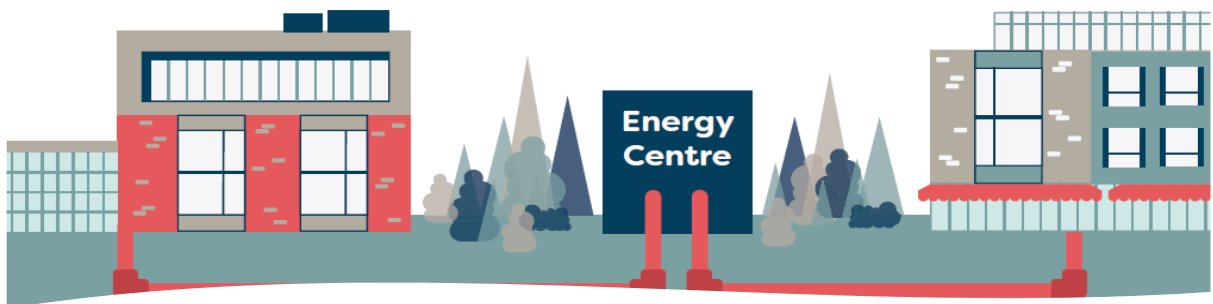




Draft Business Plan

April 2023 - March 2028



Executive Summary

The UK Government committed to net zero greenhouse gas emissions by 2050 in June 2019 in response to recommendations from the Committee on Climate Change 'Net Zero - the UK's contribution to stopping global warming' and the Intergovernmental Panel on Climate Change's special report on the need to further limit warming above pre-industrial levels 'Global Warming of 1.5°C'.

In October 2019, Members of Solihull MBC unanimously supported the recognition of a climate change emergency and that the Council should seek to minimise the environmental impacts of its own activities as well as contribute to the improvement of the wider environment through local action.

Emissions from heat are the single biggest contributor to UK emissions, accounting for over 40% energy consumption with the majority of buildings and industrial processes using fossil fuels to generate heat. There are over 400,000 tonnes of CO₂e emissions from heating in Solihull borough; this is almost 30% of Solihull's total emissions.

Decarbonising heat can be prohibitively expensive for buildings on an individual level. Low carbon or renewable alternatives are higher cost to retrofit than fossil fuel-based systems (most commonly gas boilers) or are limited in their application due to the need for scale in heat demand. Heating retrofit can also be very disruptive to occupants.

The Council's Net Zero Action Plan was approved by Cabinet in November 2021 and the development of a Solihull Town Centre Low Carbon Energy Network will be a major Net Zero infrastructure commitment that will immediately decarbonise heat in the Town Centre; delivering affordable low carbon energy. The first phase of the network will provide heat and power to public and private sector customers, including Council owned buildings and education campuses. It is intended that future phases will then connect other buildings in the Town Centre and also link planned commercial or residential developments in accordance with the Council's Town Centre Masterplan. The town centre energy network will be the first of its kind in Solihull and will pave the way for similar projects around the borough.

Solihull Energy Limited has been established as a Council owned Special Purpose Vehicle (SPV) to ring fence risk, provide flexibility for third party transactions and enable the sale of electricity via private wire exemptions in the Electricity Act 1989. The establishment of an SPV is also a requirement of the Heat Network Investment Project (HNIP), from which over £6m of investment has been received towards the Town Centre Energy Network and a further £3m has been requested.

The initial vision for Solihull Energy is to develop phase 1 of the Solihull Town Centre Low Carbon Energy Network to deliver short and long term carbon savings, making a material contribution to the climate emergency and as well as providing good value to customers. A town centre energy network provides a unique opportunity for existing buildings and new development to benefit from low carbon heat generation with minimal disruption, and in a cost-effective manner.

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Glossary

ASHP	Air Source Heat Pump
CHP	Gas Combined Heat and Power Engine
DBOM	Design, Build, Operate and Maintain contract
ESCo	Energy Services Company
HNIP	Heat Networks Investment Project
SMBC	Solihull Metropolitan Borough Council
SPV	Special Purpose Vehicle
WMCA	West Midlands Combined Authority

Introduction

Solihull Council recognises the need to tackle carbon emissions within the Borough, to support local, national and international climate change targets. The Council has an ambition to become net zero by 2041 and for its own buildings by 2030.

