

DATED 2023

(1) BRADFORD ENERGY LIMITED

(2) THE LORD CHANCELLOR

**Connection Agreement
for Heat Supply at
Bradford Combined Court Centre**

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THIS AGREEMENT is made on

2023

BETWEEN:-

- (1) **BRADFORD ENERGY LIMITED** (incorporated and registered in England and Wales under company registration number 13567856 whose registered office is at C/O Pinsent Masons LLP, 1 Park Row, Leeds, United Kingdom, LS1 5AB ("**Network Operator**"); and
- (2) **THE LORD CHANCELLOR** acting on behalf of the Crown at 102 Petty France, London, SW1H 9AJ ("**Customer**"),

(each a "**Party**" and together the "**Parties**").

BACKGROUND:-

- (A) Network Operator is a special purpose vehicle which has been established to design, build, own, operate and maintain a heat network for the supply of low carbon heat to customers in Bradford.
- (B) The Customer is the freehold owner of the Building which is to be connected to the Heat Distribution Network in accordance with this Agreement.
- (C) This Agreement sets out the terms on which (amongst other things):-
 - (C.1) Network Operator shall design, install, test and commission the Works;
 - (C.2) the Customer grants access rights to Network Operator for carrying out the Works and operation and maintenance of the parts of the Heat Distribution Network and Building Heat Substation Plant and Equipment located in the Building;
 - (C.3) Network Operator shall keep the Building connected to the Heat Distribution Network;
 - (C.4) Network Operator shall enter into a Customer Supply Agreement with the Supply Customer and provide the Heat Supply to the Building in accordance with the Customer Supply Agreement.

IT IS AGREED as follows:-

1. INTERPRETATIONS

1.1 In this Agreement, the following terms have the meaning given below:-

"Authorisation"	means an authorisation, consent, permission, approval, resolution, licence, exemption, filing, notarisation, permit, licence, agreement or registration, (whether statutory, regulatory, contractual or otherwise) including the Planning Permissions
"Affiliate"	in relation to any person, any subsidiary, any holding company or any subsidiary of such holding company, and holding company and subsidiary shall have the meaning given to them in section 1159 of the Companies Act 2006
"Approved Customer Transferee"	means either:- <ul style="list-style-type: none">(a) a Crown Body; or(b) a person who, in Network Operator's reasonable opinion, has sufficient financial standing or Sufficient Security has

been provided and demonstrates to Network Operator's reasonable satisfaction that it has or has procured the technical resources to perform its obligations under this Agreement

"Background IPR"	means any and all IPR that are owned by or licensed to either Party and which are or have been developed independently of this Agreement (whether prior to the date of this Agreement or otherwise)
"Base Rate"	means the borrowing base rate published by the Bank of England from time to time
"Building"	means the building and surrounding land which the Customer is the freehold owner of, in respect of which a Connection is made under this Agreement and to which the Heat Supply is made pursuant to a Customer Supply Agreement, being the building and surrounding land at the "Premises Address" in Schedule 1 (<i>Contract Particulars</i>)
"Building Heat Exchanger" or "PHE"	means a unit comprising a plate heat exchanger, pump and associated input and output valves and controls used for the transfer of heat from the Heat Distribution Network to the Building at the Connection Point
"Building Heating System"	means the network of pipes and ancillary equipment downstream of the Connection Point, modified in accordance with the Technical Specifications and operated by the Customer to distribute Heat around the Building
"Building Heat Plant Room"	means a plant room located within or adjacent to the Building, within which the Building Heat Substation Plant and Equipment is housed
"Building Heat Substation Plant and Equipment"	means the Connection Point, Building Heat Exchanger and all relevant ancillary equipment and infrastructure relating to the connection located within the Building Heat Plant Room
"Business Day"	means any day, other than a Saturday or a Sunday, on which banks are open in London for normal banking business
"CDM Regulations"	means the Construction (Design and Management) Regulations 2015
"Change in Law"	means the occurrence after the date of this Agreement, which could not have been reasonably foreseen by the Party relying on the Change in Law on the date of this Agreement, of: <ul style="list-style-type: none">(a) any decision or direction of a Regulatory Body;(b) any amendments, replacement or variation of any Industry Documents;(c) the enactment, commencement, modification or repeal of any Law;(d) the change in the interpretation, application or enforcement of any Law;

	<p>(e) any applicable judgement of a relevant court of law which changes a binding precedent; or</p> <p>(f) the imposition of a requirement by a Regulatory Body for an additional Authorisation or change to an existing Authorisation that was not required prior to the Effective Date</p>
"Commercial Operations Date"	has the meaning given in Clause 7.4
"Conditions Precedent"	means the conditions precedent set out in Schedule 2
"Confidential Information"	has the meaning given to it in Clause 15.1
"Connection"	means the connection of the Heat Distribution Network to the Building Heating System at the Connection Point, with a maximum capacity as stated in the "Connection Capacity" in Schedule 1 (<i>Contract Particulars</i>)
"Connection Capacity"	means the capacity of the Connection as stated in the Connection Capacity in Schedule 1 (<i>Contract Particulars</i>)
"Connection Fee"	means a charge of the amount set in Schedule 1 (<i>Contract Particulars</i>) (exclusive of VAT) to be paid in accordance with the Payment Option elected pursuant to Clause 8.1.2(a)
"Connection Point"	means the point specified as such in the Connection Point Drawing
"Connection Point Drawing"	means the drawing in Schedule 3 (<i>Heat Network Specifications</i>) for the substation arrangement option selected by the Customer and as set out in Schedule 1 (<i>Contract Particulars</i>)
"Connection Works"	<p>means the works to:-</p> <p>(a) extend the Heat Distribution Network to the Building;</p> <p>(b) install the Building Heat Substation Plant and Equipment and other relevant equipment which will form part of the Heat Distribution Network within the Building; and</p> <p>(c) energise the Connection,</p> <p>as more particularly set out under Part 1 of Schedule 4 (<i>Technical Specifications</i>)</p>
"CP Longstop Date"	means nine (9) months from the date of the Agreement (as may be amended by agreement between the Parties in writing)
"Crown Body"	means a body listed in one of the following subcategories of the Central Government classification of the Public Sector Classification Guide (<i>Public Bodies Handbook – Part 1. Classification Of Public Bodies: Guidance for Departments (publishing.service.gov.uk)</i>) as published and amended from time to time by the Office for National Statistics: (a) Government Department; (b) Non-Departmental Public Body or Assembly Sponsored Public Body (advisory, executive, or tribunal); (c) Non-Ministerial Department; or (d) Executive Agency

"Customer Authorisation"	means each Authorisation required: <ul style="list-style-type: none"> (a) for the carrying out of the Secondary Side Works; (b) in respect of the Building; and/or (c) the operation of the Building Heating System
"Customer Cap on Liability"	has the meaning given in Clause 20.1
"Customer Cure Period"	means a reasonable time limit agreed between the Parties acting reasonably within which the Customer must take action to remedy a breach
"Customer Related Party"	means the Customer's employees, contractors (of any tier), agents, Affiliates and any other person present at the Building which is not Network Operator or a Network Operator Related Party
"Customer Supply Agreement"	means an agreement between the Customer and Network Operator for provision of Heat Supply to the Building in the form set out in Schedule 8
"Customer Termination Grounds"	means:- <ul style="list-style-type: none"> (a) Network Operator is in material or persistent breach of its obligations which (a) substantially prevents the Customer from performing its obligations or exercising its rights under this Agreement or the Customer Supply Agreement; and/or (b) materially affects the benefit which the Customer would otherwise derive from a substantial or material portion of this Agreement or the Customer Supply Agreement and such breach is notified by the Customer to Network Operator and:- <ul style="list-style-type: none"> (i) where the breach is capable of remedy:- <ul style="list-style-type: none"> (1) Network Operator has failed to put forward a reasonable programme setting out how it proposes to remedy the breach within the Network Operator Cure Period (the "Network Operator Cure Programme") or has failed to commence remedying the breaches specified in such notification within the Network Operator Cure Period; or (2) Network Operator has put forward a Network Operator Cure Programme but has materially failed to remedy the breaches specified in such notification within the Network Operator Cure Period; and/or (ii) where the breach is not capable of remedy, the Customer is unable to obtain financial compensation for the relevant breach or it is able to obtain such compensation but it would be unreasonable to expect the Customer to

accept financial compensation for such default as its sole remedy

- (b) an Insolvency Event occurs in relation to Network Operator; and/or
- (c) Network Operator has breached Clause 26 (*Assignment and Other Dealings*); and/or
- (d) the aggregate liability of Network Operator to the Customer (excluding liabilities that are not subject to the Network Operator Cap on Liability) arising out of or in connection with this Agreement reaches the Network Operator Cap on Liability; and/or
- (e) the Customer is entitled to terminate this Agreement pursuant to Clause 7.6.2(b)

"Customer Termination Payment"

means all Losses resulting from the termination including:-

- (a) the balance of any Connection Fee which has not been paid by the Customer (including any part of the Connection Fee which is payable as part of the charges under the Customer Supply Agreement pursuant to CF Option 2);
- (b) the balance of any Secondary Side Works Fee which has not been paid by the Customer (including any part of the Secondary Side Works Fee which is payable as part of the charges under the Customer Supply Agreement pursuant to SWF Option 2);
- (c) any reasonable breakage costs incurred by Network Operator in connection with early termination of its sub-contractors; and
- (d) the Disconnection Costs.

"Customer Warning Notice"

has the meaning given under Clause 22.2

"Data Protection Legislation"

means all applicable data protection and privacy legislation in force from time to time in the UK including the UK GDPR; the Data Protection Act 2018; and the Privacy and Electronic Communications Regulations 2003 (SI 2003/2426) as amended, and any other legislation relating to personal data and all other legislation and regulatory requirements in force from time to time which apply to a party relating to the use of personal data (including the privacy of electronic communications), and the guidance and codes of practice issued by the relevant data protection or supervisory authority and applicable to a party

"Direct Supply Agreement"

has the meaning given to it under the Customer Supply Agreement

"Disconnection Costs"

means the reasonable and proper costs directly incurred by the Network Operator in complying with its obligations under Clause 24.6

"Dispute"

has the meaning given in Clause 25.1

"Effective Date"	has the meaning given in Clause 2.6
"EIR"	means the Environmental Information Regulations 2004 together with any guidance and/or codes of practice issued by the Information Commissioner or relevant Government department in relation to such regulations
"Energy Plant and Equipment"	means the heat generation plant and associated plant and equipment used by Network Operator to produce, generate and/or upgrade heat (as may change from time to time)
"Expiry Date"	means the date which is twenty (20) years from the Commercial Operations Date
"Final Termination Notice"	means a notice served pursuant to Clause 22.3
"FOIA"	means the Freedom of Information Act 2000 and any subordinate legislation (as defined in Section 84 of the Freedom of Information Act 2000) made under the Freedom of Information Act 2000 from time to time together with any guidance and/or codes of practice issued by the Information Commissioner or relevant Government department in relation to such Act
"Force Majeure Event"	<p>means the occurrence of any event beyond the reasonable control of a Party which cannot reasonably be avoided or overcome by that Party and which is not attributable to the acts or omissions of that Party or its Related Party, including:-</p> <ul style="list-style-type: none"> (a) war, hostilities (whether war be declared or not), invasions, act of foreign enemies, civil war; (b) rebellion, terrorism, revolution, insurrection, military or usurped power, riot, civil commotion or disorder; (c) contamination, the presence of which was caused by the release, discharge, spillage or deposit of that contamination by a third party; (d) acts of God or operation of the forces of nature such as earthquake, hurricane, lightning, typhoon or volcanic activity; (e) acts, inactions, defaults or restraint of a statutory undertaking, government or public authority (excluding the Customer), whether lawful or unlawful, except for:- <ul style="list-style-type: none"> (i) acts for which the relevant Party has assumed the risk by virtue of other provisions of this Agreement; (ii) acts for which the relevant Party should reasonably have anticipated and mitigated; and (iii) any lack of Authorisation, licence or approval necessary for the performance of this Agreement which is to be issued by any public authority where the Network Operator or the Customer (as applicable) has failed to apply for

any such Authorisation in accordance with Good Industry Practice

- (f) strikes, lockouts or labour disputes generally affecting the construction industry or energy generation industry or any supply chain related to or, service or supply to such industries, or a significant sector of any of them
- (g) the discovery of fossils, antiquities or unexploded ordnance
- (h) failure or interruption of supply of the following: electricity utility and/or electrical connections, or the failure of gas supply;
- (i) the occurrence of an event after the date of the Agreement which is recognised by the World Health Organisation as a pandemic or an epidemic and which (i) affects the whole of England and (ii) results from the transmission of a novel and newly emerging infectious virus and (iii) a national restriction on movement is imposed by the Government of the United Kingdom as a result of the occurrence of such event,

which directly causes either Party to be unable to comply with all or a material part of its obligations under this Agreement

"Foreground IPR"

means all IPR which, during the term of this Agreement, is:-

- (a) conceived, first reduced to practice or writing or developed in whole or in substantial part by a Party or the Parties jointly; or
- (b) conceived, first reduced to practice or writing or developed in whole or in substantial part by the agents, representatives, contractors or sub-contractors of a Party and licensed, transferred or assigned to that Party

"Good Industry Practice"

means using the standards, practices, methods and procedures which comply with the Law and exercising that degree of skill and care, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced person engaged in a similar type of undertaking under the same or similar circumstances.

