CONCEPT

Energy Procurement and Electricity Purchasing: Tariffs, Tranche Buying and Supplier Tenders

9 – 13 May 2027
Jeddah - Corniche four-star



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Introduction:

Energy procurement decisions often happen at renewal deadlines, with invoices nobody has checked line by line, tariffs chosen by default and fixed prices locked in on a single day of market highs. The result is avoidable spend and budgets that miss by wide margins. This Core Concept course gives industrial and commercial buyers a disciplined method: decode electricity and gas invoices, reduce demand and network charges, compare fixed, indexed and tranche purchasing, set a price risk policy and run a supplier tender. Participants produce an Energy Buying Strategy and Supplier Tender Pack for a case site.

Course Objectives:

- Decode electricity and gas invoices into commodity, capacity, network, levy and tax components and check them against metered consumption
- Analyse half-hourly load profiles to cut peak demand, capacity and reactive power charges through tariff selection and load shifting
- Compare fixed, indexed, block and index, and tranche purchasing structures against a site's budget tolerance and risk appetite
- Draft an energy price risk policy with hedge ratios, trigger prices, authority limits and reporting lines for management approval
- Run a supplier tender for electricity, gas or fuel supply, including specification, bid evaluation and key contract terms
- Build an Energy Buying Strategy and Supplier Tender Pack with budget forecast, purchasing calendar and monitoring dashboard

Target Audience:

- Managers accountable for site or group energy budgets, supply contracts and utility spend
- Procurement managers who source and renew electricity, natural gas, diesel and fuel oil supply
- Finance and treasury managers who forecast energy cost, approve price fixes and report budget variance
- Facility and plant operations managers who control load, shift operating hours and manage site metering
- Commercial and cost control managers in manufacturing, logistics, retail, hospitality and property portfolios

Course Outline:

Day 1: Energy Cost Drivers, Invoice Anatomy and Current Spend Baseline

- Delivered Energy Price Stack: Commodity, Network, System, Levy and Tax Elements
- Electricity Invoice Line-by-Line Validation Against Meter Reads and Tariff Schedules
- Gas and Liquid Fuel Invoices: Calorific Value, Unit Conversion and Delivery Charges
- Spend Cube for Energy: Sites, Meters, Suppliers, Contract Expiry and Volumes
- Procurement Maturity Scorecard for a Participant Organisation

Day 2: Tariff Structures, Load Profiles and Demand Charge Control

- Tariff Classes by Voltage Level: Flat, Time-of-Use and Seasonal Rate Designs
- Maximum Demand, Capacity and Ratchet Charges: Calculation Worksheet
- Half-Hourly Interval Data Analysis: Load Duration Curve and Load Factor
- Power Factor Correction and Reactive Power Charge Avoidance
- Peak Shaving and Load Shifting Options: Scheduling, Storage and Standby Generation

Day 3: Purchasing Structures and Retail Supply Deal Design

- Fixed-Price, Pass-Through and Indexed Supply Offers Compared
- Block and Index and Shape Premium: Pricing a Profiled Supply Deal
- Tranche and Layered Buying: Clip Sizes, Purchase Windows and Averaging
- Gas Supply Agreements: Take-or-Pay, Swing Flexibility and Nomination Rules
- Supply Route Overview: Onsite Solar, Offsite Offtake and Green Tariff Options at Screening Level

Day 4: Price Risk, Hedging Governance and Contract Terms

- Forward Curve Reading and Budget-at-Risk Estimation for Energy Spend
- Energy Risk Policy: Hedge Ratio Bands, Trigger Prices and Stop-Loss Rules
- Authority Matrix, Purchasing Committee Charter and Deal Confirmation Controls
- Supplier Contract Clauses: Volume Tolerance, Change in Law, Credit Support and Termination
- Supplier Tender Process: Request for Proposal, Bid Normalisation and Evaluation Matrix

Day 5: Case Study: Energy Buying Strategy and Supplier Tender Pack

- Case Site Data Pack Review: Invoices, Interval Data and Existing Contracts
- Budget Forecast Build Under Low, Base and High Price Scenarios
- Purchasing Calendar and Hedge Plan Aligned to the Draft Risk Policy
- Supplier Tender Pack Assembly: Specification, Pricing Schedule and Scoring Sheet
- Monitoring Dashboard Design and Strategy Defence to a Peer Panel

Skills You Will Gain:

- Energy Invoice Validation
- Interval Load Data Analysis
- Demand Charge Reduction
- Supply Deal Structuring
- Energy Budget Forecasting
- Price Risk Governance
- Energy Supplier Tendering
- Energy Contract Clause Review

Why Attend This Course:

- Return with an Energy Buying Strategy and Supplier Tender Pack built on a realistic case site and tested by peers
- Find overcharges and avoidable demand penalties on current invoices before the next renewal
- Explain to finance why a tranche or indexed purchase gives better budget control than a single fixed-price deal
- Compare purchasing practice with buyers from manufacturing, logistics, retail, hospitality and property portfolios

Conclusion:

Energy buying is a managed discipline, not a once-a-year renewal. The course moves from invoice anatomy and spend baselining, through tariff classes, interval data and demand charges, to fixed, indexed, block and tranche purchasing and gas supply terms. It then covers forward curves, budget-at-risk, risk policy, approval controls, contract clauses and supplier tendering. The final day applies these methods to a case site and produces an Energy Buying Strategy and Supplier Tender Pack ready for management sign-off.