

## **SCHEDULE 23**

### **Combined Heat and Power ("CHP") Protocol**

#### **1. Introduction**

Pursuant to paragraph 2.2.1.3(i) of Service Output 2 of **Part 2 of Schedule 1** (Specification) this **Schedule 23** sets out the obligations of the Councils and the Contractor in respect of developing and implementing a proposal for supplying heat from NWTF to heat users.

#### **2. CHP Plan**

2.1 The Contractor has identified the potential for supplying heat generated by the NWTF to heat users in the vicinity of the NWTF as set out in the Contractor's Proposals.

2.2 The Contractor shall further develop the initial work as set out in the Contractor's Proposals and carry out a study to identify potential heat users, their heat requirements and commercial opportunities. The Contractor shall assess the costs and engineering feasibility of modifying the NWTF, installing pipelines and all other equipment, including any phased implementation, (the "**CHP Works**") to enable heat to be supplied to the heat users.

2.3 To the extent that it is able and subject to availability of commercially sensitive information, the Councils shall make available relevant information regarding potential CHP opportunities to the Contractor.

2.4 The Contractor shall prepare a plan (the "**CHP Plan**") to include the following:

2.4.1 Details of the scope of the CHP Works;

2.4.2 Details of the operation and maintenance of the CHP system;

2.4.3 A CHP Works Programme;

2.4.4 A financial model identifying as a minimum all capital expenditure for the CHP Works and ongoing life cycle replacement, operating costs, revenues from supply of heat and ROCs, and all impacts in the Base Case on operating costs and revenues from electricity generation;

2.4.5 Proposed milestone payments for the CHP Works;

2.4.6 Heads of terms for agreements with the Heat User(s).

2.5 The Contractor shall submit the CHP Plan to the Councils no later than the date which is twelve (12) months following the Amendment and Restatement Date.

2.6 Within twenty (20) Business Days of receipt of the CHP Plan, the Councils shall notify the Contractor in writing:

2.6.1 of its acceptance of the CHP Plan; or

2.6.2 request the Contractor to provide clarification or additional details within an agreed timescale and resubmit the CHP Plan; or

- 2.6.3 confirm that the CHP Plan is not to be implemented.
- 2.7 Upon receipt of notification of the Councils' acceptance of the CHP Plan the Contractor shall implement the CHP Plan pursuant to **clause 28** (Changes to the Works and Services).
- 2.8 Upon receipt of notification of the Councils' acceptance of the Contractor Change pursuant to **clause 28** (Changes to the Works and Services), the Contractor shall agree final commercial terms with the heat user(s) and finalise the CHP Contract(s).
3. **The CHP Works**
- 3.1 The Contractor shall implement the CHP Plan and complete the CHP Works by the CHP Planned Completion Date(s). Subject to the programme set out in the CHP Plan, the CHP Planned Completion Date shall be no later than twelve (12) months after the NWTF Completion Date.
- 3.2 Notwithstanding **paragraph 2.6**, the Councils shall accept no liability for the suitability of the heat users or the CHP Plan.
- 3.3 The Contractor shall be wholly responsible for managing the CHP Contract(s).
- 3.4 Notwithstanding the outcome of this **Schedule 23** (Combined Heat and Power "CHP" Protocol), the Contractor shall retain its obligations for meeting the Contract Targets.

**THE COMMON SEAL OF** )  
**DERBYSHIRE COUNTY COUNCIL** )  
was affixed to this deed )  
in the presence of: )

David Tysoe

**Authorised Signatory**  
*COUNTY SECRETARY*

Number in Seal Book: 2009/1162

**THE COMMON SEAL OF** )  
**DERBY CITY COUNCIL** )  
was hereunto affixed to this deed )  
in the presence of: )

A C Wasteney

**Authorised Signatory**

S Leslie

**Authorised Signatory**

**EXECUTED** on behalf of )  
**RESOURCE RECOVERY** )  
**SOLUTIONS (DERBYSHIRE) LIMITED** )  
as a deed by its attorney )  
Michael John Edwards

**Attorney's Signature**

Michael John Edwards

**Name of Witness:** Rob Thompson

**Signature:** Rob Thompson

**Address of witness:**

100 Barbirolli Square  
Manchester  
M2 3AB