

Dated

[            ]  
(as the **GENERATOR**)

and

**LOW CARBON CONTRACTS COMPANY LTD**  
(as the **DPA COUNTERPARTY**)

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**Agreement**  
**RELATING TO [name of Project]**

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**Note: This document is intended to be read alongside the Dispatchable Power Agreement Business Model Summary and Consultation (April 2022) and is subject to the “Disclaimer” within it.**

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**THIS AGREEMENT** is dated \_\_\_\_\_ (the "**Agreement Date**") and made between:

- (1) [●], a company incorporated under the laws of [●] whose registered office is [●] and whose company number is [●] (the "**Generator**"); and
- (2) **LOW CARBON CONTRACTS COMPANY LTD**, a company incorporated under the laws of England and Wales whose registered office is 10 South Colonnade, London, England, E14 4PU and whose company number is 08818711 (the "**DPA Counterparty**").

## **BACKGROUND**

- (A) This Agreement is entered into pursuant to Section 10 of the EA 2013.
- (B) The Generator has satisfied the Eligibility Criteria.
- (C) The DPA Counterparty is a company wholly owned by the UK Government and is entering into this Agreement solely for the purpose of implementing the provisions of the EA 2013.
- (D) This Agreement, together with the terms and conditions set out in [version [1] of the document entitled "DPA Terms and Conditions"] as at [insert], constitute a "**DPA**".

## **IT IS AGREED as follows:**

### **1. DEFINITIONS AND INTERPRETATION**

1.1 Except as expressly specified in this Agreement, words and expressions defined in the Conditions shall have the same meanings when used in this Agreement. Where a term is defined in both this Agreement and in the Conditions, the definition in this Agreement shall apply instead of the definition in the Conditions.

1.2 In this Agreement and its recitals:

**"Capture Assets"** means all the capture assets (excluding those assets forming part of a CO<sub>2</sub> Storage Facility) which: (i) are used (or intended to be used) to capture and/or deliver CO<sub>2</sub> to the CO<sub>2</sub> Delivery Point; (ii) are connected to the Generation Assets; and (iii):

- (A) were taken into account by the Generator in determining the CO<sub>2</sub> Capture Rate Estimate and the Maximum CO<sub>2</sub> Flow Rate Estimate;
- (B) are (except as otherwise agreed in writing by the DPA Counterparty) situated within the area shaded on the map provided pursuant to paragraph 3(B)(ii) of Part A (*Initial Conditions Precedent*) of Annex 1 (*Conditions Precedent*) to the Conditions and which has the geographical coordinates specified in Annex 1 (*Description of the Facility*); and
- (C) are described pursuant to paragraph 3(B)(i) of Part A (*Initial Conditions Precedent*) of Annex 1 (*Conditions Precedent*) to the Conditions,

adjusted where the context requires to take due account of any changes to the composition of such assets arising as a result of the agreement or determination of the Test Achieved CO<sub>2</sub> Capture Rate pursuant to Condition 6 (*Longstop Date Capacity Notice*), and otherwise excluding all assets forming part of a T&S Network;

**"CO<sub>2</sub> Storage Facility"** means a facility where CO<sub>2</sub> storage occurs or can occur and includes all assets performing or contributing to any such CO<sub>2</sub> storage;

**"Conditions"** means the terms and conditions set out in [version [1] of the document entitled "DPA Terms and Conditions"]<sup>1</sup> as at [*insert*] (as amended, modified, supplemented or replaced by this Agreement and as may be amended, modified, supplemented or replaced from time to time in accordance with the Conditions);

**"Eligibility Criteria"** means the eligibility criteria set out in the EA 2013 Regulations, in each case as applicable to the Facility, the Generator and the Project in relation to the DPA;

**"Facility"** means the Generation Assets and the Capture Assets;

**"Generation Assets"** means all the generating assets (including all Generating Units but excluding all assets forming part of an Electricity Storage Facility) which: (i) are used (or intended to be used) to generate and/or deliver electricity to the Electricity Delivery Point; (ii) are connected to the Capture Assets; and (iii):

- (A) were taken into account by the Generator in determining the Initial Net Dependable Capacity Estimate, the Plant Net Efficiency Estimate and the Start Up Times Estimates;
- (B) are (except as otherwise agreed in writing by the DPA Counterparty) situated within the area shaded on the map provided pursuant to paragraph 3(A)(ii) of Part A (*Initial Conditions Precedent*) of Annex 1 (*Conditions Precedent*) to the Conditions and which has the geographical coordinates specified in Annex 1 (*Description of the Facility*); and
- (C) are described pursuant to paragraph 3(A)(i) of Part A (*Initial Conditions Precedent*) of Annex 1 (*Conditions Precedent*) to the Conditions,

adjusted where the context requires to take due account of any changes to the composition of such assets arising as a result of, or giving rise to:

