

A POWER PURCHASE AGREEMENT, DECODED

Legals — Key Point Summary.

A plain-language summary of SEED's standard 25-year Development and Power Purchase Agreement — prepared for trustees, bursars, treasurers and the solicitors who will review it on their behalf.

FOR THE ATTENTION OF

Trustees, Bursars & Treasurers

ISSUED BY

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SEED — Legals: Key Point Summary

A plain-summary guide to SEED's Development and Power Purchase Agreement *For trustees, treasurers, bursars and their legal advisers.*

What this document is — and what it isn't

This summary is a **plain-language guide** to SEED's standard Development and Power Purchase Agreement, drawn directly from a live signed agreement with a UK sports-club client (anonymised). It is intended to help a board familiarise itself with the structure of the deal before formal legal review.

It is **not** a substitute for the signed agreement, and it is **not** a legal opinion. Trustees should review the full contract with their own solicitor before signing.

Where this summary uses figures (e.g. opening kWh rate), those figures come from the referenced live agreement and are illustrative only — every client receives a tailored proposal with their own pricing.

1. The Parties

- **Supplier:** Solar Energy Efficiency Developments Limited ("SEED") — registered company in England and Wales, registered office in Crowborough, East Sussex.
- **Client:** The trustee/operator organisation purchasing electricity from the rooftop system installed on its premises.

2. Headline Commercial Terms

ITEM	STANDARD POSITION
Upfront cost to the Client	£0. SEED funds, installs and owns the system.
Term	25 years from the Agreement Date.
Opening electricity price	Set per project. (Reference contract: £0.21 / kWh in the first Contract Year.)
Annual indexation	UK CPI + 1%, applied at the start of each Contract Year after Year 1.

ITEM	STANDARD POSITION
Billing frequency	Quarterly. Invoices issued within 10 days of the end of each calendar quarter.
Payment terms	14 days from invoice receipt, electronic transfer to a UK bank account.
Interest on late payment	2% above Bank of England base rate.

3. What SEED is contractually responsible for

- **Designing, installing and commissioning** the system on the Client's premises, at SEED's own cost.
- **Owning** the system for the full 25-year term.
- **Financing and insuring** the system as an asset.
- **Operating and maintaining** the system at its own expense, including periodic and unplanned maintenance, in line with manufacturer recommendations.
- **Monitoring** generation via remotely-readable meters and making all generation data available to the Client.
- Connecting and disconnecting the system in line with applicable laws and authorisations.

4. What the Client agrees to do

- **Provide access** to the premises so SEED can install and maintain the system.
- **Purchase the electricity** the system generates, at the agreed indexed rate, for the term of the agreement (subject to the Year 9 exit — see below).
- **Pay quarterly invoices** within 14 days.
- **Maintain appropriate and adequate public liability cover** at the premises — standard for any UK organisation occupying its own building.
- Not assign or transfer the agreement to a third party without SEED's prior written consent.

*The Client does **not** insure the solar system itself — that is SEED's responsibility.*

5. The Year 9 Exit Option (Clause 15.3 of the agreement)

After the 8th anniversary of the Supply Start Date, the Client may give not less than three months' written notice to stop purchasing electricity from SEED.

Once that notice expires:

1. The Client's obligation to purchase electricity ends.
2. SEED's obligation to supply ends.
3. The system **remains on the Client's roof** for the remainder of the 25 years.
4. SEED retains the right to **sell the electricity generated to the grid** through to the Expiry Date.
5. The Client continues to **provide access** for maintenance.

In effect, the Client can step away from any further purchase obligation after Year 8 — without buying or removing the system. This is written into the agreement; it is not granted at SEED's discretion.

6. Termination triggers

The agreement may be terminated before the 25-year term in the following circumstances:

- **By SEED**, with immediate effect, if the Client:
 - fails to pay an invoice and remains in default 14 days after written notice; or
 - commits a material breach and fails to remedy within 30 days; or
 - repeatedly breaches the agreement in a manner inconsistent with intending to perform it.
 - **By either party**, with immediate effect, if the other becomes Insolvent.
 - **By either party**, where Force Majeure prevents performance of substantially all obligations for six continuous months.
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7. Disputes

The agreement includes a **mediation-first** dispute resolution mechanism (Schedule 1). Court proceedings are reserved only for matters that mediation cannot resolve.

Governing law: England and Wales.

8. What is *not* part of the agreement

Trustees often ask about these — for transparency, here is the current position:

- **No buy-out schedule.** There is no pre-agreed price at which the Client can purchase the system from SEED.
- **No removal option.** The Client cannot require SEED to remove the system before the Expiry Date.
- **No explicit performance guarantee.** SEED's commitment is to operate and maintain the system per manufacturer specifications; the contract does not currently include a minimum-generation guarantee.
- **No accreditation or regulatory certifications referenced in the contract.** Any such credentials, if and when obtained, would be disclosed separately.

These items are listed not because they are weaknesses, but because trustees deserve to know exactly what they are and are not signing up for.

9. Technical Summary (illustrative — from the reference install)

ITEM	REFERENCE INSTALL
Solar panels	Tier-1 manufacturer, 156 panels rated at 405 W each
Inverters	2 × 30 kW three-phase commercial inverters
Mounting	Roof-mounted rail and bracket system
Metering	Bi-directional generation meter, remotely readable
Wiring	All associated wiring, strings and cabling included

Every site is surveyed individually — the actual system specified for a given Client will reflect roof geometry, electrical capacity and consumption profile.

10. Suggested questions to take to your solicitor

1. Are we comfortable with **UK CPI + 1%** as the annual escalator, given our 25-year horizon?
2. Are the **termination triggers** (Clause 15) acceptable in light of our governance?
3. Does the **assignment restriction** (Clause 24) create any difficulty given our succession plans for the building?
4. Is the **public liability** insurance obligation already satisfied by our existing cover?

5. How does the **8-year exit point** align with our strategic plan, and what discussions might we want to schedule into our governance calendar at that point?

How to take the next step

If you would like a tailored proposal for your building — including a site-specific opening kWh rate, a roof feasibility review and a draft agreement for your solicitor to review — please contact SEED via seedev.uk or email info@seedev.uk.

This Legals — Key Point Summary is provided for information only and does not constitute legal, financial, or commercial advice. The terms of any agreement between SEED and a Client are governed solely by the signed Development and Power Purchase Agreement between those parties.

Version 1.0 — drafted from the SEED standard agreement template.