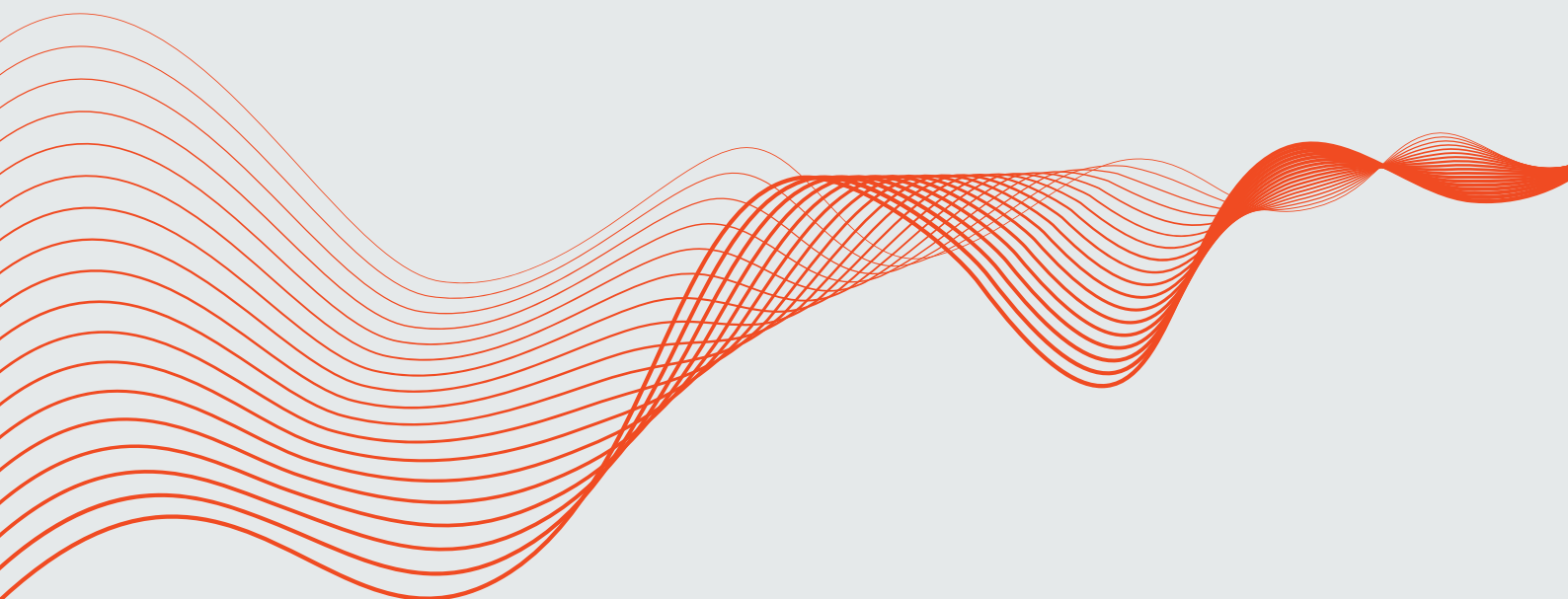


**HEAT NETWORKS**  
INVESTMENT PROJECT

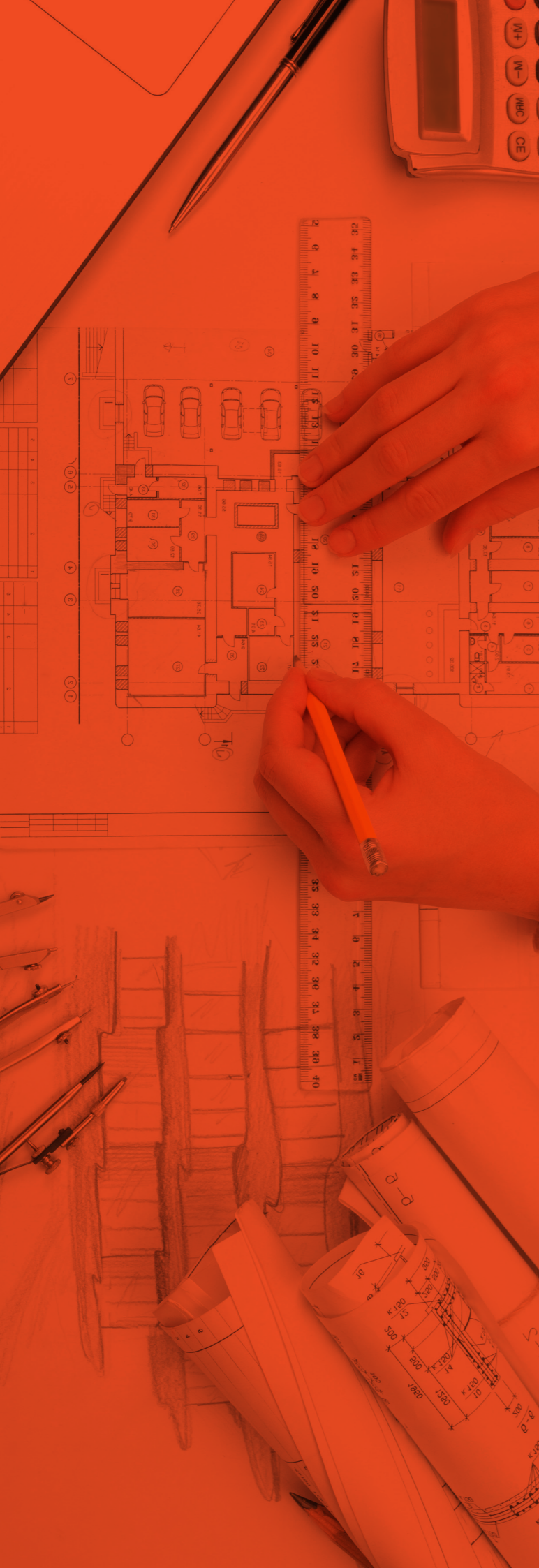
# Monitoring and Reporting Guidance



Department for  
Business, Energy  
& Industrial Strategy



Triple Point  
**HEAT NETWORKS**  
INVESTMENT MANAGEMENT



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# Introduction

## MONITORING AND REPORTING GUIDANCE

Good quality, regular monitoring and reporting information is essential to BEIS to understand how HNIP is functioning, the social benefits it is creating to and the value for money achieved through the policy. Alongside typical financial monitoring activities (led by TP Heat Networks), the information collected during this process is critical to the policy development and delivery process in BEIS and its support for the heat networks market.

This guidance document will enable applicants to understand the monitoring and reporting requirements for their projects in relation to commercialisation, construction and post-construction periods. A pragmatic, standardised approach to monitoring and reporting has been taken to ensure that the requirements are not overly burdensome for the applicant. Such practices fulfil both TP Heat Networks' obligation to ensure projects are well-managed and appropriately monitored and BEIS's requirement to collect key data across all projects for reporting purposes which will also be used to develop future policy.

To assist successful applicants and ensure that monitoring data is collected consistently, templates have been created that are tailored to each phase of the project life cycle.

It will be obligatory to provide these reports. Completed reports will need to be submitted electronically to [reporting@tp-heatnetworks.org](mailto:reporting@tp-heatnetworks.org) at a frequency noted below.

Applicants should note that failure to comply with the monitoring and reporting requirements may constitute an Event of Default under the relevant funding agreement which could potentially lead to acceleration of loan finance or repayment of grants, and as such should be considered an important part of each project's obligations.

Whilst the applicable Conditions Precedent ("CPs")<sup>1</sup> to drawdown of HNIP funds will be detailed in the relevant funding agreements (and the purpose of this document is not to cover how CPs are set), the monitoring and reporting process will be the method through which TP Heat Networks monitors the satisfactory completion of the CPs and progress against these. The reporting templates (detailed later in this document) include an appendix where projects should detail their progress against CPs, providing any updates on a monthly basis. This will be reviewed by the monitoring and reporting team and any areas of concern will be discussed with the project sponsor as required. It is expected that any applicable CPs are cleared and signed off by the monitoring and reporting team in plenty of time (and at least 2 weeks) ahead of the submission of a funding request.