Solihull Energy Limited is a Council owned Special Purpose Vehicle (SPV). The company will have an initial focus on constructing and managing the Solihull Town Centre Low Carbon Energy Network with an ambition to develop the network through future phases of expansion.

The Council have been responsible for developing a Full Business Case for the Town Centre Energy Network. As a key part of this, Officers have completed a competitive dialogue procurement process to select a preferred bidder for the Design, Build, Operate and Maintain (DBOM) contract.

At Cabinet on 9th March 2023, Members are being asked to approve entering into a Shareholders Agreement (of which this Business Plan is part) with Solihull Energy Limited, approve the borrowing required for investment into the company and to endorse Solihull Energy Limited entering into a contract with Vital Energi Limited as the DBOM contractor.

The Town Centre Low Carbon Energy Network will be a major Net Zero infrastructure commitment that will immediately decarbonise heat in the Town Centre and deliver affordable low carbon energy to town centre occupiers.

Vision

To develop a Low Carbon Energy Network for Solihull Town Centre, providing affordable low carbon energy to existing occupiers and new town centre development, supporting the transition to a low carbon economy and the delivery of Solihull's net zero carbon ambition.

Delivery Objectives

The key delivery objectives for the Town Centre Energy Network are set out below as critical success factors; these have been consistent throughout the development of the Outline Business Case through into the conclusion of the Full Business Case. Solihull Energy will ensure that these critical success factors continue to be relevant during the delivery of phase 1 of the network and through into future phases of network expansion.

1	Carbon dioxide savings over the entire network
2	Carbon dioxide savings for the Council
3	Energy cost equivalence to customers
4	Energy cost equivalence to the Council
5	Low Carbon heat generation (minimum 50% derived from a low carbon source)
6	Zero Council cost over project lifetime (40 years)

Solihull Town Centre Energy Network¹

The Phase 1 energy network will be supplied with heat and power from a centrally located energy centre adjacent to Tudor Grange Leisure Centre. The energy centre received full planning permission in May 2021; designed to nestle into the surrounding park features whilst also providing opportunity for expansion as the network develops.

The phase 1 network will connect 4 public sector buildings and 2 education campuses across 2.3km of heat network and 1.5km of electricity network.

The energy centre plant (phase 1) comprises:

- 1.7 MW air source heat pump with evaporators located on the roof
- 1.6 MWe natural gas combined heat and power plant (CHP)
- Circa 4 MW of natural gas or electric boilers for back-up heat
- 200,000 litres of thermal storage tanks

The Phase 1 energy centre will generate:

- Circa 3,497,000 kWh of heat per year from the air source heat pump
- Circa 7,345,000 kWh of heat per year from the CHP plant
- Circa 731,000 kWh of heat per year from the back up boilers
- Circa 7,164,000 kWh of electricity per year from the CHP plant

The carbon savings associated with the phase 1 network, measured against a business-as-usual case of individual gas boilers and grid electricity in all connecting buildings, is 26,109 tCO₂e over 25 years (or 36,483 tCO₂e over 40 years assuming that all technology and customers remain the same).

The key benefits of the Town Centre Energy Network in phase 1 include:

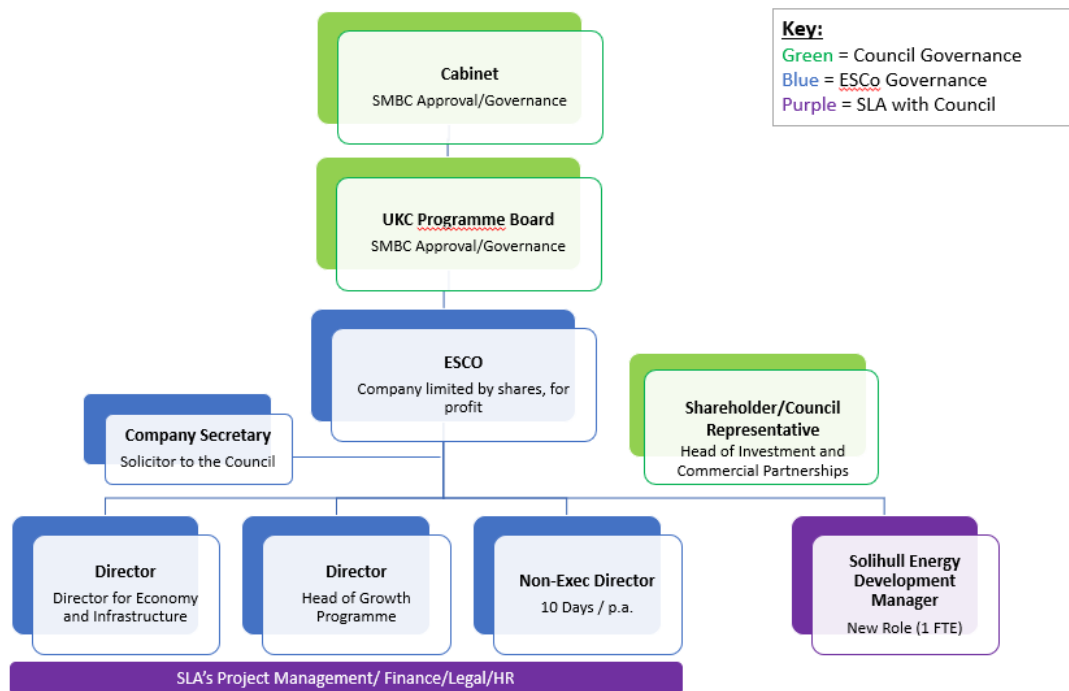
- A public funded project providing economic, social and environmental benefits.
- No upfront charge for existing buildings connecting to the network.
- Heat (and electricity) at a tariff comparable to whole life-cycle cost of heat produced from existing (gas) sources - "green for the price of brown"
- A fully managed heat (and electricity) supply service that will manage all aspects of building connection at no cost.
- A network to be built and operated by an experienced and well-established heat network provider.

It is intended to further develop the network through into the town centre, providing low carbon heat to major development sites identified within the Council's Town Centre Masterplan.

¹ This represents the intended specification and outputs for the network; these will be defined further by the DBOM contractor once in contract.

Company Management and Governance

Solihull Energy is a wholly owned company of Solihull Council but with an independent Board consisting of two Directors, one Non-Exec director (to be appointed) and a full-time Development Manager. Service Level Agreements will be formed to establish the responsibilities required of the Council's project management, finance, HR and IT colleagues; the key activities required within these SLAs are set out in appendix 1.



The Shareholder Agreement sets out further detail regarding the composition of the Board and their key responsibilities. The Board is quorate with two Directors, each Director having one vote. The Chair does not have a casting vote. The Directors will ensure that the annual budget is met and the company builds up a reputation as a professional service delivery company with a high quality of customer service.

Once the Board has been established as a trading entity, the Board shall appoint a Non-Exec Director who will have relevant industry experience. The Board will also appoint a full time Development Manager with this role initially being fulfilled on a part time basis from the Council's UK Central Programme Management Office.

The Shareholder Representative (or Council Representative) is a key post on the Board, ensuring that the Council's interests are accounted for and any matters that require escalation to the sole shareholder (the Council) can be raised either individually or through the established UKC Programme Board, of which the Council's Chief Executive Chairs and through to Cabinet Members as appropriate.

Design, Build, Operate and Maintain Contract

Form of Contract

The DBOM Contract is a bespoke form of contract based on the Standardised Operation and Maintenance Set (SOMS) contract templates developed by Triple Point Investment Partnership on behalf of the Department for Business, Energy and Industrial Strategy (BEIS). The SOMS templates align with the template supply and connection agreements also being used for the customers and are designed specifically for energy network schemes.

Duration of Contract

The DBOM Contract is for an initial 15 years with up to a 10-year extension period (extended at the discretion of the ESCo). The duration of the DBOM Contract is critical to driving quality and best value lifecycle and carbon reduction. A 15-year initial term is aligned to the major heat generation plant lifecycle.

Major plant replacement

Major heating plant replacement costs have been accounted for within the financial model, with end of plant replacement decisions being the responsibility of the ESCo to enable future further decarbonisation and investment informed by future energy policy. Decisions of payment of dividends after debt repayment will be by agreement between the ESCo and the Council but this is likely to be ring fenced as a sinking fund for major replacement costs. Day to day and planned maintenance and repairs will be the DBOM Contractor's responsibility and therefore included in the Operation and Maintenance service charge. The DBOM Contract does not preclude the DBOM Contractor bringing forward external investment at a future date.