"Grant Funding"

means grant funding provided to the Customer pursuant to the Public Sector Decarbonisation Scheme

"Heat"

has the meaning given in the definition of "Heat Supply"

"Heat Distribution Network"

means the pipe network and ancillary equipment, which provides the Heat Supply (wholly or mainly) from the Energy Plant and Equipment to the Connection Point

"Heat Supply"

means the supply of heat not exceeding the Maximum Heat Supply Capacity (as defined in the Customer Supply Agreement) generated by the Energy Plant and Equipment (or any Temporary Heat Solution) and delivered through the Heat Distribution Network

to the Connection Point for the purposes of providing heating and hot water and **Heat** shall be construed accordingly

"Indirect Loss"

means loss of profit or revenue, loss of opportunity, loss of contract or loss of goodwill, the cost of obtaining any new financing or maintaining any existing financing (including the making of any scheduled or other repayment or prepayment of debt and the payment of any other costs, fees or expenses incurred in connection with the obtaining or maintaining of financing) but for the avoidance of doubt, shall not include:-

- (a) any amounts expressly payable under this Agreement (including pursuant to Clause 24) (*Consequences of Termination*); and
- (b) any costs, losses or damage in the form of reasonable interest, insurance premium or excess, break costs or similar charges, or compensation payments a Party is bound to pay to a third party under a valid, enforceable and pre-existing contract with such third party as a direct result of any breach of this Agreement by the other Party (and for the avoidance of doubt, such contracts include Customer Supply Agreement and Direct Supply Agreement)

"Industry Documents"

means any agreement, licence or instrument of appointment regulating the generation, transmission, distribution, transportation, shipping, supply or trading of any Fuel or of heat (or any documents created pursuant to any of the foregoing) which applies to all or most businesses operating district heat networks which are similar to the Heat Distribution Network

"Insolvency Event"

means in respect of either Party:-

- (a) other than for the purposes of a bona fide reconstruction or amalgamation, such Party passing a resolution for its winding up, or a court of competent jurisdiction making an order for it to be wound up or dissolved, or that Party being otherwise dissolved; or
- (b) the appointment of an administrator of, or the making of an administration order in relation to, either Party, or the appointment of a receiver or administrative receiver of, or an encumbrancer taking possession of or selling, the whole or any part of the entity's undertaking, assets, rights or revenue; or
- (c) that Party entering into an arrangement, compromise or composition in satisfaction of its debts with its creditors or any class of them, or taking steps to obtain a moratorium, or making an application to a court of competent jurisdiction for protection from its creditors; or
- (d) that Party being unable to pay its debts, or being capable of being deemed unable to pay its debts, within the meaning of section 123 of the Insolvency Act 1986 (as may be updated from time to time); or

	(e) that Party entering into any arrangement, compromise or composition in satisfaction of its debts with its creditors
"IPRs"	means any and all intellectual property rights of any nature anywhere in the world whether registered, registrable or otherwise, including patents, utility models, trade marks, registered designs and domain names, applications for any of the foregoing, trade or business names, goodwill, copyright and rights in the nature of copyright, design rights, rights in databases, moral rights, know-how and any other intellectual property rights which subsist in computer software, computer programs, websites, documents, information, techniques, business methods, drawings, logos, instruction manuals, lists and procedures and particulars of customers, marketing methods and procedures and advertising literature, including the look and feel of any websites
"Law"	any law applicable in England and shall include common law, statute, statutory instrument, proclamation, by-law, directive, decision, regulation, rule, order, notice, rule of court, instrument, or delegated or subordinate legislation and any applicable judgement of a relevant court of law which is binding in England and Wales
"Loss(es)"	any and all losses, liabilities, damages, compensation, awards, costs (including reasonable legal costs), charges, fines, penalties, expenses but excluding any Indirect Loss
"Network Operator Authorisation"	means each Authorisation required solely for:- <ul style="list-style-type: none"> (a) the carrying out of the Connection Works; (b) the operation of the Energy Plant and Equipment and/or Heat Distribution Network and/or Building Heat Substation Plant and Equipment; and/or (c) the provision of the Heat Supply
"Network Operator Cap on Liability"	has the meaning given in Clause 20.2
"Network Operator Cure Period"	means a reasonable time limit agreed between the Parties acting reasonably within which Network Operator must take action to remedy a breach
"Network Operator Related Party"	means Network Operator's employees, contractors (of any tier (including the Secondary Side Works Contractor)), agents and Affiliates
"Network Operator Termination Grounds"	means:- <ul style="list-style-type: none"> (a) the Customer is in material or persistent breach of its obligations which (a) substantially prevents Network Operator from performing its obligations or exercising its rights under this Agreement or the Customer Supply Agreement or (b) materially affects the benefit which the Network Operator would otherwise derive from a substantial or material portion of this Agreement or the Customer Supply Agreement and such breach is notified by Network Operator to the Customer and:-

- (i) where the breach is capable of remedy:-
 - (1) the Customer has failed to put forward a reasonable programme setting out how it proposes to remedy the breach within the Customer Cure Period (the "**Customer Cure Programme**") or commence remedying the breaches specified in such notification within the Customer Cure Period; or
 - (2) the Customer has put forward a Customer Cure Programme but has materially failed to remedy the breaches specified in such notification within the Customer Cure Period and/or
- (ii) where the breach is not capable of remedy
 - Network Operator is unable to obtain financial compensation for the relevant breach or it is able to obtain such compensation but it would be unreasonable to expect Network Operator to accept financial compensation for such default as its sole remedy and/or
- (b) an Insolvency Event occurs in relation to the Customer; and/or
- (c) the Customer has breached Clause 26 (*Assignment and Other Dealings*); and/or
- (d) the Customer has sold or transferred its interest in the Building and has not simultaneously with such sale or transfer novated its rights, obligations and liabilities under this Agreement to such transferee in accordance with Clause 26 (*Assignment and Other Dealings*); and/or
- (e) Network Operator is entitled to terminate this Agreement for non-payment of the Secondary Side Works Fee in accordance with Clause 11.8; and/or
- (f) Network Operator has suspended the Connection Works and/or suspended or disconnected the Heat Supply to the Building, as set out in Clauses 10.5 and/or 11.4 (as applicable) and, after ten (10) Business Days, the Customer still has not paid the overdue Connection Fee and/or Secondary Side Works Fee; and/or
- (g) the aggregate liability of the Customer to Network Operator (excluding liabilities not subject to the Customer Cap on Liability) arising out of or in connection with this Agreement reaches the Customer Cap on Liability; and/or
- (h) the Network Operator is entitled to terminate this Agreement pursuant to Clause 7.6.1(d)

"Network Operator Termination Payment" means the cost of reinstating the Customer's gas boiler system at the Building calculated on a reducing basis over the term of the Agreement in accordance with the following formula:-

REDACTED UNDER FOIA 43 COMMERCIAL INTERESTS

"Network Operator Warning Notice" has the meaning given under Clause 22.1

"No Fault Termination Ground" means termination of this Agreement by either Party pursuant to Clause 19.4 (Force Majeure)

"No Fault Termination Payment" means:-

- (a) fifty percent (50%) of the Disconnection Costs;
- (b) the balance of any Connection Fee which has not been paid by the Customer (including any part of the Connection Fee which is payable as part of the charges under the Customer Supply Agreement pursuant to CF Option 2); and
- (c) the balance of any Secondary Side Works Fee which has not been paid by the Customer (including any part of the Secondary Side Works Fee which is payable as part of the charges under the Customer Supply Agreement pursuant to SWF Option 2)

"Payment Options" has the meaning given to it in Clause 8.1.2

"Planned Connection Date" has the meaning given to it in Schedule 1 as may be adjusted in accordance with Clause 7

"Planning Permissions" means any outline planning permissions and/or detailed planning permission or planning agreements relevant to the Works

"Preparatory Works" means the preparatory works to be carried out by the Customer in respect of the Building Heat Plant Room as set out at Part 2 of Schedule 4

"Regulatory Body" means any government department and regulatory, statutory, local authority and any other entity, agency committee, and body which, whether under statute, rules, regulations, code of practice or otherwise, is entitled by any applicable Law to supervise, regulate, investigate, or influence the matters dealt with in this Agreement, including in relation to tax and the Authorisations. **"Regulatory Body"** includes the Department for Energy Security and Net-Zero, the Gas and Electricity Markets Authority and the Valuation Office Agency, together with any successor bodies

"Secondary Side Works" means the works to modify the Building Heating System such that it is compatible and able to be connected to the Heat Distribution Network as more particularly set out under Schedule 5

"Secondary Side Works Contract" means the contract for the Secondary Side Works entered into between the Network Operator and the Secondary Side Works Contractor

"Secondary Side Works Contractor"	means Fair Heat Limited (Company no: 09408296) or any replacement contractor appointed by the Network Operator to carry out the Secondary Side Works from time to time
"Secondary Side Works Fee"	means the fee for the Secondary Side Works to be paid to the Network Operator charged at the Secondary Side Works Contractor's costs plus REDACTED UNDER FOIA 43 COMMERCIAL INTERESTS
"Secondary Side Works Scope"	means the scope for the Secondary Side Works as set out at Schedule 5 (and as amended by agreement of the Parties pursuant to Clause 11.1)
"Security"	means a mortgage, assignment, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect
"Site Rules"	means the rules, instructions, policies and procedures relating to access, security and safety at the Building (including the Security and Safety Operating Procedure 40 provided to the Network Operator prior to the date of the Agreement) as may be updated in accordance with Clause 9.5
"Standing Charge"	has the meaning given to it in the Customer Supply Agreement
"Sufficient Security"	<p>means either:-</p> <ul style="list-style-type: none"> (a) a bond or equivalent form of security from a reputable financial institution (approved by Network Operator, such approval not to be unreasonably withheld or delayed), in a form reasonably satisfactory to Network Operator, in an amount equivalent to the Customer Cap on Liability; or (b) a guarantee in a form approved by Network Operator, such approval not to be unreasonably withheld or delayed <p>which, for the avoidance of doubt, will only be applicable if the Customer assigns or novates its rights and/or obligations under this Agreement to a party which is not a Crown Body in accordance with Clause 26</p>
"Supply Customer"	means the Customer or (where the context requires it, a Tenant that is party to a Direct Supply Agreement)
"Technical Specifications"	<p>means the specification in respect of (as applicable):-</p> <ul style="list-style-type: none"> (a) Secondary Side Works; and/or (b) Connection Works <p>as set out under (as applicable) Part 1 and Part 2 of Schedule 4 (<i>Technical Specifications</i>)</p>
"Temporary Heat Solution"	means any temporary heat solution provided by Network Operator for the provision of heating to the Customer when heat supplies from the Energy Plant and Equipment (or the Heat Distribution Network as relevant) are temporarily unavailable

"Tenant"	has the meaning given under the Customer Supply Agreement.
"UK GDPR"	means the EU GDPR as implemented by the European Union (Withdrawal) Act 2018 and as amended from time to time including by the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2019 (as amended by the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2020)
"VAT"	means value added tax as provided for in the Value Added Tax Act 1994
"Works"	means the Secondary Side Works and/or the Connection Works as appropriate

- 1.2 Clause, Sub-Clause, Schedule and Paragraph headings and the "Background" section shall not affect the interpretation of this Agreement.
- 1.3 Any reference to this Agreement includes the Schedules and the Appendix.
- 1.4 A reference to a "company" shall include any company, corporation or other body corporate, wherever and however incorporated or established.
- 1.5 A reference to "holding company" or a "subsidiary" means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Companies Act 2006.
- 1.6 Unless the context requires otherwise, words in the singular include the plural and in the plural include the singular.
- 1.7 Unless the context requires otherwise, a reference to one gender shall include a reference to the other genders.
- 1.8 A reference to a statute or statutory provision is a reference to it as amended, extended, consolidated or re-enacted from time to time.
- 1.9 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.10 A reference to "writing" or "written" includes any method of representing or reproducing words in a visible and legible form, including email unless otherwise expressly provided in this Agreement but excludes all other forms of electronic communication such online messaging applications.
- 1.11 A reference to "this Agreement" or to any other agreement or document referred to in this Agreement is a reference to this Agreement as varied or novated from time to time.
- 1.12 If there is an inconsistency between the Clauses and Schedules respectively, the provisions in the Clauses shall prevail in preference to the Schedules.
- 1.13 Any words following the terms "including", "include", "in particular", "for example" or any other similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or terms preceding those terms.
- 1.14 A breach of this Agreement relating to a deadline not being achieved shall be considered to be a rectifiable breach.

2. CONDITIONS PRECEDENT AND TERM

- 2.1 Clause 1 (*Definitions and Interpretation*), Clause 2 (*Conditions Precedent and Term*), Clause 3 (*Exclusivity*), Clause 6.4 and 13 (*Freedom of Information and Environmental Information*) to Clause 38 (*Governing Law*) (inclusive) and any other Clauses or Schedules to the extent necessary to give effect to such provisions, shall come into effect on the date of this Agreement.
- 2.2 Subject to Clause 2.1, this Agreement is conditional upon the satisfaction of the Conditions Precedent (or waiver by the Network Operator of the Conditions Precedent) by the CP Longstop Date.
- 2.3 Each Party shall use its reasonable endeavours to ensure that the Conditions Precedent for which it is responsible are discharged by the CP Long Stop Date and shall co-operate with and provide reasonable assistance to the other Party in seeking to achieve such discharge.
- 2.4 In the event that each of the Conditions Precedent has not been satisfied by the relevant CP Longstop Date, either Party shall be entitled to terminate this Agreement by serving written notice to the other Party to that effect.
- 2.5 If this Agreement terminates pursuant to Clause 2.4 then, without prejudice to any claims available to any Party in respect of any prior breach, neither Party shall have liability to the other Party arising out of the early termination of this Agreement.
- 2.6 As soon as reasonably practicable following satisfaction of the Conditions Precedent, Network Operator shall provide written confirmation to the Customer that each of the Conditions Precedent has been satisfied and the date of such confirmation shall be the "**Effective Date**".
- 2.7 Following the occurrence of the Effective Date, this Agreement shall continue until the earlier of:-
- 2.7.1 the Expiry Date (as extended in accordance with Clause 2.8); and
 - 2.7.2 the date this Agreement is terminated in accordance with its terms.
- 2.8 Not less than twenty four (24) months prior to the Expiry Date, the Parties may agree to extend the Agreement by further periods to be agreed between the Parties ("**Extension Period**") and the final day of the relevant Extension Period shall become the "Expiry Date" for the purposes of this Agreement.

