

Smart Export Guarantee - Terms and Conditions

All SEG Customers

Applicable from April 2021 (Version 1.0)

1. These terms and conditions are applicable to those who are participants of the Smart Export Guarantee (SEG) scheme and are in receipt of SEG payments from PFP Energy Supplies Limited (09135694), whose registered address is at Unit 2, Edward VII Quay, Navigation Way, Ashton-on-Ribble, Preston, PR2 2YF.

2. Applicable Definitions

Agreement: The collective terms and conditions that make up the full contract between You, who is taking part in Our SEG scheme, and Us. This includes these terms and conditions, any other agreements between You and Us in regard to other installations receiving SEG payments and our SEG Plan.

Agents: means any person We have authorised to act on Our behalf.

Anaerobic Digestion: Refers to the bacterial fermentation of organic material in the absence of free oxygen (excluding anaerobic digestion of sewage and material in a landfill).

Application Form: The form You are required to complete when applying for Our SEG scheme, or any other application form or documents which We may have required You to provide by way of Your application to receive Export Payments. If We receive additional or revised information from You as part of the application process, We will treat that information for the purposes of this Agreement as being part of the Application Form.

Balancing and Settlement Code: the governance arrangements for electricity Balancing and Settlement in Great Britain.

Brown Export: means electricity which was supplied to You from a person who is a holder of a licence under section 6(1)(d) of the Electricity Act 1989 Act; or generated from an installation which is not an Eligible Installation.

Default SEG Tariff: refers to the Export Tariff You will automatically be placed on if You do not agree a new SEG Plan with Us or move to a new SEG licensee before Your current Export Tariff ends.

Distribution Network Operator (DNO): means the relevant company that owns and/ or operates the gas and/or electricity distribution system that delivers the gas and/or electricity to the Address.

Eligible Installation: (may also be referred to as "Installation"). The renewable electricity generating system described in the Application Form is an "Eligible Installation", including solar PV, wind, micro-Combined Heat and Power, hydro and Anaerobic Digestion within the meaning of the SEG Scheme Rules.

Eligibility Date: the date the Installation becomes eligible for SEG Payments by Us.

Equivalent Scheme: means a scheme accredited in accordance with EN 45011 or EN ISO/IEC 17065:2012.

Export Meter: A meter which measures the amount of electricity generated by your Installation, under the Balancing and Settlement Code, which is then exported to the grid.

Export Meter Reading: The meter reading measured by an export meter of the amount of electricity generated by Your Installation, which has been exported to the grid.

Export MPAN: the Metering Point Administration Number for Your Export Meter.

Export Payment: the amount we pay you for the electricity You export to the grid. We work this out based on the Export Tariff and Export Meter Reading from Your Export Meter.

Export Tariff: Means the payment rate per kWh of electricity generated by Your Installation to the grid.

FIT Scheme: The Feed-in Tariff administered by Ofgem.

Green Export: means electricity which was generated from an Eligible Installation solely from anaerobic digestion, hydro generation station, combined heat and power, solar voltaic or wind.

kWh: Kilowatt- hour.

MCS Certification: ("MCS Certified" and "MCS Certificate" will be interpreted accordingly) Microgeneration Certification Scheme, a nationally recognised,

industry-led, quality assurance scheme, supported by the Department for Business, Energy & Industrial Strategy. MCS certifies microgeneration technologies used to produce electricity and heat from renewable sources. More details on the website: www.microgenerationcertification.org.

Metering Equipment: means the meters, equipment, apparatus or device associated with or ancillary to the Meter for measuring and providing information on electricity.

Metering Legislation: refers to Schedule A, Electricity Supplier License Condition 57.

Ofgem: The Office of the Gas and Electricity Markets, the authority responsible for administering the SEG Scheme.

SEG Plan: The written documentation We may send you that confirm Your successful application to receive export payments from Us. The SEG Plan will also include confirmation of Your Export Tariff payment rates.

SEG Scheme: means the SEG scheme as set out in The Smart Export Guarantee Order 2019, Our electricity supply licence and other laws, which We operate under.

Site: the premises where the Installation is physically located as described in Your SEG Plan.

Total Maximum Capacity: means the maximum capacity at which an Eligible Installation could be operated for a sustained period without causing damage to it (assuming the source of power used by it to generate electricity was available to it without interruption).

