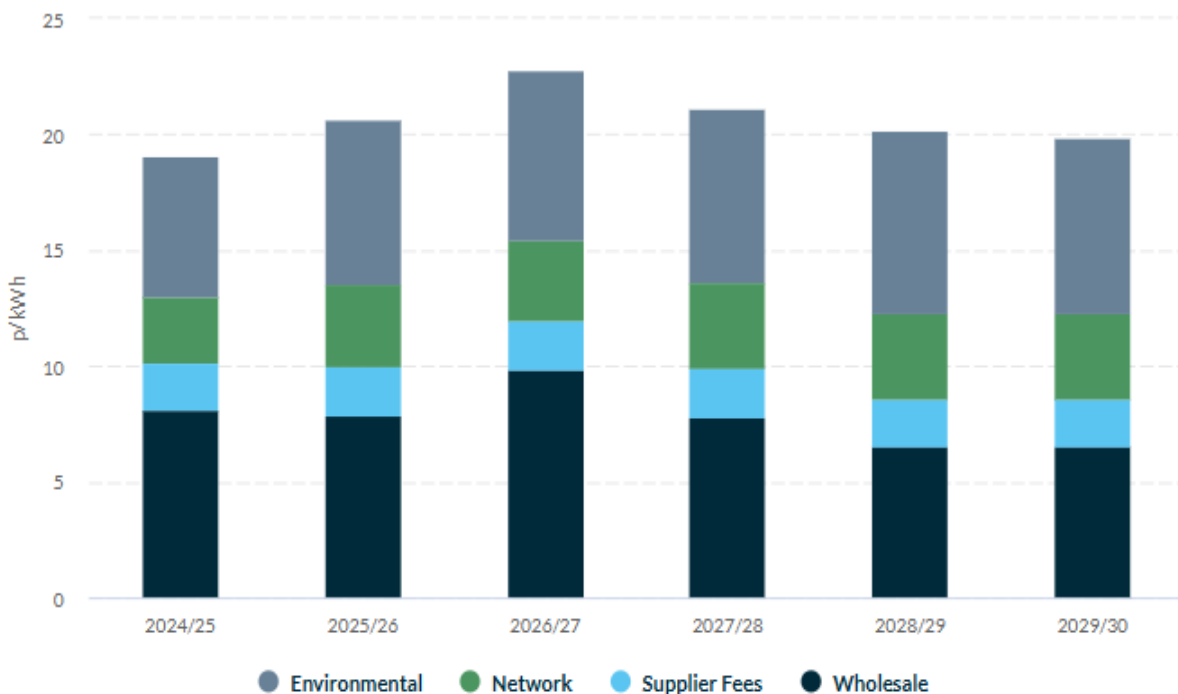
POWER

p/therm	30 Apr 26	29 May 26	Month-on-Month		Year-on-Year	
			Change	%	Change	%
Day Ahead	112.40	110.50	-1.90 ▼	-1.69 ▼	27.90 ▲	33.78 ▲
Jun-26	112.88	113.94	1.06 ▲	0.94 ▲	33.84 ▲	42.25 ▲
Q3-26	112.24	111.24	-1.00 ▼	-0.89 ▼	30.08 ▲	37.07 ▲
Win-26	115.30	113.69	-1.62 ▼	-1.40 ▼	25.24 ▲	28.53 ▲
Sum-27	86.36	83.14	-3.22 ▼	-3.73 ▼	11.66 ▲	16.32 ▲
Win-27	87.29	84.55	-2.74 ▼	-3.14 ▼	6.10 ▲	7.78 ▲
Sum-28	65.17	64.78	-0.39 ▼	-0.60 ▼	0.02 ▲	0.03 ▲
Win-28	71.84	72.50	0.66 ▲	0.91 ▲	-0.33 ▼	-0.46 ▼
Sum-29	59.63	58.55	-1.08 ▼	-1.81 ▼	-6.77 ▼	-10.36 ▼
Rolling 12M	112.51	108.51	-4.00 ▼	-3.56 ▼	22.18 ▲	25.69 ▲
Oct-26, 12M	100.83	98.41	-2.42 ▼	-2.40 ▼	18.45 ▲	23.07 ▲
Apr-27, 12M	86.83	83.84	-2.98 ▼	-3.44 ▼	8.88 ▲	11.85 ▲

