

## How NEPO have supported Nexus through a challenging decade of electricity costs

**The Tyne and Wear Metro is fully powered by electricity and connects Newcastle, Gateshead, North Tyneside, South Tyneside and Sunderland. Consequently, electricity is one of the largest items in the Nexus budget, the organisation responsible for owning, operating and maintaining the Tyne and Wear Metro. Through NEPO's award-winning NEPO301 electricity framework, NEPO has supported Nexus to deliver on their mission of making public transport great for the environment, economy and local communities. Both organisations have worked collaboratively to navigate through a turbulent period of rising and volatile energy costs.**

Nexus delivers public transport services on behalf of the North East Mayoral Strategic Authority. In addition to the operation of the Tyne and Wear

Metro, it also manages the Shields Ferry, secures socially necessary bus services and manages a range of other infrastructure, as well as carrying out various other public transport functions, including management of concessionary fares schemes, and the provision of public transport information.

The Tyne and Wear Metro is the busiest light rail system outside of London, carrying over 30 million customer journeys annually and with that, contributing to the avoidance of an estimated 15 million car journeys annually. With electricity being a key line in the Nexus budget (6% of its gross operating cost base), it was important for them to access a solution with low carbon electricity that would achieve value for money whilst aligning with their environmental objectives



## A long-term collaboration improving efficiencies and costs

EDF Energy is the supplier for the NEPO301 electricity framework and is the UK's largest producer of low carbon electricity. NEPO and EDF Energy work together to assist with the reduction of energy consumption and costs via demand side services including energy audits, energy efficiency initiatives and access to renewable generation technologies.

It is through this solution that Nexus purchases circa. 63,000 Mwh a year of zero-carbon electricity for the Tyne and Wear Metro and their additional public transport functions. Nexus has nearly completed the rollout of its new class 555 Metro cars with the aim to have all 46 new trains available for customer service by the end of 2026. A £362 million programme, it sees the replacement of its fleet of class 599 trains that have operated since 1980, and consequently, expects to achieve further reductions in its environmental footprint.

The partnership has gone from strength to strength with regular meetings between the Nexus and NEPO senior leadership teams to discuss budgetary matters. Collaboration between Nexus, NEPO and EDF has also led to initiatives to improve efficiency, meter health and billing accuracy.



Over the past seven years, I have worked closely with NEPO on this framework and have seen the relationship develop and strengthen significantly. This positive collaboration also applies to EDF and the wider group of suppliers within the Energy category.

Given the significance of electricity charges as a proportion of our operating cost base, my primary focus is on timely and effective budget management, and I have worked with NEPO and EDF to ensure we have access to robust tools and data that enable this, which has provided immeasurable value given the volatility of the energy market in recent years.

**Gareth Hall,  
Accountant,  
Nexus**

## Supporting the wider community through rising costs

The NEPO301 framework scooped the award for Social Value at the National GO Awards and examples of the social value delivered via this solution can be demonstrated through the Nexus partnership.

Together, Nexus, NEPO and EDF unlocked social value funding to distribute pre-loaded Pop cards to various charity and social groups Nexus engages with.

A thousand Pop Pay As You Go smartcards, used to travel the transport network, were donated to many charities and groups supporting those struggling through the cost of living crisis including Oasis Community Housing, The Recruitment Junction and the Newcastle United Foundation.



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Travel is one of the biggest barriers for young people accessing our programmes so to be able to offer these really does help our team engage with the hardest to reach young people and give them even more opportunities and to inspire them to take their next steps in their employment journey

Newcastle United Foundation