- (i) any adjustment to the Net Dependable Capacity Estimate pursuant to Condition 5 (*Adjustment to Net Dependable Capacity Estimate: Permitted Reduction*) or Condition 7 (*Adjustments to the Net Dependable Capacity: Annual NDC Test*); and
- (ii) the agreement or determination of the:

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<sup>1</sup> Note to Reader: This definition is subject to further review by BEIS.

- (a) Net Dependable Capacity pursuant to Condition 6 (*Longstop Date Capacity Notice*);
- (b) Plant Net Efficiency pursuant to Condition 6 (*Longstop Date Capacity Notice*); and/or
- (c) Start Up Times pursuant to Condition 6 (*Longstop Date Capacity Notice*),

and otherwise excluding all assets forming part of: (i) the Electricity Transmission System or the Electricity Distribution System; and (ii) the Gas Distribution System.

## 2. AGREEMENT

### *The Generator*

- 2.1 The Generator shall, as from the Agreement Date, comply with this Agreement (including the Conditions) as the "**Generator**" and agrees that the Conditions are hereby incorporated into this Agreement as if they were clauses of this Agreement.

### *The DPA Counterparty*

- 2.2 The DPA Counterparty shall, as from the Agreement Date, comply with this Agreement (including the Conditions) as the "**DPA Counterparty**" and agrees that the Conditions are hereby incorporated into this Agreement as if they were clauses of this Agreement.

### *Specific terms*

- 2.3 [*The Parties have agreed to amend the Conditions as set out in Annex 2 (Modification Agreement).*]<sup>2</sup>
- 2.4 The Parties agree that, for the purposes of this DPA, the Conditions shall be amended, modified, supplemented or replaced in accordance with the terms of this Agreement.

## 3. TERM

The "**Specified Expiry Date**" applicable to this DPA is: [*the 10th, 11th, 12th, 13th, 14th or 15<sup>th</sup> anniversary of the earlier of the Start Date and the last day of the Target Commissioning Window*]<sup>3</sup>.

## 4. FACILITY TECHNOLOGY

### *Facility Generation Technology*

- 4.1 The Facility Generation Technology is the generation technology deployed by the Facility, as detailed in Annex 1 (*Description of the Facility*).

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<sup>2</sup> Drafting note: Clause to be retained only if specific amendments to any given DPA are agreed to be made.

<sup>3</sup> Drafting note: This shall be the date agreed prior to the Agreement Date as the Specified Expiry Date.

### **Facility Capture Technology**

4.2 The Facility Capture Technology is the capture technology deployed by the Facility, as detailed in Annex 1 (*Description of the Facility*).

### **Facility Fuel**

4.3 The "**Facility Fuel**" applicable to this DPA shall be [●].<sup>4</sup>

### **[Dual Scheme Facility]**

4.4 [The Facility is a Dual Scheme Facility.]<sup>5</sup>

## **5. CONDITIONS PRECEDENT AND MILESTONE**

### **Interpretation**

5.1 The "**Initial Target Commissioning Window**" applicable to this DPA shall be twelve (12) months, such period commencing on [●].<sup>6</sup>

5.2 The "**Target Commissioning Date**" applicable to this DPA shall be [●].<sup>7</sup>

5.3 The "**Longstop Period**" applicable to this DPA shall be twelve (12) months following the last day of the Target Commissioning Window or such longer period that results from an extension in accordance with the definition of "**Longstop Date**".

### **Milestone**

5.4 The "**Initial Milestone Delivery Date**" applicable to this DPA shall be eighteen (18) months after the Agreement Date.

5.5 The "**Total Project Pre-Commissioning Costs**" applicable to this DPA shall be £[●]<sup>8</sup> per MW of the Net Dependable Capacity Estimate.

5.6 The "**Project Commitments**" applicable to this DPA shall be the requirements provided for in:

- (A) Part A of Annex 3 (*Project Commitments*); and
- (B) the section of Part B of Annex 3 (*Project Commitments*) which is expressed to apply to the Facility Capture Technology.

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<sup>4</sup> Drafting note: This shall be the fuel agreed prior to the Agreement Date.