You: "You" are the electricity generator, i.e. the owner of an Eligible Installation, that wishes to receive Export Payments and has selected Us to be Your SEG Licensee.

We/Us/Our: PFP Energy Limited.

Working Day: means any day other than a Saturday, a Sunday or a bank holiday in England and Wales.

3. Your Agreement with Us

- 3.1 Your Agreement will only commence once the following has happened:
 - 3.1.1 We have received a full and complete Application Form that is signed by You confirming Your agreement to these terms and conditions;
 - 3.1.2 We have completed all Our eligibility checks as outlined in Clause 4 and Your Installation has been checked for MCS Certification or via an Equivalent Scheme;
 - 3.1.3 We have received confirmation that the DNO has been notified of the Installation;
 - 3.1.4 We are formally recognised on the national database as the 'Supplier' in respect of Your Installation or You have received Your written confirmation from Us.
- 3.2 Once You have been accepted into Our SEG scheme, We will send You confirmation of this Agreement in a SEG Plan, which will detail the following:
 - 3.2.1 Your Eligibility Date, as recorded on the national database, Your relevant Export Tariff, including Your Export Payment Rates applicable to Your Installation on Your Eligibility Date.
 - 3.2.2 The frequency We require Export Meter Readings from You and the frequency You will receive Export Payments.

4. Eligibility Criteria

- 4.1 You will be eligible to receive Export Payments under Our SEG scheme, once You satisfy the following:
 - 4.1.1 You are the owner of the Installation or You are entitled to seek Export Payment from the Installation by the Eligibility Date.
 - 4.1.2 The Installation generates electricity by one of the methods as defined under Eligible Installation within these terms and conditions. We will ensure each technology is in accordance with what We deem to be a recognised industry approved scheme.

- 4.1.3 Your Export Meter must be capable of taking measurements at half-hourly intervals in relation to the exported electricity volumes, and You must consent to Us collecting half-hourly Export Meter Readings from Your Export Meter.
- 4.1.4 The Site is located in Great Britain.
- 4.1.5 Your Installation has a total capacity of up to 5MW, or up to 50 kW for micro-CHP systems.
- 4.1.6 Your Installation is MSC Certified or is certified by an Equivalent Scheme, has been installed by an MCS or equivalent installer and accredited by Ofgem. You must have and make available to us at Our request a completed MCS Certificate or an Equivalent Scheme certificate for the Installation.
- 4.1.7 You cannot be in receipt of any Export Payments or FIT Scheme Export Payments from any other organisation apart from Us for the electricity exported by Your Installation for the duration of this Agreement.
- 4.1.8 You confirm that the export You seek Export Payment is for electricity generated by one Eligible Installation. If You begin generating export different to that from Your Installation, We shall treat this as a separate Eligible Installation.
- 4.1.9 You acknowledge and confirm Your Installation will only produce Green Export.
- 4.1.10 Your Export Meter must be compliant with the relevant Metering Legislation.
- 4.1.11 The Export Meter on the Site must have an associate MPAN to manage electricity volumes and is registered under the Balancing and Settlement Code.
- 4.1.12 You may require Us to request an Export MPAN to be created for the Site by the DNO on Your behalf. To do this, Your installer must have provided to the DNO the relevant form (the G83/G98 or equivalent) to inform it that Installation has been installed at the Site.
- 4.1.13 Where the Installation has both an import and export meters, the import and export meters must have separate MPANs.
- 4.1.14 Your Export Meter must be capable of collecting half-hourly Meter Readings, if this is not possible, We will seek to install a smart meter at the Installation Site.

5. Additional requirements for AD Installations

- 5.1 We are not obligated to make Export Payments for an AD Installation until We have received confirmation from You of Your AD Reporting Start Date. Your AD Reporting Start Date is provided to You by Ofgem and You should provide a written copy of this to Us. We are not obligated to make Export Payments to You for any electricity exported before the confirmed AD Reporting Start Date.
- 5.2 We may request from You, at any time, information about the evidence You have provided to Ofgem about the sustainability and feedstock requirements for the AD Installation, and evidence on whether Ofgem has confirmed that the requirements have been met or not.
- 5.3 In order to comply with additional reporting requirements, You will also be expected to provide ongoing reporting obligations to Ofgem to confirm that You are meeting these requirements, including submitting:
 - a quarterly sustainability declaration;
 - an annual feedstock declaration; and
 - an annual sustainability audit report (where Your Installation has a total installed capacity (TIC) that is greater than or equal to 1MW).
- 5.4 Visit [here](https://www.ofgem.gov.uk/publications-and-updates/guidance-anaerobic-digestion-generators-seq-sustainability-criteria-and-reporting-requirements) for further guidance on how to demonstrate compliance with Ofgem's SEG sustainability criteria:

6. Changes to your circumstance

- 6.1 You must inform Us of any changes to the information You initially provide to Us, and You must ensure this information is kept up-to-date. We are

not required to back date any changes.