Finally, projects should be aware that there are several events which may trigger the repayment of a portion or all of HNIP funding and are detailed in the applicable funding documents ("Repayment Events"), and these include instances such as non-compliance with applicable laws and regulations, non-compliance with scheme eligibility and fraudulent activity or the project company becoming insolvent. These Repayment Events also include the concept of a material adverse change ("MAC") to the project – which essentially includes any change to the project which in the opinion of TP Heat Networks would have made a material difference to the assessment of the application or the terms on which HNIP funding would have been provided. If the project or the monitoring and reporting team believes one or more of these Repayment Events have been triggered, we will seek more information and will determine the most appropriate course of action. It is our hope and expectation that the regular reporting by projects will highlight any of these events at the earliest possible moment. We would encourage projects to engage with us as early as practical in this regard.

<sup>1</sup> Conditions Precedent are a set of conditions both generic and project-specific (depending on project circumstances) required to be completed before funding can be released. As is standard in any financing, all conditions must be satisfied in a way that is in a form and substance satisfactory to TP Heat Networks.



Heat networks offer a substantial opportunity to assist the UK in achieving a clean and cost-effective transition towards a low carbon economy. In addition to the installation of new infrastructure, heat networks offer an investment opportunity to renew vital infrastructure and support the economic renewal of towns, cities and rural areas. The Government is committed to developing a self-sustaining heat networks market in the UK that can operate in the long-term without direct government subsidy. To this end, on the 16th October 2018, the Heat Networks Investment Project ("HNIP") was launched. Triple Point Heat Network Investment Management ("TP Heat Networks") has been appointed by the Department for Business, Energy and Industrial Strategy ("BEIS") as its Delivery Partner for the HNIP project.

Over the next three years, TP Heat Networks will deliver up to £320m of Government support to individual projects across England and Wales as part of the HNIP project. It is our hope and expectation that the impact of this funding should be felt across the UK. Heat Network construction and operation will support jobs in engineering, construction, energy design and operational management.

We are committed to a shared vision with BEIS to create this transformed, self-sustaining and trusted market which offers affordable and reliable heat to the end customer. In order to achieve this, we need to ensure that projects are well-designed, constructed and operated.

# Background and Purpose of Reporting



This document (“HNIP Reporting Summary and Process”) sets out the reports which will need to be completed by successful applicants following the approval of their application. Further detail is given below of the overall purpose of the reporting to guide recipients of HNIP funding as they complete these documents.