<sup>5</sup> Drafting note: The Facility is a Dual Scheme Facility if: (i) it forms part of a Generating Station which includes one (1) or more other Generating Units which are not part of the Facility; and (ii) the Facility Metering Equipment does not determine the Imported Input Electricity consumed exclusively by the Facility. Delete this paragraph if the Facility is not a Dual Scheme Facility.

<sup>6</sup> Drafting note: This shall be the date agreed prior to the Agreement Date as the start of the Target Commissioning Window. The Target Commissioning Window must end no later than 31 December 2027.

<sup>7</sup> Drafting note: This shall be the date agreed prior to the Agreement Date as its "Target Commissioning Date" and will be a date falling within the Initial Target Commissioning Window.

<sup>8</sup> Drafting note: This is to be equal to the Total Project Pre-Commissioning Costs agreed prior to the Agreement Date.

**6. INITIAL NET DEPENDABLE CAPACITY ESTIMATE**

The "Initial Net Dependable Capacity Estimate" applicable to this DPA is: [●]<sup>9</sup> MW.

**7. CO<sub>2</sub> CAPTURE RATE ESTIMATE**

The "CO<sub>2</sub> Capture Rate Estimate" applicable to this DPA is: [●]<sup>10</sup> (expressed as a percentage (%)).

**8. PLANT NET EFFICIENCY ESTIMATE**

The "Plant Net Efficiency Estimate" applicable to this DPA is: [●]<sup>11</sup> (expressed as a percentage (%)).

**9. START UP TIMES ESTIMATE**

The "Start Up Times Estimates" applicable to this DPA are:

- (A) to start up the Facility from a Hot Start: [●]<sup>12</sup> minutes.
- (B) to start up the Facility from a Warm Start: [●]<sup>13</sup> minutes.
- (C) to start up the Facility from a Cold Start: [●]<sup>14</sup> minutes.

**10. INITIAL CORRECTION CURVES**

The "Initial Correction Curves" applicable to this DPA are set out in Annex 4 (*Initial Curves Data*).

**11. INITIAL HEAT AND MATERIAL BALANCE DIAGRAM**

The "Initial Heat and Material Balance Diagram" applicable to this DPA is set out in Annex 5 (*Initial Heat and Material Balance Diagram*).

**12. POST-TAX REAL DISCOUNT RATE**

The "Post-Tax Real Discount Rate" applicable to this DPA is [●]<sup>15</sup>.

**13. PAYMENT CALCULATIONS: AVAILABILITY PAYMENT RATE**

The "Initial Availability Payment Rate" applicable to this DPA is: £[●]<sup>16</sup> per MW.

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<sup>9</sup> Drafting note: This shall be the capacity in megawatts agreed prior to the Agreement Date.

<sup>10</sup> Drafting note: This shall be the capture rate agreed prior to the Agreement Date.

<sup>11</sup> Drafting note: This shall be the net efficiency agreed prior to the Agreement Date.

<sup>12</sup> Drafting note: This shall be the relevant time agreed prior to the Agreement Date as the hot start time.

<sup>13</sup> Drafting note: This shall be the relevant time agreed prior to the Agreement Date as the warm start time.

<sup>14</sup> Drafting note: This shall be the relevant time agreed prior to the Agreement Date as the cold start time.

<sup>15</sup> Drafting note: This is to be equal to the "Post-Tax Real Discount Rate" agreed prior to the Agreement Date.

<sup>16</sup> Drafting note: The Initial Availability Payment Rate will be agreed prior to the Agreement Date.



#### 14. PAYMENT CALCULATIONS: BASE ASSUMPTIONS

- 14.1 The "Initial Other Extra Variable Costs" applicable to this DPA are: £[●]<sup>17</sup> per MWh.
- 14.2 The "Initial Reference Plant CO<sub>2</sub> Emissions" applicable to this DPA are: [●] tCO<sub>2</sub> per MWh.
- 14.3 The "Initial Reference Plant Gas Consumption" applicable to this DPA is: [●] therms per MWh, GCV basis.
- 14.4 The "Facility CO<sub>2</sub> Emissions" applicable to this DPA are: [●]<sup>18</sup> tCO<sub>2</sub> per MWh.
- 14.5 The "Facility Gas Consumption" applicable to this DPA is: [●]<sup>19</sup> therms per MWh, GCV basis.