£/MWh	30 Apr 26	29 May 26	Month-on-Month		Year-on-Year	
			Change	%	Change	%
Day Ahead	101.53	107.50	5.97 ▲	5.88 ▲	50.96 ▲	90.13 ▲
Jun-26	93.12	101.04	7.92 ▲	8.51 ▲	29.59 ▲	41.41 ▲
Q3-26	93.45	98.46	5.01 ▲	5.36 ▲	26.84 ▲	37.48 ▲
Win-26	97.34	100.30	2.96 ▲	3.04 ▲	19.89 ▲	24.74 ▲
Sum-27	75.31	76.55	1.24 ▲	1.64 ▲	13.14 ▲	20.72 ▲
Win-27	78.44	79.49	1.05 ▲	1.34 ▲	5.29 ▲	7.13 ▲
Sum-28	61.11	61.00	-0.11 ▼	-0.18 ▼	-0.84 ▼	-1.36 ▼
Win-28	69.20	69.69	0.49 ▲	0.71 ▲	-1.97 ▼	-2.75 ▼
Sum-29	61.36	60.39	-0.97 ▼	-1.59 ▼	-1.43 ▼	-2.32 ▼
Rolling 12M	94.38	96.26	1.88 ▲	1.99 ▲	17.87 ▲	22.80 ▲
Oct-26, 12M	86.33	88.42	2.10 ▲	2.43 ▲	16.51 ▲	22.96 ▲
Apr-27, 12M	76.88	78.02	1.14 ▲	1.49 ▲	9.21 ▲	13.39 ▲

Forward Pricing Estimates

Electricity Costs at Meter Point



p/kWh at Meter Point*	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Environmental	6.09	7.14	7.38	7.42	7.93	7.52
Network	2.79	3.56	3.50	3.78	3.65	3.69
Supplier Fees	2.10	2.10	2.10	2.10	2.10	2.10
Wholesale	8.11	7.89	9.85	7.80	6.53	6.53
TOTAL	19.09	20.69	22.83	21.10	20.21	19.84
Year-on-Year Change	0.92%	8.36%	10.36%	-7.57%	-4.22%	-1.83%

* All figures relate to a typical customer consuming 30 GWh of electricity per year. Actual costs may vary depending on client type, meter setup, geography and consumption.

What Can We Do

- **If our Energy Pricing Renewal is now**
- **If we are Mid Contract**

1. Fixed-Price Contracts (The Conservative Approach)

You lock in a set price per kilowatt-hour (kWh) with an energy supplier for a defined duration, usually between 1 to 5 years.

- **How it works:** The supplier purchases the entirety of your forecasted energy volume on the wholesale forward market the day you sign the contract.
- **Pros:** Complete budget certainty. Your energy costs will not change, regardless of geopolitical shocks, pipeline outages, or market spikes.
- **Cons:** No flexibility. If wholesale energy prices crash during your contract term, you are locked into paying the higher, pre-negotiated rate.

2. Flexible Purchasing (The Market-Active Approach)

Instead of buying all your energy at a single point in time, you buy your energy in smaller chunks (called "tranches" or blocks) over the course of the contract.

- **How it works:** You monitor the wholesale energy forward curve. You buy pieces of your future energy load (e.g., purchasing a block of your upcoming Winter 2026 gas requirement, or "TTF WIN26") when market dips occur.
- **Pros:** Allows you to capitalize on market downturns and smooths out the average price you pay over time.
- **Cons:** Requires market expertise. If the market spikes unexpectedly before you have locked in your tranches, you are exposed to high wholesale spot prices.

3. Green Power Purchasing (Sustainability Approach)

This strategy prioritizes sourcing energy directly from renewable generation assets to hit corporate ESG and net-zero targets.

- **How it works:** Organizations use Power Purchase Agreements (PPAs) to sign long-term deals (often 10–20 years) directly with a wind farm or solar park developer, bypassing traditional, volatile utility pricing grids.
- **Pros:** Delivers clear green credentials ("additionality") and protects against multi-year grid price inflation.
- **Cons:** Extremely long contract lengths and complex legal structuring.