The purpose of the reporting can be broken down into two categories:

- (i) Monitoring of project progress and risks by the Delivery Partner – reporting which allows TP Heat Networks to track performance of the projects, understand risks and how they are managed, and ensure the project has the best chance of meeting any Conditions Precedent to the drawdown of HNIP funding; and
- (ii) fulfil certain requirements of BEIS regarding collection of data and statistics which they are obliged to report within government, and which BEIS will also use to inform future policy decisions:

## MONITORING OF PROJECT PROGRESS AND RISKS

The reporting data will be used as follows:

- To enable TP Heat Networks to understand progress against the plan identified in the application
- To enable TP Heat Networks to monitor any changes to the technical solution or commercial proposition, focusing on any anticipated movements in capex requirements, returns from the projects or any project benefits for example carbon savings, transition to lower carbon future and volume of heat
- To enable TP Heat Networks to understand key risks which might affect meeting the Conditions Precedent to the drawdown of funds and understand the project’s proposed mitigations for addressing these risks
- To enable TP Heat Networks to work together with the applicant to explain how any of the above items impact their ability to draw on funding and work with them to find a solution, where possible
- To enable TP Heat Networks to identify non-compliance and fraud.

## MEETING FUNDING REQUIREMENTS

In addition to using the reporting data to monitor project progress and risks, we will:

- Use monitoring and reporting returns from projects in commercialisation and construction to manage the volume and progress of HNIP scheme spend.
- Use end of commercialisation reviews and construction stage reporting to assess the delivery against plan of successful applicants, and the value for money achieved from HNIP funds.
- Use data from operational stage reporting to understand and evidence the benefits to society being achieved through HNIP (such as reductions in carbon emissions and the volume of low-carbon heat being generated).
- Make use of data collected in applications and monitoring returns on the prices and quality of goods and services produced in the heat networks supply side markets, and to detect any changes in the behaviour or requirements of the investment market for heat networks (such as IRR demands, default rates, and risk tolerance).
- Collect data on consumer satisfaction to understand the user experience of HNIP-funded HNs and any improvements in this by virtue of HNIP’s minimum technical standards and consumer protections.

The data collected through HNIP will also be of use to BEIS in helping to design future heat networks and wider decarbonisation policy, such as by providing information on price changes of components as markets grow and on the effects of innovation on the market.

Government funding for the Heat Networks Investment Project was made available with a number of conditions attached. These included reporting of certain numerical outputs, statistics and key performance indicators, which BEIS have an obligation to collect and report on. These will ultimately inform future government policy decisions.

A significant proportion of the monitoring and reporting data required from recipients of HNIP funding relates to this information which BEIS is obliged to collect and report on.

The requirements are further described in the subsequent section “Additional Requirements”.

# HNIP Reporting

## Summary and Process

### A) Documentation to be completed and submitted at each stage of an HNIP project

1. AWARDED COMMERCIALISATION FUNDING – MONTHLY REPORT (COMMERCIALISATION) TO BE SUBMITTED ON THE 5TH WORKING DAY OF EACH CALENDAR MONTH SENT TO [reporting@tp-heatnetworks.org](mailto:reporting@tp-heatnetworks.org).

Recipients of funding awards must complete the commercialisation report each month through the period of commercialisation, using the template provided in Appendix 1. The primary purpose of this document is to provide monthly updates on:

- Scheme design and technical feasibility
- Financing of the scheme and anticipated returns
- Commercial/legal progress regarding permitting, planning and securing heat loads
- Any other material items which might affect the viability, eligibility, compliance and success of the scheme such as procurement and development agreements.

Receiving this report will enable TP Heat Networks to monitor any key risks to the achievement of Conditions Precedent as well as ensure that projects are complying with the requirements of the relevant funding agreement.

Where applicants have been successful in securing an allocation of funding for both commercialisation and construction phases, Conditions Precedent for the drawdown of both commercialisation and construction funding will be set at the time of award and will be detailed in the funding agreement.

As they approach the end of the commercialisation period, projects will be required to update and re-submit their Application Form. This is to check that the applicant has developed the project to a stage where it is 'shovel ready' and with sufficient certainty of heat demands and contracted supply and of delivering the promised carbon and other outcomes. This will also help TP Heat Networks determine whether the project that the applicant is looking to take into construction phase is essentially still the same project they proposed in their initial commercialisation funding application.

If there have been any significant changes from the initial application that adversely affect the project, its commercial viability or the benefits it is expected to deliver, or that mean it no longer meets any of the core tests of eligibility for HNIP funding, then funding may be reduced or stopped.

2. END OF COMMERCIALISATION REVIEW TO BE SUBMITTED AT LEAST 4 WEEKS PRIOR TO THE DRAWDOWN OF CONSTRUCTION FUNDING AND SENT TO [reporting@tp-heatnetworks.org](mailto:reporting@tp-heatnetworks.org).

Please note that the process detailed below is only applicable to those projects that have received commercialisation funding from TP Heat Networks.

At the end of commercialisation and prior to the release of construction funding, a full end of commercialisation review will take place. Recipients must provide a report on progress (using the template provided in Appendix 2), and an updated version of their original application form together with additional evidence to support this. The end of commercialisation review will primarily cover the following areas:

- Scheme scope and technical feasibility
- Financing of the scheme and anticipated returns
- Commercial/legal progress regarding permitting, planning and securing heat loads
- Summary of key risks which might affect the viability/success of the scheme.