3. EXCLUSIVITY

- 3.1 The Customer grants Network Operator the sole right to supply Heat to the Building and acknowledges that such Heat Supply shall be made to the Customer pursuant to the terms of the Customer Supply Agreement (or, where applicable any Direct Supply Agreement).
- 3.2 The Customer warrants, represents and, for the duration of this Agreement, undertakes that it shall not and shall procure that no other person:-
- 3.2.1 enters into any agreement or arrangement for the provision by a third party of a supply of energy for the purposes of space and/or water heating to the Building (or a part thereof);
 - 3.2.2 install(s), use(s), enable(s) or facilitate(s) the installation or use of any form of gas supply, any gas-fired appliance (except appliances used for any purpose other than the generation or conveyance of heating and/or hot water), any boilers, any electric storage heaters, electric heaters, any heat microgeneration equipment (including solar thermal panels and/or ground, water or air source heat pumps) or any other alternative central heating or hot water system for the supply of space and/or water heating to the Building (or a part thereof).

- 3.3 The provisions of Clauses 3.1 and 3.2 shall not apply in relation to:-
- 3.3.1 the provision of heating or hot water for construction purposes only;
- 3.3.2 the provision of heating or hot water on a temporary basis by any temporary means at a time when a Heat Supply is not being made available by Network Operator (other than where Network Operator has suspended or disconnected the Heat Supply pursuant to Clause 6.1.6 of the Customer Supply Agreement or where the Heat Supply is deliberately interrupted by the Customer and provided that the Customer shall cease the provision of heat from such sources immediately upon the Heat Supply being restored by the Network Operator);
- 3.3.3 the use of:-
- (a) existing instantaneous water heaters; and
- (b) portable electric storage heaters in addition to the Heat Supply,
- provided that this does not impact on the Heat Supply demand at the Building and the Heat Supply remains the primary source of heat supply for the Building.

4. **MUTUAL OBLIGATIONS**

- 4.1 In performing their respective obligations under this Agreement, each Party shall act, and shall use all reasonable endeavours to procure that each Network Operator Related Party (in the case of Network Operator) or each Customer Related Party (in the case of the Customer) acts, in good faith and in accordance with Good Industry Practice.
- 4.2 The Parties shall comply with their respective obligations set out under the Schedules to this Agreement.
- 4.3 Network Operator shall obtain the Network Operator Authorisations and comply with the Network Operator Authorisations and Customer Authorisations (to the extent applicable to the Works) and the Customer shall obtain and comply with the Customer Authorisations. Each Party shall provide reasonable support to the other Party in enabling that other Party to comply with this Clause 4.3.
- 4.4 Both Parties shall comply with their obligations under the CDM Regulations in relation to the Works. To the extent permissible, the Party responsible for carrying out (or procuring the carry out of) such Works hereby elects to be the only "Client" (as defined in the CDM Regulations) for the purposes of the CDM Regulations and shall observe, perform and discharge all obligations of the Client arising under the CDM Regulations in relation to such Works.

5. **NETWORK OPERATOR'S OBLIGATIONS**

- 5.1 Network Operator shall design, construct, install and commission the Works in accordance with: (i) Good Industry Practice, (ii) the Authorisations, (iii) all applicable Law, (iv) the Technical Specifications, and (v) the terms of this Agreement.
- 5.2 From the Commercial Operations Date, Network Operator shall maintain the Connection of the Heat Distribution Network to the Building Heating System (save where permitted to isolate or de-energise such Connection in accordance with this Agreement and/or to disconnect or suspend the Heat Supply in accordance with the Customer Supply Agreement).
- 5.3 Network Operator shall ensure that the Heat Distribution Network and Building Heat Substation Plant and Equipment is operated and maintained (i) in accordance with Good Industry Practice, (ii) in a manner that is effective and safe and does not or is not likely to be injurious to health or to cause damage to or loss of property, and (iii) to comply with the requirements of Part 3 of Schedule 4 (*Technical Specifications*).

- 5.4 Network Operator shall not cause or permit to be caused any physical damage to any part of the Building or any assets or other property of the Customer and shall make good any Loss caused in breach of this Clause 5.4 to the reasonable satisfaction of the Customer.
- 5.5 Subject to Clause 5.6, the Network Operator shall provide the Heat Supply in accordance with the terms of the Customer Supply Agreement, including at all times in compliance with the Law, including to the extent applicable the Heat Network (Metering and Billing) Regulations 2014.
- 5.6 The obligation on Network Operator to provide a Heat Supply to a Supply Customer is subject to:
- 5.6.1 there being in effect a Customer Supply Agreement entered into between Network Operator and the Supply Customer which, for the avoidance of doubt, shall exclude any Customer Supply Agreement which has been terminated or ceases to have effect in accordance with the terms of such agreement;
 - 5.6.2 the installation, design, construction, completion, commissioning of all parts of the Heat Distribution Network and Building Heat Substation Plant and Equipment and relevant to the provision of the Heat Supply to the Supply Customer; and
 - 5.6.3 the completion and commissioning of the Secondary Side Works in accordance with the requirements of the Technical Specifications.

6. CUSTOMER OBLIGATIONS

- 6.1 The Customer shall carry out the Preparatory Works (i) in accordance with Good Industry Practice, (ii) in a manner that is effective and safe and does not or is not likely to be injurious to health or to cause damage to or loss of property, (iii) to comply with the requirements of Part 2 of Schedule 4 (*Technical Specifications*) and (iv) in accordance with any reasonable requirements of Network Operator.
- 6.2 The Customer shall ensure the Building Heating System is operated and maintained (i) in accordance with Good Industry Practice, (ii) in a manner that is effective and safe and does not or is not likely to be injurious to health or to cause damage to or loss of property, (iii) to comply with the requirements of Part 4 of Schedule 4 (*Technical Specifications*) and (iv) in accordance with any reasonable requirements of Network Operator and more generally so as to not adversely impact operation of the Heat Distribution Network, and Building Heat Substation Plant and Equipment or Energy Plant and Equipment. For the avoidance of doubt, the Parties acknowledge and agree that Network Operator shall have no responsibility for the operation and/or maintenance of the Building Heating System, which shall be the sole responsibility of the Customer.
- 6.3 The Customer shall not cause or permit to be caused any physical damage to any assets or property of Network Operator or any interference with the operation of the Heat Distribution Network and/or and Building Heat Substation Plant and Equipment and/or provision by Network Operator of the Heat Supply and shall make good any Loss caused in breach of this Clause 6.3 to the reasonable satisfaction of the Network Operator.
- 6.4 The Customer shall notify Network Operator promptly (and, in any event, within ten (10) Business Days of it becoming aware) of any material change in the use or operation of the Building that is likely to have an impact on the size or profile of the Building's Heat Supply demand.

7. WORKS COMPLETION

- 7.1 Following the Effective Date, the Network Operator shall use reasonable endeavours to complete the Works on or before the Planned Connection Date and keep the Customer updated as to the progress of the Works in accordance with a timetable to be agreed by the Parties within three (3) months of the date of this Agreement.

- 7.2 The Customer shall co-operate with the Network Operator and use all reasonable endeavours not to interfere with, obstruct, impede or otherwise delay or cause disruption to the Network Operator in carrying out the Works.
- 7.3 Each Party shall comply with its obligations in relation to the testing and commissioning of the Works set out at 0 (Connection Process).
- 7.4 The date on which the Works have achieved practical completion in accordance with 0 shall be the **"Commercial Operations Date"**.
- 7.5 The Network Operator will notify the Customer if it considers it is likely that the Works will not be completed by the Planned Connection Date and, in such case, subject to Clause 7.6, the Parties will discuss in good faith whether or not to agree in writing an extension to the Planned Connection Date (and for the purposes of this Clause 7, the **"Updated Planned Connection Date"**).
- 7.6 To the extent that the Commercial Operations Date has not occurred on or before the Planned Connection Date or Updated Planned Connection Date (as applicable) (for the purposes of this Clause 7.6 only, the **"Relevant Date"**) then:
- 7.6.1 to the extent that such failure is attributable to an act, omission, impediment, default, failure or breach of the Agreement by the Customer (of which it has been notified and which shall include non-payment of the Connection Fee and/or Secondary Side Works Fee), Network Operator shall have the right to:
- (a) receive an extension of time equal to the period by which the Commercial Operations Date has been delayed as a result of such act or omission;
 - (b) receive from the Customer liquidated damages for each day of delay from the Relevant Date until the Commercial Operations Date, at an amount of **REDACTED UNDER FOIA 43 COMMERCIAL INTERESTS** plus any reasonable and proper costs directly incurred by the Network Operator as a result of the delay to the Commercial Operations Date (subject to a cap of **REDACTED UNDER FOIA 43 COMMERCIAL INTERESTS**);
 - (c) where the Customer has elected CF Option 1 and/or SWF Option 1 in accordance with Clause 8 and the Customer loses all or part of its capital funding (including the Grant Funding) the extent directly and solely due to the Customer's failure, receive from the Customer the Network Operator's reasonable and proper costs of completing the outstanding Works;
 - (d) if the Commercial Operations Date has not occurred within twelve (12) months of the Planned Connection Date as specified at the Effective Date, terminate this Agreement by giving not less than thirty (30) Business Days' notice in writing to the Customer;
- 7.6.2 to the extent that such failure is attributable to an act or omission of Network Operator, there shall be no extension of time granted and:-
- (a) where the Customer has elected CF Option 1 and/or SWF Option 1 in accordance with Clause 8 and the Customer loses all or part of its capital funding (including the Grant Funding) to the extent directly and solely due to the Network Operator's failure, the Network Operator shall complete the outstanding Works at the Network Operator's own cost (unless agreed otherwise between the Parties);
 - (b) the Customer shall have the right to terminate this Agreement by giving not less than thirty (30) Business Days' notice in writing to Network Operator if the Commercial Operations Date has not occurred within

twelve (12) months of the Planned Connection Date as specified at the Effective Date; and

- 7.6.3 to the extent that such failure is attributable to any other event or circumstance not described in Clause 7.6.1 or 7.6.2 (including, for the avoidance of doubt, a Force Majeure Event) the Relevant Date shall be extended by a period of time equal to that by which the Commercial Operations Date has been delayed,

and in the event of a termination of this Agreement pursuant to this Clause 7.6, the provisions of Clause 24 (*Consequences of Termination*) shall apply.

8. PAYMENT OPTIONS

- 8.1 The Customer shall provide the Network Operator with regular updates on the progress of any application for Grant Funding and shall provide a written notice to the Network Operator promptly (and, in any event, within ten (10) Business Days) from receipt of the outcome of any application for Grant Funding, confirming:-

- 8.1.1 the outcome of the application for Grant Funding; and

- 8.1.2 which of the payment options (set out below) the Customer has elected for payment of the Connection Fee and Secondary Side Works Fee:-

- (a) payment of the Connection Fee:-

- (i) **CF Option 1** – payment of the Connection Fee in instalments in accordance with Clause 10; or

- (ii) **CF Option 2** - defer payment of the Connection Fee which shall be recovered as part of the Standing Charge pursuant to the Customer Supply Agreement;

- (b) payment of the Secondary Side Works Fee:-

- (i) **SWF Option 1** – payment of the Secondary Side Works Fee on a monthly basis in accordance with the process set out in Clause 11; or

- (ii) **SWF Option 2** – defer payment of the Secondary Side Works Fee which shall be recovered as part of the Standing Charge pursuant to the Customer Supply Agreement,

(the “**Payment Options**”).

- 8.2 Within ten (10) Business Days of receipt of the notice served pursuant to Clause 8.1, the Network Operator shall provide notice to the Customer confirming:-

- 8.2.1 receipt of the Payment Options elected by the Customer; and

- 8.2.2 where the Customer has elected CF Option 2 and/or SWF Option 2, the applicable Standing Charge payable under the Customer Supply Agreement which shall be calculated in accordance with schedule 1 of the Customer Supply Agreement.

9. OWNERSHIP AND ACCESS

- 9.1 The Customer shall provide access to the Network Operator in accordance with this Clause 9 for the period from the Effective Date to the Commercial Operations Date.