#### 15. T&S CAPACITY ASSUMPTIONS

- 15.1 The "Maximum CO<sub>2</sub> Flow Rate Estimate" applicable to this DPA is [●] [*being the total instantaneous mass flow rate of CO<sub>2</sub> that the Generator estimates will be delivered to the CO<sub>2</sub> Delivery Points by the Capture Assets (expressed in tonnes per hour (tph))*].
- 15.2 The "Maximum T&S Capacity " applicable to this DPA [●].
- 15.3 The "Maximum T&S Size of Connection" applicable to this DPA is [●].

#### 16. PAYMENT CALCULATIONS: INFLATION FACTOR

The "Base Year" applicable to this DPA is 2022.

#### 17. GAIN SHARE

The Schedule (Gain Share) and the corresponding provisions to the Conditions [do/do not]<sup>20</sup> apply to this DPA.

#### 18. NOTICES

- 18.1 The address and email address of each Party for any notice to be given under this DPA, and the department or officer (if any) for whose attention the notice is to be made, is:

(A) in the case of the Generator:

Address:	
Email address:	

<sup>17</sup> Drafting note: The Initial Other Extra Variable Costs will be agreed prior to the Agreement Date.

<sup>18</sup> Drafting note: The Facility CO<sub>2</sub> Emissions will be agreed prior to the Agreement Date.

<sup>19</sup> Drafting note: The Facility Gas Consumption will be agreed prior to the Agreement Date.

<sup>20</sup> Drafting Note: The inclusion of the Gain Share Schedule will be determined prior to the Agreement Date.

For the attention of:	
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(B) in the case of the DPA Counterparty:

Address:	
Email address:	
For the attention of:	

#### 19. AGENT FOR SERVICE OF PROCESS

*[Condition 68 (Agent for service of process) shall not apply to this DPA and there shall be no Service Agent.]**[Condition 68 (Agent for service of process) shall apply to this DPA and the "Service Agent" shall be [●] of [●].]*<sup>21</sup>

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<sup>21</sup> Drafting note: Delete as applicable. This shall be the agent agreed prior to the Agreement Date as the Generator's agent for service of process, where the Applicant is not based in England/Wales.

**Annex 1**  
**(Description of the Facility)**

**Part A**  
**Overview**

The Facility is the [NAME OF PROJECT], falling within the area delineated by the following grid references:

<b>Corner Point ID</b>	<b>Latitude</b>	<b>Longitude</b>
Northerly corner	[•]	[•]
Easterly corner	[•]	[•]
Southerly corner	[•]	[•]
Westerly corner	[•]	[•]

*[Drafting note: Description of the Facility to be populated using information agreed prior to the Agreement Date, and to include the unique geographical coordinates of the Facility.]*

**Annex 2**  
**(Modification Agreement)**

**Annex 3**  
**(Project Commitments)**

**Part A: General Project Commitments**

Delivery to the DPA Counterparty of the following:

- (A) a copy of a resolution of the Generator's board of directors (or an equivalent management committee or body) to:
  - (i) undertake the Project;
  - (ii) approve the total financial commitments required to commission the Project (the "**Total Project Spend**"); and
  - (iii) approve a timetable for undertaking the Project which demonstrates that the Facility can reasonably be expected to be Commissioned no later than the Longstop Date;
  
- (B) a Directors' Certificate certifying that:
  - (i) the Generator has, or will have, sufficient financial resources to meet the Total Project Spend;
  - (ii) any contract entered into and provided as Supporting Information pursuant to the Milestone Requirement Notice, in the reasonable opinion of the Generator by reference to the facts and circumstances then existing, is:
    - (a) legal, valid and binding; and
    - (b) entered into with one or more counterparties who are each able to perform their obligations under such contract;
  - (iii) the Generator has a leasehold or freehold interest in the site where the Facility is based (the "**Facility Site**") or a contract to obtain the same;
  - (iv) the Facility Site is not subject to any covenants, restrictions, agreements, planning obligations, estate contracts, options, rights of way or other encumbrances which materially inhibit the use of the Facility Site for the purposes of the Project;
  - (v) there are available to the Facility Site such rights, easements and services as are necessary to undertake the Project and operate the Facility;
  - (vi) the Generator has identified all necessary consents to undertake the Project (the "**Necessary Consents**"); and

(vii) there is a credible strategy in place to obtain the Necessary Consents and the Necessary Consents are not subject to any condition for which there does not exist a plan to satisfy that condition, such that the Generator is not aware of any necessary consents which cannot be obtained or complied with,

((iii) to (vii), together the "**Facility Requirements**");

(C) Supporting Information evidencing (i) that the Generator has, or will have, sufficient financial resources to meet the Total Project Spend and (ii) the Facility Requirements.

