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## Landlord alliance to sell energy to tenants

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Landlords with 357,000 homes to form company to sell energy at cost price

*Source: Shutterstock*

A nationwide consortium of housing associations plans to set up an energy company to help tenants cut spiralling household fuel bills.

The Carbon Savings Alliance, a collective of 34 social landlords that own 357,000 homes between them, is in talks with an energy provider about creating an independent company to supply electricity to its tenants.

Under the plan, the alliance would buy energy at wholesale prices and convert void properties to the company - estimated to be 35,000 a year across the consortium - to the company as well as offering it to existing tenants.

It would have lower marketing costs than a traditional energy company because of its fixed customer base, and would pass on savings to tenants by selling energy at cost price.

Dave Greensmith, business development director at the Carbon Savings Alliance, said: 'Energy companies spend a huge amount of money recruiting new customers. Because of our volume of properties, we could reduce that cost and make a real saving for tenants.'

The consortium would also save costs by having centralised customer services staff.

Mr Greensmith expects the company to be in operation by the end of year. Set-up costs of around £20,000 will be met by the group's members.

The consortium would then apply for a junior licence from energy regulator Ofgem - known as a 'licence lite' - which would allow it to set up as a limited company to sell energy.

This process is expected to be completed within 18 months. The group is considering moving towards setting up as a full energy company within five years.

Mr Greensmith added: 'We are aiming to present a briefing paper to members at the end of September. The purpose of the Carbon Savings Alliance is to split the cost of this sort of venture.'

'We are in discussion with an energy company, and we will look to do white labelling and then move to licence lite.'

In the face of rising energy prices, several landlords are pursuing plans to enter the market. A Scottish and an English consortium are currently working on their own schemes.

However, the Carbon Savings Alliance, whose members include 60,000-home landlord the Guinness Partnership and 37,000-home Orbit Group, is the first of such scale.

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