- 9.2 The Customer shall grant (and hereby grants) a licence to the Network Operator that will give Network Operator and the Network Operator Related Parties free, safe and reasonably uninterrupted access to the Building Heat Plant Room and those parts of the Building necessary for Network Operator to undertake the Works and carry out its obligations and/or exercise its rights under this Agreement and the Customer Supply Agreement (the “**Licence**”). Such Licence shall comply with the access and permit to work requirements specified in Part 2 and Part 4 of Schedule 4 (*Technical Specifications*).
- 9.3 On the grant of the Licence the Network Operator and the Network Operator Related Parties will have a right to access the parts of the Building and Building Heat Plant Room necessary for the Network Operator to undertake the Connection Works and carry out its obligations and/or exercise its rights under this Agreement and Customer Supply Agreement provided that the Network Operator and the Network Operator Related Parties comply with all relevant Site Rules.
- 9.4 The Customer shall provide Network Operator with reasonable access to and use of areas of reasonable size and physical location at or within reasonable proximity of the Building for use as a laydown and loading areas in connection with the Works and where necessary for implementation of any Temporary Heat Solution.
- 9.5 The Customer may (subject to providing Network Operator with reasonable notice), require Network Operator to comply with reasonable updates to the Site Rules, save that Network Operator shall be entitled to recover from the Customer any reasonable, demonstrable and properly incurred incremental costs and expenses incurred by Network Operator as a result of complying with such updates to the Site Rules.
- 9.6 The Parties acknowledge and agree that without prejudice to any rights of the Parties under this Agreement, title to and responsibility for the Heat Distribution Network and the Building Heat Substation Plant and Equipment shall at all times (as between the Parties) remain with Network Operator and title to and responsibility for the Building Heating System shall following completion of the Secondary Side Works (as between the Parties) remain with the Customer, and neither Party shall in respect of equipment owned by the other Party (the “**Relevant Equipment**”):
- 9.6.1 make any alteration to, carry out any works on, or move or remove all or any part of the Relevant Equipment;
 - 9.6.2 sell or offer for sale, underlet or lend the Relevant Equipment; or
 - 9.6.3 allow the creation of any Security in respect of the Relevant Equipment.
10. **CONNECTION FEE**
- 10.1 Where the Customer has elected CF Option 1 in accordance with Clause 8, Clauses 10.2 to 10.8 below shall apply.
- 10.2 The Network Operator may issue an invoice to the Customer for each instalment of the Connection Fee in accordance with the specific payment milestones required by the terms of the Grant Funding arrangements (“**Payment Milestones**”) or as otherwise agreed between the Parties.
- 10.3 The Customer shall pay each valid and undisputed part of any invoice provided by Network Operator pursuant to Clause 10.2 within thirty (30) Business Days of invoice receipt.
- 10.4 If the Customer fails to pay any amount payable by it under this Clause 10 within the timescales set out in Clause 10.2, then, without prejudice to Clause 10.5, interest shall accrue on the overdue amount daily from the due date until the date of payment at **REDACTED UNDER FOIA 43 COMMERCIAL INTERESTS**. Any interest accruing under this Clause 10.4 shall be compounded with the overdue amount on the last day of each month and payable on demand.

- 10.5 Where the Commercial Operations Date has occurred and the Customer has failed to pay any amount payable by it under this Clause 10 within the timescales set out in Clause 10.2, and such amounts are not in dispute, then, without prejudice to any other remedy available to Network Operator, Network Operator shall be entitled to:-
- 10.5.1 prior to the Service Readiness Date and subject to Clause 10.6, suspend performance of the Connection Works; and/or
- 10.5.2 de-energise the Connection and suspend any Heat Supply.
- 10.6 The Network Operator may not suspend performance of the Connection Works in accordance with Clause 10.5.1 unless it has first given the Customer at least ten (10) days' written notice of its intention to suspend performance stating the ground or grounds on which it is intended to suspend performance.
- 10.7 Where Network Operator has suspended performance of the Connection Works for non-payment, the Network Operator shall resume performance of the Connection Works within five (5) Business Days of the Customer paying in full any outstanding part of the Connection Fee, any accrued interest and the Network Operator shall be entitled to claim its reasonable and proper costs of suspension and re-mobilisation of the Connection Works from the Customer.
- 10.8 Where Network Operator has suspended the Heat Supply in accordance with Clause 10.5.2, the Network Operator shall re-energise the Connection and resume provision of the Heat Supply within three (3) Business Days of the Customer paying in full any outstanding part of the Connection Fee, any accrued interest and (where requested by Network Operator) any reasonably and properly evidenced costs incurred (if any) by Network Operator in carrying out such de-energisation and re-energisation.

11. **SECONDARY SIDE WORKS FEE**

- 11.1 The Secondary Side Works Fee is capped at an amount of **REDACTED UNDER FOIA 43 COMMERCIAL INTERESTS** (the "Secondary Side Works Fee Cap") and where the Network Operator becomes aware that the cost of delivering the Secondary Side Works has or is likely to exceed the Secondary Side Works Fee Cap it shall notify the Customer and:-
- 11.1.1 where the Secondary Side Works Fee Cap has been met or exceeded, the Network Operator shall be entitled to suspend performance of the Secondary Side Works and the Planned Connection Date shall be extended by a period of time equal to that by which performance of the Secondary Side Works is suspended;
- 11.1.2 the Parties shall meet to agree (acting reasonably and in good faith) the steps to be taken to enable delivery of the Secondary Side Works which may include:-
- (a) amending the Secondary Side Works Scope to enable the Secondary Side Works to be delivered within the Secondary Side Works Fee Cap;
- (b) increasing the Secondary Side Works Fee Cap; and/or
- (c) increasing the Standing Charge payable under the Customer Supply Agreement;
- 11.1.3 the Network Operator shall use reasonable endeavours to procure that the performance of the Secondary Side Works is resumed within ten (10) Business Days of the Parties implementing any steps agreed pursuant to Clause 11.1.2 above;
- 11.1.4 if the Parties are unable to agree any variation to the Secondary Side Works Scope within two (2) months of the Network Operator providing notice in accordance with Clause 11.1 then then either Party shall be entitled to refer the issue to dispute

resolution in accordance with the procedure set out in Clause 25 (Dispute Resolution Procedure).

- 11.2 Where the Customer has elected SWF Option 1 in accordance with Clause 8 above, Clauses 11.3 to 11.9 below shall apply.
- 11.3 The Parties shall follow the process set out below in respect of payment of the Secondary Side Works Fee:-
- 11.3.1 the Network Operator shall submit to the Customer an application for payment on or before the 7th day of each month ("**Application Date**") comprising a breakdown of the Secondary Side Works Fee, a payment certificate and/or application for payment properly issued pursuant to the Secondary Side Works Contract (and copies of any supporting information supplied to the Network Operator by the Secondary Side Works Contractor) ("**Application for Payment**");
- 11.3.2 the payment due date for each Application for Payment shall be the relevant Application Date (the "**Due Date**");
- 11.3.3 not later than five (5) calendar days after the Due Date, the Customer shall send a notice to the Network Operator specifying the amount (if any) considered due to the Network Operator at the Due Date and the basis on which that amount is calculated ("**Payment Notice**");
- 11.3.4 if the Customer fails to issue a Payment Notice in accordance with Clause 11.3.3 the Application for Payment issued by Network Operator in accordance with Clause 11.3.1 shall be deemed to be a notice of payment ("**Default Payment Notice**") and the sum to be paid by the Customer shall, subject to any Pay Less Notice having been served by the Customer under Clause 11.3.6, be the sum specified in the Application for Payment;
- 11.3.5 the final date for payment of each Application for Payment shall be thirty (30) days from the Due Date referred to in Clause 11.3.2 ("**Final Date for Payment**");
- 11.3.6 if the Customer intends to pay less than the notified sum, the Customer shall give the Network Operator a notice stating the amount it considers due and the basis on which that amount is calculated (a "**Pay Less Notice**"). A Pay Less Notice shall be given not later than ten (10) days before the Final Date for Payment of a notified sum in respect of which the Customer intends to pay less;
- 11.3.7 if the Network Operator disputes any Pay Less Notice, the Network Operator shall immediately notify the Customer in writing. The Parties shall negotiate in good faith to attempt to resolve the dispute promptly. The Network Operator shall provide all such evidence as may be reasonably necessary in respect of such dispute (including any information or evidence provided by the Secondary Side Works Contractor). If the Parties have not resolved the dispute within thirty (30) days of the disputing party giving notice to the other, the dispute shall be resolved in accordance with Clause 25.
- 11.4 If the Customer fails to pay any undisputed amount payable by it under this Clause 11 by the Final Date for Payment, then, without prejudice to Clause 11.5, interest shall accrue on the overdue amount daily from the due date until the date of payment at three per cent (3%) above Base Rate. Any interest accruing under this Clause 11.4 shall be compounded with the overdue amount on the last day of each month and payable on demand.
- 11.5 Where a sum due under the provisions of this Agreement is not paid in full by the Final Date for Payment for that sum and no effective Pay Less Notice has been issued to the Network Operator then the Network Operator may (without prejudice to any other right or remedy but subject to the provisions of Clause 11.6) suspend performance of any or all of its obligations under this Agreement and claim its reasonable costs of suspension and re-mobilisation.

- 11.6 The Network Operator may not suspend performance in accordance with Clause 11.5 unless it has first given the Customer at least seven (7) days' written notice of its intention to suspend performance stating the ground or grounds on which it is intended to suspend performance.
- 11.7 The Network Operator's right under Clause 11.5 to suspend performance of its obligations shall cease immediately on payment in full of the relevant sum due and the Network Operator shall resume performance of its obligations under this Agreement on the next working day.
- 11.8 Without prejudice to Clause 11.5 if the Customer shall fail to pay in full any sum due under the terms of this Agreement by the Final Date for Payment for that sum and no effective Pay Less Notice has been issued, the Network Operator may serve written notice on the Customer demanding payment within twenty eight (28) days of such notice. If the Customer shall fail to comply with such notice, then upon the expiry of such twenty eight (28) day period the Network Operator shall be entitled to terminate this Agreement forthwith by giving a further notice to the Customer.
- 11.9 Where the Commercial Operations Date has occurred and the Customer has failed to pay any amount payable by it under this Clause 11 within the timescales set out in Clause 11.3, and such amounts are not in dispute, then, without prejudice to any other remedy available to Network Operator, Network Operator shall be entitled to de-energise the Connection and suspend any Heat Supply. Network Operator shall re-energise the Connection and resume provision of the Heat Supply within three (3) Business Days of the Customer paying in full any outstanding part of the Secondary Side Works Fee, any accrued interest and (where requested by Network Operator) any reasonably and properly evidenced costs incurred (if any) by Network Operator in carrying out such de-energisation and re-energisation.

12. **INTELLECTUAL PROPERTY**

- 12.1 All Background IPR is and shall remain the exclusive property of the Party owning it (or, where applicable, the person from whom its right to use the Background IPR has derived).
- 12.2 All rights to Foreground IPR generated by Network Operator shall be the exclusive property of Network Operator and all rights to Foreground IPR generated by the Customer shall be the exclusive property of the Customer.
- 12.3 Each Party ("**Party A**") grants to the other Party ("**Party B**") a non-exclusive and royalty-free licence to use and copy so far as it is able to do so (i) Background IPR and (ii) Foreground IPR, in each case for any purposes in connection with the performance of Party B's obligations under this Agreement and (where applicable) the Customer Supply Agreement and the running of the Building Heating System, Heat Distribution Network, and Building Heat Substation Plant and Equipment and Energy Plant and Equipment (for the purposes of this Clause 12.3, the "**Agreed Purpose**"). Party B may sublicense its rights under this Clause 12.3 to its contractors, sub-contractors, consultants or other relevant persons for the Agreed Purpose.
- 12.4 Party A shall be liable to Party B in respect of any action, claim, demand, cost, charge or expense against or suffered by Party B arising out of or in connection with any infringement by Party B of another person's IPRs where and to the extent arising out of or in connection with Party A's acts or omissions.

13. **FREEDOM OF INFORMATION AND ENVIRONMENTAL INFORMATION**

- 13.1 Network Operator acknowledges that the Customer may be required, under the FOIA and/or the EIR (collectively, the "**Information Acts**") to respond to requests for information relating to or arising out of the negotiations concerning this Agreement, provisions of this Agreement and/or the subject matter of this Agreement (collectively, "**Information**").
- 13.2 If the Customer receives a Request For Information under the Information Acts in relation to Information that the Network Operator is holding on its behalf and which the Customer does not hold itself, the Customer shall refer to the Network Operator such Request for Information

that it receives as soon as practicable and in any event within five (5) Business Days of receiving a Request for Information and Network Operator shall:-

- 13.2.1 provide all necessary assistance and cooperation (including procuring any Information required from any of its sub-contactors) as reasonably requested by the Customer to enable it to comply with its obligations under the Information Acts;
 - 13.2.2 transfer to the Customer such Requests for Information that it receives as soon as practicable and in any event within two (2) Working Days of receiving such Request for Information;
 - 13.2.3 provide the Customer with a copy of all such Information in its possession, or power in the form that the Customer reasonably requires within five (5) Working Days (or such other period as the Customer may acting reasonably specify) of the Customer's request; and
 - 13.2.4 provide all necessary assistance as reasonably requested by the Customer in connection with any such Information to enable the Customer to respond to the Request for Information within the time for compliance set out in section 10 of the FOIA or regulation 5 of the Environmental Information Regulations.
- 13.3 Following notification in accordance with Clause 13.2 and up until such time as the Network Operator has provided the Customer with all the Information specified in Clause 13.2.3, the Network Operator may make representations to the Customer as to whether or not and/or on what basis Information requested should be disclosed and whether further information should reasonably be provided in order to identify and locate the information requested, and the Customer shall consider such representations provided that the Customer shall be responsible for determining in its absolute discretion and notwithstanding any other provision in the Agreement or any other agreement whether any Information sought in a request for Information made to it is exempt from disclosure in accordance with the provisions of the Information Acts.
- 13.4 Where the Customer receives a Request for Information in relation to Information that the Customer holds which relates to the Network Operator or this Agreement, the Customer shall notify the Network Operator as soon as reasonably practicable and in any event prior to the disclosure of such and shall allow the Network Operator to make representations to the Customer as to whether or not and/or on what basis information requested should be disclosed, and the Customer shall consider such representations provided always that the Customer shall be responsible for determining at its absolute discretion whether any Information sought in a request for Information made to it is exempt from disclosure in accordance with the provisions of the Information Acts.
- 13.5 Network Operator acknowledges that the Customer may be required under the Information Acts to disclose Information that constitutes Confidential Information and, where this is the case, the provisions of Clause 15 (*Confidentiality*) shall apply.
- 13.6 In no event shall the Network Operator respond directly to a Request for Information unless it has first attempted to notify the Customer of the Request for Information.
- 13.7 The Network Operator acknowledges that (notwithstanding the provisions of Clause 15 (*Confidentiality*)) the Customer may, acting in accordance with the Secretary of State for Constitutional Affairs Code of Practice on the Discharge of the Functions of Public Authorities under Part 1 of the Freedom of Information Act 2000 (the "**Code**"), be obliged under the FOIA, or the EIR to disclose information concerning the Network Operator or the Works and/or Heat Supply:-
- (a) in certain circumstances without consulting the other Party; or
 - (b) following consultation with the other Party and having taken its views into account,

provided always that where Clause 13.7(a) applies the Customer shall, in accordance with any recommendations of the Code, take reasonable steps, where appropriate, to give the Network Operator advanced notice, or failing that, to draw the disclosure to its attention after any such disclosure.

