**CfD Market Readiness Working Group 1 – Sample PPA contracts**

**Tuesday 3rd September 2013 09:30 – 11:00**

**Minutes and actions**

**Attendees:**

**DECC attendees:**

Matt Coyne (chair)

Tim Warham

Adam Harper

Jessica Henry

**Group members:**

Jean-Pascal Boutin, Eversheds

Nick Churchward, Burges Salmon

Emma Christian (for Christopher Granby), Infinis

Owen Forster, EdF

Claire Nelson (for Peter Lynch), Mainstream Renewables

Stuart Noble, Scottish Power

Stephen Packwood, RES

Christian Pegrum, Eon

**Apologies:**

Scott Buckleton, GPS

Rob Ellis, Cooperative Group

Andreas Flamm, Ofgem

Anne Geilen, Ovo Energy

Kirsty Hamilton, LCFG

Edward Lawns, SSE

Robert Owens, Smartest Energy

Lee Priestly, Centrica

Simon Proctor, Good Energy

Mark Smith, RWE

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|  | **Update from Steering board** |  | **Matt Coyne** | |  |
| Tim Warham gave the group an update on the last meeting of the Steering board. The SB requested that as much detail as possible be published to allow generators/suppliers to create their own bespoke contracts.  This prompted a group discussion on the purpose and objectives of the group, as this will reflect the level of detail needed in the final products. After some discussion, there was general agreement that the purpose of the group was to help generators & offtakers understand what kind of content they can expect to see in a PPA under the CfD.  Accordingly, group consensus was reached on which products they expect to deliver. The first product is likely to be a table/similar tool covering the contents of the CfD in layman’s terms and highlighting the areas that will be picked up in a PPA. The second product would be an example of a PPA contract used previously by the GPC to illustrate which provisions may be affected by the CfD. The combination of these products will help smaller businesses transition to the CfD and should deliver at the right level of understanding. | | | | | |
|  | **Run-through of draft table** | **Draft HoT** | | **All** |  |
| The following areas were identified as needing significant revision in a CfD compatible contract and the group discussed the potential changes:   1. Commencement of commercial operations period 2. Sale & Purchase – linked to the CfD index price & change in law 3. Payments & payment terms – best to mirror PPA & CfD timings 4. Metering – more info needed on how CfD deals with this 5. Transfer of benefits 6. Credit support 7. Force Majeure – also needs to mirror CfD terms   Some elements were agreed to be reconsidered when representatives have had a chance to compare the CfD contract terms with the table and PPA contract. Others were considered to need little change from the current approach and thus 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:  **Action:** DECC to revise the table with the in-team lawyer who also drafted the CfD explanatory notes. The table will then be circulated more widely (i.e. to steering board and other group members) | | | | | |
|  | **Next meeting & AOB** |  | | **Matt Coyne** |  |
| **Actions:**  Once the table has been more widely circulated, the group will meet to discuss comments. Next meeting is scheduled for 15 October, although DECC will consider the timing in light of the volume of work that will be necessary in the interim.  A member/s of the CfD contract team will attend the next meeting to provide further detail  DECC will extend the time for the next meeting to allow for more in-depth scrutiny of each section of the table. | | | | | |