Metering and Billing services

Metering and Billing is a highly specialised service which requires significant infrastructure investment and staff resource, and there were no known wider Council plans at the point of procurement that presented suitable economies of scale. The Metering and Billing service will be managed by the DBOM contractor, who are suitable specialist service providers.

Key Performance Indicators

A target CO₂ content per kilowatt hour of heat has been specified in the DBOM contract KPI Schedule to incentivise efficient and low carbon heat operations. Failure to meet the target CO₂ KPI will result in points and payments being levied against the DBOM Contractor. Other KPIs incentivise key performance items such as heat and power availability, water quality (direct link to maximising operational life of network), customer satisfaction and accuracy of billing. Where there is potential for direct financial detriment to the Council's Energy Service SPV for KPI failure, service payments will be levied.

Heat Price Strategy

The DBOM contract will pay a fixed price for heat and power which will encompass all planned and unplanned maintenance costs associated with operating the Energy Network. The ESCo will sell on this heat and power to its customers. The indexation used in customer supply agreements will match that used for the DBOM Contract to mitigate price risk to the ESCo over the duration of the contract.

Customer Pricing Strategy (Phase 1 customers)

Phase 1 customer heat supply prices will originate from an agreed counterfactual position incorporating current gas purchase price, existing heating system efficiency, and current operational and maintenance costs. This represents the whole life cycle cost of the current service provision and is calculated over a 20-year period.

The customer pricing strategy for future customers will be defined by the ESCo board, once established.

Contract Responsibilities

1. The DBOM Contractor is responsible for the purchase of gas and electricity.
2. The Contractor takes volume risk and is also required to assess the demand of customers during the design stage.
3. The ESCo holds the supply agreements and receives the income from the customers.
4. The ESCo pays both a fixed and variable cost for the Operate and Maintain (O&M) part of the DBOM contract and input utilities required to supply the agreed quantum of heat and power to customers (noting that actual demand will vary from this theoretical usage).
5. The variable gas and electricity input prices are set and agreed twice a year; coinciding with the dates for which the ESPO framework update their gas and electricity prices. The ESCo is then able to reflect changes to the underlying input fuels in the heat and electricity price as set out within the Customer supply agreements
6. The O&M fixed charge is subject to inflation only (CPI).

The Council retains the risk of non - connection, bad debt, void premises and reduced demand over that specified with the contract.

Financial Plan

The ESCo will be required to fund all project capital costs and own the full heat network infrastructure, including both the energy centre infrastructure and heat distribution network infrastructure.







The £18.4m capital cost of the project will be funded as follows:

- HNIP & WMCA Grant £9.7m
- Debt (provided by the Council) £5.4m
- Equity (provided by the Council) £3.3m

The Council would, in turn and subject to Cabinet approval, fund its debt and equity investment totalling £8.7m through prudential borrowing. A 40-year annuity loan at 4.8% has been assumed in the base case. The financial position for the Council is determined by the amount it pays to service the debt taken from the PWLB in order to finance the initial investment in the ESCo versus the income it will receive from the ESCo in the form of debt principal, interest, and dividends.

Financial analysis concludes that the ESCo will generate sufficient profit over 40 years to provide £11.612m of dividend and equity payments to the Council. The 40-year cashflow for the SPV as provided by Buro Happold, the project's commercial advisors is commercially sensitive and therefore attached as a private appendix.

Key outputs for the plan period 2023 - 2028

	Enter into the DBOM contract with Vital Energi Limited
	Deliver the construction of phase 1 of the Solihull Town Centre Energy Network
	Enter into Connection and Supply Agreements with phase 1 customers
	Manage the contract with Vital Energi Limited, ensuring that all contractual commitments are delivered and Customer Service remains high
	Develop opportunities to expand the network within the Town Centre including pursuit of suitable grant funding
	Review the structure of the Company as it grows

Appendix A - Day to Day and Service Level Agreement Activities

Day to day operations

Inward facing:

- Company policy writing and management (finance, procurement, HR and council liaison required)
- Scoping, procurement/ formalising ESCo. contractors/ SLAs
- HNIP and Council reporting (monthly/ quarterly)
- Customer complaints procedure/ redress
- Complaints management (liaison with relationship management lead)
- General office management
- Administration services

