

Purchasing Energy – 10 Tips for PCCs

Dealing with the energy demands of Churches used to be comparatively straightforward and was often delegated to the Treasurer or other financially minded PCC member. Those times have changed and this was one reason that our Diocese set up the Green Journey to encourage parishes to be aware of the environment and often to save money at the same time.

The current energy market sets new challenges for us all. Those of you who are members of the Green Journey have successfully reduced your carbon footprint and most have been totally protected from the more recent financial increase in energy costs by the timely placing of contracts.

The majority of the 250 churches who use the scheme have benefited from a three year tariff at 2019 prices. Energy prices have now risen considerably, but the Green Journey team are specialists in energy procurement and can usually find a good unit price/standing charge to suit your energy use. Renewable electricity and carbon offset gas get your church very close to carbon net zero too! Find out more about Green Journey [here](#).

Energy Top Tips to Aid PCCs

1. **Take advice** about your energy from a known intermediary. We recommend Green Journey but there are other intermediaries.
2. **Avoid dealing with cold calling salespeople.** They often imply that they represent your current energy company. Their questioning of you will reveal that they do not, but that they want to insert themselves into the contract between yourselves and your existing company and they will charge top prices to the church in doing so. Churches are surprised to find that although their invoices are from a known energy company they have a contract with a third party. Cold callers typically try to get you to agree a verbal contract on the phone, this can be by agreeing to a number of questions they ask while on the call.
3. **Ensure that you have energy contracts in place.** The cost of “out of contract” energy is substantially more than “in contract” energy especially at today’s prices.
4. **Place forward contracts in order to avoid spikes in the price.** These are contracts taken out in advance of their date of commencement. We continue to see considerable movement in the daily prices of energy. Do not leave renewal until the last minute. Prices will typically be higher in the last 30 days as the supplier will need to purchase on the near term market. We, sadly, hear of many churches that only make last minute arrangements and pay a premium for their energy.

5. **Ensure that you understand the cost of the contract *before* you enter into it.** Some companies or church energy providers offer blind pricing whereby you enter the contract today and find out the cost in a number of months. Look at the standing charge, unit rate, annual consumption and length of contact which make up the total cost of the contract.
6. **Ensure that you complete a VAT Declaration.** It appears many churches are still paying VAT at 20% when they should be paying VAT at 5%. In particular check your winter energy bill as your summer bills may be correct. This is a recurring problem caused because Places of Worship are uniquely dealt with by Energy Companies as businesses that pay reduced VAT. Many companies appear to use a computer check box to tell the computer what to do and for various reasons the checkbox loses its tick! Problems are particularly prevalent at the start of a new contract even when it is with the same company.
7. **Think about your daily standing charge.** The large rise in standing charges means that your usage is a particularly important aspect in choosing a new contract. Ensure that you understand your usage and that you use an intermediary who can access the energy market. Some intermediaries only use one supplier! Green Journey has shown that the chosen supplier for one church will not necessarily offer the most cost effective green tariff for another church, even within the same benefice.
8. **Ensure that you are not paying estimated energy bills.** In a recent case it was discovered that a Church enquiring to join Green Journey had paid for over 150,000 units of electricity it had not used. It had paid by monthly Direct Debit every month since having a Smart Meter installed in 2012 but the Smart meter had been unable to contact the supplier because of the thickness of the Church wall. No readings had been taken by the supplier or the Church for over ten years. The Church believe the supplier should have checked the meter, but had paid without ever checking the meter themselves. A very substantial refund is now due.
9. **Complete the annual Energy Footprinting Tool.** The Energy Footprinting Tool part of the annual Online Parish Returns. By entering your electric/gas/oil usage you receive a carbon emissions report for your church which can be added to your APCM reports. For members of Green Journey energy usage is completed for you. If you are not a member of Green Journey ensure your energy footprint tool is completed and that you understand your carbon footprint. Find help on how to reduce your church's carbon footprint [here](#).
10. **Consider commissioning an energy audit.** There are many inefficient boilers that are emitting high levels of carbon. Make a plan to replace these before they breakdown. Be aware that LED lighting offers very quick payback periods on any investment and LED use will normally aid, not hinder, parish finances. Find out more about energy audits [here](#). For help funding environmental improvements eg LED lighting, renewable heating, consider applying for a Diocesan Church Buildings Grant, details [here](#).