## **Part B: Technology Specific Project Commitments**

### **1. POST-COMBUSTION TECHNOLOGY**

Delivery to the DPA Counterparty of Supporting Information evidencing any one of the following:

- (A) Entry by the Generator into an engineering, procurement and construction contract for the Facility, providing for the supply and installation of the Material Equipment.
- (B) Entry by the Generator into an agreement for the supply of the Material Equipment.
- (C) Entry by the Generator into: (i) a framework agreement for the supply of the Material Equipment; and (ii) a binding purchase order for the Material Equipment.

For the purpose of this section of Part B, the following definition shall apply to this DPA:

**"Material Equipment"** means such equipment in respect of the Project, which, acting in accordance with a Reasonable and Prudent Standard, the Generator could reasonably be expected to have ordered and/or concluded a supply agreement to enable the Facility to be Commissioned at the start of the Target Commissioning Window, and in any event, such equipment shall include:

#### *Generation Assets*

- (i) gas turbine and generator;
- (ii) heat recovery steam generator (boiler);
- (iii) steam turbine and generator;
- (iv) gas turbine / steam turbine step-up (HV) transformers;
- (v) unit transformers;

#### *Capture Assets*

- (vi) absorber column;
- (vii) stripper column; and
- (viii) CO<sub>2</sub> compressors.

## 2. OXY-FUEL TECHNOLOGY

Delivery to the DPA Counterparty of Supporting Information evidencing any one of the following:

- (A) Entry by the Generator into an engineering, procurement and construction contract for the Facility providing for the supply and installation of the Material Equipment.
- (B) Entry by the Generator into an agreement for the supply of the Material Equipment.
- (C) Entry by the Generator into: (i) a framework agreement for the supply of the Material Equipment; and (ii) a binding purchase order for the Material Equipment.

For the purpose of this section of Part B, the following definition shall apply to this DPA:

**"Material Equipment"** means such equipment in respect of the Project, which, acting in accordance with a Reasonable and Prudent Standard, the Generator could reasonably be expected to have ordered and/or concluded a supply agreement to enable the Facility to be Commissioned at the start of the Target Commissioning Window, and in any event, such equipment shall include:

- (i) recuperative heat exchanger;
- (ii) combustion turbine generator;
- (iii) generator step-up transformer;
- (iv) unit transformers;
- (v) CO<sub>2</sub> pumps; and
- (vi) CO<sub>2</sub> compressors.

## 3. PRE-COMBUSTION TECHNOLOGY

Delivery to the DPA Counterparty of Supporting Information evidencing any one of the following:

- (A) Entry by the Generator into an engineering, procurement and construction contract for the Facility, providing for the supply and installation of the Material Equipment.

- (B) Entry by the Generator into an agreement for the supply of the Material Equipment.
- (C) Entry by the Generator into: (i) a framework agreement for the supply of the Material Equipment; and (ii) a binding purchase order for the Material Equipment.

For the purpose of this section of Part B, the following definition shall apply to this DPA:

**"Material Equipment"** means such equipment in respect of the Project, which, acting in accordance with a Reasonable and Prudent Standard, the Generator could reasonably be expected to have ordered and/or concluded a supply agreement to enable the Facility to be Commissioned at the start of the Target Commissioning Window, and in any event, such equipment shall include:

*Capture Assets*

- (i) air separation unit;
- (ii) autothermal reformer;
- (iii) absorber column;
- (iv) stripper column;
- (v) CO<sub>2</sub> compressors;

*Generation Assets*

- (vi) gas turbine and generator;
- (vii) heat recovery steam generator (boiler);
- (viii) steam turbine and generator;
- (ix) gas turbine / steam turbine step-up (HV) transformers; and
- (x) unit transformers.



**Annex 4**  
**(Initial Correction Curves)**

**Annex 5**  
**(Initial Heat and Material Balance Diagram)**

**EXECUTION PAGE**

**The GENERATOR**

SIGNED BY )  
 )  
 ..... ) .....  
Print Name ) (Signature of named signatory)  
for and on behalf of [*name of the*  
*Generator*]

**The DPA Counterparty**

SIGNED BY )  
 )  
 )  
 )  
 ..... ) .....  
Print Name (Signature of named signatory)  
for and on behalf of **LOW**  
**CARBON CONTRACTS**  
**COMPANY LTD**