

Seaham Garden Village District Heating Scheme

Procurement/Next Steps

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Procurement Opportunity

- Low carbon sustainable energy source, with continuously available heat
- Proven across Europe and North America
- Heat pump technology well understood
- Minewater source also well understood – provided by Coal Authority

Procurement Opportunity

- Low temp network in primarily soft dig areas, potentially plastic pipe?
- First UK project, high profile – opportunity to be a part of this and provide a platform
- Gain reputation and experience in delivering a low carbon solution that is replicable across significant portion of UK

Procurement Process

- Procurement and delivery process led by Tolent, partnered by Coal Authority and Durham County Council
- Nordic Heat supporting Tolent and other partners to:
 - Engage supply chain and interested parties
 - Processing interactions – respecting commercial sensitivities
 - Develop options
 - Shape and guide commercialisation process.

Procurement Process

- Engage the supply chain
 - Explore how you can shape the scheme
 - Maximise the benefits to the community
 - Ensure scheme is attractive to the market
 - Optimise the scheme and deliver at the right price
- Exact commercial model and procurement method currently under discussion between project partners.
- Fast track project – first heat March 2021
- This event is the start of a Soft Market Testing exercise – please register your details today
- Afternoon session provides opportunity to hold informal discussions

Procurement Principles

- We expect to interact with delivery teams (Design, EPC and O&M), not just commercial bid teams.
- Any EPC/concession proposals will be expected to demonstrate familiarity and good working relationships with sub-contractors including specialist equipment suppliers to low temperature schemes.
- The Developer and Project Board will insist on consumer terms and conditions and standards of service that are to their satisfaction.

Next Steps

- Soft Market Testing documents will be issued setting out an opportunity for the supply chain to interact with the project on a formal basis. Exact timing will be confirmed shortly.
- The opportunity to participate in the SMT exercise will be offered to everybody who has attended the event today via the contact details provided to sign up to the event.
- Discussions will continue between the project partners around commercial models, with further details being provided in SMT documents.