Imminent Contract Renewal

Frameworks

- **Crown Commercial Service (CCS): The Scale Giant**

- **The Current Flagship Framework:** RM6390 (Supply of Energy and Decarbonisation Services) is rolling out as the direct successor to RM6251.
- **The 2026 Strategy Shift:** RM6390 specifically integrates traditional flexible electricity/gas supply with bureau services, real-time data metering, and decarbonisation consultancy.
- **PPA Integration:** CCS features advanced Power Purchase Agreement (PPA) integration via RM6289,

- **LASER Energy: The Flexible Specialist**

- **Key Frameworks:** Y22009 (Flex Electricity) and Y22008 (Flex Gas), both running through September 2028.
- **Unique Trading Choices:** LASER offers three distinct structural paths for multi-site portfolios:
 - **Purchase in Advance (PIA):** Locks in the entire portfolio's volume up to three years ahead of delivery. Ideal for rigid, predictable public sector budgets.
 - **Purchase Within a Period (PWP):** Blends advance hedging with short-term, "within-period" trading windows. Highly effective for catching summer "renewables discounts."
 - **Signal Basket:** An automated, algorithmic trading model designed to rapidly capitalise on market dips during high volatility.
- **The Net Zero DPS:** LASER also runs a standalone Net Zero Dynamic Purchasing System, making it incredibly easy to compliantly procure localised solar PV, LED upgrades, and heat pumps across a distributed estate.

- **ESPO & YPO: The Regional & Education Heavyweights**

- **ESPO (Framework 191):** Renowned for its transparent fee structures and exceptional multi-site billing reconciliation. Their flexible procurement options match the risk profile of mid-sized to large local authorities perfectly.
- **YPO:** Highly collaborative and structured to handle complex billing data across massive, disparate asset lists (e.g., streetlighting, corporate offices, and schools within a single borough).

Third Party Intermediaries (TPI's)

Market Shielding & Smart Procurement

- Wholesale Market Timing
- Framework Navigation

Advanced Bureau Services (Managing the Data Chaos)

- Invoice Anomalies
- Grid Capacity Waste
- Meter Management

Advanced Bureau Services (Managing the Data Chaos)

- Data for Compliance
- Asset Optimisation

What Can We Do

- If our Energy Pricing Renewal is now
- **If we are Mid Contract**



Reducing energy costs in leisure centres

By Alan Barber

APSE Energy Associate & Director of Salvis

1. The "Local Power Plan" & Great British Energy (GBE)

Launched in February 2026, the Local Power Plan is the centerpiece of the government's energy strategy for councils.

- **Funding:** Backed by up to **£1 billion** from Great British Energy, the plan aims to support over 1,000 local projects by 2030.
- **Municipal Ownership:** There is a heavy focus on "Shared Ownership" and "Municipal Energy." GBE is providing grants and loans for councils to build their own solar farms, wind projects, and battery storage.
- **The Goal:** To ensure the financial benefits of energy generation stay within the community rather than flowing to private multinationals.

2. Grid Reform: "First Ready, First Needed"

The days of the "first come, first served" connection queue are over. In 2026, **NESO** (National Energy System Operator) has fully implemented the **Gate 2 readiness** criteria.

- **Prioritisation:** Projects that are critical to the Clean Power 2030 targets and are "shovel-ready" (having planning and land rights) are being fast-tracked.
- **Regional Energy Strategic Plans (RESPs):** These are now the primary planning tool. Local Area Energy Plans (LAEPs) created by councils are being fed directly into RESPs to ensure network investment happens where councils actually plan to grow.

3. The Surge of "Behind-the-Meter" and Flexibility

With non-commodity costs (grid fees and levies) now making up nearly **60% of electricity bills**, councils are pivoting to "Behind-the-Meter" (BTM) solutions.

- **BTM Solar & Storage:** Growth in onsite generation is exceeding **1GW** annually as councils look to bypass the grid entirely for their own estates (leisure centers, depots, and schools).
- **Demand Side Response (DSR):** Local Authorities are increasingly using "Smart ToU" (Time-of-Use) tariffs. By shifting heavy energy loads to off-peak times, councils are saving significant sums on **TNUoS** (Transmission Network Use of System) charges, which have surged to fund grid upgrades.