Outward facing:

- SLA management/ oversight
- Contract Management (client engineer, professional services)
- DBOM regular contract meetings (monthly?)
- Monthly/ annual KPI monitoring
- General change control proposals
- Design review oversight/ process management (construction)
- Contract amendments - identification/ management of.
- Low and High Value change control procedure usage (end to end management and contract adjustments)
- Liaison with Finance re all contractual matters (DBOM, SLAs, contractors)
- Change in Law (end to end management and contract adjustments)
- Management/ liaison with ESCo on all contract events/ mechanisms including KPI relief, KPI remediation plans, Force Majeure etc.
- Social value targets

Commercial/Legal

- DBOM and Customer relationship management
- Overall Contract Management (DBOM)
- 3-yearly DBOM review
- Monthly/ annual KPI monitoring
- DBOM regular contract meetings (monthly?)
- Strategic or High Value change control proposals - oversight/ approvals
- Customer agreements - oversight/ approvals
- Contract amendments - oversight/ approvals
- Change in Law impacts - oversight/ approvals
- Customer/ DBOM negotiations
- Oversight of contractual changes and impact on other contracts/ risks
- Heat and power sale pricing strategy
- New customer opportunities
- Annual Business Plan preparation
- ESCo governance - preparation of reports etc.

Finance Management

- Grant administration
- Council-ESCo finance management/ accounting
- Customer payment reconciliation (with DBOM)
- Customer debt collection/ management
- Funding/ finance proposals
- Annual insurances
- Indexation management/ annual adjustment of customer and DBOM payments/ prices
- Agreement of annual energy prices (with DBOM)
- Customer pricing review (as per agreements)
- Financial controller
- PAYE/ NI (if relevant)
- Monthly invoicing/ payments
- Annual Budget
- General accountancy services

Marketing and Communications

- Customer communications
- Marketing documentation (prospectus, presentations, promotional materials etc)
- Website content management
- Educational liaison - Energy Centre etc.
- Awards/ recognitions

HR

- Recruitment
- Training
- Performance Reviews (overall management of)
- Employee benefits
- Salaries

Procurement

- Procurement strategy and processes.
- Management of oversight of procurement activities
- SLA set up
- Creation of ESCo Terms of Business standard template
- Contract awards/contract sign off
- Variations to contract/ change control process (liaison with DBOM contract manager)

Appendix B - Key Performance Indicators

The following is an extract from Schedule 14 of the DBOM contract, please refer to the DBOM contract for the most up to date version.

1. The Contractor will report on performance against the Key Performance Indicators in accordance with the Reporting Frequency set out in the table below.
2. The Contractor shall notify ESCo, as soon as practicable, of any failure to meet any of the Key Performance Indicators, i.e. where the performance threshold has not been met.
3. In respect of each KPI Performance Failure, the Contractors agrees that ESCo shall be entitled to levy the corresponding KPI Failure Points and KPI Service Payment upon the Contractor.
4. The KPI Failure Points allocated to the Contractor will be as per the points specified for the individual KPI failure in the table below.
5. In addition a number of KPIs will also incur a KPI Service Payment. This will be payable by the Contractor to ESCo shall be an amount equal to the value as specified for the individual KPI failure in the table below.
6. Within ten [10] Business Days of the end each month the Contractor will report to ESCo the level of KPI Service Payment to be levied for that month. The relevant payment shall be made within thirty (30) days of the end of the month that the breach is incurred.
7. At the end of each month the Contractor will provide to ESCo a KPI Monthly Resolution Plan which sets out how it proposes to address the KPI failures that have occurred during that month.
8. At the end of each Contract Year the Contractor will report to ESCo, the level of KPI points incurred in any Contract Year, together with the aggregate number of KPI Failure Points incurred during each of the preceding two (2) Contract Years. Both will also be itemised in the report.
9. Where ESCo identifies:
 - a) in any rolling period of twenty four (24) Months more than 1500 KPI Points for any INDIVIDUAL KPI have been incurred, or
 - b) in any rolling period of a twenty four (24) Month more than 6000 KPI Points for all KPIs have been incurred,

ESCo may issue a notice (**KPI Warning Notice**) to the Contractor requesting a rectification plan to address the relevant KPI Performance Failures (**KPI Rectification Plan**). Within the KPI Rectification Plan, the Contractor will identify the proposed actions to rectify the failures which have resulted in the serving of the KPI Warning Notice, together with the timeframe within which it will be rectified. The KPI Rectification Plan will be subject to approval by ESCo (such approval not to be unreasonably withheld or delayed). Following agreement of the KPI Rectification Plan, the Contractor shall implement the KPI Rectification Plan in accordance with its terms.

