**Annexure 2 - SPV specific design and installation terms**

**PART 1**

# Definitions

 In addition to the definitions set out in the Annexure 1- General Terms and Conditions the following definitions shall apply particularly to this Annexure.

**Defects Period** means as defined in clause 8.5 of this Annexure 2.

**SEG Licensee** means any mandatory licensee or voluntary licensee (as defined in the Standard Conditions of Electricity Supply Licences (as from time to time amended or re-enacted)) as from time to time appointed.

**SEG Payment** means the electricity generation and export feed-in tariff payments (made to PECR pursuant to this Work Order) by a SEG Licensee.

**Specification** means the Works specific to the SPV System (including Deliverables) specification for each Site as set out in the relevant Work Order and Part 2 to this Annexure 2.

**SPV Commissioning Tests (and Repeat SPV Commissioning Tests)** means the industry standard solar panel commission and repeat SPV System commissioning tests.

**Visual Inspection** means the inspection that the Contractor will carry out at each Site in relation to the evaluation of the structure of the buildings, water supply, electrical supply, gas supply and other relevant facilities available at each Site for the purposes of planning, coordinating and implementing the Contractor’s obligations under the Agreement.

# Term

## The Works in respect of the SPV System set out in this Annexure 2 shall commence on the SPV Commencement Date specified in the Work Order and shall automatically terminate (excluding the clauses which are expressly stated to survive termination) once the SPV System has been fully commissioned and all connected Deliverables have transferred to PECR, subject to earlier termination in accordance with the terms of Annexure 1.

# Design of the SPV System

## The Contractor shall carry out an initial Visual Inspection of each Site to confirm that each Site is suitable for installation of the SPV System and to assist with planning and production of designs for the SPV System for each Site. The Visual Inspection will be carried out on a date to be agreed between the Parties.

## Following Visual Inspection, if a Site is deemed unsuitable for the installation of the SPV System according to the reasonable professional opinion of the Contractor, the Contractor shall inform PECR as soon as is reasonably practicable and either Party may terminate this Work Order immediately in relation to the Site deemed unsuitable, without further liability, except that any/all sums paid by PECR to the Contractor in advance in relation to such Site shall immediately be repaid in full to PECR by the Contractor.

## On the basis of the Visual Inspection the Contractor shall provide PECR with a detailed design of the SPV System for a Site (to be included in the relevant Specification).

## To the extent a Specification needs to be amended or adjusted then the Parties shall promptly update such Specification (and any Charges if applicable) by written agreement prior to proceeding with the Services at the relevant Site. Thereafter such Specification may be varied, or added to, from time to time as needed, provided it is in writing and signed by both Parties.

## The Contractor warrants that the Sites and site rooves are appropriate and suitable for the installation of the proposed SPV systems to be installed pursuant to this Work Order.

# Installation and ownership of the SPV System

## The Contractor shall be responsible for arranging sourcing and ordering the SPV System and other component parts. The Contractor shall be responsible for packaging, shipping, transport and delivery of all Deliverables and SPV System to each Site (including in relation to any import obligations, tax and administrative requirements) in a lawful, safe and expedient manner.

## The Contractor shall design, install and complete energisation, connection, successful testing (providing to PECR evidence of the satisfactory SPV System Commissioning Tests or Repeat SPV System Commissioning Tests) and commissioning of the SPV System by the SPV Completion Date in accordance with the relevant Specification (and where a requisite activity or specification is not set out in this Agreement, then at least in accordance with good industry practice and any applicable law or regulation).

## If any storage of the Deliverables and the SPV System is required, the Contractor shall ensure that such storage is in accordance with manufacturer's instructions (where applicable) and Good Industry Practice (as defined in Annexure 1).

## The Contractor warrants that all Deliverables will be in accordance with the relevant Specification, fit for purpose and of satisfactory quality.

## The Contractor shall procure and order any Deliverables as set out in the relevant Specification and if such items are or become unavailable, the Contractor shall substitute those items with other items which are materially similar in specification or performance to those which were ordered/specified in the Specification, subject to PECR's prior written consent.

## If the SPV System and any Deliverables do not conform with the relevant Specification or any of the warranties given by the Contractor under this Agreement the Contractor will re-perform the Works in respect of the SPV System to the extent necessary.

## The legal and beneficial ownership and title (free from third party rights) in the SPV System and other components shall remain with PECR at all times. Risk in the SPV System and other component parts shall be the Contractor’s responsibility and shall transfer from the Contractor to PECR immediately upon full payment by PECR at the SPV Completion Date.

# Roof Structural Survey

## Prior to the Installation, the Contractor shall conduct all necessary consultations or investigations (including with each Site's landlord's engineer) to satisfy itself that the site roof is suitable for the proposed installation ("**Survey**"). The Contractor shall procure that such Survey is undertaken in accordance with good industry practice in order to determine capacity and suitability of the roof to support the SPV System and associated Deliverables.

