

**GOL for Domestic Demand Side Response Phase 1 Competition – Consortia  
Applicants - April 2018  
OFFICIAL**



Department for  
Business, Energy  
& Industrial Strategy

**Damitha Adikaari**  
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30 May 2018

Daniel Barrett  
City Hall  
The Queen's Walk  
London SE1 2AA

Dear Daniel Barrett,

**BEIS Domestic Demand Side Response Phase 1 Competition – Grant  
Offer Letter**

1. The Secretary of State for Business, Energy and Industrial Strategy (referred to in this letter as "**We**"/"**Us**"/"**Our**"), offers Greater London Authority, (referred to in this letter as "**You**"/"**Your**") a grant ("**Grant**") subject to Your agreement to, and compliance with, the terms and conditions set out or referred to in this letter, its Appendices and Schedules. These terms and conditions should be read in conjunction with the standard terms and conditions in the Grant Agreement and accompanying Annexes issued by Us (the "**Grant Agreement**"), which together comprise the "Agreement" on which the Grant is given by Us to You.
2. This offer is made pursuant to Your successful application in the following call: the **Department for Business, Energy and Industrial Strategy's Domestic Demand Side Response Phase 1 Competition** issued on 9 November 2017 (<https://www.gov.uk/guidance/funding-for-innovative-smart-energy-systems#funding-for-innovative-domestic-demand-side-response-demonstrations>). A copy of Your application is attached to, and forms part of, this letter.
3. The Grant is offered under **section 5** of the **Science and Technology Act 1965**.

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**Amount of Grant**

4. The maximum amount of Grant offered is up to **£22,701.10 (twenty two thousand seven hundred and one pound ten pence)**. This is the total amount of Grant that We may pay and this amount will not be increased as a result of any overspend or otherwise.

**Requirements relating to the Consortium**

5. In your application, you confirm that the Home Response ("**the Funded Activities**") are being undertaken by a consortium of which You are the first consortium member and the other consortium members are:

- a) Second consortium member: Moixa; Registered Number: 5631091 whose registered office is at 29-31 Saffron Hill, London EC1N 8SW.
- b) Third consortium member: Repowering London; Registered Number: 32009R whose registered office is at Blue Star House, 234 – 244 Stockwell Road, Brixton, London SW9 9S.
- c) Fourth consortium member: UK Power Networks; Registered Number: 2366906 whose registered office is at 237 Southwark Bridge Road, Camberwell, London SE1 6NP.

*Your responsibility for the consortium*

6. You must ensure that the consortium as a whole complies with the requirements of this letter and its Appendices and Schedules. You are fully responsible for:
- a) ensuring that all other consortium members comply with those requirements; and
  - b) their acts or omissions, where they do not.
7. The requirements in paragraphs 9 to 11 below do not in any way qualify or limit Your responsibility, or Our right to reclaim the Grant and interest from You.
8. No member may join or leave the consortium without prior authorisation in writing by Us.

*Requirement to enter into a collaboration agreement*

9. The Grant is conditional on all consortium members entering into a legally binding agreement ("collaboration agreement") under which each member of the consortium:
- a) confirms that they have read the Grant Agreement, this letter and

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its Annexes;

- b) agrees to comply with all relevant requirements of the Grant Agreement, this letter and its Annexes, and to use all reasonable endeavours to ensure that the consortium does so; and
- c) without limiting the generality of its agreement in sub-paragraph b) above, agrees to the conditions set out in clause 7 of the Grant Agreement,

(the collaboration agreement may also include other reasonable requirements between its parties, as may be negotiated between them).

*Rights against consortium members*

10. Consortium members must agree that We may (under the Contracts (Rights of Third Parties) Act 1999:

- a) require them to provide Us with information and evidence as to their compliance with the requirements of the Grant, and to allow Us and Our agents to inspect their premises for that purpose;
- b) make that information available to other public authorities, including the European Commission; and
- c) require them to repay the Grant and interest to Us on Our reasonable demand, in cases where We the Secretary of State have reasonable cause to consider that:
  - i. the grounds in Part 2 of this letter and clause 7 of the Grant Agreement arise (without limitation, in case of misuse or EU law relating to state aid); and
  - ii. those grounds arise by virtue of the fault of the relevant member,

and consortium members shall agree that We may continue to exercise those rights at any time after the termination or expiry of the collaboration agreement, and after the relevant consortium member has left the consortium.

