



# BioPAD



Bioenergy Proliferation and Deployment



Model energy supply contracts



**Northern  
Periphery  
Programme**  
2007–2013

Innovatively investing  
in Europe's Northern  
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## Preface

Completed by Dr Neil James (Environmental Research Institute, North Highland College UHI, Scotland) for BioPAD, a project of the Northern Periphery Programme.

The BioPAD project aims to improve our understanding of the links between supply and demand by looking at supply chains for a variety of bioenergy fuels and different ways of converting these fuels into sustainable energy. Understanding the supply chains and the ways bioenergy moves from fuel source to energy provision will help the establishment of robust and efficient supply services which can match local demand.

BioPAD is led by the Western Development Commission [www.wdc.ie](http://www.wdc.ie) (Ireland) and is funded under the ERDF Interreg IVB Northern Periphery Programme (NPP) <http://www.northernperiphery.eu>. It has partners in Scotland (Environmental Research Institute, UHI <http://www.eri.ac.uk/>), Northern Ireland (Action Renewables <http://www.actionrenewables.org/>) and Finland (Finnish Forest Research Institute, Metla <http://www.metla.fi/>).



# Model energy supply contracts

## Introduction

Entering the bioenergy market can be daunting for individuals, and members of both the public and business sector. A key barrier for those wishing to procure heat (or energy) rather than fuel, for the first time is an understanding of the key procurement decisions required in the formation of an energy supply contract.

To assist those wishing to enter the bioenergy market or seeking to use a heat purchase contract, we provide here examples of model or template energy supply contracts which are available to use free of charge. Our aim is to will facilitate greater interest and help remove uncertainty surrounding heat procurement, which will stimulate the development of local bioenergy markets.

An energy supply contract is sometimes referred to as an ESCO. However, the term ESCO can be confusing, as it has been used to mean different things. This acronym has been used for energy supply contracts, energy service contracts, energy supply company, energy service(s) company, and energy savings company. Here we deal with only energy supply contracts, and for the purposes of clarity, do not use the acronym for the remainder of this document.

Local bioenergy heat markets represent an ideal opportunity to provide significant employment and to create sustainable stable markets for competitive biofuels to compete with fossil fuels and reduce energy prices for end users. During the development or design of a bioenergy scheme, the procurement of heat, rather than fuel can be an area of significant uncertainty. For instance, public bodies may be faced with this issue, although they are in an ideal position to lead by example and initiate the development of local bioenergy markets.

## IMPORTANT NOTICE & DISCLAIMER

However, these Documents are not intended to constitute a definitive, complete or up to date statement of the law, nor are the Documents, or any part of them, intended to constitute legal, technical or other professional advice for any specific situation. Consequently, while you are free to use these documents as templates, and adapt to your own specific requirements, it is vital that you obtain your own legal, financial and technical advice.

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## Energy supply contracts

### RASLRES

As a partner in the RASLRES project (funded under the ERDF Interreg IVB Northern Periphery Programme) the Western Development Commission produced template contracts and accompanying guidance notes to help those involved in the planning and procurement of biomass heating systems. The model energy supply contracts and guidance notes were developed to provide a template for public energy supply contracts which would be available to business or public sector users seeking to use a heat purchase contract. These are downloadable by accessing the landing page:

<http://www.raslres.eu/2013/01/raslres-esco-model-contracts-and-guidance-notes/>.

Alternatively you can directly access the model energy supply contract here: [biomass energy supply contract template](#).

Also supplied by RASLRES are documents relating to the supply of biomass and fossil fuels: [Fossil fuel and biomass energy supply contract template](#) and associated guidance notes: [fossil fuel and biomass energy services contract template guidance notes](#).

## Carbon Trust

The Carbon Trust is leading organisation which aims to reduce carbon emissions through the provision of business advice, low carbon accreditation, development of low carbon technology, and analysis of policies and markets.

Here they provide a template contract for supply of heat energy, with guidance notes. It is essential that the guidance notes are read if this template is to be used.

Carbon Trust template documents are available from the landing page:

<http://www.carbontrust.com/resources/guides/renewable-energy-technologies/biomass-heating-tools-and-guidance#biomass-templates>

or by accessing them directly:

[Template contract for Supply of Heat Energy](#)

[Guidance notes for Supply of Heat.](#)

Also provided is a template for a contract to supply biomass fuel. This contract template may appeal to those who already have, or are planning to have, a biomass system in place, and are only interested in acquire a supply of biomass, rather than a guarantee for supply of heat. The template contract is available here: [Template contract for Supply of Biomass Fuel](#)

with associated guidance notes here: [Guidance notes for Biomass Supply](#).

## SEAI

The SEAI (Sustainable Energy Authority of Ireland) are the national energy agency of Ireland, established in 2002 by the government and have the objective to increase the development and uptake of low carbon energy sources. As well as providing an overview of energy supply contracts, available here: [Overview of local energy supply contracts](#)

a template energy supply contract is also available: [Local energy supply contract](#)

In addition the SEAI have also provided a document which may be of interested is a feasibility assessment guide relating to energy supply contracts: [Preliminary feasibility assessment for local energy supply contract](#).

