



Changing the way  
businesses buy and  
manage energy.

# Northern Automotive Alliance Green Energy Flex Basket



Northern  
**automotive**  
Alliance

Speak to us today to discuss  
how our services can help your  
business save on its energy costs.

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ENERGY EVOLVING.



## The NAA is pleased to announce that it is working with Businesswise Solutions to help companies buy better and use less when it comes to their energy.

Following a detailed Procurement Exercise, the NAA selected Businesswise Solutions as the best fit for its **members'** needs for the following reasons:

- High-quality service
- A unique approach to reducing energy consumption through behavioural changes
- Commitment to promoting the use of Green Energy

### Businesswise Solutions

Changing the way businesses buy and manage energy, Businesswise Solutions provides expert energy buying and management solutions, helping large energy users reduce costs and consumption in a complex and evolving market.

As experts in energy and with a proven track record in the manufacturing sector, Businesswise Solutions understands the pain points of the automotive industry and takes a tailored approach when partnering with clients, to identify the best solution to reduce overheads. The service offering spans the following areas:

#### Energy procurement

Businesswise Solutions has outstanding trading abilities and vast experience in commercial gas and electricity purchasing. Its team of expert brokers takes time to understand the workings of a business, budgetary requirements and appetite for risk.

#### Energy management

Businesswise Solutions can help put a robust energy management strategy in place to ensure you meet your energy efficiency requirements while battling against rising energy prices and ever-changing compliance and government legislation.

#### Energy services

Businesswise Solutions provides a full suite of bureau services designed to meet the needs of its clients. These include bill validation and management through to query resolution and cost recovery.

## Opting for a flexible supply of energy enables businesses to minimise risk by purchasing in small amounts at optimum times.

Sounds perfect, doesn't it? Well, commonly, standalone flex contracts are only available to large energy users, but there is an option for smaller users; a flex energy basket.

A flex energy basket is ideal for anyone using from 1.5GWh of consumption right up to 10/15GWh.

## What is a basket and how does it work?

An energy basket is an ideal buying option for customers whose volume isn't large enough to secure a standalone flex agreement with a supplier.

By pooling your tradeable volume with other customers, you have better market buying power to purchase directly from the wholesale gas and power markets, to the benefit of all involved.

### Flexible purchasing offers:

- ✓ Budget certainty through the use of price caps
- ✓ Ability to manage non-commodity costs
- ✓ Full transparency in pricing
- ✓ An opportunity to benefit if the market commodity prices fall
- ✓ A risk managed trading strategy
- ✓ Dedicated trader support

### Our green energy flex basket offer

The Northern Automotive Alliance green energy basket is 100% renewable and is set up with suppliers and managed by our internal trading team.

Customers who join the basket enjoy all the usual benefits of a flexible contract, while Businesswise actively risk manage and trade the volume in the basket on their behalf.

We consider ours to be a three-pronged attack: fundamental analysis, technical analysis and risk management, all of which are vital to the **basket's** success.



## Fundamental analysis

Our trading desk maintains daily checks on Gas and Power demand and availability in the systems.

We keep a track of LNG cargo schedules into UK and Europe and both planned and unplanned outages of nuclear power stations and gas pipelines in both the UK and Europe.

We monitor the oil, coal and carbon markets that influence prices of gas and power in the UK and use short, medium and long-range weather forecasts to predict future demand. Currency markets (£/\$ and €/£) are monitored to see how the strength of the pound affects import costs and we ensure we keep on top of global economic news, as higher global growth pushes up commodity prices.

Utilising all of this information, we can build a picture of why the market is doing what it is and where it might go next.

## Technical analysis

Through access to the market analysis platform, Reuters, we are able to monitor daily price charts to see how price movements are developing, as the markets are ultimately driven by the number of buyers and sellers.

We detect patterns in price movements that can be used to time trades, while momentum indicators help us to track the strength of buyers and sellers in the market.

We mark key price levels such as resistance and support prices, monitor trends in prices and predict price targets and any key risk levels to aid risk management.

As in the fundamental 'prong', we use all of this information to help develop our overall analysis of the marketplace.