- 6.2 You must ensure Your contact details (including email address and telephone number) are kept up to date. We will use these details to contact You with information about Your SEG Plan.
- 6.3 We are required to disclose to Ofgem any information that you fail to provide Us, should we believe that the information You have provided or omitted If You fail to inform Us about a change, and We discover this change We are required to inform Ofgem. Ofgem will decide what action is to be taken. This may involve us recovering, reducing or suspending Your Export Payments

7. Payments

- 7.1 We agree to pay You the Export Payments due to You for the period of the Agreement.
- 7.2 The Export Payments that We pay You will be calculated by multiplying Your Export Tariff Rate by the amount of kWh exported. To calculate the amount of kWh exported, We will use the Export Meter Readings that You provide at Our request from the Export Meter prior to the Eligibility Date and/or at any other time We may reasonably require one.
- 7.3 You will receive Export Payments in-line with the rules of Ofgem's SEG scheme, should any change occur to these rules, including changes to tariff rates which affect how Export Payments are made, these changes will be reflected in the Export Payments that You are entitled to receive under this Agreement.
- 7.4 We shall have no obligation to make a SEG Payment to You:
 - 7.4.1 If You do not provide or We do not have access to actual Export Meter Readings from Your Installation, when requested; or
 - 7.4.2 In respect of any flow of electricity which has not been generated by the Installation; or
 - 7.4.3 If You are in receipt of or benefit from FIT payments from another SEG licensee in relation to the Installation which You are seeking SEG Payments; or
 - 7.4.4 Where we consider that the Total Maximum Capacity of the Installation is or has been exceeded; or
 - 7.4.5 For any Brown Export Your Installation produces, or where We are not satisfied that Your Installation is able to sufficiently isolate Green Export from Brown Export; or
 - 7.4.6 In any other circumstances that Ofgem specifies.
- 7.5 You will receive a statement of account via email every six months or more frequently if we notify You otherwise. These statements will be sent to You in electronic form. However, You must provide Us with a valid email address upon registration which You have ongoing access to for the duration of Your Agreement with Us. It is Your responsibility to ensure that Your email address remains valid throughout the Agreement.
- 7.6 If You are an export customer only, We will send Your Export Payments to You via bank transfer to Your bank account, as detailed on Your SEG Plan, or another payment method which We have agreed with You in writing. You must ensure Your payment method details are kept up to date. We will use these details to make payments to You. We are not responsible should payment not be made due to incorrect or out-of-date details.
- 7.7 If You are both a supply and an export customer, Your Export Payment will be shown as a credit on Your supply bill, and We will deduct Your Export Payments from what You owe. We reserve the right to change how this payment is made to You and this would be confirmed to You in writing.
- 7.8 Subject to the terms of this Agreement and provided We successfully receive valid biannual export meter readings from You, You will be entitled to receive Export Payments from Us biannual during the period from Your Eligibility Date to when this Agreement is terminated. We will seek to send Your Export Payments to You within 60 calendar days of receiving Your Meter Reading.
- 7.9 **VAT and Microbusinesses**
 - 7.9.1 If You're not a VAT registered company; all SEG Export Payments

will be made exclusive of VAT.

7.9.2 If You're registered for VAT, You agree to sign a self-billing agreement form that allows Us (if We agree) to produce self-billed invoices for Your Smart Export Payments. This means You agree not to issue any VAT or other invoices for Smart Export Payments due under the SEG scheme.

7.9.3 When You accept self-billing, We'll calculate the VAT and give You a compliant self-billing invoice, which You'll need to complete Your VAT return. You're then responsible for declaring and paying the VAT shown on the self-billing invoice to HMRC on the due dates. We won't be held responsible for You not declaring the VAT shown on the self-billed invoice as Your output tax at the correct time.

7.9.4 You must give Us Your VAT registration number and agree to tell Us immediately if Your VAT number changes or if You stop being VAT registered.

