

VOLUNTARY CODE OF PRACTICE FOR PPAs

This document provides details on the processes, procedures and interactions to that may be followed by those generators seeking and third parties voluntarily offering PPAs.

1. The obligations on generators seeking PPAs

- ***What are the necessary conditions that need to be satisfied before a generator can request a PPA? FiD, Connection commitment?***
- ***How are requirements communicated?***
- ***What should the details of tender include, size? load factor? commissioning date?***
- ***Is there a pre-accreditation requirement? Who runs it? Who arbitrates on disputes?***

In order to be eligible to be offered a PPA, it is the generators responsibility to ensure that their project is eligible for the PPA scheme and the information to be provided to [the PPA provider/noticeboard] is accurate and complete.

In order to be eligible the generator must demonstrate that:

- It has provided the System Operator with a schedule of key Construction Milestones and these have been met.
- It is for renewable generation as defined by [xxxxx].
- It has a connection agreement with the Transmission/Distribution operator?
- A binding Financial Investment decision has been made?

Notification of a requirement for a PPA will include:

- Size of project
- Technology
- Load factor and profile
- Commissioning date(s)
- Duration of PPA required
- Location
- If this is a PPA in the RO regime then information re ROC banding etc
- [Is any declaration required?]

2. The roles of PPA providers

- ***Does anyone have to offer to respond to requests to provide PPAs?***
- ***How will the obligation be enforced e.g. All suppliers? The 'big 6 only'. What about other players such as aggregators etc.***
- ***In what timeframe should a response be made?***
- ***What should any response included? Price, willingness to negotiation***
- ***Should generators below a certain threshold be offered standard terms and conditions?***
- ***Are there any T&Cs that should be within any PPA e.g. Change of Law provision, Inflation/Fuel indexation, CfD length etc?***
- ***Should PPAs be standardised by technology or baseload/intermittency?***

A voluntary PPA provider when notified to offer PPA terms and conditions to eligible generators when notified either individually or via the [noticeboard].

Where the generation capacity is of less than [xMW] the PPA provider may offer a fixed price against standard terms and conditions. [Assuming one can be agreed]. Where the generation capacity is of greater capacity or of a long term [> x years], the PPA provider will enter into negotiation.

Indicative prices against standard terms and conditions or an invitation to enter negotiation with indicative prices, terms and conditions must be made within [x days].

[Discussion point: The timescales will have to bear in mind the size of the project and the risks involved. The larger the project, the more likely it is for example, that Board Level approval will be required before an invitation can be made.]

As a minimum standard, the PPA invitation should:

- Be in writing
- Included the principle terms
- [Anything else?]

When preparing information for a PPA [PPA providers] must take all reasonable steps to ensure that the information:

- Is complete and accurate
- Is capable of being readily understood by the generator
- Is otherwise fair and appropriate.

In the event that the generator and PPA provider can not agree on the terms and conditions of the PPA within [xdays], the dispute procedure will come into force.

[See discussion point above re timescales]

3. Reporting on deals done

- ***How soon should reporting be done? Is one party or both responsible for reporting?***
- ***Who confirms accuracy?***
- ***How should this done? What should the report contain? Price, duration, counterparties,***
- ***Is reporting available to all in the market or should it be available only to DECC for monitoring purposes?***

Once both parties have agreed a PPA contract, they will [jointly?] be responsible for notifying [someone] of the completed contract. The notification will include a confirmation of its accuracy by both parties and contain

- Statement that it uses standard T&Cs where for a project <XMW]
- {Price]
- [Duration]

- Where the contract is for a project [>XMW], the notification will contain details of the [main] terms and conditions including [size of project, price and duration].
- This information will be used by DECC to monitor the effectiveness of the PPA process. [A report will be produced by DECC every [xmonths/annually]. Information will only be placed in the public domain in an aggregated, non-attributable form.

[DECC will confirm that a successful negotiation has been made]

4. Disputes

- **Who adjudicates on disputes?**
- **Are different processes required for different types of dispute, e.g. failure to respond to tender, failure to respond in a certain time, unfair contractual terms**
- **Is there a point when the Code of Practice is supplanted by general contract law?**
- **Will there be any third party audit of the process?**

In the event of dispute in this Code of Practice on issues such as

- Failure to respond to tender
- Failure to accept/reject offer
- Failure to agree notification

[Should a Voluntary Code of Practice need a procedure in the event that parties can't reach agreement? - Do these points apply if the process is non-mandatory?]

The party will in the first instance notify the other of a dispute under the CoP. The other party will then have [xdays] in which to respond. If either party still believes there is a dispute, then the dispute will be referred to [????????] who may determine one of the following remedies.

- [????????]

The decision of [xxxxx] will be final

Once the parties have entered into a contract, and successful notification has been made to and confirmed by [DECC], any disputes beyond this date will be subject to normal contractual law.