The above categories are identical to those reported on as part of the monthly commercialisation report, but the end of commercialisation review should have progressed/completed each of the above workstreams sufficiently to demonstrate that a viable scheme can progress, ensuring that all identified key risks have been dealt with and appropriately mitigated.

Projects will then be able to access their construction funding subject to achieving the following:

- Completion of all construction Conditions Precedent set at the award of commercialisation funding. If there is a significant change to the risk profile of the scheme, TP Heat Networks reserve the right to set further Conditions to mitigate these risks
- Confirmation that the HNIP funding requirement has not increased
- Demonstrating that the eligibility criteria for the award of HNIP funding continue to be met.

The re-submitted application will be reviewed to check that all aspects of delivery have progressed such that TP Heat Networks are satisfied that the scheme is ready to proceed to construction. The funding requirement will be re-assessed based on the updated expected or contracted costs of the works planned, and agreed funding may be reduced but not increased.

3. AWARDED CONSTRUCTION FUNDING – MONTHLY REPORT (CONSTRUCTION) TO BE SUBMITTED ON THE 5TH WORKING DAY OF EACH CALENDAR MONTH SENT TO [reporting@tp-heatnetworks.org](mailto:reporting@tp-heatnetworks.org).

In order to ensure that each project progresses as efficiently and effectively as possible, we would expect that during the construction and commissioning of the project, the applicant will attend the project site at least once a week. Following the site visit, we would seek a verbal update to TP Heat Networks along with a report following the template provided in Appendix 3.

The key items to be covered in the written report are as follows:

- Monthly Health, Safety and Environmental Summary
- Progress against construction schedule, including milestones achieved during the reporting period, any key construction issues encountered and impact on overall timetable
- Update on project costs compared with the previous reporting period
- Summary of any relevant technical issues encountered
- Update on funding position, forecast project returns, actual and forecast cash flows
- Commercial update discussing any contractual/customer/permitting/planning issues.

Where possible, evidence of progress such as photographs, civil works, progress reports etc. should be included as appendices together with the submitted report template. Each project should also maintain detailed records of progress of the construction works which could be shared if requested.

On completion of the construction program, the following additional information should be submitted as a minimum together with the final monthly construction report:

- Details of the final "as built" design of the network
- A copy of the CP1 checklist (or similar document), showing how the finished project complies with the CIBSE ADE Code of Practice CP1:2015 up to the end of the construction phase
- Interior and exterior photographs of the completed energy centre(s) in digital format
- A map showing the locations of the energy centre(s), labelled heat loads and the final route of the heat and power distribution networks in PDF format or similar.

**4. OPERATIONAL REPORTING – QUARTERLY<sup>2</sup> REPORT (OPERATIONS) TO BE SUBMITTED ON THE 5TH WORKING DAY OF EACH CALENDAR MONTH SENT TO [reporting@tp-heatnetworks.org](mailto:reporting@tp-heatnetworks.org).**

Operational monitoring and reporting requirements will be mandatory for the life of the project.

During operation, the applicant will be expected to monitor the performance of the project/plant as needed and keep records of the performance of key operation parameters and maintenance activities and make these records available on request.

The project should also provide the written report using the template provided in Appendix 4, together with a verbal update, at least quarterly. The main areas included in the quarterly operations report include:

- Health, Safety and Environmental Summary
- Heat/electricity generation, performance of the heat source and network against budget
- Update on commercial, contractual and customer issues, including KPI data around complaints
- Financial performance of the scheme, including cash flow information, against forecast
- Opportunities for potential future enhancement/growth of the heat network/project, including optimisation of operations and maintenance costs, plant performance, efficiency, availability and reliability.

We expect projects to track actual performance against forecasts and seek to identify any deviation and make recommendations for corrective action by exception. Where meaningful deviations have arisen, follow up questions on the content of the report will be sent to projects. Where there has been a material deviation from expectation and/or technical changes have occurred, TP Heat Networks may consider it appropriate to conduct a site visit.

<sup>2</sup>After 2 years of operations the frequency of operational reporting will be reviewed. After this review, the frequency will be set to a minimum of annually



**B) How TP Heat Networks will use and review these reports, raise questions and monitor the projects**

All reports should be sent to [reporting@tp-heatnetworks.org](mailto:reporting@tp-heatnetworks.org). The deadline for submitting each report will be the 5th working day of the following calendar month.

In terms of interaction with TP Heat Networks applicants should expect to be allocated a Triple Point Asset Manager who will be their primary point of contact throughout each project stage to ensure continuity of engagement.

The Triple Point Asset Manager will arrange a face-to-face meeting on award as well as during a transition in funding phase for example commercialization to construction, construction to completion. They will also hold a yearly meeting on site thereafter unless specific issues require additional attention. In this regard, the Triple Point Asset Manager will take a risk-based approach to engagement with projects. Having reviewed the submitted reports if there is deemed to be specific higher risks elements or significant deviations to the original application submitted the project should expect to receive more frequent and detailed interaction, including site visits.

If required the Triple Point Asset Manager will meet the project at their business premises to discuss – amongst other things – project management, governance of the scheme, site work, pipeline, realization of the project benefits and other qualitative elements of the project.

