

DfE PPA questionnaire - for collaborative completion

The [DfE Questionnaire online survey form](#) is 11 pages which correspond to the Contents below. You can go back but you cannot move forward until you have entered something in the required questions and tick boxes..

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Covering page w name, org and contacts and Experience with solar PPAs

- Developer
- Investor/Funder
- Asset Owner
- Energy Supplier
- EPC Contractor
- Consultant/Advisor
- Other.... CEE: Representative body, responding on behalf of the sector, with input from members.

High-Level Viability & Overall Impressions

6. Please indicate your level of agreement with the following statements regarding the overall PPA contract template.

Please put an asterisk in the box that represents your opinion

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
The template is commercially viable	*				
The template would support private sector investment	*				

The template would support project finance	*				
The template is likely to attract market participation.	*				
The template is generally well balanced.	*				
Suppliers using this template are likely to secure investor or lender backing	*				
Suppliers would be confident presenting this PPA risk profile to their credit or investment committees	*				
Investors or lenders are likely to accept this template without requiring major bespoke risk amendments	*				

7. Please use the space below to provide the reasoning for your answers, suggest alternative approaches, or expand on any points raised in this section.

The PPA as currently drafted will exclude community energy organisations and many smaller commercial organisations that cannot supply credit scoring of the sort required. These are often organisations that have long track records of school installation and in many cases faithful investors ready to invest in the not-for-profit model. Ultimately this is likely to slow down the installation of solar on schools.

For the pilot programme to genuinely test which is the best way to decarbonise the education estate you need all players, especially community energy to be able to compete and deliver. Failure to do this will invalidate the pilot. Community energy can compete but only if it can enter the race which this PPA prevents.

The PPA contains a lot of unnecessary conditions which will increase bureaucratic burden, cost (which will add to the PPA price), will not benefit the school and will increase risk to the Generator.

Alternative approaches

Start again building on the template submitted to DfE before this process and again on 1 September by energy lawyer Sonya Bedford,
https://drive.google.com/file/d/1YqqN0sDBwSILoltv3DxIZEWd8xQKZGoL/view?usp=drive_link and consulting a working group of community energy contract specialists. Most of the clauses listed below should be deleted.

In any subsequently developed PPA risk should be more balanced between Buyer and Generator.

Specific Clause Review:

8.

- **Deterrents:** Are there any specific clauses or risk allocations in the template that would make investors or lenders unwilling to support this PPA pilot?
- **PPRecommended Amendments:** What specific changes or additions to these clauses would most effectively improve investor confidence and attract capital? *(Please reference specific clause numbers or schedule titles where applicable).*

Deterrents:

Credit scoring tailored for large corporates will debar many community energy companies, which are mostly Community Benefit Societies or Coops, from participating. Even most large SMEs will not have this level of scoring. It is unnecessary. Risk is only in pre-installation phase. Default would result in delay till another community Generator stepped in. Default among community energy organisations is incredibly rare.

This PPA seems to be a combination of elements that would normally be part of a pre-sales MOU, and a Lease, and a PPA. This is confusing, not how project development happens, It increases complexity and risk..

Risk is disproportionately on the Generator which will deter investors and lenders. This will add costs which will add to PPA prices which will render it a less investable prospect:

1. Removal/reinstatement at term (Energy4All calculates it adds 1p p kWh on the PPA. Removal adds ~30-35% to the installation cost for a typical school. This has to be factored into the PPA. Removal cost is mainly labour so will increase faster than inflation. CEE's members report that without fail school opt to keep the system - from that point on getting free electricity. If removal is compelled to be priced in and the school decides to keep the system at the end a commercial company would reap a windfall in 25 years time! Community energy would return this to the school or community. The extension process seems very complicated.
2. Cost for Buyer decision related decants borne by the Generator. Costs as above, with added storage costs - all needing to be built into the PPA price.
3. At risk development spend. The contract requires a lot of work to be done with no guarantee of a project. This work would normally be done under a pre-agreement MOU not a PPA.
4. Termination (90 days notice) The lack of clarity around termination compensation makes it uninvestable. Normally there is lock-in for at least 5 years. Most community energy organisations allow termination after that with reasonable compensation related to costs and book value - with no compensation for lost profits, which most corporates would require.
5. No minimum purchase commitment. Most community energy organisations do not require a minimum purchase commitment. They want to encourage schools to reduce consumption. With the future installation of heat-pumps and EV charging under-consumption (especially on a project sized for current consumption) is unlikely to be a problem. Commercial investors may require more of a guarantee.
6. Capacity, output and default penalties. Solar is weather dependent. A penalty for falling short of predicted output is not realistic and will deter community and commercial investors/lenders.
7. Grid and export delay penalties - these are mostly outside the control of the Generator so it is unfair to penalise them when they have no recourse to compensation.
8. PPA and Lease co-terminate. A PPA or Lease may be terminated to re-negotiate or because a party changes. It is unfair to terminate the Lease or the PPA by default

at that moment when the project is likely to be ongoing. This creates additional uncertainty which will increase the cost of money.

9. Bureaucratic burden adding cost (inc to the PPA) for forecasts, SCADA feeds, monthly reporting and billing, metering, DBS evidence, record keeping and FOI, REGOs to the school. Most of these add no benefit to the school. In many cases they won't know what to do with the information or will not be able to cope monthly billing or registering and claiming REGOs (for a tiny amount of money). They will have to be hand-held by the Generator at additional cost. Some community energy organisations judge it is not cost effective to claim small amounts via REGOs and prefer to retire them to avoid the double counting of renewable benefits that is built into REGO trading. If the school or the DfE wants certification of renewable generation this can be provided the metering statistics that each project will gather. It will be impossible to provide a schedule of maintenance a year ahead.
10. absence of numbers in compensation, cost tables (eg Insurance) It is impossible to calculate whether this PPA is viable without the numbers that would have been factored into the business case to provide a PPA price.
11. Planning is the responsibility of the Buyer but paid for by the Generator. The Schools will likely not have expertise or capacity to see a proposal through planning. Community energy organisations have often done this many times. There are huge opportunities for costly delays and failures in this arrangement.

Recommended Amendments

1. Start again basing the PPA on the draft PPA sent by energy lawyer Sonya Bedford to senior people at the DfE on 25 September 2025 and resent on 1 September with modification following reading your draft PPA. It had taken account of concerns arising from discussions with the Treasury. Add only the clauses necessary to avoid risk of PFI/PPP gaming and to maintain a fair playing field that enables community energy to compete.
2. Disaggregate the pre-sales MOU and lease elements from the PPA.
3. Delete credit scoring.
4. Rebalance risk with the Buyer esp around decant costs
5. Make removal at term something the school has to request at the outset or by some agreed point. Or pay for itself at term. All schools members have talked to want to keep the panels. The DfE's aim should be to increase renewable energy. Schools get free electricity once they own the panels outright which will well outweigh eventual removal costs at an appropriate future moment (eg when a roof has to be replaced). The well maintained installation will usually have decades of life left in it. If this is a critical on/off balance sheet criterion a more creative way must be found around it eg an agreement to buy/sell the depreciated panels at term for a nominal rate eg £1 or a contractual acknowledgement that this is not hire purchase but that the Generator expects to gift the panels to the school at term. NISTA should be re-engaged on this point. Otherwise this is a deal-breaker that will increase costs and deter companies and investors.
6. Remove most of the penalty clauses.
7. Reduce admin burden which will mostly only add cost and little or no benefit. REGOs should remain with Generator.
8. The Generator or their agent should apply for planning permission - with the school agreeing in advance to the proposals.

Section 2: Target PPA Tariffs, Indexation & Value Drivers

To assess commercial alignment and understand how pricing scales across the educational estate, please provide your initial baseline commercial expectations.

9. Target Year -1 PPA Tariff: To assess commercial alignment for a potential Power Purchase Agreement (PPA), what initial target PPA tariff (year-1 starting rate) would ensure project viability for your organization across a typical commercial rooftop solar installation?