## Subject to any other Contractor obligations, warranties and undertakings specified under the Agreement, the Contractor warrants that all Services carried out under the Agreement shall be in regard of and compliant with the reporting or assessments undertaken according to clause 5.1 setting out the findings and recommendations of the Survey ("**Structural Report**"), and the Contractor warrants that it shall take all other necessary steps and actions to ensure it is satisfied the Services shall not cause damage, degradation or loss to the Site roof.

## Immediately on completing the Installation, the Contractor shall undertake a final roof condition survey and shall carry out such survey in a timely manner, with reasonable care and skill and in accordance with Good Industry Practice.

## If the final roof condition survey reveals that the roof has sustained damage since the initial Survey, the Contractor shall inform PECR and the Contractor shall repair or replace (or procure repair or replacement of) such damage (so as to bring the condition of the roof in conformity with the condition it was in at the time of and as stated in the initial Survey) at the Contractor's own cost. This shall include, without limitation, repair or replacement of roof coverings, underlay, insulation, water-proofing, structural components and any ancillary components, gutters, access routes and storage/wellbeing areas. Notwithstanding the above, the Contractor shall not be liable for any damage sustained caused by or attributable to:

### PECR or any other third parties not acting on behalf of the Contractor; or

### any latent defects.

# Installation

## The Contractor shall:

### install the SPV System at each Site in accordance with the Specification for the relevant Site and the manufacturer's guidelines;

### supply the necessary supervisory personnel, skilled and unskilled labour, machinery, scaffolding and other necessary equipment for the performance of the Services;

### promptly notify the Contractor of any defects in the SPV System prior to Installation;

### not take any action which would invalidate, diminish or limit any applicable manufacturer or supplier warranty or guarantee, and act strictly in accordance with the restrictions and requirements of any warranty or guarantee (including any Site's site roof warranty) notified by PECR or the relevant Site's landlord in writing to the Contractor or as attached/included with the relevant Work Order;

### not take any action which would invalidate or compromise any applicable insurance policy where notified in advance in writing with sufficient specificity, of any action or activity, preventative measure, security or safety requirement mandated by PECR's insurers (or third parties' insurers of the Sites).

### commence the Works in respect of the SPV System by the SPV Commencement Date.

### complete the Works in respect of the SPV System by the SPV Completion Date.

### prepare, keep up-to-date, and make available to PECR by the SPV Completion Date:

#### a complete set of “as-built” records of the execution of the Services (including the "as-built" design), showing the exact as-built Sites, sizes, and details of the work as executed; and

#### an operation and maintenance manual in sufficient detail and clarity for PECR to operate and maintain the SPV System.

# Grid Connection

## The Contractor shall be responsible for connection of the SPV System to the Grid including but not be limited to overseeing and managing the Grid Connection process and coordinating with the DNO and shall procure all consents required in relation thereto.

## If not already in place, and if instructed by PECR in writing to do so, the Contractor will use all reasonable endeavours to obtain a suitable Connection Offer on behalf of PECR (or each Site's landlord as the case may be and as agreed by the Parties in writing) necessary and suitable for the SPV System and will provide a copy of the offer to PECR promptly upon receipt.

## The Contractor will update PECR of all costs incurred or to be incurred by or charged by the DNO (or other applicable bodies).

## The Contractor will manage the relationship with DNO including managing the coordination and implementation of the Connection Agreement.

## The Contractor will be responsible and liable for any breaches of the Connection Agreement caused by the wilful acts or omissions of the Contractor (or its sub-contractors).

## The Contractor will use all reasonable endeavours to ensure that the DNO completes the connection in accordance with the programme set out in the Connection Offer and Connection Agreement and any other associated work programme.

## This clause 7 shall survive expiry or termination of this Annexure.

# Testing & Acceptance

## PECR (and its agents or representatives) may inspect the performance of any Works at any time.

## On written notification to PECR of impending completion of the SP System Works the Contractor will perform SPV System Commissioning Tests to test the operation of the SPV System at each Site to assess whether they operate satisfactorily in accordance with the Specification for that Site, and once completed, shall promptly share the SPV System Commissioning Tests results with PECR. PECR will be entitled to attend the SPV System Commissioning Tests but PECR's failure to attend will not affect the validity or status of the tests. As a minimum requirement the SPV System Commissioning Tests must demonstrate and provide a satisfactory SPV System test report as defined in the IET Code of Practice and BS EN 62446.

## If the operation of the SPV System at any Site fail the SPV System Commissioning Tests then the Contractor will as soon as reasonably practicable implement, at no additional cost (unless such failure is due to a manufacturing defect which has been promptly notified by the Contractor to PECR) such alterations, corrections or modifications to the SPV System and any connected Deliverables as it will in the circumstances judge necessary to ensure rectification of any problems that led to failure of the SPV System Commissioning Tests. The Contractor shall then conduct the Repeat SPV System Commissioning Tests at the affected Site and promptly notify PECR of the successful results. If the SPV System at a Site fail the Repeat SPV System Commissioning Tests then PECR may, at its option terminate the Work Order in relation to that Site without further liability, and the Contractor shall immediately repay all monies paid in advance by PECR for provision of Services and shall promptly remove all SPV System from that Site as requested by PECR including any of its remaining equipment, machinery, scaffolding and tools, and the Contractor shall remediate any damage done to any property at that Site during the course of any activity undertaken by the Contractor at that Site.