Where the Triple Point Asset Manager requires more detailed technical, legal, economic support they will utilize the specific capabilities and draw on additional resource from technical, operation and financial expertise and the supportive capacity of consortium members (primarily AECOM (heat network experts, drawn from different offices nationwide to enhance geographic coverage) and BDO (specialists in taxation and accounting matters)) as required. All communication with the project will be led by the Triple Point Asset Manager who will remain the primary contact for projects.

It should be noted that Recipients must comply with reporting requirements in this guidance and any other specific requirements set out in the funding agreement schedule.



# Additional Requirements

As part of BEIS' responsibilities for ensuring the effectiveness of its policies and ensuring value for money from public funds, an internal lessons-learning process and external evaluation research project will run alongside HNIP. As a condition of participation in HNIP, applicants will be required to participate in these BEIS lessons learned processes and to provide information to its appointed independent evaluation experts.

The exact nature of this participation will vary depending on emerging research or delivery priorities over the course of the project. We will always seek to minimise the burden on participants. We will, for example, share project management information and monitoring reports by default with the teams undertaking this research in order to minimise any additional data collection required. However, it is likely that participants will be asked to participate in telephone interviews and to complete occasional research questionnaires as part of these activities. Such research is imperative to demonstrating the impact of, and improving the delivery of, HNIP and will be conducted ethically in line with Government standards for research.

One of HNIP's aims is to build on the existing capability of the supply chain to develop systems of the right type and quality by facilitating an open and competitive supply chain.

A condition of receiving HNIP funding for successful applicants will be to submit information on their project suppliers and the services, expertise or equipment these bring to the project. The reasoning for this request is to ensure transparency in terms of who is involved in the various project stages from advisors, hardware and service providers.

The supply chain information will be collected from the applicant at various stages, i.e. at commercialisation about project advisors, at construction about main contractors and at the end of construction about subcontractors, kit suppliers as well as operation and maintenance providers. The collated data will be published at a future date as part of wider market reporting, we therefore advise applicants to remember to obtain consent from all their project suppliers.

A sample of projects which receive funding will be audited as part of the ongoing monitoring of the HNIP scheme. If your project is selected for audit, you will be required to provide project documentation / evidence as requested by the auditor to allow them to compile their report.



# Completion of Funding Request



Once your project has been approved for funding by the Investment Committee and documents have been signed, you will be able to apply to draw down your funding in accordance with your funding agreement, subject to completing Conditions Precedent. Generally, it is expected that funding will be available – subject to the conditions set out in your funding agreement – 8 weeks after documents have been signed. This includes the time required for submission and assessment evidence, assuming there are no complications.

Funding will generally be made available on completions of Conditions Precedent subject to receipt of a valid Utilisation Request accompanied by suitable evidence of compliance. Where the funding is provided through multiple drawdowns, there will be a separate set of Conditions Precedent to be satisfied for each drawdown. A valid Utilisation Request will need to be submitted for each drawdown.

Once we have confirmed that your project has successfully completed the Conditions Precedent process, you will be in a position to submit a funding request to draw down your HNIP funding.

You will need to submit:

- A Utilisation Request (as per Schedule 3 of your funding agreement), supported by the evidence requirements set out in section 2 of the funding agreement. These evidence requirements are also set out in table 1 below; and
- An official account verification letter from your bank confirming the below details (see 'Bank account verification procedure' section below).

The funding agreements set out the detailed approach to milestone reporting and funding requests. If the Utilisation Request and supporting evidence requirements are sent to us at least 10 Business Days before the end of the calendar month, we will aim to transfer the funding within 2 months (inclusive of any time required for TP Heat Networks raising any queries on the documents submitted).

## BANK ACCOUNT VERIFICATION PROCEDURE

To ensure that HNIP funding is paid into a bank account belonging to the successful project, information will need to be provided at the same time as the funding request. This verification procedure of bank account details will need to take place before funding can be transferred.

To clear this process, you will need to provide an official account verification letter from an appropriately authorised signatory(ies) on official company headed paper confirming the details below:

- Name of account holder
- Sort code
- Account number.

We may also call the applicant in order to re-confirm details.

In addition, and if applicable, you will need to provide evidence to show on-investing of HNIP funding.