1. Under 10.0 p/kWh
2. 10.0 – 12.5 p/kWh
3. 12.5 – 15.0 p/kWh
4. 15.0p – 18.0 p/kWh
5. 18.0p – 21.0 p/kWh
6. Over 21.0p/kWh
7. Depends on site capacity, roof condition, and off-taker credit covenant

4-5 is the usual CE benchmark but without many of the burdens imposed in this PPA which would increase PPA prices. Eg removal at term has been calculated to increase PPA prices by 1p p kWh.

10 Indexation & Escalation Structure: What price escalation mechanism is assumed in your target PPA tariff quoted above?

1. Fixed / Flat Rate: No annual escalation for the term length.
2. CPI-Linked: Annual escalation linked to the Consumer Price Index.
3. RPI-Linked (Capped): Linked to RPI, subject to a collar/cap (e.g., 0%–5%).
4. Fixed % Step-Up: Fixed annual escalation (e.g., 1.5%–2.5% per annum).

2.

11. Key Commercial Value Drivers: Which of the following contractual levers would allow for the most significant reduction in your required PPA rate (£/kWh)? (*Select up to two*)

1. Longer contract duration (i.e. 15/20/25 years)
2. Parent company credit guarantee / enhanced off-taker covenant
3. Inclusion / transfer of REGOs (Renewable Energy Guarantees of Origin)
4. Flexible buyout terms at key contract milestones

1. 25 years is standard to keep PPA offer low.

12. Please use the space below to provide the reasoning for your answers, suggest alternative approaches, or expand on any points raised in this section.

9. PPA price is dependent upon many factors specific to the site and the market at the time. It may also relate to a whole system approach beyond the mere installation of solar.

Batteries may increase up front cost but increase the amount that can be sold on site so reducing per unit price. These are factors that a solar only approach cannot take account of.

Within the sector there is a diversity of business models from organisations that seek to cut costs to the schools to the bone to others that whilst giving schools a meaningful reduction (10-30%) will seek to use the difference to deliver benefit (often to fuel poor families) in the community in which the school sits. Neither model is 'for profit' unlike the commercial players who will be participating in the pilot scheme. Schools offered the community benefit option are usually very happy with it.

10. Often none of the four options offered or a mix. Some members have offered no escalation for 20 years. Some have renegotiation points (say every 5 years) with a cap and floor for negotiation to ensure that the project remains financially viable. Others are pegged to commercial rates school would pay so guaranteeing a % saving. Sometimes this is a % reduction at time of negotiation so is not pegged to a moving retail price. Indexation if it happens is mostly CPI. This may expose a school to some risk if retail prices drop very significantly. A government guarantee mechanism to underwrite any losses if this happens has been proposed and would significantly derisk the public sector entering into long-term PPAs with community energy.

11. Length of term is a key lever for PPA reduction.

Two levers to reduce the required PPA rate are:

1. **Longer contract duration (25 years is standard to keep the PPA offer low):** Extending the contract duration allows generators to spread the repayment of loans and capital over a longer timeframe, which reduces the immediate annual cost burden. The longer the better because it provides more time to pay back low-cost loans or community shareholders.
1. **Flexible buyout terms at key contract milestones:** Well-structured buyout terms (such as those based on depreciated capital or "net book value" rather than inflated loss-of-income projections) reduce the risk and "trapped" capital for the generator. By setting reasonable exit costs that reflect remaining investment, the generator can price the PPA with more confidence, avoiding the need to bake in excessive risk premiums

Commercial Structure, Sizing & Grid ExportSome

13. To what extent do the following commercial provisions in the draft contract support market participation and long-term project viability?

Please put an asterisk in the box that represents your opinion

	Significant concern	Some concern	Neutral	Generally acceptable	Fully acceptable
Contract duration (Clause 2.1 / Schedule 1)				*	
Pricing structure & indexation (Clause 10 / Schedule 1)	*				

No minimum buyer demand (Clause 9.1.2)				*	
Array oversizing and behind the meter export (Clause 9.1.7)	*	*			
Treatment of REGOs (Clause 9.1.10)	*				

14. Please use the space below to provide the reasoning for your answers, suggest alternative approaches, or expand on any points raised in this section.