*Indemnity to be contained in the collaboration agreement*

11. The collaboration agreement shall also include an agreement by consortium members to indemnify You (and keep You indemnified) against Your liability under paragraphs 22 and 23 and Appendix 2 of this letter and clause 7 of the Grant Agreement.

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**Purpose of Grant**

12. The Grant is offered to You to contribute to certain expenditure (see paragraphs 14 to 15) ("**Eligible Expenditure**") where that expenditure is reasonably incurred by You or the consortium members in undertaking **Home Response ("the Funded Activities")**.
13. A description of the Funded Activities is set out in **Annex 1** to the Grant Agreement.

**Eligible Expenditure**

14. Subject to paragraphs 15 and 16, the Eligible Expenditure is limited to the costs specified in **Annex 3** to the Grant Agreement and the Eligible Expenditure within the scope of Article 25 (*Aid for research and development projects*) of the EU State Aid General Block Exemption Regulation referred to in paragraph 23 below.
15. Under no circumstances may the Grant be claimed or used to cover any Ineligible Expenditure listed in that Annex or to cover costs incurred for those purposes (and any such costs do not constitute Eligible Expenditure for the purposes of this letter). The Eligible Expenditure must be kept to the minimum for the efficient conduct of the Funded Activities, and expenditure that We reasonably determine to be in excess of that amount does not constitute Eligible Expenditure.

**Funding Period**

16. The Eligible Expenditure for which the Grant is awarded is expenditure limited to costs which are incurred between **1 May 2018** and **1 August 2018**.

**Payment of Grant**

17. The Grant will be paid in accordance with the instalments in **Annex 2** to the Grant Agreement, in arrears, on a milestone and reimbursement basis (up to the Grant limit for that milestone) upon receipt from You of a **Grant Claim Form** in the form set out in **Appendix 1** to this letter by the deadlines specified in the Grant Agreement. The milestones are set out in **Annex 2** to the **Grant Agreement**.

**Accountable Officer**

- 18.1 You must appoint a person (the "Accountable Officer") responsible for ensuring that You use the Grant in compliance with the Agreement, and notify Us of the identity of the Accountable Officer. The Secretary

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of State must approve the appointment of any person who is not the Chief Executive Officer or Chief Financial Officer.

- 18.2 The Accountable Officer must maintain oversight of Your use of the Grant and:
- a) safeguard, control and ensure the efficient, economical and effective management of the Grant;
  - b) advise You on the discharge of Your responsibilities under the Agreement and under any subsequent terms and conditions agreed by You and Us, or any guidance or other information notified by Us;
  - c) ensure that principles of probity, robust governance, transparency and value for money are maintained at all times in relation to the Grant;
  - d) be responsible for signing the accounts relating to the Grant, ensuring that they are properly prepared and presented and that proper accounting records are maintained in a form that complies with generally accepted accounting practices to which You are subject; and
  - e) ensure that conflicts of interest are avoided.

**Grant Claims**

19. Your Grant claims must include the following:
- a) the information and evidence required for the relevant instalment in clause 4 of the Grant Agreement; and
  - b) accompanying that information and evidence, the appropriate assurance required by clause 18.9 of the Grant Agreement.

**Conditions Precedent**

20. The offer of Grant is conditional on You providing Us with the following:
- a) *evidence showing that an Accountable Officer has been appointed;*
  - b) *evidence that a consortium agreement is in place between all the project partners.*

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21. You must ensure that We receive the information and evidence required above on or by the **first milestone deadline** set out in **Annex 2** of the **Grant Agreement**. Should You fail to do so, or should We reasonably conclude that the information and evidence provided prior to that deadline is unsatisfactory, We shall be entitled to withdraw the Grant (and any Grant already paid by then will be repayable with interest).

**EU state aid**

22. It is important to ensure that the Grant is not, and does not become, an unlawful state aid under Article 107 of the Treaty on the Functioning of the European Union. State aid rules ensure that the governments of EU Member States do not unfairly subsidise their own industry or particular parts of it.
23. In this case, the Grant is awarded under the EU State Aid General Block Exemption Regulation (“**GBER**”)<sup>1</sup> and is subject to the conditions in **Appendix 2 (GBER)**.