Table 1 - Evidence required to support the funding request

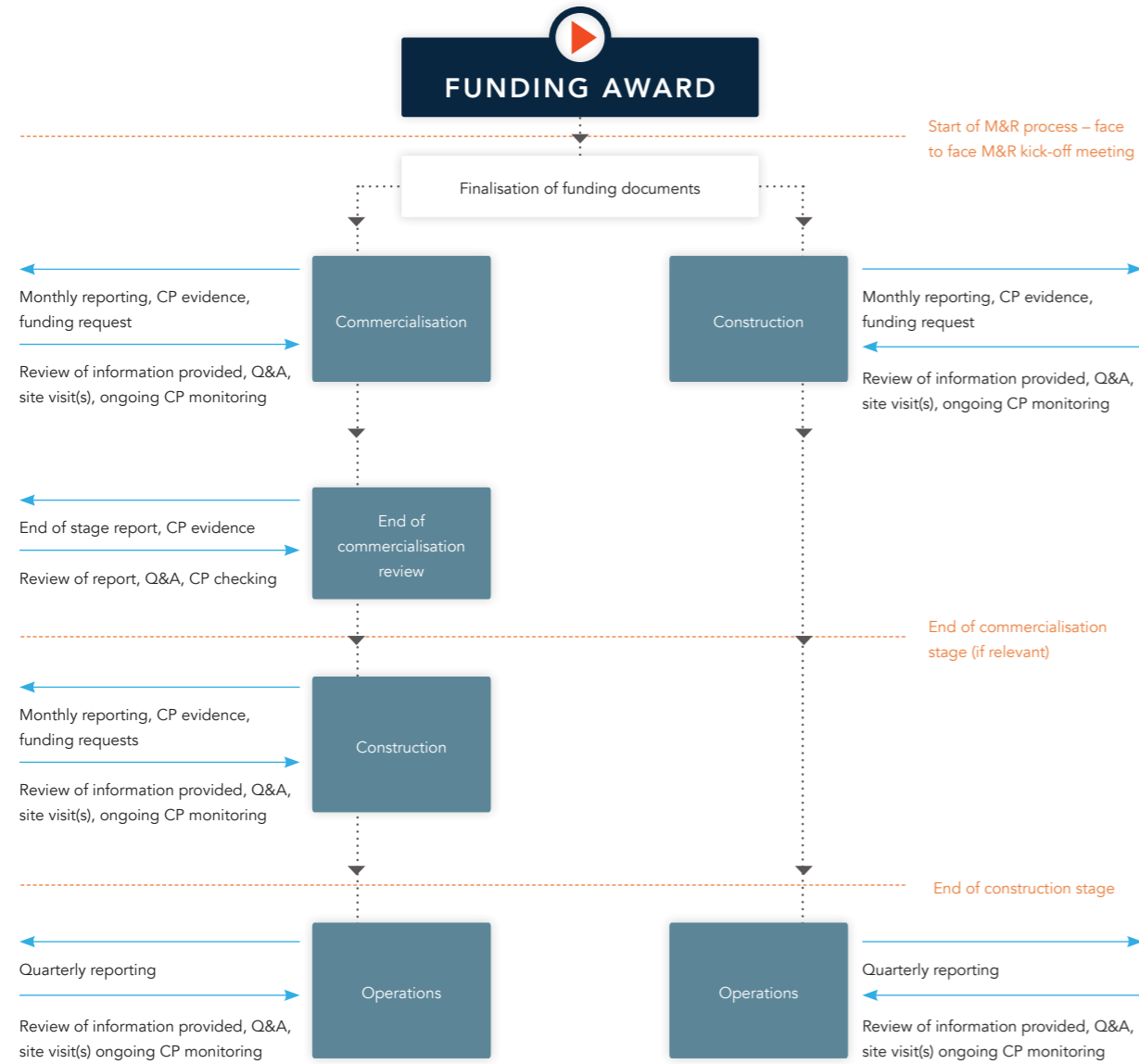
FUNDING AGREEMENT TEXT	GUIDANCE
(a) Each funding request is irrevocable and will not be regarded as having been duly completed unless:	See (a)(i) to (a)(vi) below.
(a)(i) it evidences the purpose of the Grant/loan;	See section (b)(i) below.
(a)(ii) the proposed Funding Date is a Business Day within the Availability Period and is not less than five working days after the date of the funding request;	That the funding can be drawn down and spent within the availability period (see the definitions section of your funding agreement).
(a)(iii) it requests drawdown of the Grant/ loan in accordance with the drawdown schedule agreed in the funding agreement;	See funding agreement.
(a)(iv) the amount requested is equal to or within the applicable maximum State aid limits under Article 46 of the GBER;	Statement signed by the 'Authorised signatory' <sup>3</sup> (see footnote and/or conditions precedent guidance, Annex 1, table 1, row 1) that the grant/ loan amount is equal to, or within, the applicable maximum State aid limits under Article 46 of the GBER.
(a)(v) it confirms that, to the best of the Recipient's knowledge and belief, the Agent has received all of the documents and evidence and, where applicable, Milestone Tests listed in Schedule 2 (Conditions Precedent) and that the representations set out in Clause 9 (Representations) remain true and correct; and	Statement signed by the 'Authorised Signatory' (see footnote and/or conditions precedent guidance, Annex 1, table 1, row 1) that we have received all of the documents and evidence listed in Schedule 2 (Conditions Precedent) and that the representations set out in Clause 9 (Representations) remain true and correct.
(a)(vi) it includes a statement of the total anticipated Eligible Costs of the project as at that date.	Statement signed by the 'Authorised Signatory' (see footnote and/or conditions precedent guidance, Annex 1, table 1, row 1) which sets out the total anticipated Eligible Costs (see section 6.5 of the HNIP applicant guidance for definition) of the project as of the submission date.
(b) Evidence of the purpose of the Grant/Loan will comprise:	See (b)(i) to (b)(ii) below.

<sup>3</sup>As a minimum the 'Authorised Signatory' should have delegated financial authority of at least the total value of the grant and/or loan award across the funding period. Your finance teams should also be made aware ahead of each funding award transaction from HNIP.

