Fixed or Flexible?

Choosing the Right Energy Purchasing Strategy for Your Business

Client refresher • September 2026

Purchasing energy efficiently and in significant quantities can be a challenging and risky undertaking. Fundamentally, it comes down to two basic strategies for entering into energy contracts: Fixed Price or Flexible. Which is right for your organisation depends on your appetite for risk, the scale of your consumption, and how closely you want to track the market. This note is a short refresher on both, and on why we buy the way we do.

The Fixed Price Strategy

A Fixed Price strategy involves committing to buy energy for a specific period — usually one to three years — at a price agreed at a single moment in time. In some respects, it is a lottery: there will be winners and losers. If the price agreed at the outset turns out to be favourable and remains stable relative to the market, you could be said to have won. However, the reality is that over a period of one to three years, prices will fluctuate considerably across seasons and years. Opportunities for significant savings can be missed, and in some cases the wrong kind of fixed-term contract can still leave you exposed to unexpected increases.

The Flexible Strategy

A Flexible strategy — well suited to larger consumers — is attracting growing interest, and when properly executed and understood it can offer considerable advantages. It involves purchasing energy at wholesale prices in parcels, at favourable moments on the fluctuating seasonal price curve. This curve is monitored using sophisticated market intelligence — the same calibre of tools used by energy suppliers themselves via their own trading desks — which weighs the many local and global factors that influence prices.

Under a flexible arrangement, pricing is made fully transparent to the consumer, and purchases can be structured in a variety of ways, including buying in advance of the supply start date when prices are favourable. Fluctuations in your own consumption can also be accommodated, reducing the penalties that a rigid fixed-volume contract might otherwise impose.

Who Qualifies for Flexible Purchasing

Flexible purchasing through our consortium baskets is available from the following annual consumption thresholds:

ELECTRICITY	GAS
175,000 kWh / year and upwards	**300,000 kWh / year and upwards**

Why We Buy in Tranches

Short-term and spot market prices are typically higher, and more volatile, than prices further out on the forward curve — especially during periods of heightened supply risk, such as those we are seeing across UK and European gas and power markets at present. Buying your entire annual requirement in a single transaction means accepting whatever the market happens to be doing on that one day, for better or worse.

That is why flexible purchasing is built around tranching: rather than buying all at once, volume is purchased in multiple smaller instalments, spread across many months and often years ahead of the delivery period. Some tranches will land on a more favourable day for prices, others on a less favourable one — but averaged together, this laddered approach smooths out the peaks and troughs of a volatile market, rather than betting your whole year's budget on a single moment in time.

How FCT Is Different

FCT (Future Corporate Technologies Ltd) is a consultancy, not a brokerage, and we operate on a fundamentally different basis as a result. We have access to the latest market intelligence and offer complete transparency in everything we do, including our management charges — which are modest when weighed against the potential savings we help our clients achieve.

We are a small company with low overheads, and we work for consumers, not suppliers. Our role is to help you secure the best possible deal, whichever strategy suits your business.

So, Which Is Best For Your Business?

There is no single right answer — the best strategy depends on your risk tolerance, consumption profile, and appetite for active market engagement:

- **Fixed Price** suits organisations that value budget certainty above all else and prefer to know their unit cost for the full contract term, accepting that they may not benefit if prices fall.
- **Flexible purchasing** suits larger consumers who can tolerate some price variability in exchange for the opportunity to buy well and reduce overall cost, supported by transparent, tranche-based market timing that smooths out short-term volatility.

For many larger consumers, a well-managed flexible strategy — properly explained and actively monitored — offers the greater long-term advantage. Our role is to make sure you understand the trade-offs clearly and are supported by the same calibre of market intelligence the suppliers themselves use, so the decision is an informed one rather than a guess.