

**CfD Market Readiness Working Group 1 – Sample PPA contracts**  
**Monday 20<sup>th</sup> May 2013 13:30 – 15:00**  
**Minutes and actions**

**Attendees:**

**DECC attendees:**

Matt Coyne (chair)

Nick Skates

Jessica Henry

**Group members:**

Jean-Pascal Boutin, Eversheds

Nick Churchward, Burges Salmon

Rob Ellis, Cooperative Group

Martin Bell, Ofgem

Peter Lynch, Mainstream Renewables,

Stuart Noble, Scottish Power

Robert Owens, Smartest Energy

Stephen Packwood, RES

Christian Pegrum, Eon

Lee Priestly, Centrica

Mark Smith, RWE

Magnus Walker, Government Procurement Service

1.	<b>Transparency, stakeholder engagement and legal clarification,</b>		<b>Matt Coyne</b>	
<p>The group agreed that DECC would publish key documents on the website:</p> <ul style="list-style-type: none"> <li>• Terms of Reference, including membership of the group</li> <li>• Agendas and minutes of meetings, and discussion papers</li> </ul> <p>The group also agreed that it would aim to hold a workshop later in the year to consult wider stakeholder interest. This would likely be in November.</p> <p>DECC reminded participants that the group will need to be mindful of competition law and, if necessary, that individuals should seek legal advice with regard to their obligations under competition law. No group members are expected to share information that they consider commercially sensitive, and any concerns should be raised with the chair. An addition to the Terms of Reference will be made to this effect.</p>				
2.	<b>Likely changes needed to PPA</b>	<b>Template</b>	<b>All</b>	
<p>The following substantive areas were identified as needing significant revision in a CfD compatible contract and the group agreed to undertake further immediate work based on the following groups of issues:</p>				

1. Conditions precedent; Length of contract, delay, de-rating and long-stop dates; Force majeure
2. Meter registration & benefit accreditation; Transfer of benefits
3. Credit support; Termination
4. Payment provisions
5. Change in Law; Replacement benefits; Change of index
6. Imbalance structures; Payment schedule

The following elements were agreed to be reconsidered when further detail is available on the CfD contract terms:

1. Assignment, Novation, Change in control
2. Dispute resolution

The following elements were considered to need little change from the current approach and need no immediate attention. Minor changes may be necessary but the group felt this could be done at a later stage when the detail has been developed on the substantial changes needed:

1. Extension and repowering
2. Liability limitations & liability caps
3. Forecasts, Metering, Data transfer and information provision
4. Reciprocal general reservation, Warranties & Compliance
5. Confidentiality
6. Direct agreements

**Action:** Group members to start drafting heads of terms and to send drafts to DECC by 1 July.

<b>3.</b>	<b>Skeleton draft PPA Heads of Terms</b>		<b>Matt Coyne</b>
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DECC has pulled together a relatively detailed Heads of Terms for a current RO-compatible PPA, loosely based on the PPA developed by the GPS for their recent 'Energy for Growth' initiative. This is intended to provide a framework for the development of a CfD-compatible PPA and is not intended as a first draft of the detail.

<b>4.</b>	<b>Next meeting &amp; AOB</b>	<b>No papers</b>	
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**Action:** DECC will ensure this process is appropriately linked up with the development of the CfD terms and will request attendance at the next meeting from the CfD team.

Next meeting is scheduled for 17 July.