FUNDING AGREEMENT TEXT	GUIDANCE
(b)(i) invoices or other evidence of the total costs and expenses of the project, including a breakdown of which costs and expenses constitute Eligible Costs and specifying which Eligible Costs will be funded using the Grant or Loan; and	<p>We require evidence that:</p> <ul style="list-style-type: none"> <li>— Sets out the total costs and expenses that the funding amount will support; and</li> <li>— Demonstrates that the funding is not being requested in advance of need.</li> </ul> <p>Evidence to demonstrate this could include, for example, invoices, time plan and budget for commercialisation spend, links to externally published procurement documentation and/or estimates of the costs from contractors/ delivery bodies.</p>
(b)(ii) a declaration from an authorised officer of the Recipient that such costs and expenses need to be paid in order for the project to proceed and cannot be (and will not be) funded or reimbursed from other sources (including any other funding agreement relating to the Heat Networks Investment Project).	Statement signed by the 'Authorised Signatory' (see footnote and/or conditions precedent guidance, Annex 1, table 1, row 1) confirming that the costs and expenses set out in (b) (i) need to be paid in order for the project to proceed and cannot be (and will not be) funded or reimbursed from other sources (including any other facility agreement or memorandum of understanding relating to the Heat Networks Investment Project).



### REPORTING TIMELINE FLOW CHART



# Conditions

## Precedent

The following table is intended to provide applicants with an indication of the standard set of conditions that are likely to be required, before funding can be released. This list is not exhaustive. As is standard in financing, all conditions must be satisfied in a way that is in form and substance satisfactory to TP Heat Networks. There will also be project-specific conditions that will arise on a matter by matter basis and therefore cannot be foreseen as part of this guidance.

The column entitled "How to satisfy the condition" is indicative. TP Heat Networks may at its sole discretion require different evidence, depending on the characteristics of the relevant project.

Table 1: Conditions to signing the funding documents

CONDITION	HOW TO SATISFY THE CONDITION
The constitutional documents of the Borrower/ Grant Recipient and each Shareholder.	Copies of the most recent Articles of Association and related documents.
Corporate approvals.	For example, board minutes and shareholder resolutions.
Specimen signature of each person authorised on behalf of the Borrower/ Grant Recipient and each Shareholder to enter into the relevant documents.	Original signature required of the relevant signatories.
All relevant "know your customer" requirements, including a Group Structure Chart and any other applicable documentation to diligence the structure of the group and the source of any funds.	Passport copies, proofs of address, structure chart certified by a director and/or a lawyer, and any additional evidence depending on the circumstances.
Audited Financial Statements of the Borrower/ Grant Recipient, the Shareholder and any other material counterparties to the transaction.	This relates to the most recent audited annual statements.
Unaudited management accounts of the Borrower/ Grant/ Loan Recipient.	This relates to the most recent management accounts.
Agreed budget for the construction / operation of the project.	TP Heat Networks and applicant will need to agree the budget for the project.
Agreed financial model.	TP Heat Networks and applicant will need to agree the financial model for the project.
All relevant advisor reports (legal, technical, market, insurance, model audit).	TP Heat Networks will require its own advisors to provide these reports, or receive reliance on satisfactory reports from the applicant's advisors.
A copy of each Planning Permission, Environmental Permit and any other consent required in respect of the project.	The project will need to have obtained all regulatory and other consents required, and is responsible for ensuring this is the case.
Satisfactory real estate arrangements are in place to construct and operate the project.	Evidence of a lease or concession, relevant easements, land registry extracts and appropriate legal undertakings.
Insurance arrangements.	All relevant insurances must be in place, together with a market-practice undertaking from the insurance broker.

Table 2: Conditions to first drawdown for a particular project under the funding documents

CONDITION	HOW TO SATISFY THE CONDITION
All Funding and Security Agreements are effective.	The documents need to be fully signed and dated, and originals deposited with TP Heat Networks.
All steps have been taken to ensure the Security Agreements will be legally perfected. (Project loans only).	This can include share certificates, notices of assignment, etc.
All Project Agreements are effective and satisfactory to TP Heat Networks.	The documents need to be fully signed and dated, and certified copies deposited with TP Heat Networks. All pre-conditions to the effectiveness of each Project Agreement needs to have been satisfied (or will be satisfied by virtue of the requested drawdown).
All relevant bank accounts have been opened.	Copies of bank mandates and other evidence from the account holding bank.
All fees, costs and expenses of TP Heat Networks have been paid (or will be paid out of the drawdown proceeds).	Can be demonstrated via the Funds Flow Statement.
There is no "Funding Shortfall".	A certificate signed by the Directors of the Borrower/ Grant Recipient, to evidence that the project has the requisite and fully committed funds to be fully constructed.
Funds Flow Statement.	Setting out the "sources and uses" of the funds to be drawn. If applicable, invoices evidencing the costs being paid.
No "Default" is continuing or would result from the proposed funding.	A certificate signed by the Directors of the Borrower/ Grant Recipient.
All legal representations remain correct.	A certificate signed by the Directors of the Borrower/ Grant Recipient.
Legal opinions on capacity, authority, due execution and enforceability of all relevant documents.	Legal counsel will provide these as required.
Any other conditions required for the relevant project.	---

