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Not applicable

## **DN762135 Competitive Dialogue Process for Peterborough Integrated Renewable Infrastructure (PIRI) Project**

Peterborough City Council

F14: Notice for changes or additional information

Notice identifier: 2025/S 000-004245

Procurement identifier (OCID): ocids-h6vhtk-04b121

Published 7 February 2025, 4:21pm

### **Section I: Contracting authority/entity**

#### **I.1) Name and addresses**

Peterborough City Council

Sand Martin House, Bittern Way

Peterborough

PE2 8TY

#### **Contact**

Mrs Helga Kendall

#### **Email**

[Helga.Kendall@peterborough.gov.uk](mailto:Helga.Kendall@peterborough.gov.uk)

#### **Telephone**

+44 1733384593

**Country**

United Kingdom

**Region code**

UK - United Kingdom

**Internet address(es)**

Main address

<https://www.peterborough.gov.uk/business/supplying-the-council/supply-opportunities>

Buyer's address

<https://www.peterborough.gov.uk/business/supplying-the-council/supply-opportunities>

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**Section II: Object****II.1) Scope of the procurement****II.1.1) Title**

DN762135 Competitive Dialogue Process for Peterborough Integrated Renewable Infrastructure (PIRI) Project

Reference number

DN762135

**II.1.2) Main CPV code**

- 65000000 - Public utilities

**II.1.3) Type of contract**

Services

**II.1.4) Short description**

The Council is seeking a long-term Development Partner to enter into a golden share corporate special purpose vehicle (Project Co) with the Council for the development and delivery of the PIRI heat and power network. Project Co shall own, operate and deliver the

PIRI network. The Development Partner / Project Co will be required to provide:

- Investment
- Design and build of:
  - o a new district heat (DH) network across the City
  - o a new private wire (PW) network across the City
  - o new PERF heat offtake facility and expansion or modification of existing power offtake facility
  - o a new back up energy centre for the heat network
- Manage and maintain the assets
- Operate the new energy networks
- Manage the retailing of heat and electricity sales

Following completion of the procurement process, the Council will enter into a Development Agreement with the Development Partner. Under the Development Agreement the Development Partner will commercialise the PIRI network. The Development Period is intended to be a relatively short period of time that includes the following activity:

- negotiation and agreement with the Council of the offtake of heat and power from the Peterborough energy recovery facility;
- negotiation and agreement of the heat and / or power supply agreements with a number of private and public sector customers (including the Council) (as further detailed in [x] of the Descriptive Document);
- developing the financial model for the project;
- securing finance for the delivery of the PIRI network
- developing the design of the PIRI network;
- securing the necessary consents and land rights required to deliver the PIRI network; and
- procuring the contractors required to deliver the PIRI network.

If it is determined in accordance with the Development Agreement that the project is to be delivered by the Development Partner, the Development Agreement shall terminate, and the parties shall enter into a Shareholders' Agreement. The Shareholders Agreement shall govern the control of the parties in respect of Project Co. Under the Shareholders' Agreement the Council's rights of control will be limited to specific reserved matters.

It is anticipated that the network will provide heat and / or power to a number of private and public sector customers (including the Council) (as further detailed in the Descriptive Document) by way of contractual arrangements at the conclusion of the Development Period.

Where it is determined in accordance with the Development Agreement that the Development Partner will implement the PIRI network it is the Council's intention to enter into the connection and supply arrangements (in respect of both heat and power) with Project Co without undertaking a separate procurement.

The Contract Value is derived only from the existing TEM and therefore does not include expansion of the network.

The area of the PIRI network is within a prospective heat network zone (Heat network zoning maps - GOV.UK) and the Council is developing the project based on the Department of Energy Security and Network Zero's AZP model documentation.

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## **Section VI. Complementary information**

### **VI.6) Original notice reference**

Notice number: [2025/S 000-003909](#)

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## Section VII. Changes

### VII.1.2) Text to be corrected in the original notice

Section number

II.1.4

Place of text to be modified

Short Description

Instead of

Text

The Council is seeking a long-term Development Partner to enter into a golden share corporate special purpose vehicle (Project Co) with the Council for the development and delivery of the PIRI heat and power network. Project Co shall own, operate and deliver the PIRI network. The Development Partner / Project Co will be required to provide:

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- developing the financial model for the project;
- securing finance for the delivery of the PIRI network
- developing the design of the PIRI network;
- securing the necessary consents and land rights required to deliver the PIRI network; and
- procuring the contractors required to deliver the PIRI network.

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The Contract Value is derived only from the existing TEM and therefore does not include expansion of the network.

The area of the PIRI network is within a prospective heat network zone (Heat network zoning maps - GOV.UK) and the Council is developing the project based on the Department of Energy Security and Network Zero's AZP model documentation.

Read

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- securing finance for the delivery of the PIRI network
- developing the design of the PIRI network;

- securing the necessary consents and land rights required to deliver the PIRI network; and
- procuring the contractors required to deliver the PIRI network.

If it is determined in accordance with the Development Agreement that the project is to be delivered by the Development Partner, the Development Agreement shall terminate, and the parties shall enter into a Shareholders' Agreement. The Shareholders Agreement shall govern the control of the parties in respect of Project Co. Under the Shareholders' Agreement the Council's rights of control will be limited to specific reserved matters.

It is anticipated that the network will provide heat and / or power to a number of private and public sector customers (including the Council) (as further detailed in the Descriptive Document) by way of contractual arrangements at the conclusion of the Development Period.

Where it is determined in accordance with the Development Agreement that the Development Partner will implement the PIRI network it is the Council's intention to enter into the connection and supply arrangements (in respect of both heat and power) with Project Co without undertaking a separate procurement.

The Contract Value is derived only from the existing TEM and therefore does not include expansion of the network.

The area of the PIRI network is within a prospective heat network zone (Heat network zoning maps - GOV.UK) and the Council is developing the project based on the Department of Energy Security and Network Zero's AZP model documentation.

Section number

11.2.4

Place of text to be modified

Description of the Procurement

Instead of

Text

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- negotiation and agreement with the Council of the offtake of heat and power from the Peterborough energy recovery facility;
- negotiation and agreement of the heat and / or power supply agreements with a number of private and public sector customers (including the Council) (as further detailed in paragraph 3.5 of the Descriptive Document);
- developing the financial model for the project;
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- developing the design of the PIRI network;
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delivered by the Development Partner, the Development Agreement shall terminate, and the parties shall enter into a Shareholders' Agreement. The Shareholders Agreement shall govern the control of the parties in respect of Project Co. Under the Shareholders' Agreement the Council's rights of control will be limited to specific reserved matters.

It is anticipated that the network will provide heat and / or power to a number of private and public sector customers (including the Council) (as further detailed in the Descriptive Document) by way of contractual arrangements at the conclusion of the Development Period.

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The estimated value of electricity and heat income received by Project Co will be approximately £436m over a 40 year operating period. This includes variable, standing and connection charges and excludes inflation. The Project Company will continue to own the PIRI network following this period"

Capex Value: £82m which is before the assumed £13.5 GHNF capital.

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Section number

II.2.7

Place of text to be modified

Duration of the contract, framework agreement or dynamic purchasing system

Instead of

Text

Duration in months: 12

Read

Text

Duration in months: 480