4. The Warm Homes Plan & Heat Zoning

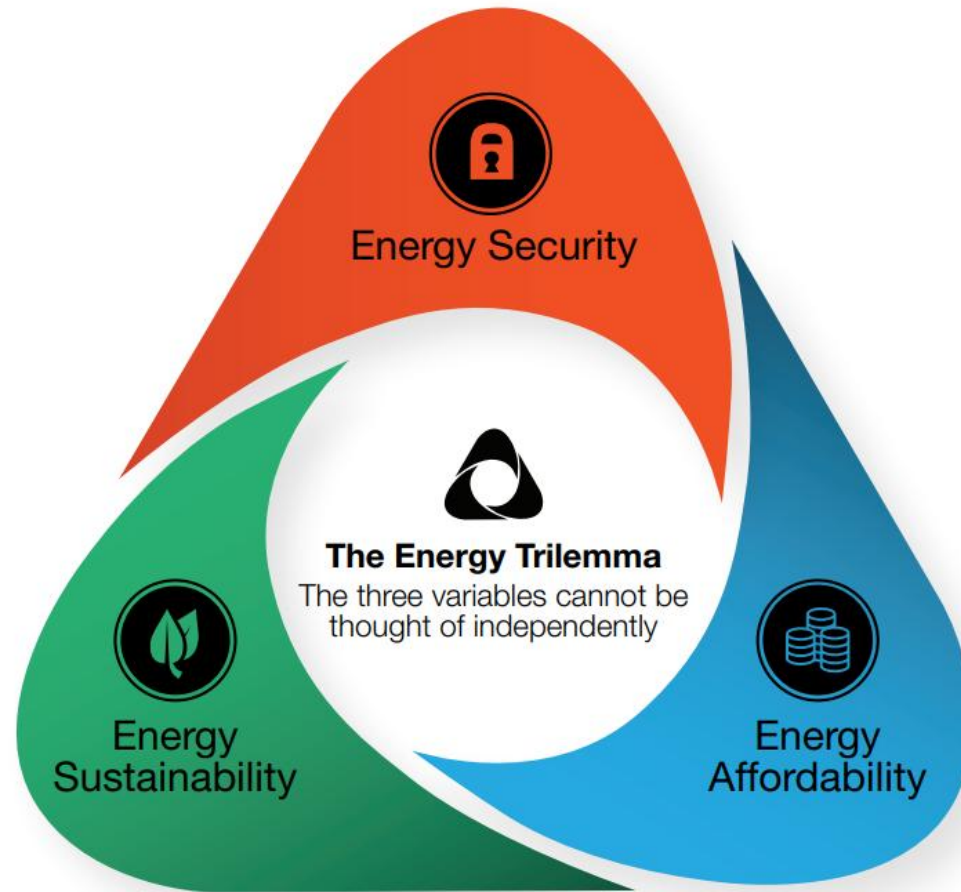
Councils have been officially designated as the strategic stewards of heat infrastructure.

- **Heat Networks:** 2026 marks a major push toward "**Heat Zoning.**" Councils are now lead partners in deciding where large-scale low-carbon heat networks are built.
- **Retrofit Delivery:** The Warm Homes Plan expects **£38 billion** of total investment over this Parliament, with councils serving as the core delivery partners for fuel-poverty programmes and place-based retrofitting.

Where is the energy market going?

Feature	Old Model (Pre-2024)	New Model (2026+)
Grid Access	First Come, First Served	First Ready, Strategic Need
Primary Goal	Energy Efficiency (Saving)	Energy Sovereignty (Generating)
Strategy	National top-down mandates	Regional Energy Strategic Plans (RESPs)
Revenue	Pure Expenditure (The Bill)	Wealth Retention (Shared Ownership)

Energy Trilemma



**NETWORK
OUTAGES**

SECURITY

AFFORDABILITY

SUSTAINABILITY



**WHOLESALE
COMMODITY COST**
(Gas/Power)

The diagram features a white iceberg floating on a dark blue sea under a light blue sky with white clouds. The iceberg is divided into a small tip above the water and a large, multi-layered base below the water. The layers below the water are stacked horizontally and color-coded from dark blue at the top to dark purple at the bottom.

TNUoS & DUoS
(Grid Charges)

CfD Levies

Capacity Market

Carbon Pricing

Balancing Services

Price Factors & How to Navigate Them

Targeted Charging Review (TCR) Banding Audit

Your fixed residual charge is determined by your site's **TCR Band**. Many council sites are "over-spec'd," sitting in a higher band than their actual peak demand requires.