7.9.5 You must agree to tell Us immediately if You transfer Your business as a going concern – in whole or in part.

7.10 Payment Dispute

7.10.1 If You don't think We have made the correct payment to You for Your Installation, You should contact Us immediately and We will investigate Your query. If We discover that We have made an underpayment to You, We will add the difference to Your next payment and We will send You an amended statement.

7.10.2 If We have overpaid You (including if We or Ofgem have made a mistake in relation to the SEG Scheme, or if We or Ofgem identify an abuse of the scheme) We may reduce or withhold Your next SEG Payment or ask You to repay Us the amount within a specific period.

7.10.3 We reserve the right to reduce, withhold or recover any Export Payments if an error has occurred or if We believe, beyond reasonable doubt, that You may be abusing the SEG scheme, have provided incorrect information or We've been unable to inspect Your Export Meter.

8. Termination and Switching

8.1 You may terminate the Agreement at any time by providing no less than 30 days' notice to Us, and explaining whether You wish to switch to another SEG licensee or withdraw from the SEG Scheme, by sending Your request in writing either by e-mail at smartexportquarantee@pfpenenergy.co.uk or by post. To do this, You must provide details of the Address and any contract reference number or other supporting information to help Us identify the Agreement and process the termination quickly and efficiently.

8.2 We may end the Agreement by providing You with no less than 30 days prior written notice, if You:

8.2.1 are in material breach of the terms within this Agreement;

8.2.2 provide false or inaccurate information, in whole or in part;

8.2.3 cease to take part in the SEG Scheme.

9. Metering Equipment

9.1 You must take all reasonable steps to ensure that the Export Meter is kept safe and is not damaged or interfered with and inform Us immediately if You believe that the Export Meter (or any part of it) is dangerous or faulty or has been damaged or interfered with. If We believe any Metering Equipment is damaged or interfered with You may be liable to pay additional charges.

9.2 If on the Eligibility Date Your Export Meter is not capable of taking measurements at half-hourly intervals, then one of Our Agents may install a new Export Meter at Your Site to replace Your existing Metering Equipment. You will provide all cooperation reasonably required by Our Agents to facilitate the installation of the new Export Meter, including entering into any separate agreements reasonably required by our Agents.

9.3 You remain responsible for all pipes, equipment, wires and cables, apparatus and devices associated with or ancillary to Your Export Meter.

9.4 If You believe that any part of the Metering Equipment that We have provided is faulty, You may request that it be tested. If a fault is found, the charges will be adjusted appropriately. However, You may be charged the testing costs incurred by Us and/or Our Agents if no fault is found.

10. Access

10.1 You must ensure that We, Our Agents and network operators have easy access to Your Installation on the Site and all associated Metering Equipment at all reasonable times to:

10.1.1 allow Us to enforce Our rights and carry out Our obligations under this Agreement;

10.1.2 collect equipment that belongs to Us, once the Agreement ends;

10.1.3 attend an emergency.

10.2 We will, where possible, give reasonable advance notice to You of the access required.

10.3 You must provide unobstructed access to the Metering Equipment for meter reading and maintenance or removal.

11. Changing the Agreement

11.1 We may change the terms of the Agreement at any time, to take account of:

11.1.1 changes in industry agreements or Our supply licences;

11.1.2 changes in any law, regulations, standards, codes of practice or industry guidelines that affect Our obligations;

11.1.3 any order or judgement by the government, Ofgem or other relevant authority or any changes to transportation or distribution charges.

11.2 We may make changes where Our business necessitates a change to this Agreement, including changes to Our Export Tariff, where this is disadvantage change, We will provide 30 days' notice in writing of such change. Where You do not consent to the changes We notify You about, You may exit Your Agreement with Us by giving Us no fewer than thirty (30) days' notice.

12. Data Protection

12.1 You confirm that we can use Your personal data in accordance with Our Privacy Policy, which can be found here: <https://pfpenenergy.co.uk/document-centre/>

13. Safety and Emergencies

13.1 If You believe that the Metering Equipment may be damaged, You must let Us know immediately.

13.2 You should let Your local DNO know if you suspect an electrical emergency or You are aware of any matter or incident that may:

13.2.1. cause a danger or need urgent attention; or

13.2.2. risk continued operation of the electricity distribution network, for example a fallen power line.