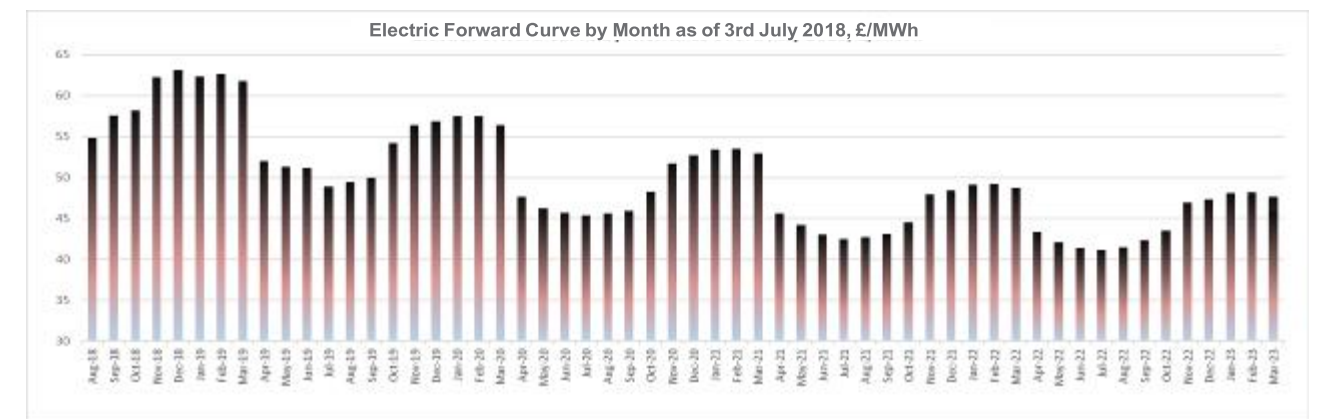
## Risk management

The value of flex purchasing means that we can lock and unlock buying in order to benefit when the market falls and reduce risk when it rises.

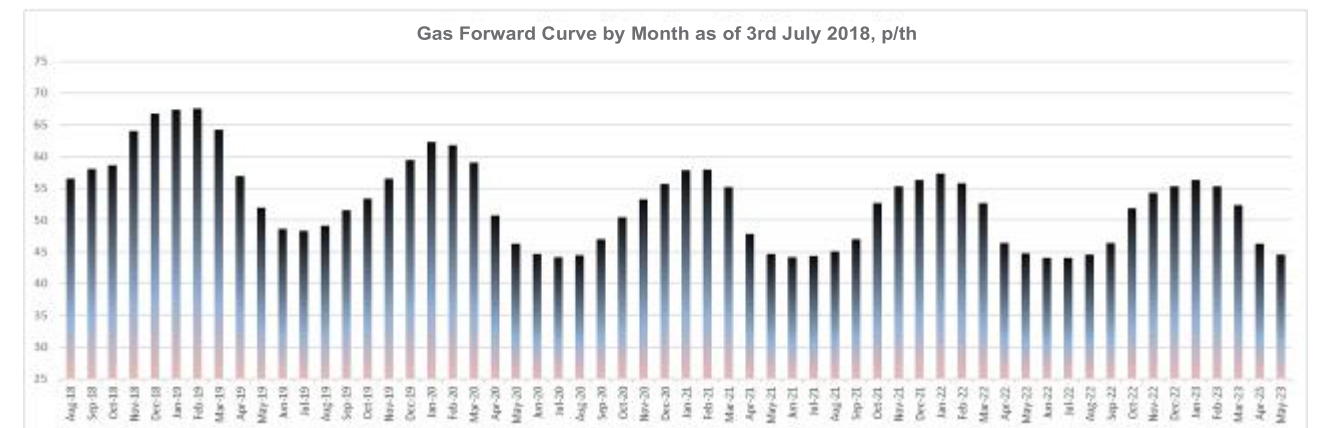
Using intelligent data, we can track and monitor each customer's position and costs within the basket and gain an understanding as to how changes in prices will affect their actual costs and bottom line.

We then use our expertise in the wholesale market to time trade activity at points which will benefit the customer.

### Electric forward curve by month £/MWh



### Gas forward curve by month p/th



The bar charts above show the future price of energy (as of 3rd July 2018) for each forward month. If you are on the right contract type, you can buy forward prices up to 30% cheaper than if you just take out a 12 month fixed price contract.

## Managing risk in different markets

The below graph shows a rising/falling market and the measures undertaken to ensure clients benefit when the market falls and reduce risk when it rises.



Lock  
 Unlock

1. From day one, the customer's estimated close price (ECP) tracks the market until a purchase is made
2. As the market begins to rise, purchases are made to reduce exposure to a rising market, in this case to a 100% hedge level
3. Customer's position is fully protected against a rising and volatile market
4. The market falls below a previous support level (green lines) indicating a change of direction, volume is re-exposed to the market to capture some of this benefit. More volume is exposed as the market continues to fall
5. The customer's price (yellow) changes according to the level of exposure to the market price, adjusted through buying and selling volume, through to delivery

The below graphs show two other markets, a rising market and a falling but volatile market.



### How do I go about joining the Northern Automotive Alliance green energy flexbasket?

The first step is to gather data so that we can get a good insight into your current contract end dates across your energy portfolio.

When you are confident you understand the workings of the basket, contracts are signed and returned and your volume is added to the basket.

When the basket has sufficient volume, it is closed and traded under risk management and price caps for the basket are sent to customers.

### Want to discuss our flex basket option further?

Call us on **01282 611 329** or email us at: **[enquiries@businesswisesolutions.co.uk](mailto:enquiries@businesswisesolutions.co.uk)**