

### Glossary of Terms

**Basket** – An aggregation of electricity consumers which provides the critical mass required in order to purchase Flexibly rather than purchasing a traditional Fixed term contract. Provides end users with access to the Day Ahead, Months, Quarters and Seasons market, reducing the risk and allowing for greater purchasing flexibility.

**Purchase in Advance (PIA)** – a type of basket offered by Laser, whereby all of the volume is procured before the delivery period and locked for 12 months.

**Purchased within Period (PWP)** – a type of basket offered by Laser, whereby some of the volume is procured before the delivery period and the remainder is purchased during the delivery period.

**Public Benefit Organisation (PBO)** – an organisation that can be used to procure commodities for groups of public sector bodies.

**Unhedged Volume** – future energy demand (volume) which has not yet been procured prior to the delivery period.

**Hedging** – refers to strategies for buying commodities in advance to mitigate risk and rising prices.

**Flex Framework** – a type of framework which allows for buying of commodities over time, by entering the market multiple times and following a hedging strategy. There are multiple types of basket available under the flex framework.

**Energy Commodity** – electricity, and natural gas, this refers to the commodity cost only (not including non-commodity costs such as green levies).

**Power Purchase Agreement (PPA)** – a mechanism used to sell energy from a generator, usually involving three parties: seller, energy supplier, and off-taker (buyer).

**Carbon Offsetting** – a method of reducing your carbon footprint by indirect action, e.g. buying renewable energy, or investing in off-site carbon reduction projects (such as planting trees).

**Laser POSO** – Laser's 'purchase only service offer' product under the flex framework, alternative to the Laser FM (fully managed) service.

**Third Party Intermediary (TPI)** – similar to a PBO, a separate entity that can procure commodities on behalf of groups of organisation such as public sector bodies.

**Metering Services** – services relating to the upkeep of energy metering, e.g. data collection/aggregation, and meter operator services.

**Green Energy** – energy generated from renewable (non-fossil fuel) systems, e.g. solar photovoltaic, and wind turbines.