- **Action:** Conduct a portfolio-wide audit of **Available Capacity (ASC)**. If your actual peak load is significantly lower than your contracted capacity, apply to your DNO for a capacity reduction before the next billing cycle.
- **Warning:** Reducing capacity can impact asset value and future-proofing (e.g., if you plan to add EV chargers next year).

Demand Side Response (DSR) & Load Shifting

While the *Residual* charge is fixed, the *Locational* and *Triad* elements (where they still apply in specific contract types) remain variable.

- **Action:** Use AI-managed building management systems (BMS) to shift high-load activities (e.g., leisure centre pool filtration or EV fleet charging) away from peak periods (typically 4 PM – 7 PM).

"Behind-the-Meter" Defection

The most effective way to "manage" TNUoS is to avoid the transmission grid entirely.

- **Action:** Prioritise onsite solar and battery storage for high-load sites. Energy generated and consumed onsite bypasses the transmission network, meaning you pay **£0 in TNUoS** for every kWh generated behind the meter.

2026/27 TNUoS Residual Banding Reference Table

TCR Band	Voltage / Criteria	2025/26 Annual Cost (Approx)	2026/27 Annual Cost (Confirmed)	% Increase
LV1	Low Voltage (<3,986 kWh/yr)	£1,426	£2,116	~48%
LV2	Low Voltage (3,986 - 13,677 kWh/yr)	£2,383	£4,201	~76%
LV3	Low Voltage (13,677 - 27,543 kWh/yr)	£3,742	£5,249	~40%
LV4	Low Voltage (>27,543 kWh/yr)	£8,300	£13,935	~68%
HV1	High Voltage (0 - 500 kVA)	£15,200	£24,320	~60%
HV3	High Voltage (1,100 - 2,000 kVA)	£67,677	£111,200	~64%
EHV4	Extra High Voltage (>20,000 kVA)	£2,010,000	£3,316,000	~65%

2026 Procurement Checklist

Checkpoint	Requirement
Contract Type	Confirm if your energy contract is "Pass-Through." If so, you are 100% exposed to the April 2026 hike.
Banding Review	Have you cross-referenced your Half-Hourly (HH) data against your TCR band in the last 6 months?
EII Exemption	If any of your operations (e.g., specific high-load waste processing) qualify as Energy Intensive, ensure your EII Certificate is up to date for the 90% TNUoS compensation scheme.
Solar/Battery Valuation	Recalculate the ROI for solar projects and battery storage. In 2026 for example, the "avoided TNUoS cost" often improves the payback period of a battery by 2–3 years.

Are you ready for the Local Power Plan?

1. Agree internal governance
2. Establish your energy baseline
3. Audit your estate for generation potential
4. Assess your grid connection position
5. Identify your ownership and partnership model
6. Map your planning position
7. Build your financial case
8. Identify your revenue model
9. Submit a GBE Expression of Interest
10. Seek expert support

From exposure to control

- **Step one:** Reduce grid dependence
- **Step two:** Generate and store on-site energy
- **Step three:** Optimise energy capacity and contracts
- **Step four:** Partner for long-term resilience

From provider to partner: why energy advice needs to change.

Energy was once a straightforward operational task, but today it's central to cost control, compliance, resilience, and strategy. Volatile prices, rising non-commodity costs, evolving regulations, and Net Zero commitments mean organisations must make confident, integrated decisions in a constantly changing landscape.

Risks and Trends for 2026

Market Trend

Rising Grid Fees

Grid Capacity

Regional Planning

Heat Decarbonisation

Issue for Local Authorities

Unpredictable, rising standing charges.

Years-long delays for new connections.

Resource-heavy engagement with NESO.

Skills shortage & supply chain gaps.

Strategic Response

Deploy Demand Side Response (DSR) to move load.

Focus on "Behind-the-Meter" generation.

Regional collaboration via Net Zero Hubs.

Aggregate projects. Utilise private finance.

“At my age, and after more than 25 years in Energy, I like to think I bring gravitas to the room - which is Latin for ‘too many slides and questionable metaphors.’” Andrew Donald

DCC Plc

Equity Energies is part of DCC Plc, a FTSE 100 Company with £20BN revenues globally.