- **Demand Risk (Clause 9.1.2):** How does the absence of a minimum "take-or-pay" purchase commitment during school holiday periods impact your debt model and required Electricity Price (£/kWh)?
- **Oversizing & Export (Clause 9.1.7):** Is array oversizing beyond baseline school consumption commercially attractive under current export market conditions?
- **Grid Responsibility (Clause 4.4.4 & 4.4.5):** Does placing 100% of grid connection and DNO export constraint risk on the Generator act as a barrier, given current grid connection queue delays in the UK?

Contract duration: general view is the longer the better - allows more opportunity to repay investors. 25 years is considered acceptable, though 20 years has become common. Some local authorities are resistant to leases longer than 10 years

Indexation: CPI is not a perfect indexation measure as it has little to do with costs of energy or related to the energy industry.

No minimum buyer demand. Periods of low demand are modelled into the business case for the site at the outset. We would not expect them to pay for electricity they cannot use. A community energy organisation's only source of income to pay investors is from generation which is a huge incentive to fix problems quickly. However this is not a logical fit with the supply shortfall penalty.

Array oversizing & Export: Yes and should be incentivised given the likely increase in consumption as heat pumps and EV charging are installed. Ideally the array would be sized to take account of those future demands. There are many export possibilities though generally it will be at a lower price than the school will pay under any PPA. Small community organisations have a competitive advantage over large organisation in being able to access P442 to supply offtakers anywhere under a virtual PPA with savings of 30-40% due to exemption from levies. Surplus electricity in batteries can also be sold under P441. In many cases this will make installing a community owned battery for the school financially viable which will also increase the amount of cheap onsite electricity that the school can draw upon. (P441 is for small generators with less than 5MW total generation capacity. Large companies will not be able to access this saving - which under a not-for-profit model can further reduce PPA prices) Another reason to enable community energy participation in solar on schools

REGOs: Registering for and claiming REGOs is a huge burden to impose on schools. In most cases they will not be claimed. Where it is claimed by a community generator it is a small income that helps further reduce the PPA price or deliver community benefit. REGOs are much gamed and double-counted to provide assurance of renewable energy

that big suppliers can sell at a premium whilst not actually generating it. Some community energy organisations retire their REGOs for this reason and advocate they be abolished. If schools need to prove carbon savings or renewable generation this can be done via statistics.

Grid responsibility: Yes! Generators will always consult DNOs during scoping to assess capacity and delays but if unexpected delays occur they cannot be held responsible.

Risk Allocation

15. To what extent do you consider the proposed allocation of risk to be appropriate? When answering, please consider whether risk is allocated to the party best able to manage it and whether the proposed allocation would affect your willingness to participate.

Please put an asterisk in the box that represents your opinion

	Risk too low for supplier	Appropriate risk allocation	Risk too high for supplier
Termination risk			*
Generation performance risk			
Buyer electricity demand risk			
Export and DNO connection risk			*
Inflation risk			
Change in Law risk			
Credit risk			*
Insurance risk			*

16. Please use the space below to provide the reasoning for your answers, suggest alternative approaches, or expand on any points raised in this section.

Supplier is not a term used in the PPA, though PPA supplier has been used in other documents. We assume that supplier means Generator. Can a risk be too low for an investor/lender?

Some of these risk are either built into any sensible business model eg generation variability or would trigger action in any responsible generator who has to pay minimum returns to investors eg panel performance. We have marked the ones that will prevent engagement eg Credit risk or on which you have not provided enough information to make a business judgement eg insurance

The proposed allocation of risk is fundamentally inappropriate and unbalanced. The risk framework is not allocated to the parties best able to manage it; instead, it is perceived as "double-loading" risk onto generators while simultaneously placing onerous, unmanageable obligations on schools.