- 13.8 The Network Operator shall ensure that all Information held on behalf of the Customer is retained for disclosure and shall permit the Customer to inspect such records as requested from time to time.

14. **DATA PROTECTION**

- 14.1 For the purpose of this Clause 14.1, "Controller", "Personal Data", "Processing", and "Processor" shall have the meanings given to them in the Data Protection Legislation and the terms "Process" and "Processed" shall be construed accordingly.

- 14.2 The Parties each acknowledge and agree that they may need to Process Personal Data (in their respective capacities as Controllers) in order to (as appropriate): (a) administer and provide the services under this Agreement and carry out the Works; (b) request and receive the services under this Agreement; (c) compile, dispatch and manage the payment of invoices; (d) manage the Agreement and resolve any disputes relating to it; (e) respond and/or raise general queries relating to the services under this Agreement; and (f) comply with their respective obligations at Law.

- 14.3 Each Party shall Process Personal Data for the purposes set out in Clause 14.2 in accordance with Data Protection Legislation. The Parties acknowledge that they may be required to share Personal Data with their Affiliates and other relevant parties, in order to carry out the activities listed in Clause 14.2, and in doing so each Party will ensure that the sharing and use of this Personal Data complies with applicable Data Protection Legislation.

15. **CONFIDENTIALITY**

- 15.1 In this Agreement, **Confidential Information** means all information of a confidential nature relating to one party which is supplied by or on behalf of that party (whether before or after the date of this Agreement), either in writing, orally or in any other form, directly or indirectly from or pursuant to discussions with that party (**Disclosing Party**) or which is obtained through observations made by the receiving party (**Receiving Party**). Confidential Information also includes all analyses, compilations, studies and other documents whether prepared by or on behalf of a party which contain or otherwise reflect or are derived from such information.

- 15.2 Each Receiving Party shall hold in confidence any Confidential Information, provided that the provisions of this Clause 15 shall not restrict a Receiving Party from passing such information to:-

15.2.1 its professional advisers and insurers, to the extent necessary, to enable it to perform (or to cause to be performed) or to enforce its rights or obligations under this Agreement provided that such disclosure is subject to the confidentiality restrictions substantially the same as those set out in this Clause 15;

15.2.2 to any director, employee or affiliate of the Disclosing Party, provided that such disclosure is subject to confidentiality restrictions substantially the same as those set out in this Clause 15;

15.2.3 to any contractor (of any tier) of the Disclosing Party, or any person professionally engaged by the Disclosing Party, provided that such person is subject to professional duties of confidentiality or such disclosure is subject to confidentiality restrictions substantially the same as those set out in this Clause 15;

15.2.4 to any bank, other financial institution, rating agency or other person to the extent required in relation to the financing or potential financing of the Building, Works, Heat Distribution Network, Building Heat Substation Plant and Equipment, the

subject matter of this Agreement or the Disclosing Party's business activities, provided that such disclosure is subject to confidentiality restrictions substantially the same as those set out in this Clause 15).

15.3 The obligation to maintain the confidentiality of the Confidential Information does not apply to Confidential Information:

15.3.1 which the Disclosing Party confirms in writing is not required to be treated as Confidential Information;

15.3.2 which is or lawfully comes into the public domain otherwise than through any disclosure prohibited by this Agreement;

15.3.3 to the extent required to be disclosed for the proper performance of the obligations under his Agreement;

15.3.4 which is disclosed to enable a determination to be made under Clause 25 (Dispute Resolution);

15.3.5 the disclosure of which is required by any applicable Law (including any order of a court of competent jurisdiction), any Parliamentary obligation or the rules of any stock exchange or governmental or regulatory authority having the force of law or, if not having the force of law, compliance with which is in accordance with the general practice of persons subject to the stock exchange or government or regulatory authority concerned;

15.3.6 which is already in the lawful possession of the Receiving Party prior to its disclosure by the Disclosing Party provided that any subsequent disclosure is not in breach of any restriction, condition or stipulation already applying to that Confidential Information.

15.4 The Customer may disclose the other Party's confidential information to any Central Government Body or Parliamentary body undertaking a review of this Agreement (including the National Audit Office or the Department for Energy Security and Net Zero) and in connection with a legal challenge against the Customer arising out of or in connection with this Agreement.

15.5 Unless otherwise required by any applicable Law or any regulatory or governmental authority, neither Party shall make or permit or procure to be made any public announcement or disclosure (whether for publication in the press, the radio, television screen or any other medium) of any Confidential Information, without the prior written consent of the other Party (which shall not be unreasonably withheld or delayed).

15.6 Each Party shall only use Confidential Information for the purposes of performing its obligations and exercising its rights under this Agreement.

16. WARRANTIES AND REPRESENTATIONS

16.1 Each Party represents and warrants to the other Party as at the date of this Agreement that:-

16.1.1 it has the power to enter into and to exercise its rights and to perform its obligations under this Agreement;

16.1.2 it has the power to sue and be sued in its own name and to own its assets and carry on its business as that business is being and will be conducted;

16.1.3 it has taken all necessary action to authorise the execution of and the performance of its obligations under this Agreement;

- 16.1.4 the obligations expressed to be assumed by it in this Agreement are legal, valid, binding and enforceable obligations;
- 16.1.5 the entry into and performance by it of, and the transactions contemplated by, this Agreement do not and will not conflict with (a) any Law or Authorisation applicable to it or binding on its assets; (b) its constitutional documents including articles of association; or (c) any agreement, material obligation or instrument binding upon it or any of its assets;
- 16.1.6 it has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Agreement;
- 16.1.7 no claim exists or is being assessed and no litigation, arbitration or administrative proceedings are presently in progress or, to the best of the knowledge of that Party, pending or threatened against it or any of its assets directly used in relation to or under this Agreement which will or might have a material adverse effect on the ability of that Party to perform its obligations under this Agreement; and
- 16.1.8 no proceedings or other steps have been taken and not discharged (nor, to the best of the knowledge of that Party, threatened) for its winding-up or dissolution or for the appointment of a receiver, administrative receiver, administrator, liquidator, trustee or similar officer in relation to any of its assets or revenues,

and each Party relies upon the warranties and representations given by the other Party pursuant to this Clause 16.1.

- 16.2 Each Party waives all claims, rights and remedies for all representations and warranties made to it by the other Party before entering into this Agreement, save to the extent expressly set out in this Agreement.
- 16.3 Save as expressly provided in this Agreement, no warranty, condition, undertaking or term, express or implied, statutory or otherwise, as to the performance of the obligations of any Party pursuant to this Agreement is given or assumed by it, and all such warranties, conditions, undertakings and terms are hereby expressly excluded.
- 16.4 Each Party hereby acknowledges and agrees that compliance by it with the warranties set out in this Clause 16 (or any of them) shall not itself constitute performance of any of its other obligations under this Agreement.

17. NOTICES

- 17.1 A notice given to a Party under or in connection with this Agreement shall be in writing and sent to the Party at the address below (or at such other address notified in writing by the relevant Party).

Network Operator: FAO: Managing Director, Address: C/O Pinsent Masons LLP, 1 Park Row, Leeds, United Kingdom, LS1 5AB, Email: Accounts@1Energy.Uk

Customer: **REDACTED UNDER FOIA 40 PERSONAL INFORMATION**

- 17.2 This Clause 17 sets out the delivery methods for sending a notice to a Party under this Agreement and, for each delivery method, the date and time when the notice is deemed to have been received or given (provided that all other requirements of this Clause 17 (*Notices*) have been satisfied):
 - 17.2.1 if delivered by hand, on signature of a delivery receipt;
 - 17.2.2 if sent by pre-paid first class post or other next working day delivery service providing proof of delivery at the time recorded by the delivery service; or

- 17.2.3 if sent by email, at the time of transmission.
- 17.3 If deemed receipt under Clause 17.2 would occur outside business hours in the place of receipt, it shall be deferred until business hours resume. In this Clause 17.3, business hours means 9.00am to 5.00pm during Business Days.
- 17.4 This Clause does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any adjudication or other method of dispute resolution.
18. **COMPLIANCE WITH AND CHANGE IN LAWS**
- 18.1 In performing its obligations under this Agreement, each of the Parties shall comply with all Laws and subject to Clause 18.2, shall:-
- 18.1.1 inform the other as soon as it becomes aware of any Change in Law that may impact the provision of the Works, the Heat Supply or any other obligations of a Party under this Agreement;
- 18.1.2 provide the other with timely details of the measures it proposes to take and changes it proposes to make to comply with any such Change in Law;
- 18.1.3 consult with the other, and if possible agree with other Party (each Party acting reasonably with a view to minimising to the greatest extent possible the adverse impact of any Change in Law on both Parties), on the manner, form and timing of changes it proposes to make (including any changes to this Agreement) to meet the Change in Law; and
- 18.1.4 use all reasonable endeavours to minimise any disruption caused by the Change in Law.
- 18.2 In the event of a Relevant Change in Law (as defined under the Customer Supply Agreement) the Parties shall follow the process under paragraph 7 of Schedule 1 of the Customer Supply Agreement.
19. **FORCE MAJEURE**
- 19.1 Subject to the remaining provisions of this Clause 19, neither Party to this Agreement shall in any circumstances be liable to the other for any delay or non-performance of its obligations under this Agreement to the extent that such delay or non-performance is due to a Force Majeure Event.
- 19.2 In the event that either Party is delayed or prevented from or hindered in performing its obligations under this Agreement by a Force Majeure Event, such Party shall:-
- 19.2.1 give prompt notice in writing of such delay or prevention to the other Party as soon as reasonably possible, stating the commencement date and extent of such delay or prevention, the cause of the delay or prevention and its estimated duration;
- 19.2.2 use all reasonable endeavours to mitigate the effects of such delay or prevention on the performance of its obligations under this Agreement; and
- 19.2.3 resume performance of its obligations as soon as reasonably possible after the removal of the cause of the delay or prevention.
- 19.3 The affected Party shall notify the other Party as soon as practicable after the Force Majeure Event ceases or no longer causes the affected Party to be unable to comply with its obligations under this Agreement. Following such notification, this Agreement shall continue to be performed on the terms existing immediately prior to the occurrence of the Force Majeure Event unless agreed otherwise by the Parties.

19.4 If the Force Majeure Event continues for more than nine (9) calendar months from the date on which the affected Party served notice on the other Party in accordance with Clause 19.2.1, and the event of Force Majeure Event affects all or a substantial part of the Party's material obligations under this Agreement, either Party may, at any time whilst the event of Force Majeure Event continues, terminate this Agreement by notice to the other, whereupon the provisions of Clause 24 (*Consequences of Termination*) shall apply.

20. LIMITATIONS ON LIABILITY

20.1 Subject to Clause 20.1 (and save in respect of amounts due and owing pursuant to Clause 10 (*Connection Fee*) and/or Clause 11 (*Secondary Side Works Fee*) and/or Clause 24 (*Consequences of Termination*)), the Customer's liability to Network Operator howsoever arising out of or in connection with this Agreement and the Customer Supply Agreement (whether in contract, negligence or otherwise) shall not exceed **REDACTED UNDER FOIA 43 COMMERCIAL INTERESTS** (the "**Customer Cap on Liability**").

20.2 Subject to Clause 20.1 (and save in respect of amounts due and owing pursuant to Clause 24 (*Consequences of Termination*)), Network Operator's liability to the Customer howsoever arising out of or in connection with this Agreement and the Customer Supply Agreement (whether in contract, negligence or otherwise) shall not exceed:-

20.2.1 in respect of any Losses recoverable by it under any of the insurances required pursuant to Clause 21 (Insurance), be the amount recovered by the Customer under such insurances or that would have been recoverable but for the breach by the Customer of its obligations under Clause 21 (Insurance);

20.2.2 in the case of all other Losses, not exceed **REDACTED UNDER FOIA 43 COMMERCIAL INTERESTS**,

(together the "**Network Operator Cap on Liability**").

20.3 No provision of this Agreement shall limit the liability of either Party to the other Party in respect of:-

20.3.1 death or personal injury resulting from the negligence of a Party or any of its officers, employees or agents;

20.3.2 from the wilful default of, or fraudulent misrepresentation or fraudulent concealment by, that Party; or

20.3.3 any matter where liability cannot be excluded by Law.

20.4 Neither Party shall have any liability to the other Party for any Losses to the extent that the Losses were caused by a breach by that other Party.

20.5 To the extent permitted by any applicable Law, neither Party shall be liable to the other under this Agreement for any Indirect Loss suffered by the other Party, other than to the extent such Indirect Loss arises in respect of any breach by the Customer of its obligations under Clause 3 (*Exclusivity*).

20.6 The Customer acknowledges and agrees that any claim against Network Operator relating to a Heat Supply failure shall be brought under the Customer Supply Agreement and not under this Agreement.

20.7 If either Party incurs any loss, for any cause arising out of or in relation to this Agreement, that Party shall take such steps as are reasonable in order to mitigate such loss.

20.8 The Customer Cap on Liability shall not limit the liability of the Customer to the Network Operator to make payment of the Charges (as defined in the Customer Supply Agreement).