DCC brings together a group of expert companies across the UK and Europe, combining local market knowledge with a shared ambition to deliver tailored, high-quality renewable energy solutions to businesses of all sizes.

We have the backing of a global giant but with the agility of a category specialist. This distinctive standing gives our clients reliability and innovation in equal measure.

- 1,000+ energy professionals in 7 markets
- 18+ specialist businesses across Europe delivering local expertise
- 250+ MW installed in 2024-25
- 30kt CO2e customer emissions avoided (est. 2024-25)
- €200m+ revenue in 2023-24

**One team.
One mission.
Zero carbon.**

DCC

EQUITY
ENERGIES

 NextEnergy

 Freedom
Heat Pumps

DT GEN ⚡

 CENTRECO

 protech
GROUP

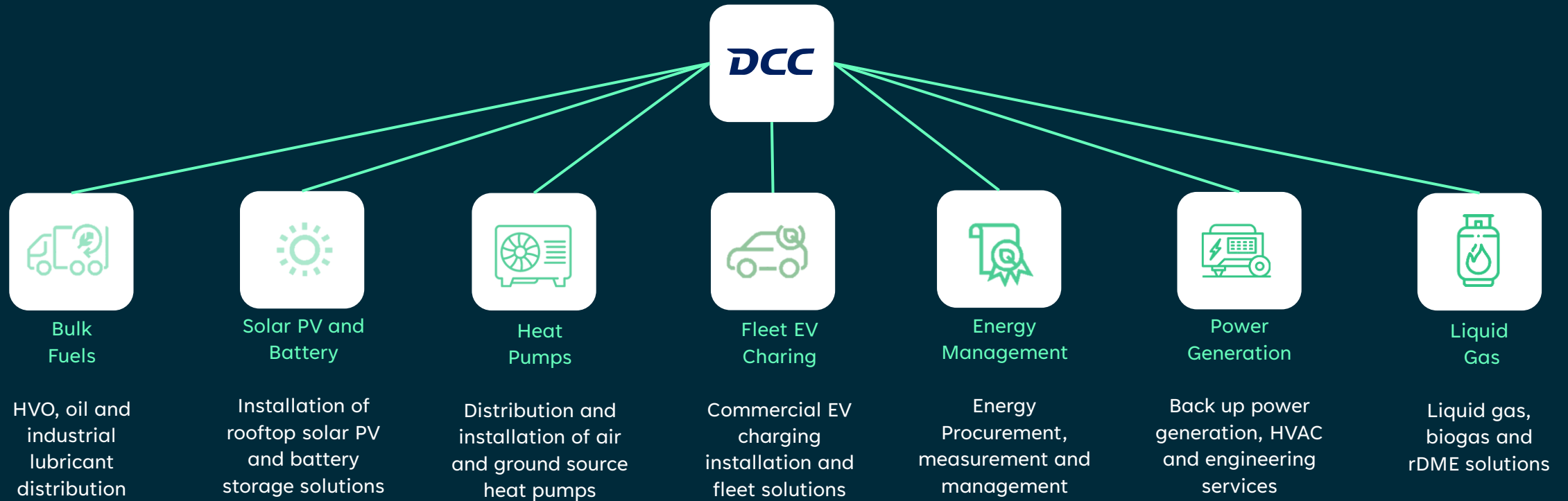
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energy

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One team, one mission, zero carbon