- **Double-Loading Risk:** Generators are being penalized for outcomes they cannot control, such as DNO delays or performance shortfalls. Generators would take all financial risk on installation and performance without adequate protection.
- **Unfair Burden on Schools:** The termination for convenience clause (90 days' notice) is bad for schools. It exposes them to potential liability for "future margin" (lost profit).
- **Asymmetric Development Risk:** Generators are expected to bear the cost and risk of upfront development and planning, while schools can potentially withdraw at any stage, leaving the community energy organisation with all the "at-risk spend".

The current allocation of risk makes the PPA unviable. We do not believe that schools would sign it or that funders would touch it. The document is too complex for school business managers, and the financial risks - specifically the decommissioning costs and potential termination payouts - would render the PPA non-competitive for community energy organizations.

17. **Single Primary Risk Impact:** Which single risk area would most affect your willingness to participate? (Select one)#

Please put an asterisk in the box that represents your opinion

Termination	
Generation performance provisions	
No minimum buyer electricity demand	
Inflation	
Change in Law	
Credit	*
Insurance	

18. Additional Risk Comments

Credit score requirement will exclude all community energy and many companies that are not large corporates. (The DfE has a policy of supporting SMEs)

Next additional risk is the requirement to remove and reinstate at term. From

experience this adds about 35% of the installation cost to the project resulting in approximately 1p p kWh on the PPA. Most of the removal costs are for labour which increases above inflation. If a corporate factors this in and the school elects to keep (or buy!) the panels at term, this represents tax free windfall profits. If community energy gifts the asset as is usual, the school gets a windfall and any money set aside for removal (as would be necessary if this clause remains) would go to the school and/or the community.

We understand that this provision is related to whether the arrangement constitutes borrowing from the Treasury perspective. If so then another way must be found to get round this misconceived categorisation. We are assured that in Europe this arrangement is not accounted as borrowing.

The requirement for the Generator to bear the costs of decanting, storing and reinstating the panels when the Buyer wants access to the roof is similarly burdensome and will hike the PPA price. Where the fault or the choice is the Buyer's they should pay the Generators costs.

Generation performance provisions have been highlighted by few members as posing the most significant risk

Performance Metrics & Underperformance Penalties

19. To what extent do you consider the proposed performance and yield mechanisms workable?

Please put an asterisk in the box that represents your opinion

	Risk too low for supplier	Appropriate risk allocation	Risk to high for supplier
Generation performance floor at 85% of P50 (Schedule 1)			*
Underperformance penalty rate indexation (Schedule 6)			
Delay Liquidated Damages & Capacity Shortfalls (Clause 4.7)			

20. Please use the space below to provide the reasoning for your answers, suggest alternative approaches, or expand on any points raised in this section.

The proposed generation performance floor (specifically set at 85% of P50 in Schedule 1) is **fundamentally unworkable and highly punitive**. These performance requirements would lead to projects being rejected by both generators and funders, as they bake in excessive risk that is not manageable at the community scale.

Members use tools such as the European Commission Photovoltaic Geographic Information System to predict generation but comment "Expecting precise generation in future is not reasonable and time spent on penalties and damages are an unnecessary cost of complexity."

Targeted Free-Text Prompts:

- **Performance Floor (Clause 1.1 / Schedule 1):** Is setting the Minimum Generation Performance threshold at 85% of Annual P50 volume bankable, or does it overly restrict debt sizing?
- **Penalty Indexation (Schedule 6):** Is using the GB day-ahead spot price index as the basis for the Generation Performance Payment fair and workable, or does market volatility create unquantifiable liability?
- **EPC Back-to-Back (Clause 4.7.5):** Are the Delay Liquidated Damages (Schedule 6) and Capacity Shortfall Damages manageable within standard EPC construction subcontracts?

Financing, Term Length & Termination

21. Contract Duration (Schedule 1)

Please put an asterisk in the box that represents your opinion

	Unacceptable / Unbankable	Sub-optimal (Requires Tariff Premium)	Acceptable / Viable	Preferred / Optimal
Less than 10 years	*			
10 years	*			
15 years		*		
20 years			*	
25 years (Template Draft)				*
30 years				*

22. Please use the space below to provide the reasoning for your answers, suggest alternative approaches, or expand on any points raised in this section.