21. **INSURANCE**

- 21.1 The Network Operator shall take out and maintain (or procure the taking out and maintenance of) the insurances for which it is stated to be responsible under Schedule 1 (*Contract Particulars*) and any other insurances as may be required by Law.
- 21.2 The Parties acknowledge and agree that as a central government department, the Customer is covered by Crown Indemnity which permits the Customer to self-insure against any liabilities required under this Agreement.
- 21.3 The Network Operator shall not take any action or fail to take any reasonable action, or (insofar as it is reasonably within its power) permit anything to occur in relation to it, which would entitle any insurer to refuse to pay any claim under any insurance policy in which that Party is an insured, a co-insured or additional insured person.
- 21.4 The Network Operator shall provide the Customer on reasonable request with reasonable evidence that cover is in place and reasonable evidence that the premiums payable under all insurance policies have been paid.
- 21.5 All insurance proceeds received under any policy maintained by Network Operator referred to in this Clause 21 insofar as they relate to damage to the Connection Works, and Building Heat Substation Plant and Equipment or Heat Distribution Network shall be applied to repair, reinstate and replace each part or parts of the Connection Works, and Building Heat Substation Plant and Equipment or Heat Distribution Network in respect of which the proceeds were received, as soon as is reasonably practicable.

22. **DEFAULT, CURE AND TERMINATION**

- 22.1 If a Network Operator Termination Ground occurs then Network Operator may, in its discretion at any time within three months of the relevant occurrence of the Network Operator Termination Ground, give written notice (a **Network Operator Warning Notice**) to the Customer of the Network Operator's right to terminate this Agreement.
- 22.2 If a Customer Termination Ground occurs then the Customer may, in its discretion at any time within three months of the relevant occurrence of Customer Termination Ground, give written notice (a **Customer Warning Notice**) to Network Operator of the Customer's right to terminate this Agreement.
- 22.3 Notwithstanding service of a Network Operator Warning Notice by Network Operator or a Customer Warning Notice by the Customer, this Agreement will only terminate (in respect of a Network Operator Termination Ground or Customer Termination Ground) after service of a further notice (a **Final Termination Notice**) by Network Operator (where a Network Operator Warning Notice was served) or the Customer (where a Customer Warning Notice was served) confirming that it wishes to proceed with termination of this Agreement.
- 22.4 Any such Final Termination Notice, if to be served, must be served within three months of service of the Network Operator Warning Notice or Customer Warning Notice (as the case may be).
- 22.5 Following service of a Final Termination Notice, this Agreement shall without prejudice to the provisions of Clause 24 (*Consequences of Termination*) terminate on the relevant date specified therein (which date, other than in the case of an Insolvency Event, shall not be more than three (3) months after, the date of the Final Termination Notice).
- 22.6 The express rights to terminate this Agreement shall be the sole grounds upon which the Parties may terminate this Agreement.

23. TERMINATION OF CUSTOMER SUPPLY AGREEMENT

23.1 Notwithstanding any other provision to the contrary in this Agreement, this Agreement shall (without prejudice to Clause 24) automatically terminate upon the termination of the Customer Supply Agreement.

23.2 In the event that the Customer Supply Agreement is terminated:

23.2.1 as a result of the occurrence of a Supplier Termination Ground, the termination of this Agreement shall constitute and be construed as being the consequence of a Network Operator Termination Ground for the purposes of this Agreement;

23.2.2 as a result of the occurrence of a Supply Customer Termination Ground, the termination of this Agreement shall constitute and be construed as being the consequence of a Customer Termination Ground for the purposes of this Agreement;

23.2.3 on a no fault basis, the termination of this Agreement shall constitute and be construed as being the consequence of a No Fault Termination Ground for the purposes of this Agreement.

24. CONSEQUENCES OF TERMINATION

24.1 Without prejudice to Clause 24.4, where this Agreement is terminated for reason of a Network Operator Termination Ground, the Customer shall pay the Customer Termination Payment to Network Operator.

24.2 Without prejudice to Clause 24.4, where this Agreement is terminated for reason of a Customer Termination Ground, Network Operator shall pay to the Customer the Network Operator Termination Payment.

24.3 Without prejudice to Clause 24.4, where this Agreement is terminated for reason of a No Fault Termination Ground the Customer shall pay to the Network Operator the No Fault Termination Payment.

24.4 Save as otherwise expressly provided in this Agreement, the termination of this Agreement shall be without prejudice to:-

24.4.1 any antecedent or accrued rights, reliefs, remedies or liabilities arising out of or in connection with this Agreement prior to or as at the date of termination;

24.4.2 any rights of the Parties under any provision of this Agreement which is expressed to survive termination or which is required to give effect to such termination or the consequences of such termination;

24.4.3 the continuing rights and obligations of the Parties under Clauses 9.6, 10.4, 11.4, 13 (*Freedom of Information and Environmental Information*), 14 (*Data Protection*), 15 (*Confidentiality*) and 24 (*Consequences of Termination*);

24.5 Upon the termination or expiry of this Agreement each of the Parties shall promptly return all of the other Party's property and Confidential Information, and shall make no further use of such property or information.

24.6 Save where agreed otherwise between the Parties, following termination of this Agreement or following any period of temporary Heat Supply agreed under the Exit Plan (as such term is defined in the Customer Supply Agreement), Network Operator shall de-energise the Connection such that no further Heat Supply can be provided from the Heat Distribution Network to the Building and shall be entitled to remove any part of the Connection Works, Heat Distribution Network or Building Heat Substation Plant and Equipment within the

Building, provided that any such de-energisation and removal shall be carried out safely and in accordance with Good Industry Practice at all times.

25. **DISPUTE RESOLUTION PROCEDURE**

25.1 If a dispute arises out of or in connection with this Agreement or the performance, validity or enforceability of it (a "**Dispute**"), then the Parties shall follow the procedure set out in this Clause 25.

25.1.1 either Party shall give to the other written notice of the Dispute, setting out its nature and full particulars (a "**Dispute Notice**"), together with relevant supporting documents. On service of the Dispute Notice, then a representative of the Network Operator and representative of the Customer shall attempt in good faith to resolve the Dispute;

25.1.2 if the representatives of the Parties are for any reason unable to resolve the Dispute within 30 days of service of the Dispute Notice, the Dispute shall be referred to the Chief Executive Officer of Network Operator and Deputy Director CCMD of the Customer who shall attempt in good faith to resolve it; and

25.1.3 if the Chief Executive Officer of Network Operator and Deputy Director CCMD of the Customer are for any reason unable to resolve the Dispute within thirty (30) days of it being referred to them, the Parties agree to enter into mediation in good faith to settle the dispute in accordance with the CEDR Model Mediation Procedure. To initiate the mediation, a Party must serve notice in writing ("**ADR Notice**") to the other Party to the Dispute, referring the dispute to mediation. A copy of the ADR Notice should be sent to CEDR. Unless otherwise agreed between the Parties within fourteen (14) days of service of the ADR Notice, the mediator shall be nominated by CEDR. Unless otherwise agreed between the Parties, the mediation will start not later than thirty (30) days after the date of the ADR Notice.

25.2 The commencement of mediation shall not prevent the Parties commencing or continuing court proceedings in relation to the Dispute under Clause 38 which clause shall apply at all times.

25.3 **Scheme for Construction Contracts**

25.3.1 If it is determined that this Agreement is one to which the Housing Grants Construction and Regeneration Act 1996 applies, the provisions of this Clause 25 shall be supplemented and/or substituted (as appropriate) by the relevant provisions of the Scheme for Construction Contracts (England and Wales) Regulations (as amended).

26. **ASSIGNMENT AND OTHER DEALINGS**

26.1 Network Operator shall not be entitled to assign novate or transfer its rights and/or obligations under this Agreement, other than by way of security or to an entity that simultaneously accepts a transfer of the whole of Network Operator's legal and beneficial title to and interest in the Heat Distribution Network and all of its rights and obligations under the Customer Supply Agreement and which is capable of performing any of the functions performed by the Network Operator ("**Permitted Transfer**").

26.2 The Network Operator shall provide three (3) months prior written notice to the Customer of any proposed Permitted Transfer.

26.3 The Customer shall not be entitled to assign novate or transfer its rights and/or obligations under this Agreement without Network Operator's consent, unless such novation, is to an Approved Customer Transferee.

- 26.4 Either Party may subcontract any of its obligations under this Agreement to any third party (including any Affiliate of such Party), provided that such Party shall remain liable in accordance with this Agreement for the acts and omissions of any such subcontractor.

27. **VARIATION**

- 27.1 Either Party shall be entitled to request an amendment, change, revision or variation to this Agreement provided that no variation of this Agreement shall be effective unless it is in writing and signed by both Parties.

28. **WAIVER**

No failure or delay by a Party to exercise any right or remedy provided under this Agreement or by Law shall constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.

29. **RIGHTS AND REMEDIES**

Except as expressly provided in this Agreement, the rights and remedies of the Parties provided under this Agreement are in addition to, and not exclusive of, any of its rights or remedies provided by law.

30. **NO PARTNERSHIP OR AGENCY**

Nothing in this Agreement is intended to, or shall be deemed to, establish any partnership or joint venture between the Parties, constitute any Party being the agent of another Party, or authorise any Party to make or enter into any commitments for or on behalf of any other Party. Each Party confirms it is acting on its own behalf and not for the benefit of any other person.

31. **APPROVAL OF MARKETING MATERIAL**

- 31.1 All media releases, public announcements and public disclosures by the Parties in relation to or in connection with this Agreement or their subject matter, including promotional material (but not including any site specific marketing materials relating specifically to clients, any announcement intended solely for internal distribution or any disclosure required by legal, accounting or regulatory requirements), shall be co-ordinated with and approved in the first instance by the Parties prior to release. Such approval shall not be unreasonably withheld or delayed and shall be deemed to have been given by any Party which fails to notify the other Parties of its refusal to grant approval within ten (10) Business Days.
- 31.2 For the avoidance of doubt, nothing in this Clause 31 shall restrict the Customer's right to publicise or make any announcement about the Building or shall restrict the Network Operator's right publicise or make any announcement about the Heat Distribution Network or Energy Plant and Equipment, provided that no reference is made to this Agreement, or the subject matter of this Agreement, or to the involvement of the other Party, including any references to any applications for Grant Funding being made by the Customer, otherwise than in accordance with Clause 31.

32. **SEVERANCE**

- 32.1 If any provision or part-provision of this Agreement is or becomes invalid, illegal or unenforceable, it shall be deemed deleted, but that shall not affect the validity and enforceability of the rest of this Agreement.
- 32.2 If any provision or part-provision of this Agreement is deemed deleted under Clause 32.1, the Parties shall negotiate in good faith to agree a replacement provision that, to the greatest extent possible, achieves the intended commercial result of the original provision.

33. **FURTHER ASSURANCE**

Each Party agrees at its cost (unless and to the extent otherwise specifically provided in this Agreement) to do, or to procure that another person shall do, all things and execute all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the provisions of this Agreement and the transactions contemplated by it.

34. **ENTIRE AGREEMENT**

34.1 Save for the Customer Supply Agreement, this Agreement constitutes the entire agreement between the Parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.

34.2 Each Party agrees that it shall have no remedies in respect of any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this Agreement. Each Party agrees that it shall have no claim for innocent or negligent misrepresentation or negligent misstatement based on any statement in this Agreement.

34.3 Nothing in this Clause 34 shall limit or exclude any liability for fraud.

35. **THIRD PARTY RIGHTS**

35.1 Save for the Crown, this Agreement does not give rise to any rights under the Contracts (Rights of Third parties) Act 1999 to enforce any terms of this Agreement.

36. **COUNTERPARTS**

36.1 This Agreement may be executed in any number of counterparts, each of which when executed shall constitute a duplicate original, but all the counterparts shall together constitute the one Agreement.

37. **GOVERNING LAW**

37.1 Without prejudice to Clause 25 (*Dispute Resolution Procedure*), this Agreement and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the Law of England and Wales.

38. **JURISDICTION**

38.1 Each Party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this Agreement or its subject matter or formation.

SIGNED BY or on behalf of the Parties on the date which first appears in the Agreement.

Signed by **BRADFORD ENERGY LIMITED**
in the presence of

Signature of

Signed on behalf of **THE LORD CHANCELLOR**
by:

Signature of

SCHEDULE 1

CONTRACT PARTICULARS

1. **The Premises Address is:** Bradford Combined Court Centre, The Law Courts, Exchange Square, Drake Street, BD1 1JA
2. **The Connection Capacity** is 1088 kW
3. **Connection Fee:** **REDACTED UNDER FOIA 43 COMMERCIAL INTERESTS**
4. **The Planned Connection Date** is 31 March 2026
5. **Substation Arrangement** Twin Plate PHE
6. **Water treatment Option included:** Included
7. **Insurances** **REDACTED UNDER FOIA 43 COMMERCIAL INTERESTS**

SCHEDULE 2

CONDITIONS PRECEDENT

- 1 The Network Operator reaching 'Financial Close' status with funders. This requires the sufficient progress on necessary planning consents, land rights and offtake commitments to release match funding.
- 2 Entry into the Secondary Side Works Contract by the Network Operator.
- 3 Entry into the contract for the Connection Works by the Network Operator.

SCHEDULE 3

HEAT NETWORK CONNECTION SPECIFICATIONS

Heat Network Substation Arrangements

Plate Heat Exchanger hydraulic arrangement

This section outlines the proposed technical arrangements of the Building Heat Exchanger (PHE) and Building Heat Substation Plant and Equipment that will be installed to hydraulically separate the Building Heating System from the Heat Distribution Network

Please note that in each instance, certain details of each arrangement may change to make them suitable for each building's specific requirements.

There are three standard arrangements of PHEs that could be used are:

- Twin plate PHE
- Twin plate PHE with single hot water (HW) calorifier
- Twin plate PHE with two HW calorifiers

The arrangement selected will be that designed and proposed by the Network Operator and will be based on the characteristics of the existing Building Heating System requirements.

Any alternative arrangements will be considered on a building-by-building basis and will require prior agreement with Network Operator.

The proposed connection configuration for the Building is the Twin plate PHE. The following sections and references appendices detail the specifics of this arrangement.

