

Electricity sleeving and supply extensions Risk Register

Negative Risks that offer a threat to the renewal of the Gas supply contracts (Aim - Reduce Level of Risk)

Ref	Risk Description	Key Causes	Key Consequence	Status Open / Closed	Strategic Theme	Risk Category	Risk Owner	Key Mitigations	Direction of travel	Current Risk Level			Monetary Impact of Risk £k	Risk Tolerance			
										Likelihood	Impact	Risk Rating		Likelihood	Impact	Risk Rating	Date
1	Deemed rates	Existing contracts expire before replacement arrangements are put in place	Significant increase (x2) in rates charged until new contracts are put in place	Open		Financial Loss / Gain	Energy Supply	Renewal is being sought well in advance of current contract expiry	Down	1	5	3	c£650K per month in Winter	1	1	1	Jul-23
2	Transition rates	Renewal of contracts does not integrate with flexible procurement buying cycle	Need for an interim transition rate for first buying cycle	Open		Financial Loss / Gain	Energy Supply	Integration in to forward buying window for next supply contract is the key reason for seeking early renewal	Down	1	5	3	Up to 5% premium for a transition season, if required	1	1	1	Jul-23
3	Cost of Gas increases	Geopolitical and/or supply issues cause further instability in the internationally traded cost of natural gas	Significant increases in overall cost of gas supply	Open		Financial Loss / Gain	Energy Supply	Flexible procurement trading strategy will secure the best available price from the market, but cannot fully protect against situations such as the recent energy crisis Long term fixed price contracts unavailable in the current market, and incur additional costs as suppliers will transfer cost risks to BCC	Level	3	5	15	Prices in the peak of the Energy crisis were twice current levels	3	5	15	Jul-23
4	Lack of availability of Green Gas	Insufficient production of green gas (biomethane or hydrogen) in UK market to meet BCC requirement	Reputational damage if BCC is unable to achieve Carbon neutrality for the Corporate estate.	Open		Financial Loss / Gain	Energy Supply	Early confirmation of BCC requirements for Green Gas to secure as much as possible towards this requirement. Accelerate other decarbonisation measures.	Level	3	3	9	Overall reductions in gas demand will allow more of the 2025 Carbon Neutral estate to be supplied with Green Gas	2	3	6	Jul-23
5	Cost of Green Gas increases	Cost of green gas rises as a result of increased demand (GB-wide)	Reputational damage if BCC is unable to achieve Carbon neutrality for the Corporate estate. Additional costs of more expensive Green Gas	Open		Financial Loss / Gain	Energy Supply	Set a cost threshold for how much Green Gas BCC can afford to procure. Accelerate other decarbonisation measures.	Level	4	3	12	Future Green Gas prices projected to be twice current rates in the short term	4	3	12	Jul-23
6	Gas Demand does not fall as forecast	Delays in connecting BCC sites to DHN networks, delays in energy efficiency projects, reduced or late disposal of BCC properties	Gas usage is higher than forecast, with consequent increase in costs.	Open		Financial Loss / Gain	Energy Supply	Ensure that actual gas use is accurately tracked season to season, and that the supplier is kept informed of expected season ahead demand (this should mitigate against any volume penalties). Monitor DHN network development and energy efficiency programme delivery to track any project delays	Level	2	5	10	Higher than forecast gas consumption leading to higher costs	2	3	6	Jul-23