10. ESCo may, at its discretion, undertake its own assessment and monitoring in seeking to verify the accuracy of submissions made to it by the Contractor, and the Contractor agrees to facilitate such assessment acting reasonably and in good faith, promptly providing ESCo with access to all records and granting to ESCo all other assistance which it may reasonably need.
11. Where any single act or omission of the Contractor has resulted in a breach of more than one of the Key Performance Indicators, then ESCo shall be entitled to apply cumulative KPI Performance Points in respect of each of the poor performance thresholds which has been breached.
12. Where the Contractor fails to develop and implement a KPI Rectification Plan in accordance with the agreed programme this shall be an ESCo Termination Ground.

Each KPI has been categorised as follows:

- Category A - KPIs which result in a Service Payment
- Category B - KPIs which result in KPI Points being accumulated

A KPI may be one or both categories as set out in the table below.

Unless otherwise stated, 'day' means any weekday including weekends and public holidays.

No	Performance Area	KPI	Category		Interested Party	Reporting Frequency	Target	Service Payments	Points	Permitted Variations	Indexation
			A	B							
1	Environmental benefit	CO ₂ emissions per kWh of heat produced at the Energy Centre	√	√	ESCo	Annually	To maintain CO ₂ emissions at or below [NOTE: The lower of 0.142kgCO ₂ /kWh and the figure stated in the Bidder's tender 0.xxxkgCO ₂ /kWh] and calculated in accordance with section 4.2 of the O&M Specification	£72.7/tonne of CO ₂ emissions above the agreed level in 2023 (the first year of operation) Note: value sourced from the IAG spreadsheet toolkit ² for 2023 and future years, values at 2018 price level.	300 points for each percentage point that CO ₂ emissions are above agreed level		CPI
2	Customer satisfaction with service provided by the Contractor The survey is to be agreed between the Contractor and ESCo following appointment and the Contractor shall be required	Number of customers recorded as satisfied following customer satisfaction survey		√	Customer	Quarterly	Satisfied	N/A	500 KPI Failure Points if more than one Customer is dissatisfied.		N/A

No	Performance Area	KPI	Category		Interested Party	Reporting Frequency	Target	Service Payments	Points	Permitted Variations	Indexation
			A	B							
	to undertake the survey.										
3	Response to a report of a fault by the customer. For this KPI the fault shall be defined as an incident causing a health and safety risk, potential for damage to property, unplanned interruption of supply of heat or power or lack of heat (i.e. KPIs 4, 5, 9)	Contractor to respond to a report of a fault within 4 hours		√	Customer	Monthly	All reports of faults responded to within 4 hours and fault investigated and report issued to ESCo (for information)	N/A	500 KPI Failure Points if less than 95% of reports of faults are responded to within 4 hours	N/A	N/A
4	Heat Availability – lack of heat (as defined in section 4.2 of the O&M specification) [Not to stack with KPI 5 or 7]	Failure to supply sufficient heat as required by the customer	√	√	Customer	Monthly	Normal heat supply to be restored within 24 hours of registered notification.	Average daily heat cost from previous year per Customer per full 24 hour period after the 24 hour period for restoration of supply has been exceeded. Where no prior data is available the expected heat demand will be used with the relevant fixed and variable charges.	50 points per full 24 hour period after the 24 hour period for restoration of supply has been exceeded per customer	N/A	N/A