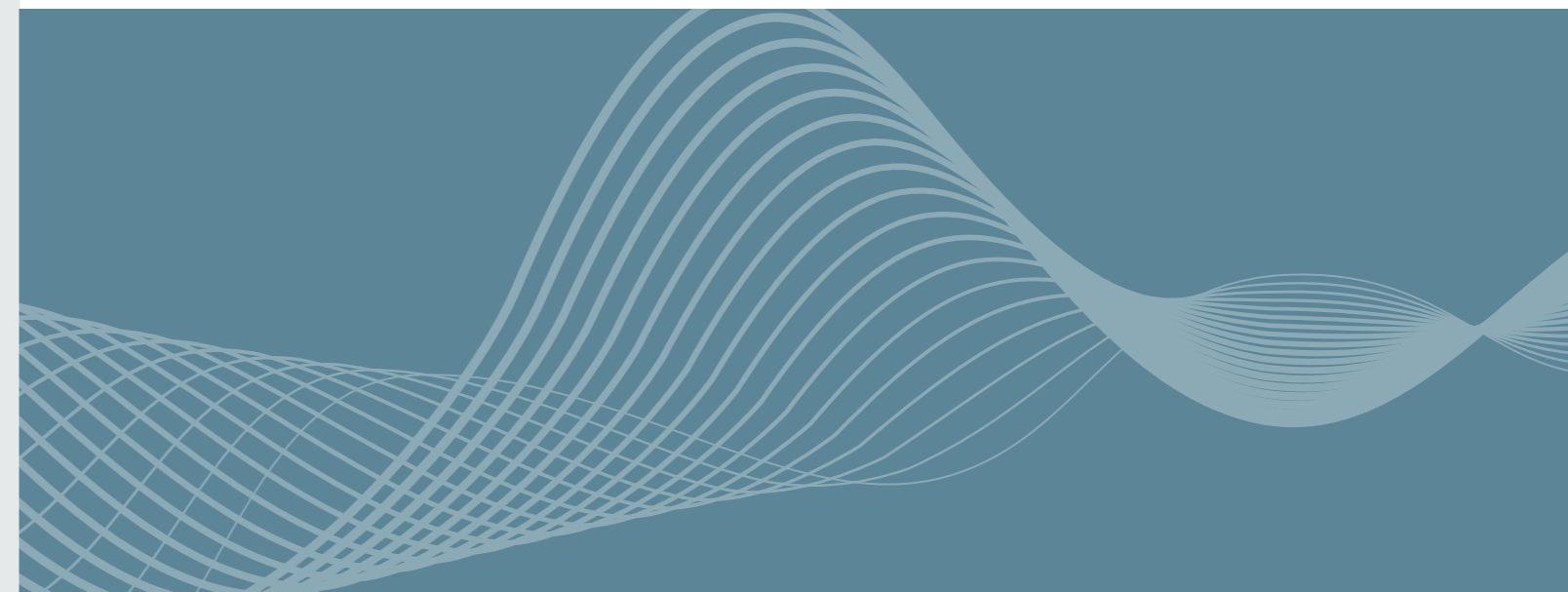
Table 3: Conditions to any subsequent drawdown for that project under the funding documents

CONDITION	HOW TO SATISFY THE CONDITION
No "Default" is continuing or would result from the proposed funding.	A certificate signed by the Directors of the Borrower/ Grant Recipient.
All legal representations remain correct.	A certificate signed by the Directors of the Borrower/ Grant Recipient.
Funds Flow Statement.	Setting out the "sources and uses" of the funds to be drawn. If applicable, invoices evidencing the costs being paid.
Any other conditions required for the relevant project.	---

Once a Recipient believes that all relevant CPs have been or are about to be met, then complete information and evidence should be submitted as required by the funding agreement.

Where TP Heat Networks approval is required for items, substantially complete draft information or evidence required to clear the relevant CPs should be submitted for review. Projects will be contacted if there are any queries or concerns as to the information provided. The final version should then follow when available. This may include signed contracts in the approved form or other evidence in the approved form. However, to avoid wasted costs, Recipients should resist seeking confirmation of the discharge of CPs prematurely.

When all CPs have been cleared to TP Heat Networks satisfaction, the Recipient will receive confirmation in writing following which the application should submit their funding request. Funding requests should not be submitted whilst CPs remain outstanding. This process will need to be followed for each funding agreement a project has entered, eg one for commercialisation and one for construction.



## Further information

To register for updates from Triple Point Heat Networks Investment Management and to join the HNIP mailing list, contact [enquiries@tp-heatnetworks.org](mailto:enquiries@tp-heatnetworks.org)

Completed reports will need to be submitted electronically to [reporting@tp-heatnetworks.org](mailto:reporting@tp-heatnetworks.org)

HNIP main scheme information

<https://www.gov.uk/government/publications/heat-networks-investment-project-hnip-scheme-overview>

Throughout the main scheme, Triple Point Heat Networks Investments Management will be hosting a series of stakeholder events and application workshops across England and Wales. The Delivery Partner would also be interested in attending and speaking at relevant events. To register your interest in one of the events or if you are hosting your own event, contact [events.ecuity@tp-heatnetworks.org](mailto:events.ecuity@tp-heatnetworks.org) to discuss this in more detail.

BEIS guidance and scheme background information

<https://www.gov.uk/guidance/heat-networks-overview>

HNDU support

<https://www.gov.uk/guidance/heat-networks-delivery-unit>

Heat Networks Delivery Unit

[hndu@beis.gov.uk](mailto:hndu@beis.gov.uk)

BEIS Heat Networks Team

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Triple Point Heat Networks Investment Management

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