Many community energy organisations advocate for longer terms (20–25+ years) because they provide a more stable timeframe to repay low-cost loans and community shareholders.

There are many variable that will affect PPA price, specific to site and to market at the time eg cost of panels and other supply chain. The availability of grants to reduce project cost up front affect how much capital must be raised and paid back. This is why the PPA price is normally fixed once the project has been fully scoped.

23. **Bankability & Term Support:** How acceptable and important are the following provisions when seeking project finance or institutional investment?

Please put an asterisk in the box that represents your opinion

	Significant concern	Some concern	Neutral	Generally acceptable	Fully acceptable
Termination for Convenience and Capex Matrix (Clause 14.6 / Schedule 6)	*				
Lender step-in and Direct Agreement (Clause 19 / Annexure)				*	
Asset Security and Residual Value (Schedule 8 / Schedule 9)	*				

24. Please use the space below to provide the reasoning for your answers, suggest alternative approaches, or expand on any points raised in this section.

● Termination for Convenience (Clause 14.6 / Schedule 6): This is, in its current form, a "deal-breaker" for institutional investors. Allowing termination with 90 days' notice while including liability for "future margin" (lost profit) creates an unmanageable risk profile. For a project to be financeable, termination compensation must be based on a clear, depreciated capital/net book value matrix rather than speculative loss-of-income projections, which are seen as serving large equity capital interests rather than schools or community generators. ● Lender Step-in and Direct Agreement (Clause 19 / Annexure): This is a constructive and important mechanism to mitigate risk. Rather than relying on punitive financial penalties (such as performance floors or delay damages), step-in rights provide a practical way to protect the school's ongoing energy opportunity in the event of generator insolvency or operational failure. We would point out that community energy insolvency is almost unheard of. ● Asset Security and Residual Value (Schedule 8 / Schedule 9): Removal and decommissioning costs potentially add 30–35% to the project cost. Institutional investors and community generators favour a flexible approach where the obligation to remove rests with the generator only if the school chooses not to retain the system at the end of the term. A rigid 25-year removal requirement is less desirable than an option to re-evaluate the project, which provides more certainty and flexibility for all parties.
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Targeted Free-Text Prompts:

- **Convenience Termination (Clause 14.6):** Does the Buyer's right to Terminate for Convenience—backed by a Termination Payment based on unamortized invested Capex (Schedule 6)—satisfy lender bankability requirements?
- **Breakdown Scenarios:** Under what specific breakdown events (e.g., prolonged grid disconnection, school closure, structural failure) would your financing require specific step-in or compensation rights beyond the standard Direct Agreement (Clause 19)?

Credit Security, Guarantees & Community Energy Inclusivity

25. To what extent do the proposed financial standing and credit support requirements represent a proportionate approach to managing commercial risk?

Please put an asterisk in the box that represents your opinion

	Significant concern	Some concern	Neutral	Generally acceptable	Fully acceptable
Credit Trigger Thresholds: BBB - rating / 2.5:1 ratio (Clause 11.2)	*				
Requirement for PCG or Standby Letter of Credit (Clause 11.2)	*				
Pre-COD Credit Support securing Delay Liquidated Damages (Clause 11.2.3)	*				

26. Please use the space below to provide the reasoning for your answers, suggest alternative approaches, or expand on any points raised in this section.

Generator insolvency is highly unlikely with Community Energy Organisations / BENCOMs due to the nature of community share capital and the understanding of investors that they are not guaranteed a return on their investment, giving Community Energy Organisations / BENCOMs much greater flexibility to deal with any reduction of income issues. Community Energy Organisations / BENCOMs are unlikely to be engaged in other activities that could threaten their ability to continue trading. There is also typically an asset lock. In the event of insolvency there are mechanisms through which another Community Energy Organisations / BENCOM could step in, or a charitable incorporated company like Pure Leapfrog could step in (as we have in the past), or GB Energy could act as a "parent company" to the sector.