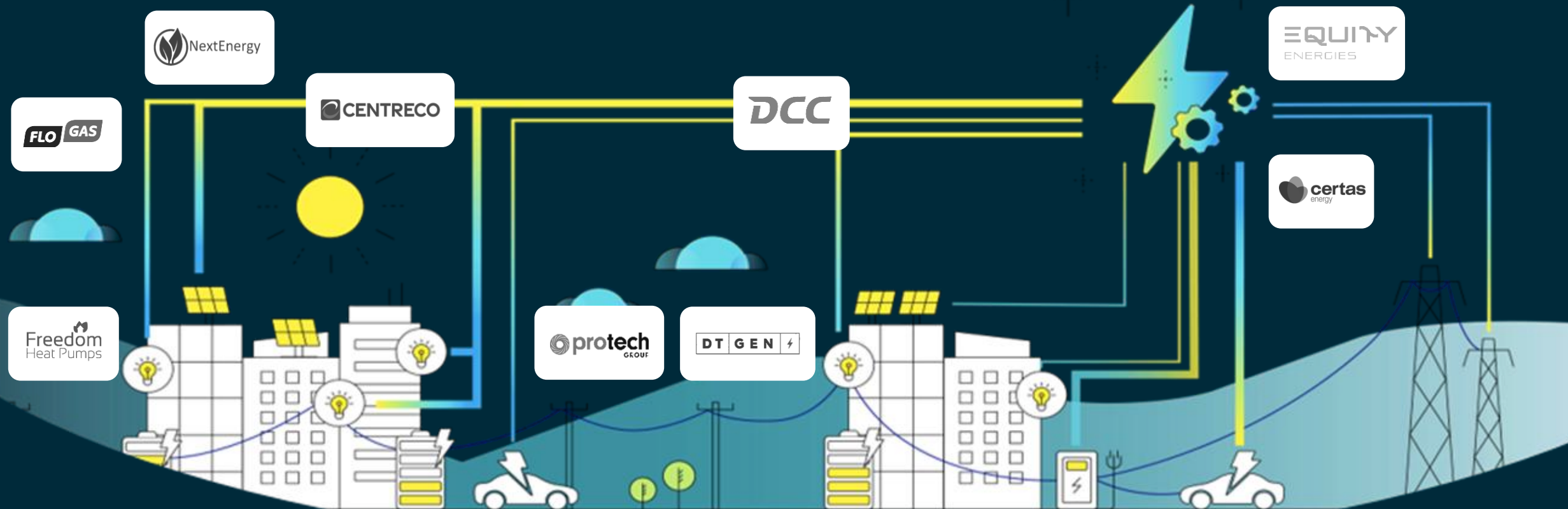
Our shared mission is helping businesses take control of their energy future through cleaner, smarter, and more competitive energy solutions.

Cleaner Energy in
Your Power



From complexity, to clarity

Achieving net zero takes the right partners. That's why DCC comes together as one team, delivering energy innovation, expertise to power your transition. From renewable energy, cleaner gas and diesel, electrification and advance energy management solutions. **We bring clarity to a complex energy landscape. Meeting you where you are, together we make net zero possible.**





Thank you.

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A 90-DAY ACTION PLAN

STEP 1: The "Trilemma Audit" (Weeks 1-4)

- Don't just look at finance. Map your top 10 energy-consuming sites against their carbon intensity and security risk. Identify where you are most exposed to volatile grid pricing and potential brownouts.

STEP 2: Secure "Virtual" Baseload (Weeks 5-8)

- Review your procurement strategy. Move away from standard variable tariffs. Investigate **Sleeved Power Purchase Agreements (PPAs)** to lock in long-term, fixed pricing directly from renewable generators, bypassing wholesale market volatility.

STEP 3: Define Your "Island" Strategy (Weeks 9-12)

- Identify one pilot site for "island mode" capability. Commission a feasibility study for combining on-site solar/heat networks with battery storage to allow the site to operate independently of the national grid during peak demand or outages.

TNUoS Revenue – Five Year View

£m Nominal	TNUoS Revenue				
	2026/27	2027/28	2028/29	2029/30	2030/31
TO Income from TNUoS					
National Grid Electricity Transmission	3,287.0	4,004.7	4,635.7	5,231.5	5,791.2
Scottish Power Transmission	1,082.9	1,465.6	1,496.0	1,621.2	1,713.9
SHE Transmission	2,083.1	2,546.4	3,302.0	3,770.6	3,867.2
Total TO Income from TNUoS	6,453.0	8,016.7	9,433.7	10,623.3	11,372.2
Other Income from TNUoS					
Other Pass-through from TNUoS	40.6	46.3	48.4	24.6	9.4
Offshore (plus interconnector contribution / allowance)	1,117.1	1,052.3	1,363.7	1,447.5	1,480.4
Total Other Income from TNUoS	1,157.7	1,098.7	1,412.1	1,472.1	1,489.8
Total to Collect from TNUoS	7,610.7	9,115.4	10,845.7	12,095.4	12,862.0

Based on January revenue submission received from Onshore and Offshore Transmission Owners and interconnectors, and latest revenue forecasts for the other pass-through items