13.3 We have provided a list of network operators and the regions they cover including their contact details on our website, which You can visit here: <https://pfpenenergy.co.uk/document-centre/>

14. Liability

14.1 We will not be liable to You, under or in connection with this Agreement for any loss of use, loss of profit, loss of revenue, loss of contracts, loss of goodwill or any loss of kind that does not flow directly from any breach of the contract, negligence or other default on Our part.

14.2 If We are liable for a loss caused by a DNO, Our liability is limited to the amount We are entitled to recover from them on Your behalf.

14.3 If We are liable for a loss caused by a DNO, Our liability is limited to the amount We are entitled to recover from them on Your behalf.

14.4 We will not be liable to You for any delay in performing, or failure to perform, any obligation We may owe You under or in connection with this Agreement where the relevant delay or failure is caused by circumstances beyond Our reasonable control.

14.5 This Agreement does not exclude any liability that We are not allowed to

exclude by law.

- 14.6 Notwithstanding, Our total liability (whether arising from a breach of the Agreement, negligence or otherwise) under or in connection with this Agreement will be limited to £10,000 for each event that cause You loss. If there are a number of connected events that cause You loss, Our responsibility will be limited to £10,000 in total for these events.
- 14.7 Each individual clause in this Clause 14 shall apply separately, unless a court or other authority states We cannot rely on a certain individual clause, the other sub clauses will continue to apply.

15. Complaints

- 15.1 If You have a complaint about the services provided under this Agreement, please contact Us at complaints@pfenergy.co.uk if You are a domestic customer, or businesscomplaints@pfenergy.co.uk for business customers.
- 15.2 You can also get free independent advice to understand Your rights as an SEG generator. If You live in England or Wales, please visit www.citizensadvice.org.uk/energy for up-to-date information or contact the Citizens Advice consumer service on 0808 223 1133. If You live in Scotland, go to <http://energyadvice.scot/> or contact Advice Direct Scotland on 0808 196 8660. Calls are free.
- 15.3 If We can't solve Your complaint within eight weeks or You have received Our final response letter, You can contact the Energy Ombudsman on 0330 440 1624 or on their website www.ombudsman-services.org.

16. General Terms

- 16.1 We may transfer, subcontract, assign or novate any or all of Our rights or obligations under the Agreement without Your consent but this will not affect Your rights under the Agreement.
- 16.2 You may not transfer the Agreement or any of Your rights and responsibilities under it, without first obtaining Our written consent.
- 16.3 The terms and conditions of this Agreement remain in force at all times. If We have not enforced a particular clause that does not mean that We will not take action in the future.
- 16.4 Any notice which We give to You (or You give to Us) in writing must be sent by e-mail or post. Any notice You give Us in writing must be sent to Our address as set out in these terms (or any new address We notify to You) and any notice which We give to You must be sent to the address You have given Us (or any new address You may notify to Us).
- 16.5 A notice sent by post will be treated as being received on the second Working Day after it is posted. A notice sent by e-mail or hand delivered will be treated as being received on the actual day of receipt if it is received before 5.00pm on a Working Day or otherwise on the following Working Day.
- 16.6 We must end this Agreement immediately if we no longer have the relevant licences to perform this Agreement.
- 16.7 We shall notify You as soon as reasonably possible at the occurrence of Us entering an insolvency event.
- 16.8 We shall notify You within 6 weeks of Us ceasing to be either a mandatory or a voluntary SEG licensee.
- 16.9 We operate Our business under the obligations placed on Us by the Utilities Act 2000 and other industry or government regulations. If these change We may alter these terms to reflect any new obligations and/or costs placed upon Us. If this happens we will tell You in writing.
- 16.10 If a court or other governmental or regulatory authority tells us a part of this Agreement is not valid, the rest of the Agreement will not be affected.
- 16.11 Unless expressly provided in this Agreement, no express term of this Agreement is enforceable pursuant to Contracts (Rights of Third Parties) Act 1999 or otherwise by any person who is not party to it.
- 16.12 This Agreement (including any non-contractual matters and obligations arising therefrom or associated therewith) shall be governed by, and construed in accordance with, the laws of England and Wales.

- 16.13 Subject to the provisions of Clause 16.10, any dispute, controversy, proceedings or claim between the Parties relating to this Agreement (including any non-contractual matters and obligations arising therefrom or associated therewith) shall fall within the jurisdiction of the courts of England and Wales.