



# Why choose Energy Procurement?

## The Australian Energy Exchange

To illustrate the performance of the Australian Energy Exchange – our online reverse auction platform for energy procurement, the outcomes from quote comparison auctions conducted over a 12 month period are provided.

A “quote comparison” auction is where Energy Action receives from its client a valid offer from an energy retailer or competing energy broker, on the energy component of an electricity contract. We use this offer as a benchmark and aim to achieve a better rate on the energy component via our online reverse auction platform the Australian Energy Exchange.

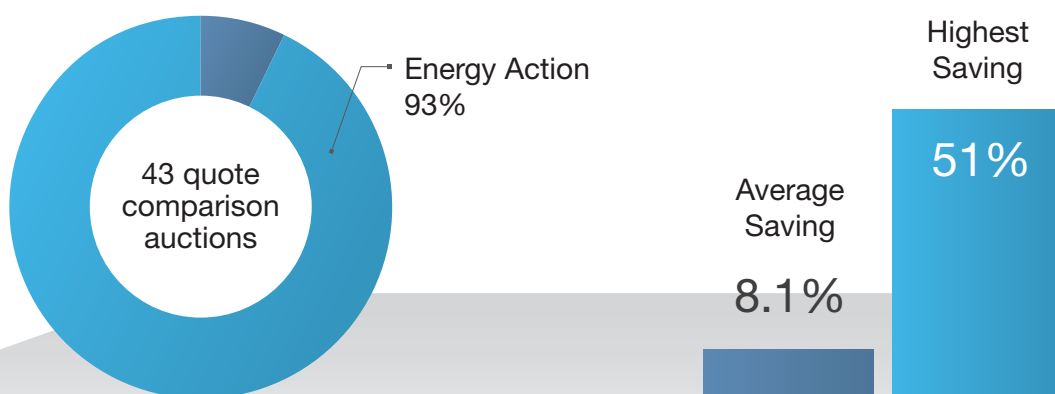
### QUOTE COMPARISON AUCTION RESULTS FOR JULY 2013 TO JULY 2014

#### What was the result?

Of the 43 quote comparison auctions conducted between July 2013 to July 2014, the Australian Energy Exchange yielded a better result 93% of the time.

#### What were the savings?

The average reduction achieved versus a valid offer on the energy component was an average saving of 8.1% with the highest saving of 51% achieved.



### Interested in saving money on your energy bills?

#### Contact Energy Action for more information on Energy Procurement

Phone: 1300 553 551 | Email: [info@energyaction.com.au](mailto:info@energyaction.com.au) | Web: [www.energyaction.com.au](http://www.energyaction.com.au)

## How does an online reverse auction work through the Australian Energy Exchange?



### Review your Requirements, Assess Options and Pre-Qualify for Auction

Basic billing information acquired from a recent energy bill is reviewed to ensure your energy contract is suited to an online reverse auction, which is for clients investing more than \$25,000 per annum on electricity or \$100,000 per annum on gas, and classified as a large site. For energy investment below this level, sites are classified as a small site and are priced by tender.

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### Build Energy Contract Specifications for Strategic Buying

Once your site is qualified we gather the necessary information with your permission to build a specification for your site. Energy Action understands the energy retailer's approach to their pricing, trading terms and strategic buying patterns. We know that they are able to offer sharper pricing when they can manage risk through "known load profiles", which are developed as part of building the site specifications.

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### Set Auction Date and Invite Energy Retailers

Next we work with your business to negotiate a suitable auction date and distribute your site specifications to energy retailers inviting them to participate in your auction. Prior to your auction, energy retailers will have logged in and begun building their "bids", with some energy retailers registering their interest to participate and then bidding on the day of auction where they can see the pricing they have to beat.

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### Auction Commences

The Australian Energy Exchange auctions are scheduled to run initially for 10 minutes. Energy retailers begin bidding, with bids received in the final 3 minutes triggering a 5 minute extension, ensuring all energy retailers have adequate time to prepare counter bids. You are able to view your auction live through the Australian Energy Exchange online platform to see the progress of the auction. With energy retailers bidding against each other, maximum price tension is created around your energy requirements, so you can expect a competitive price as a result of the reverse auction.

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### Auction Closes and Reports Developed

Once the auction has closed, the Energy Action team produce your detailed comparison reports, which are designed to help you understand and compare the bids relative to your requirements and make the most informed decision to select the best suited energy retailer and contract. The reports include a "Bid Behaviour Report", "Supply Point Estimate Reports" and "Supply Point Year-on-Year Comparison".

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### Selecting your Energy Retailer and Signing Contracts

The option of choosing an energy retailer lies with you. Our detailed reports on the energy retailers provide all the relevant pricing & commercial information to make your choice. In most cases, there is a limited validity period on the contracts, which may mean sharper pricing, so having this information means you can act quickly. Once you choose an energy retailer, Energy Action facilitates the transfer of your contract to the energy retailer of your choice.

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