Twin plate PHE arrangement

The PHE will include 2x PHEs to transfer heat from the Heat Distribution Network to the Building Heating System. The current proposed schematic is shown in Figure 1.

Each PHE is sized to deliver 100% of the agreed Connection Capacity of each Building. The total output of both plates will be controlled by the primary side pressure independent control valves (PICVs), to deliver up to 100% of the agreed Connection Capacity.

Hydraulic arrangement schematic

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Figure 1: Twin plate PHE, Substation Schematic

SCHEDULE 4

TECHNICAL SPECIFICATIONS

Part 1 – Connection Works Contractual Demarcations

Twin Plate PHE Equipment Inclusions to note

As indicated on Figure 2 in Green, the following items shall be supplied, installed, commissioned, operated, maintained and replaced by Network Operator:

- All isolating valves
- Primary and secondary strainers
- Heat exchangers
- Primary and secondary motorised control and on/off valves
- Primary and secondary energy meter
- All controls equipment within the substation, on the primary and secondary side
- All ancillary equipment (AAVs, drain cocks, test points, removal flushing bypasses) within the substation, on the primary and secondary side
- Substation control panel
- Secondary PHE Safety Relief valves
- All pipework within the substation connecting the equipment to the Customer's connection points

Optional equipment installation

As indicated on Figure 2 in Orange, the following items, can be supplied, installed, commissioned by Network Operator at request from the Customer, with operation, maintenance and replacement then undertaken by the Customer:

- Air and dirt separator
- Vacuum degasser
- Pump side stream filtration unit
- Safety Relief Valve

In this instance, the above system will be installed as part of the Secondary Side Works, but will not be adopted, operated and maintained by the Network Operator. This system will be under the ownership and management of the Customer.

Contractual demarcation schematics

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Figure 2: Twin plate PHE, Contractual demarcation

District heating connection design

District heating pipework routing design

To enable connection to the Heat Distribution Network a pair of pipe connections shall be installed from the wider network, into the Building Heat Plant Room.

The Network Operator shall be responsible for assessing and undertaking the design for the size and routing of pipework connection that will route from the public land boundary to the proposed Building Heat Plant Room. This routing may be above and below ground, within car park areas etc.

The Network Operator shall be responsible for ensuring the proposed route shall avoid any building foundations, piles, other obstructions, or utilities services and shall allow access throughout its length for future maintenance, repair, and replacement of the services installed in it.

The Network Operator shall be responsible for determining the required width and depth of trench to accommodate the district heating pipes and signal cables with minimum allowable spacing between.

The Network Operator shall provide a district heating design package, including details around the routing, access and any other requirements, for discussion with and approval by the Customer.

Building Heat Substation Plant and Equipment footprint design

An area within the building plant room will be required to house the Building Heat Substation Plant and Equipment, with sufficient size and access for delivery, positioning and installation, and access space around the substation for maintenance.

The Network Operator shall be responsible for assessing and undertaking the design for the size and location of the Building Heat Substation Plant and Equipment.

The Network Operator shall be responsible for final dimensions and access requirements for each Building Heat Substation Plant and Equipment which will be determined on a site-by-site basis. The Network Operator will be responsible to determine the appropriate layout and co-ordination of equipment to any onsite constraints posed.

The Network Operator shall be responsible for determining the required maintenance access requirements and ensuring that the proposed location of the Building Heat Substation Plant and Equipment can meet these requirements.

To enable connection, it may be required to remove and dispose of existing boilers or other plant equipment. The Network Operator shall outline where this is required and how the Connection Works will be delivered to maintain a level of heat supply throughout the Connection Works.

The Network Operator shall provide a substation design package, for discussion and agreement with the Customer for approval.

Building Heat Substation Plant and Equipment access design

A suitable access route will be required to enable the delivery and transportation of equipment from the external of the Building to the Building Heat Plant Room. Where possible this will be level, avoid restrictions, pinch points, narrow doorways, restrictive turning areas, sharp bends in corridors that may prevent or impede the equipment being delivered to the Building Heat Substation Plant and Equipment.

The Network Operator shall be responsible for determining an access route into the Building Heat Plant Room. Network Operator shall provide suitable lifting equipment etc. where required to facilitate the movement and installation of equipment.

The Network Operator and the Customer shall agree an access route for the installation and replacement works. Following this agreement, the Customer shall not make material changes to accessibility of this routing without prior agreement of the Network Operator.

The Network Operator shall provide a proposed routing and movement strategy, for discussion and agreement with the Customer for approval.

In carrying out the Connection Works, the Network Operator shall comply with the requirements specified in Schedule 6 (*Access Routing and Temporary Plant Arrangements*).

Part 2 – Preparatory Works

Substation and services requirements

The following section lays out the Network Operator's requirements with regards to the Building Heat Plant Room.

The Network Operator will assess the following criteria and advise the Customer where additional works are required by the Customer within the Building Heat Plant Room to satisfy them.

In carrying out the Preparatory Works, the Customer shall comply with the requirements specified in Schedule 6 (*Access Routing and Temporary Plant Arrangements*).

Building Heat Plant Room specification

- The floor shall have a level, non-slip flat finish (no changes in level) suitable for bearing a load of 7.5kN/m².
- The walls and ceiling surfaces shall be finished and suitable for pipework fixing.
- The Building Heat Plant Room shall be clean and dry and suitable for the installation of electrical equipment with an IP31 rating.
- The Building Heat Plant Room shall include suitable drainage for emergency discharge of heating fluid and maintenance drainage of Heat PHE equipment.
- The Building Heat Plant Room shall be provided with adequate ventilation to prevent excessive the build-up of heat or moisture, and to keep the substation below 35 °C at all times.
- A DN25 cold water supply shall be provided for cleaning, flushing, and filling the Heat PHE for installation, testing and commissioning and operation.
- Water gully or drain point within the Building Heat Plant Room.
- Concrete plinths for heat exchangers and control panel (100mm high).
- All relevant H&S provision, fire alarms, emergency knock off buttons.

Small Power and Lighting

- A 230V 25A power supply for the Heat PHE and associated components.
- A 230V 32 A commando wall socket for use within the temporary boiler supply and maintenance works as required.
- 230V 13A wall socket for any maintenance works as required.
- A minimum lighting level at floor level of 150 Lux and 0.4 minimum uniformity, with separate light switch capable of being switched from a location adjacent to the PHE Room access door.
- Emergency lighting consisting of maintained illuminated self-contained exit signs and emergency luminaires providing a minimum of 15 Lux at floor level in compliance with BS 1838:2013. The luminaires and their power supply shall provide not less than a 3-hour period of autonomy and shall comply with BS 60598-2-22:2014.

Access and Permit to Work

Prior to Connection, the Network Operator shall have proposed the design and access requirements for the Building Heat Substation Plant and Equipment installation, as noted within Connection Works. All design decisions and access requirements previously agreed, must be provided by the Customer during the installation and delivery of the Building Heat Substation Plant and Equipment.

The Customer is to allow access (in accordance with the access protocols agreed between the Parties) for personnel, tools, replacement parts, to the Building Heat Substation Plant and Equipment following

completion of the Connection, for installation of equipment, removal of equipment, commissioning, maintenance, and any other operational purposes.

Where hot works are required, it is the Customer's responsibility to issue a permit to work in advance of the works commencing.

Plant room and services requirements

Prior to Connection, the Customer shall provide the Network Operator the following:

- Where applicable, the Customer shall provide a copy of an up-to-date renovation and demolition survey to confirm that there is no asbestos present in the area designated for the Building Heat Substation Plant and Equipment or adjoining areas that may be accessed during the works. Note – this responsibility will essentially be discharged by the Customer through the Secondary Side Works Scope, which includes asbestos removal on an open book basis.
- All fire alarms, intruder alarms, emergency lighting and other elements required to meet current Building Regulations shall be provided within the Building Heat Substation Plant and Equipment by the Customer.

Contractual Demarcations

Twin Plate PHE Equipment Exclusions to note

As shown on Figure 2 in Blue, the Customer shall make the final connections on the Building Heat Substation Plant and Equipment unless otherwise agreed with the Network Operator.

In addition, whilst shown on the drawings, the following items shall be operated, maintained and replaced by the Customer:

- Secondary network high pressure safety relief valve

Secondary circuit water quality requirements

Building Heating System water quality served by twin plate heat exchangers

The Customer shall ensure the Building Heating System water quality meets the requirements outlined in Table 1 at all times, prior to connection to the PHEs and during ongoing operation.

Parameter	Unit	Limit
Visual	-	Clear with no suspended or settled solids, or gassing
Odour	-	No strong sulphurous or ammoniacal smell
pH	-	7.5 – 10
Conductivity	µS/cm	< 250
Oil and Grease	mg/l	Not present
Chloride measured at 80°C	mg/l	<100 for Mains / Softened Fill
Sulphate	mg/l	<100 (monitor for changes)
Iron Total	mg/l	<3.0
Iron Dissolved	mg/l	<6.0
Copper Total	mg/l	<1.0

Copper Dissolved	mg/l	<1.0
Aluminium Total	mg/l	<1.0
Total Hardness	mg/l	<50
Total Alkalinity	mg/l	>250<1250
Suspended Solids	mg/l	<10
Settled Solids	mg/l	<45
Inhibitor(s)	-	Inhibitor(s) upper and low limits will be defined by the Customer's water treatment specialist, based on the Customer's inhibitor selection and approach.
Ammonia	mg/l	<10
TVC @ 22°C	cfu/ml	<10,000 cfu/ml and no increasing trend
Pseudomonas	cfu/100 ml	<1,000 cfu/100ml at 30°C and no increasing trend
NRB	cfu/ml	Absent
SRB (@ 21 Days)	cfu/ml	Absent

Table 1: Secondary Side Water Quality Minimum Requirements

The PHE includes strainers on the secondary side return connection to each plate. The Network Operator will be responsible for undertaking an annual clean of each strainer.

If the above water quality requirements are not met, it is likely that these strainers will become blocked and Heat Supply to the Building may be reduced.

To maintain the Building Heating System water quality within the above parameters, the following are strongly recommended (the below will be made compliant through the Secondary Side Works package):

- Building Heating System has an in-line air and dirt separator, installed on the return connection prior to the substation
- Building Heating System has a combined dosing pot and side stream filtration unit able to capture fine particulates of debris, which is recommend to be installed located across the network pumps, otherwise a pumped system on the network return after dirt separator prior to the substation
- Building Heating System has a vacuum degasser to minimise oxygen content and ongoing corrosion, installed on the network return after dirt separator prior to the substation
- Pressurisation unit top up has a water softener in hard water areas
- Pressurisation unit has water meter linked to BMS to enable leak detection and prevent ongoing filling with oxygenated water if/when leaks occur.

The Network Operator will require that the Customer demonstrates that the water quality of the Building Heating Systems is within the parameters of Table 1 prior to connecting up the PHEs to the Customer's system to provide heat.

The Network Operator also require that the Customer submits 6-monthly water sample results to demonstrate adherence with the parameters in Table 1 in operation.

BCWS water quality served by hot water calorifiers

For PHEs with hot water calorifiers, the mains water supply shall be softened or otherwise physically treated with a suitably selected physical water conditioning system that passes the German DVGW W512 standard to reduce the risk of scale forming on the plate heat exchanger and other elements within the Building Heat Exchanger.

The Network Operator can provide the necessary water softening equipment as part of the Connection Agreement, if preferred by the Customer.

Substation design information

Building Heating System pressure drop through the substation

The Network Operator shall provide a substation that on the Building Heating System side of the substation shall generate a pressure drop of be no more than 0.8 bar. This pressure drop includes for the heat exchanger, valves, ancillary equipment and length of pipework to the common substation isolation of valves.

Most buildings that the Network Operator will connect on to have a low loss header arrangement. It is likely that any low loss header arrangement will be removed as part of the Connection Works, with the substation pressure drop needing to be overcome by the distribution pumps.

It shall be Customer's responsibility to ensure that the pressure drop generated by the substation, and any remedial works undertaken within their system to enable connection, can be overcome by the Building Heating System distribution pumps.

Operating temperature and pressure limits

The Building Heat Substation Plant and Equipment has a maximum working pressure of 25 bar and maximum working temperature of 95 °C.

The Customer are required to confirm if the maximum working pressure of their Building Heating System requires a higher substation working pressure.

The Network Operator will as standard, provide safety relief valves with the substation with a 9 bar lift pressure and 90 °C secondary system safety interlock. These valves and limits are for ensuring the secondary side of the substation are not damaged, not the wider building.

The Customer will be responsible for protection against over temperature and pressure events. It should be noted that the boilers (which are likely to be decommissioned) currently contain the high temperature and pressure safety equipment. The Customer will be responsible for reviewing and installing additional high pressure and temperature limit equipment as necessary.

Primary network operating conditions

The Customer should be aware that the Heat Distribution Network and Building Heat Substation Plant and Equipment can operate up to 25 bar and 95 °C.

These are higher pressures than the Customer's operatives are likely familiar with and pose additional danger.

The Network Operator shall provide warning notices of these conditions and that this equipment is the property of Network Operator and should not be interfered with.

The Customer is responsible for the training of operatives to not interfere with the Network Operator's equipment.

Controls requirements

The Customer shall provide the substation controller with a digital enable/disable signal(s) when there is a demand for heating or hot water. When either service requires heat, that service control signal shall be "1", when either service does not require heat the disable signal shall be "0".

The enable/disable signal(s) shall not vary frequently and is to act as a "time clock" for Heat Supply.

The Customer shall ensure that the substation is provided a disable signal if:

- There is no flow within the Building Heating System
- There are any safety circuit emergency shut down alarms, e.g. high pressure alarm, low pressure alarm, fire alarm, emergency knock off.
- There is a power loss on the Building Heating System

If any form of weather compensation is desired by the Customer, then this will need to be discussed and agreed in advance with Network Operator. It will be Customer's responsibility to provide a target secondary temperature if it is to vary, which will otherwise be a constant 60 °C.