**Conditions**

24. You must comply with the standard terms and conditions set out in the Grant Agreement which apply to this Grant and accompany this letter, in addition to all other requirements set out or referred to in this letter and its Appendices.
25. The standard terms and conditions in the Grant Agreement are amended as follows( the amendment is for the purpose of this Grant only, and does not set a precedent for any future Grants) :
- a) In **clause 18.9** of the standard terms and conditions in the Grant Agreement the requirement for certification of Grant claims by external auditors/accountants shall apply to this grant offer letter as follows:

**Director’s declaration**

Your Grant claims must be accompanied by a statement by one of Your directors (or if You are not a company, an officer of equivalent status) in the following terms:

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<sup>1</sup> Commission Regulation (EU) No. 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ L 187, 26.06.14, p.1).

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"I confirm that I have considered the information and evidence provided in support of this Grant claim, and the terms and conditions of the Grant and that:

- i. the information and evidence is complete, true and accurate. If I give information which I know is not correct or complete, I understand that action may be taken against me; and
  - ii. we have complied with the terms and conditions of the Grant."
- b) In **clause 22.1** of the standard terms and conditions in the Grant Agreement, substitute for sub-clause (ii) the following:
- (ii) developed during the period of the Grant.
- c) **Clause 22.2** shall be replaced with the following:
- The Authority will retain its Pre-existing IPR.
- d) **Clause 22.4** of the standard terms and conditions in the Grant Agreement shall not apply;
- e) **Clause 22.5** of the standard terms and conditions in the Grant Agreement shall be replaced with the following:

The Authority may, with the prior written approval of the Grant Recipient, freely share any information, no-how, system or process developed during the period of the grant Funded Activities to support similar projects.

**Notices and contact**

26. In communicating with Us, Your contact within the Department of Business, Energy and Industrial Strategy is:

John Hasar; john.hasar@beis.gov.uk

**Duration of offer**

27. This offer remains open until 5pm on 15 June 2018, at which point it expires. If You wish to accept this offer, You must ensure that We receive Your formal acceptance, in full compliance with the acceptance requirements below, on or by that time.

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**Acceptance**

28. If You wish to accept this offer, You must sign and date this letter as indicated below. It must be signed by someone who is authorised to sign on behalf of Your organisation. Please also provide a day-to-day contact name and email address.

Yours sincerely,  ..... **Damitha Adikaari**

**DEPARTMENT FOR BUSINESS, ENERGY & INDUSTRIAL STRATEGY**



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**Agreement**

I confirm, for and on behalf of **Greater London Authority**, the agreement of **Lucy Owen** to the terms and conditions set out or referred to in this letter and its Appendices and Annexes.

Signed: .....

Printed Name: Lucy Owen

Position: Executive Director

Date: .....

**Day to day contact for the Grant:**

Name: Daniel Barrett

Position: Lead – Smart Energy

Email address: Daniel.Barrett@london.gov.uk

**Accountable Officer for the Grant:**

Name: Martin Clarke

Email address: Maryin.Clarke@london.gov.uk

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**APPENDIX 1**

**GRANT CLAIM FORM**

**CLAIM FOR PAYMENT OF GRANT**

This form must be used when you wish to claim an instalment of the Grant. When making a Grant claim, as set out in the standard terms and conditions of in the Grant Agreement, We may request and You must supply proof of expenditure and any other supporting documentation and information in addition to the Grant claim Form as We may require.

**Name of Applicant Organisation:** Greater London Authority

Milestone claim number:

Date of claim: (Month) 201X

<b>Period</b>	<b>Grant claimed this period</b>	<b>Activities undertaken and Eligible Expenditure incurred</b>	<b>Evidence provided in support</b>	<b>Total Grant claimed this period</b>
<b>Totals</b>				