## Once PECR receives notification (including satisfactory evidence) by the Contractor that the SPV System at a Site have passed the SPV System Commissioning Tests in accordance with the IET Code of Practice and BS EN 62446 (or Repeat SPV System Commissioning Tests as the case may be) PECR will accept the Commissioning Tests for that Site and shall notify the Contractor in writing of PECR's acceptance. Receipt of a) SPV system verification certificate, b) SPV system inspection report and c) written certification by the Contractor's authorised SPV System Commissioning Tests representative, or Contract Manager, that the SPV System at a Site have satisfactorily passed the SPV System Commissioning Tests in accordance with the IET Code of Practice and BS EN 62446 (or repeat SPV System Commissioning Tests) will be sufficient evidence that the SPV System Commissioning Tests for a Site have been passed.

## For a period of 2 years following the SPV Completion Date (the "**Defects Period**"), the Contractor shall remain liable for any failure of the SPV System to perform in accordance with the Specification or for any other defect.

## Prior to the expiry of the Defects Period, if any part of the SPV System is not functioning in accordance with the relevant Specification and expected efficiency and performance standards PECR shall notify the Contractor providing details of any Defects or problems, and the Contractor shall promptly take whatever actions are necessary to ensure the SPV System and any connected Deliverables are performing in accordance with the relevant Specification and all expected efficiency and performance standards.

## Where any items or workmanship in any Deliverable are found to be erroneous, incomplete or defective owing to the Contractor’s actions and a claim is not possible against the manufacturer or supplier, the Contractor will be obliged to repair, replace and/or maintain such items/Deliverables at their cost.

## To the extent problems or defects are identified by the Contractor or PECR during the Defects Period the Defects Period shall be extended until the Contractor can report to PECR (providing satisfactory evidence) that any problems or defects have been fully remedied.

## This clause 8 shall survive expiry or termination of this Annex.

# Smart Export Guarantee

## The Contractor warrants that the Services including the SPV System Works have been carried out and completed in a manner which meets the eligibility criteria for SEG Payments.

## The Parties acknowledge and agree that once approved, PECR shall receive all payments of the Smart Energy Guarantee, from the SEG Licensee.

## The Contractor shall use all reasonable endeavors to ensure that all SPV System(s) are recognized as eligible installations as defined in Schedule A to Standard Licence Condition 57 under section 6(1)(d) of the Electricity Act 1989 (as modified).

## This clause 9 shall survive expiry or termination of this Annex.

# Liquidated Damages

## In the event that the SPV System Works are not completed by the SPV Completion Date, PECR shall have the right to charge liquidated damages for such delay at a rate of 1.5% of the total SPV Charges due for the proper performance of the SPV System Works for each week until the date the SPV System Works are complete or if earlier termination of the Work Order ("**SPV Delay Damages**"). The Contractor's total liability to pay liquidated damages for delay under this clause 10.1 shall not exceed 19.5% of the total SPV Charges. These SPV Delay Damages shall not relieve the Contractor from any other duties, obligations or responsibilities which he may have under the Work Order but shall be PECR's exclusive remedy in connection with such delay. The SPV Delay Damages shall be paid by the Contractor no later than thirty (30) days after the later of completion of the SPV System Works and the date the Contractor has received a valid demand for the same.

* 1. Where the SPV Delay Damages exceed 19.5% of the total SPV Charges before the Heat Pump Works are complete, PEC shall have the right to either:

### terminate this Annexure on giving twenty (20) days written notice to the Contractor; and/or

### complete the outstanding part of the SPV System Works itself, or instruct a third party to do so, and recover the costs of doing so from the Contractor.

# Post installation

## The Contractor shall upon the SPV Completion Date promptly remove all of its equipment, machinery, scaffolding, tools and waste and remediate any damage done to property at any Site during the course of providing the SPV System Works.

## This clause 11 shall survive expiry or termination of this Annexure 2.

**Part 2 SPV System Works Specifications**

Design and Installation of SPV Systems at the Sites – including panels on existing Site rooves, and including associated frames, mounting systems, fixing brackets, clamps and or ballast systems, together (as applicable) with inverter(s), metering and associated equipment and cabling, plus applicable software solution, fixed displays and remote monitoring and metering system. Also, installation of associated safety guardrails, access steps and walkway surfacing and DNO connection.

For the avoidance of doubt, the Contractor will be responsible for sourcing and purchasing the SPV Systems for installation and the costs of this shall be covered by the Charges.