Communications

The Customer will provide and maintain a dedicated line to the local telecommunications network complete with own IP address into the Building Heat Plant Room that will be used for remote monitoring and control of the Building Heat Substation Plant and Equipment.

The Customer shall provide cable access for a broadband internet connection either directly cabled from the public land boundary or via an externally mounted aerial for a GSM modem.

Part 3 – Network Operator Obligations

1. Building performance requirements

Network Operator shall operate with a weather compensated heat network temperature, which shall vary the temperature offered from Network Operator to the Customer.

The following table provides the minimum common secondary flow temperature offered from Network Operator to the Customer, and the maximum return temperature that Customer shall provide to the Network Operator, at differing ambient air temperatures.

The average expected ambient temperature shall be calculated on a daily basis by the Network Operator, based on local weather forecast for the time period of 08:00 to 17:00. The minimum common secondary flow temperature shall be adjusted at midnight daily.

Average expected ambient temperature	LTHN PHE minimum common secondary flow temperature	LTHN PHE maximum secondary return temperature
<-3 °C	75 °C	50 °C
-3 °C	75 °C	50 °C
-2 °C	72.5 °C	47.5 °C
-1 °C	70 °C	45 °C
0 °C	67.5 °C	42.5 °C
1 °C	65 °C	40 °C
2 °C	62.5 °C	37.5 °C
3 °C	60 °C	35 °C
>3 °C	60 °C	35 °C

Table 2: DH system weather compensation performance requirements for both operating parties

2. Twin plate PHE

The following table provides the temperature and connection flow rate capacity offering from Network Operator to the Customer. The sensors referenced are shown in Figure 1 above.

Metric	Sensor reference	Requirement	Tolerance	Comment
PHE minimum common secondary flow temperature, up to the agreed primary design flow rate	T10	As specified within Table 1	+/- 3 °C for a period of up to 15 minutes	Tolerance required to allow for temperature fluctuations and enable/disable of the assist PHE. Note, the Customer shall be able to reduce the secondary flow temperature to lower than the minimum secondary flow temperature the Network Operator could otherwise provide.
Design primary flow rate	HM01 flow rate	10.4 l/s	N/A	The design primary flow rate will be calculated using the agreed connection capacity, Building Heating System secondary temperatures and Heat Distribution Network design flow and return temperature.

Table 3: Building Heating System performance requirements for both operating parties

Part 4 – Customer Obligations

Building performance requirements

Twin plate PHE

The following table details the Building level performance that Customer shall provide to the Network Operator. The sensors referenced are shown in Figure 2.

Metric	Sensor reference	Requirement	Tolerance	Comment
PHE annual minimum volume weighted temperature differential	HM02 flow rate, flow temperature and return temperature	25 °C		The Building Heating System must deliver a minimum volume weighted temperature differential over a 12-month period of 25 °C.
PHE monthly minimum volume weighted temperature differential	HM02 flow rate, flow temperature and return temperature	25°C	- 3 °C for any given month	The Building Heating System must deliver a minimum volume weighted temperature differential over a 1-month period of 22 °C.
PHE minimum temperature differential	HM02 flow temperature and return temperature	15 °C		The Building Heating System must deliver a temperature differential of 15 °C at all times. If this is not achieved, the Building Heating System PHE minimum common secondary flow temperature cannot be guaranteed.

Table 4: Building Heating System performance requirements for both operating parties

Access and Permit to Work

Prior to Connection, the Network Operator shall have proposed the design and access requirements for the pipework and Building Heat Substation Plant and Equipment installation, as noted from previous Section. All design decisions and access requirements previously agreed, must be provided by the Customer following Connection of the Building.

The Customer is to allow access (in accordance with the access protocols agreed between the Parties) for personnel, tools, replacement parts, to the Building Heat Plant Room following completion of the Connection, for installation of equipment, removal of equipment, commissioning, maintenance, and any other operational purposes.

Where hot works are required, it is the Customer's responsibility to issue a permit to work in advance of the works commencing.

Substation and services requirements

The Network Operator will require the following from the Customer

- Where applicable, the Customer shall provide a copy of an up-to-date renovation and demolition survey to confirm that there is no asbestos present in the area designated for the Heat PHE or adjoining areas that may be accessed during the works. Note – this responsibility will essentially be discharged by the Customer through the Secondary Side Works Scope, which includes asbestos removal on an open book basis.
- All fire alarms, intruder alarms, emergency lighting and other elements required to meet current Building Regulations shall be provided within the plant room by the Customer.

Secondary circuit water quality requirements

Building Heating System water quality served by twin plate heat exchangers

The Customer shall ensure the secondary Building Heating System water quality meets the requirements outlined in Table 5 at all times, prior to connection to the Network Operator PHEs and during ongoing operation.

Parameter	Unit	Limit
Visual	-	Clear with no suspended or settled solids, or gassing
Odour	-	No strong sulphurous or ammoniacal smell
pH	-	7.5 – 10
Conductivity	µS/cm	< 250
Oil and Grease	mg/l	Not present
Chloride measured at 80°C	mg/l	<100 for Mains / Softened Fill
Sulphate	mg/l	<100 (monitor for changes)
Iron Total	mg/l	<3.0
Iron Dissolved	mg/l	<6.0
Copper Total	mg/l	<1.0
Copper Dissolved	mg/l	<1.0

Aluminium Total	mg/l	<1.0
Total Hardness	mg/l	<50
Total Alkalinity	mg/l	>250<1250
Suspended Solids	mg/l	<10
Settled Solids	mg/l	<45
Inhibitor(s)	-	Inhibitor(s) upper and low limits will be defined by the Customer's water treatment specialist, based on the Customer's inhibitor selection and approach.
Ammonia	mg/l	<10
TVC @ 22°C	cfu/ml	<10,000 cfu/ml and no increasing trend
Pseudomonas	cfu/100 ml	<1,000 cfu/100ml at 30°C and no increasing trend
NRB	cfu/ml	Absent
SRB (@ 21 Days)	cfu/ml	Absent

Table 5: Secondary Side Water Quality Minimum Requirements

The PHE includes strainers on the secondary side return connection to each plate. The Network Operator will be responsible for undertaking an annual clean of each strainer.

If the above water quality requirements are not met, it is likely that these strainers will become blocked and Heat Supply to the Building may be reduced.

To maintain the Building Heating System water quality within the above parameters, the following are strongly recommended:

- Building Heating System has an in-line air and dirt separator, installed on the return connection prior to the substation, as indicatively shown in Figure 2.
- Building Heating System has a combined dosing pot and side stream filtration unit able to capture fine particulates of debris, which is recommend to be installed located across the network pumps, otherwise a pumped system on the network return after dirt separator prior to the substation, as indicatively shown in Figure 2.
- Building Heating System has a vacuum degasser to minimise oxygen content and ongoing corrosion, installed on the network return after dirt separator prior to the substation, as indicatively shown in Figure 2.
- Pressurisation unit top up has a water softener in hard water areas
- Pressurisation unit has water meter linked to BMS to enable leak detection and prevent ongoing filling with oxygenated water if/when leaks occur.

The Network Operator will require that the Customer demonstrate that the water quality of the Building Heating System are within the parameters in Table 5 prior to connecting up the Building Heat Substation Plant and Equipment to the Customer's system to provide heat.

The Network Operator also require that the Customer submits 6-monthly water sample results to demonstrate adherence with the parameters in Table 5 in operation.

BCWS water quality served by hot water calorifiers

For PHEs with hot water calorifiers, the mains water supply shall be softened to remove hardness or otherwise physically treated with a suitably selected physical water conditioning system that passes the German DVGW W512 standard, to prevent scaling of the plate heat exchanger and other elements within the PHE.

SCHEDULE 5

SECONDARY SIDE WORKS

Building upgrade costs	Combined Court
	PSDS
Scope of works	<ul style="list-style-type: none"> • Plantroom upgrades: <ul style="list-style-type: none"> ○ Removal of low loss header ○ Installation of water quality equipment ○ Pump replacement • Return temperature limiting upgrades: <ul style="list-style-type: none"> ○ Installation of DPCVs ○ Pressure independent control valves on heat emitters ○ Replacement three-port diverting valves on AHUs with two-port valves ○ Return temperature limiting valves on hot water recirculation pipework • Full BMS replacement • Control valve replacement within plantroom and addition of heat meters • 50% radiator replacements • Replacement of all AHU heating coils only (not a full AHU replacement)
Assumptions	<ul style="list-style-type: none"> • REDACTED UNDER FOIA 43 COMMERCIAL INTERESTS • Includes out of hours working costs
Budget total cost	REDACTED UNDER FOIA 43 COMMERCIAL INTERESTS

SCHEDULE 6

ACCESS ROUTING AND TEMPORARY PLANT ARRANGEMENTS

Pipe routing

See the following drawings in Appendix 1 of document:

- 1342-FRHT-00-XX-DR-M-0007 - Indicative substation integration layout
- 1342-FRHT-00-XX-DR-M-0008 - External services routing to valve chamber

Substation installation

See the following drawings in Appendix 1 of document:

- 1342-FRHT-00-XX-DR-M-0006 - Indicative existing plant room layout
- 1342-FRHT-00-XX-DR-M-0007 - Indicative substation integration layout
- 1342-FRHT-00-XX-DR-M-0009 - Indicative existing plant room schematic
- 1342-FRHT-00-XX-DR-M-0010 - Indicative substation integration schematic

Access routing and requirements

See the following drawings in Appendix 1 of document:

- 1342-FRHT-00-XX-DR-M-0006 - Indicative existing plant room layout
- 1342-FRHT-00-XX-DR-M-0007 - Indicative substation integration layout

Additional plant room works

See the following drawings in Appendix 1 of document:

- 1342-FRHT-00-XX-DR-M-0007 - Indicative substation integration layout
- 1342-FRHT-00-XX-DR-M-0010 - Indicative substation integration schematic

SCHEDULE 7

CONNECTION PROCESS

1. TESTING AND COMMISSIONING PROCESS

- 1.1 Once the Network Operator completes the dry installation works (physically equipment installation and connection), the Building Heating System and Building Heating Substation Plant & Equipment will undergo the following high level commissioning and testing process (the process shall be amended as agreed between the Parties and this is provided for indicative purposes only):
- 1.1.1 The Building Heating System and Building Heating Substation Plant & Equipment may, but not always, be air tested prior to filling, to demonstrate tightness of all joints.
 - 1.1.2 The Building Heating System and Building Heating Substation Plant & Equipment will be filled with pre-treated water, pressure tested, flushed and cleaned (chemical and biological)
 - 1.1.3 The Building Heating Substation Plant & Equipment will be connected up to the mains primary heat network, to start receiving commissioning heat from BEN
 - 1.1.4 The Building Heating System and Building Heating Substation Plant & Equipment commissioning will then take place, to balance the system and achieve the design set points throughout each system component (control valves and heat emitters).
 - 1.1.5 Once commissioning in complete, a system "load test" will be undertaken. This will simulate the heating and hot water (where relevant) systems to call for heat, with key measurements taken to demonstrate compliance with the technical requirements set out in Schedule 4.
 - 1.1.6 This will take the form of a staggered load test, where possible, to demonstrate low load, part load and full load performance. This will be dependent on what level of staggered test the building can accommodate with causing excessive disruption.
 - 1.1.7 Once the minimum KPIs within this contract have been met, the Building Heating Substation Plant & Equipment will be official adopted by BEL, and the Building Heating System adopted by the customer. The following process will be triggered if technical requirements are not met:
 - (a) Additional works identified to bring system in line with required technical standards
 - (b) Agreement between the Network Operator and the Customer as to whether these works are reasonable, cost effective and practicable to undertake, or whether adjustments are required to the contractual technical requirements to allow the system to be adopted in its current condition. This may be in instances where the technical requirements are only marginally out, but further improvements would prove costly to implement.

2. CUSTOMER REPRESENTATION & WITNESSING

- 2.1 The Network Operator acknowledges that, the Customer wishes to inspect the completion of the Works so as to ensure they have been carried out in accordance with the terms of this Agreement.
- 2.2 The Network Operator shall provide the Customer with ten (10) Business Days' written notice of the intended date when the Network Operator intends to inspect any part of the Works, to decide if it is complete.
- 2.3 The Network Operator shall invite the Customer to attend any completion meeting and/or defects/snagging meeting. The Customer (acting by its representative) may accompany the Network Operator and the contractor/sub-contractor on any such inspection.

- 2.4 The Customer (acting by its representative) may make representations where it thinks that the Works do not comply with the scope of works set out at Schedule 4 of this Agreement.
- 2.5 The Network Operator shall (or shall procure that the Works Contractor shall) have reasonable regard to any representations made by the Customer (acting by its representative) and shall use reasonable endeavours to action any reasonable representations raised by the Customer under this provision (including rectifying defects) before practical completion, but they will not be fettered from issuing a practical completion certificate, at such time as they consider fit (acting reasonably at all times) in accordance with their appointment.
- 2.6 Following practical completion of the Works, the Network Operator shall provide the information set out at in paragraph 3 below.

3. INFORMATION TO BE PROVIDED

The Network Operator shall (or shall procure that the Works contractor shall) provide to the Customer with the following to the extent such information is available:-

- 3.1 As Built information on both the Connection Works & Secondary Side Works
- 3.2 Operation and maintenance manuals in respect of the Building Heating System
- 3.3 Any relevant information on the Heat Distribution Network and Energy Plant and Equipment that the Customer and/or building owner requires for their asset and health & safety information management systems.

4. DISPUTES

- 4.1 In the event of a dispute between the Parties the matter shall be dealt with pursuant to Clause 25 (Dispute Resolution Procedure) of this Agreement.

SCHEDULE 8
CUSTOMER SUPPLY AGREEMENT

APPENDIX 1