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**APPENDIX 2  
GBER**

**Part 1  
Award of aid**

1. The Grant is awarded as aid for a feasibility study in accordance with Article 25 (aid for research and development projects) of the EU State Aid General Block Exemption Regulation (“**GBER**”).
2. The Grant may only be used to contribute to Eligible Expenditure covered by this letter where that expenditure is incurred by You or a Consortium Member in respect of eligible costs permitted under Article 25(4) of GBER, where these are incurred in a part of the Project constituting feasibility study as defined in Article 2(87) of GBER. The amount of public funding (including the Grant) that You or a consortium member may receive for the Project must not exceed:
  - a) in accordance with Article 4(1)(i)(vi) of GBER, €7.5m (seven million and five hundred thousand Euros) in total; and
  - b) in accordance with Article 25(5) (d) and Article 25(7), an aid intensity being 100% of Your total Eligible Expenditure incurred in the Funded Activities through activities which fall within the category of a feasibility study; and
  - c) in accordance with Article 25(5) (d) and Article 25(7), an aid intensity being 70% of the Second Consortium Member's total Eligible Expenditure incurred in the Funded Activities through activities which fall within the category of a feasibility study; and
  - d) in accordance with Article 25(5) (d) and Article 25(7), an aid intensity being 100% of the Third Consortium Member's total Eligible Expenditure incurred in the Funded Activities through activities which fall within the category of a feasibility study; and
  - e) in accordance with Article 25(5) (d) and Article 25(7), an aid intensity being 50% of the Fourth Consortium Member's total Eligible Expenditure incurred in the Funded Activities through activities which fall within the category of a feasibility study.
3. For the purpose of paragraph 2, public funding includes any funding from, or attributable to, any public authority or EU institution. Please note that:
  - a) the maximum aid intensity permitted under paragraph 2 b) has been increased from 50% of Your Eligible Expenditure to

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100% on the basis that ***You are a public organisation undertaking non-economic activity***; and

- b) the maximum aid intensity permitted under paragraph 2 b) has been increased from 50% of Second Consortium Member's Eligible Expenditure to 70% on the basis that ***Second Consortium Member is a small enterprise***; and
- c) the maximum aid intensity permitted under paragraph 2 b) has been increased from 50% of Third Consortium Member's Eligible Expenditure to 100% on the basis that ***Third Consortium Member is a research organisation undertaking non-economic activity***.

Please inform Us in writing, and as soon as possible, if these circumstances cease to apply or You have grounds to consider that they are likely to do so. You must also provide Us with any evidence requested to satisfy Us that You and Your Consortium Partners have complied with the aid intensity requirements and that You have sufficient match funding in place.

**Part 2**  
**General conditions**

4. The Grant is awarded subject to the following understandings and conditions:

- a) You must comply with all applicable European Union rules on state aid and ensure that all requirements for the application of GBER are met;
- b) You are not entitled to the Grant or any payment of it if You are, or become, subject to a recovery order following a previous Commission decision declaring any aid illegal and incompatible with the internal market<sup>2</sup>;
- c) You confirm that You are not a company in difficulty as defined in Article 2.18 of GBER and You commit to informing Us as soon as reasonably practicable of any change in this status; We reserve the right to terminate the Grant agreement if Your status changes;
- d) You confirm that, prior to the commencement of the Project, You submitted an application which confirmed the undertaking's name and size, description of the Project (including its start and end dates), location of the Project, list of Project costs and type of aid and amount of public funding required;
- e) You have informed Us of any other public funding applied for or awarded against the Eligible Expenditure; it is on this basis that

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<sup>2</sup> This does not apply to aid schemes making good the damage caused by certain natural disasters

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We have ensured that the total public funding for the Project is within the amounts permitted by GBER;

- f) We are responsible for informing EU Commission of aid awards, including summary notification of the aid to the Commission via the electronic notification system and publication of details of the aid as required from 1 July 2016;
- g) in the case of an award of aid in excess of €500,000, You consent to the publication of the following information: name of the beneficiary, beneficiary's identifier, type of enterprise (SME/large) at the time of granting, region in which the beneficiary is located, at NUTS level 2, sector of activity at NACE group level, aid element, expressed as full amount in national currency, aid instrument, date of granting, objective of aid, granting authority, reference of the aid measure; for schemes under Articles 16 and 21 of GBER, name of the entrusted entity, and the names of the selected financial intermediaries;
- h) You are responsible individually, and jointly with Us, for maintaining detailed records with the information and supporting documentation necessary to establish that all the conditions set out in the Grant agreement and the GBER are fulfilled;
- i) such records shall be maintained for 10 years following the granting of the aid and shall be made available to the Commission within a period of 20 working days if requested;
- j) We may (without qualifying the generality of Our monitoring rights under this letter) monitor Your compliance with the requirements of paragraphs h) and i) and for the avoidance of doubt any failure to comply with those requirements (where applicable) shall be deemed a breach of the terms of this letter.