Coops UK evidence <https://www.uk.coop/MaturingMarket> show that "of the businesses who've raised finance with community shares to date, a remarkable 92% are still trading." Social Enterprise UK research <https://www.socialenterprise.org.uk/news-and-views/what-steps-should-the-government-take-to-double-the-size-of-the-co-operatives-and-mutuals-sector/> shows that 82% of co-operative start-ups are trading after 5 years, compared with just 40% of UK companies overall. Backing coops is a good bet.

Targeted Free-Text Prompts:

- **Market Barriers (Clause 11.2):** Do the proposed Credit Trigger thresholds present a barrier to entry for your organization or project SPVs?
- **Community Energy Groups / BENCOMs:** What alternative credit support mechanisms (e.g., escrow accounts, performance bonds, debt-service reserves) could be used instead of a PCG or Bank Letter of Credit to enable community capital participation?

School Estate Assumptions, Building Integrity & Operations

27. Based on your experience, how deliverable are the following operational and estate requirements in a live educational environment?

Please put an asterisk in the box that represents your opinion

	Unrealistic	Challenging	Achievable	Easily Achievable
Preconstruction surveys, RAAC and asbestos protocols (Clause 4.1-4.3)	*			
School working windows, exam blackouts and safeguarding (Clause 4.5)		*		
Principle contractor, designer role under CDM 2015 & BSA Part 2A (Clause 4.4.6)	*			
SCADA Telemetry and Real-Time Data Feed Installation (Clause 6.1.6)	*			
Roof Repair Outage and Lost Generation Compensation (Clause 8.3.2 & 8.8)			*	

28. Please use the space below to provide the reasoning for your answers, suggest alternative approaches, or expand on any points raised in this section.

Roof surveys should be completed prior to the PPA tender and should not be considered the responsibility of the generator. Operational roof repairs should be integrated into the financial model instead of using non-standard "lost generation" clauses.

Community energy organisations will always abide by health and safety, safeguarding and school working windows for installation agreed in the pre-construction phase. Agreeing working windows

Pure Leapfrog who have significant legal expertise comments: Clause 4.4.6 re CDM/PD/PC is, I believe, incorrect in its assumptions. The Generator is in the "Client" role under CDM and its for them to accept responsibility for appointing a PD and a PC. It may be the case the Generator is also the PD and/or also the PC but more likely those roles will be taken by 3rd party PD and 3rd party PC. The Buyer role is to provide the Generator with all available CDM related information, in line with the cooperation required under CDM.

SCADA may not be the appropriate application for schools. See Energy Sparks developed by Awel Aman Tawe

Greater Manchester Community Renewables have a 'lost generation' clause in their our lease to compensate for lost earnings where the array is removed for more than 28 days -- this provides an important incentive for the school to engage with them on the timing of the roof works and to ensure the roof works are completed promptly.

Another member suggests there should be a clause saying that the parties should meet to agree suitable compensation if the BUYER causes lost generation of more than say two weeks, or 1MWh.

Targeted Free-Text Prompts:

- **Roof Maintenance Risk (Clause 8.3.2):** Clause 8.3.2 requires the school to pay Lost Generation Compensation to the Generator during essential roof repairs. Would removing or capping this liability render the project unbankable?
- **Roof Integrity & Warranty Protection (Clause 8.3.X):** Where roof damage occurs as a result of the Generator, how do you propose managing repairs to ensure existing school roof warranties are not invalidated, and are you willing to utilize the school's original roofing contractor for remedial works?
- **RAAC & Structural Off-Ramps (Clause 4.3):** Are the survey and structural risk allocation procedures for RAAC and unsuitability—allowing no-fault termination prior to installation—sufficiently clear and fair?
- **Statutory Duties (Clause 4.4.6):** Do you accept full statutory appointment as Principal Designer and Principal Contractor under CDM 2015 and Building Regulations Part 2A?