No	Performance Area	KPI	Category		Interested Party	Reporting Frequency	Target	Service Payments	Points	Permitted Variations	Indexation
			A	B							
5	Heat Availability – unplanned interruption	Failure to provide any heat	√	√	Consumer	Monthly	Normal heat supply to be restored within 24 hours of registered notification.	Average daily heat cost from previous year per Customer per full 24 hour period after the 24 hour period for restoration of supply has been exceeded. Where no prior data is available the expected heat demand will be used with the relevant fixed and variable charges.	150 points per Customer per full 24 hour period after the 24 hour period for restoration of supply has been exceeded.	N/A	N/A
6	Heat Availability – planned interruption	Failure to provide sufficient notice to customers of an interruption	√	√	Consumer	Annual	Planned Interruption – provide at least 5 Business Days written notice	Average daily heat cost from previous year per Customer per day that notice was under 5 days. Where no prior data is available the expected heat demand will be used with the relevant fixed and variable charges.	50 points per customer per full day less notice given than the required 5 days' notice	Heat Availability – planned interruption	N/A
7	Heat Availability – planned interruption	Failure to restore supply and provide sufficient heat as required for each customer after the planned outage period	√	√	Consumer	Annual	The interruption to last no more than the planned outage period	Average daily heat cost from previous year per Customer per full 24 hour period that heat is not restored following a planned outage. Where no prior data is available the expected heat	50 point per customer per full day of heat not restored.	N/A	N/A

No	Performance Area	KPI	Category		Interested Party	Reporting Frequency	Target	Service Payments	Points	Permitted Variations	Indexation
			A	B							
								demand will be used with the relevant fixed and variable charges.			
8 (not used)											
9	Electricity Availability – unplanned interruptions	Failure to supply Electricity as required for each customer.	√	√	Consumer	Monthly	No interruptions	£150 per customer for the first 12 hrs and £35 for each additional 12hrs of interrupted supply capped at £300 £75 per customer who has more than 4 interruptions in a year each being over 3hrs	200 points per customer per hour of interruption after initial 30 minute period	KPI after >30minutes interruption	CPI
10	Electricity Availability – planned interruption	Failure to provide sufficient notice to customers of an interruption	√	√	Consumer	Annual	Planned Interruption – provide at least 5 Business Days written notice	£150 per customer where the notice period is less than 5 days but more than 4 days and an additional £150 per day for each day the notice period is less than 4 days.	100 point per customer per full day less notice given than the required 5 days' notice	N/A	N/A
11	Electricity Availability – planned interruption	Failure to restore supply and provide sufficient power as required for each customer after the planned outage period	√	√	Consumer	Annual	The interruption to last no more than the planned outage period	£150 per customer for the first 12 hrs and £35 per customer for each additional 12hrs of interrupted supply capped at £300	200 point per customer per full day of power not restored.	N/A	CPI

No	Performance Area	KPI	Category		Interested Party	Reporting Frequency	Target	Service Payments	Points	Permitted Variations	Indexation
			A	B							
								£75 per customer who has more than 4 interruptions in a year each being over 3hrs			
12	Heat network water treatment	Heat network water quality, based on continuous monitoring and/or tests of samples taken weekly, monthly or quarterly depending on the parameter	√	√	ESCo Contractor	Monthly	Water quality to be maintained within agreed control limits for up to 4 quality parameters as evidenced by test results	£1000/day that the water quality is outside of agreed limits after expiry of the grace period	150 points per day that water quality is outside of agreed limits after expiry of the grace period	The grace period shall be 30 days or a longer period that may be agreed for specific reasons. This is the period between the date on which tests show the quality is out of range and the date on which tests show the quality is back in range.	CPI
13	Heat Metering and Billing service	Customer meters to be read correctly and customer bills prepared correctly and issued on time each month		√	Customers ESCo	Monthly	All meter readings correct and bills issued on time		250 for points for each month that heat energy that was not billed to each individual customer because of incorrect data or untimely issue	N/A	N/A

No	Performance Area	KPI	Category		Interested Party	Reporting Frequency	Target	Service Payments	Points	Permitted Variations	Indexation
			A	B							
14	Electricity Metering and Billing service	Customer meters to be read correctly and customer bills prepared correctly and issued on time each month		√	Customers ESCo	Monthly	All meter readings correct and bills issued on time		500 points for each month that electricity that was not billed to each individual customer because of incorrect data or untimely issue	N/A	N/A
15	Reporting	Monthly and annual reports to be delivered on time and in accordance with the agreed content and format		√	ESCo	Monthly and Annually	All monthly and annual reports to be delivered on time and in accordance with the agreed content and format		250 points per monthly report delivered late or not in accordance with the agreed content and format 500 per annual report delivered late or not in accordance with the agreed content and format.	N/A	N/A

Appendix C - ESCo Cashflow (commercially sensitive)

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