## Motiva - Finland

In Finland, Motiva, a government affiliated agency which promotes the efficient and sustainable use of energy and materials has a provided a comprehensive guide for energy supply contracts, along with contract details. These are available here:

1. [ESCO-toiminnan yleisperiaatteet ja MotivaESCO-konsepti](#)
2. [ESCO-liite osa 1 - Hankesuunnittelu](#)
3. [ESCO-liite Osa 2 - Toteutus](#)
4. [ESCO-liite Osa 3 – Sopimuskausi](#)
5. [ESCO-yritys: Urakkasopimus](#)

In addition, for informative, energy supply contract related reports, see:

<http://www.motiva.fi/julkaisut/energiakatselmukset/esco-toiminta>.





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[www.BioPAD.eu](http://www.BioPAD.eu)

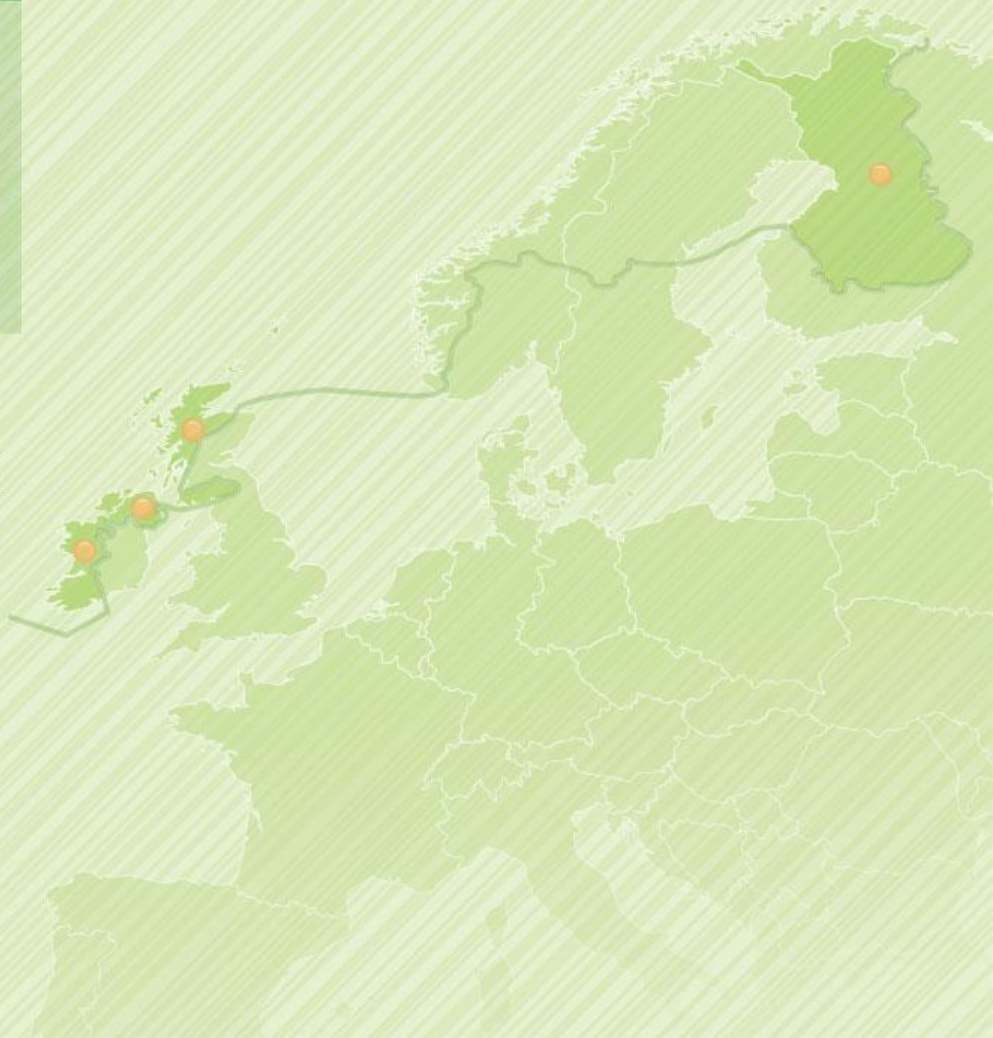
**Contact:**

Western Development Commission,  
Dillon House, Ballaghaderreen,  
Co. Roscommon.  
Tel: +353 (0)94 986 1441  
Email: [info@biopad.eu](mailto:info@biopad.eu)

BioPAD is promoting the wider use of bioenergy and developing applications targeting the whole process from supplying fuel to producing energy.

The project is led by the Western Development Commission (Republic of Ireland) and brings together partners from Northern Ireland (Action Renewables), Scotland (Environmental Research Institute) and Finland (Finnish Forest Research Institute, Metla).

BioPAD is funded by the Northern Periphery Programme [www.northernperiphery.eu](http://www.northernperiphery.eu) of the European Regional Development Fund (Interreg IVB).



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