Key Strategic Questions & Commercial Drivers

Important Notice: Please note that this exercise is purely theoretical and for market testing/consultation purposes only. This questionnaire does not constitute a formal procurement, call for competition, or invitation to tender, and no contract will be awarded or bids taken as a direct result of this exercise. Your feedback is being used solely to inform policy development and test the commercial viability of the draft PPA template.

29. **Bidding Intent:** Would your organization be willing to bid for opportunities based broadly on this standardized contract template?

Please put an asterisk in the box that represents your opinion

Yes	
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No	*
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30. **Pricing Premia:** Are there specific terms in this draft that would force you to price in increased risk premia or contingency allowances?

Yes, several specific provisions in the current PPA draft would force generators and funders to incorporate significant risk premia and contingency allowances pushing up the PPA price to unacceptable levels. We hear that commercial suppliers are also finding this. The net result will be a reduction in solar on schools and disabling the community energy sector that the most experience of delivering solar on school over recent decades and is set to grow exponentially to deliver at national scale.

The draft is modeled on large-scale utility infrastructure and applying this framework to small-scale community rooftop solar creates an unmanageable risk profile.

31. **Priority Rankings:** Which three provisions in the draft are most critical to securing successful investment?

Almost nothing in this draft PPA will assist in securing successful investment. A successfully implemented standardised PPA would have benefits such as encouraging schools to engage in the process, speeding up permitting and legal oversight and reducing cost. However, the draft PPA needs to be totally rewritten for this outcome to be realised.

The new draft PPA (based on the draft sent by Sonya Bedford, 1September https://drive.google.com/file/d/1YqqN0sDBwSILoItv3DxIZEWd8xQKZGoL/view?usp=drive_link) needs to delete the credit provisions, remove most of the penalties, make the panels becoming school property at term the default option.

32. **Priority Rankings:** Which three provisions create the greatest barriers to market participation?

There are more than three which create really significant barriers to market participation.

The requirement of credit scoring: community energy organisations do not have these and could not afford them.

The requirement remove panels and reinstate the roof at term is a deal-breaker and is not what schools want.

Pre-sales activities being included in the main PPA and, connected, the penalties which are onerous and unnecessary.

Additionally

The admin burden on schools and Generators is excessive.

Finally

And the damage to the very significant ongoing pipeline of solar on schools

The pause on approving PPA agreements with schools while this consultation process is ongoing is currently the single biggest barrier to market participation. It must be lifted.

33. **Priority Rankings:** What is the single most important amendment you would recommend to this template?

The template should be scrapped and restarted from scratch, based on the template sent to DfE by Sonya Bedford on 1 September
https://drive.google.com/file/d/1YqqN0sDBwSILoItv3DxIZEWd8xQKZGoL/view?usp=drive_in ink.
This much shorter document far better reflects school solar PPAs as they exist and is therefore much more likely to work in practice. This would involve disaggregating the pre-sales MOU and Lease elements that are in the current draft, into separate documents.

34. Please use the space below to provide the reasoning for your answers, suggest alternative approaches, or expand on any points raised in this section.

Final Comments

35. In addition to the contractual terms, what are the primary non-contractual barriers for private suppliers or community energy groups seeking to enter PPAs with the education sector?

Schools will not enter into PPAs if they are this long and include this many stipulations. The template assumes that solar generation capacity is predictable to an impossible level of precision.

36. Are there any significant commercial or legal issues not covered elsewhere in this questionnaire?

A member comments: "Many of the parties are not defined in the template, resulting in there being no clear responsibilities to be held liable. For instance Buyer, Generator, Lender, Funder, Investor, Community Energy Group, EPC Contractor, Credit Support provider, Schools business manager, Local Authority, Academy and Diocese owners are not defined and Responsible Body is ill defined. This questionnaire also looks for responses from Developer, Asset Owner, Energy Supplier (whilst not considering Community Energy Organisations)".

Too many tables are blanks eg Insurance for any kind of judgement to be made on the financial viability or risk profile of this PPA.

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