

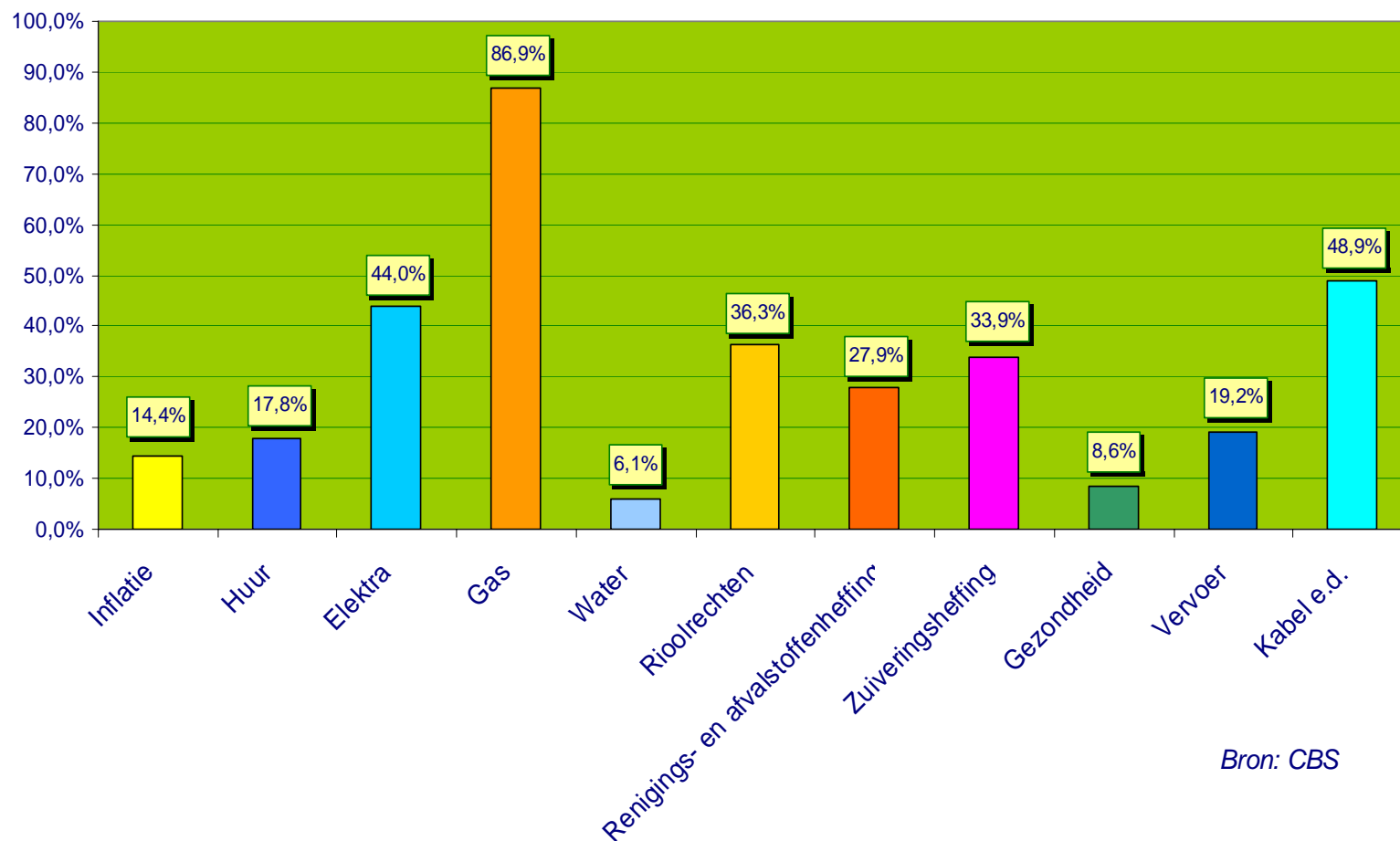


## **Ensuring fair energy prices for tenants**

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## Increase of cost 2000 t/m 2006



Bron: CBS



## How to reduce energy cost?

Prices of energy rising sky-high in the period 2000-2006:

Energy up to 87%!

Rent up with 18%

What social housing associations can do and are doing:

1. Reduce the energy demand by insulation, energy efficient boilers etc. > Action Plan HA's '**Renting with energy**'
2. Act as a broker on the energy market for their housing stock or their tenants > **WoonEnergie**
3. Provide energy services such as hot water for heating or even cooling with reasonable ROI



## Why did Aedes take action?

- ↓ Concern about energy prices
  - Liberalization of energy markets in 2004 (small businesses and consumers) started with dominant incumbents controlling the market
  - Barrier's to switch because of complex administrative procedures
  - At the start the national tax benefits for green energy were not passed on to the consumers
  - Consumers were not very active, tenants 'sitting ducks'
- ↓ Looking for obligations to provide more services to tenants
- ↓ Same problems appeared for the opening in 2002 for business contracts, also same benefits



## What action did Aedes undertake?

- ↓ First initiative taken in 2001-2002
- ↓ Developing a business concept and contracting in 2003 (opening in the Dutch energy market was delayed until mid 2004)
- ↓ Ensuring support from its members
- ↓ Investing in the further development
- ↓ Establishing a legal entity and operational organization
- ↓ One approach for business contracts and one for individual household contracts

Aim: maximum advantage for customers/tenants at low operating cost

# WoonEnergie benefit through cooperation





## The way it works

- ↓ Housing associations offer their tenants cheaper energy
- ↓ WoonEnergie takes over the marketing and the customer service
- ↓ Tenants authorize WoonEnergie to act on their behalf
- ↓ Contracted energy company supplies and invoices direct to the customer within the terms of the contract
- ↓ WoonEnergie takes care of contracting and monitoring of the back office performance of the energy supplier (SLA)



# Combined forces



woonenergie





## Results for tenants

- ↓ Largest consumer collective in the Netherlands with > 60.000 households
- ↓ App. 130 Housing Associations working together (i.e. > 25% of the number of Housing Associations)
- ↓ Energy price is one of the three lowest in the market
- ↓ An annual benefit of € 60 for the tenant
- ↓ Green electricity for the same price as 'grey'



## Results for business contracts

- ↓ One of the 5 leading collective buying organizations for energy in the Netherlands
- ↓ 30% market share within social housing and organizations for care and housing
- ↓ Also providing energy for houses for homeless people
- ↓ Average saving of 8-10% on energy cost
- ↓ Better conditions and services
- ↓ Annual volume for electricity > 300 GWh
- ↓ Annual volume for natural gas > 100 million m<sup>3</sup>



## Critical factors for success

- ↓ Commitment of member organizations
- ↓ Enough volume to make a difference
- ↓ Long term strategy, it takes time
- ↓ Uniform concept, clear 'brand'
- ↓ Good offer and added value
- ↓ Expertise of the market
- ↓ Excellent and reliable performance