



City Leap Energy Partnership

Appendix A Further Essential Background Information



ENERGY
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Procurement process

Following the approval by Cabinet in July 2020 of the Cabinet Report, 'Revised City Leap Energy Partnership', a Concession Notice was published in the Official Journal of the European Union on 3 August 2020 to commence the procurement of the Strategic Partner.

Following an initial selection stage, three Bidders were shortlisted to participate in the next stage of the procurement, as follows:

- Ameresco Limited, with Vattenfall Heat UK Limited as an Essential Sub-Contractor;
- E.ON UK PLC and Marubeni Corporation (acting as a consortium);
- ENGIE Services Holding UK Ltd and Sumitomo Corporation (acting as a consortium).

The next stage of the Procurement commenced in November 2020 and involved weekly dialogue meetings with each of the shortlisted Bidders. The council's City Leap team, supported by colleagues from across the council and external advisors, met with each of the Bidders for over 150 hours to discuss a wide range of issues, including the opportunities for low carbon energy infrastructure projects on the council's estate, community energy, local job creation, social value and legal matters.

Bristol's vibrant local energy community has made a significant contribution to the Procurement, engaging with the Bidders enabling an understanding of Bristol's rich tapestry of community organisations and the opportunities that working in partnership with them could create. Many other organisations in Bristol have engaged with or been engaged by the Bidders over the course of the past 18 months.

The Invitation to Tender was published on 16 August 2021 and two bidders subsequently submitted Tenders to become the City Leap Strategic Partner on 17 December 2021. These bids were evaluated over the course of January and February 2022, a process that involved 16 evaluators, 15 internal subject matter experts and five external subject matter experts, as well as independent verification of the social value and carbon savings proposed in each bid.

Upon completion of the evaluation process, the winning Bidder was confirmed as being Ameresco Limited.

Background information on the Preferred Bidder



Ameresco, Inc. (NYSE:AMRC) is a leading cleantech integrator and renewable energy asset developer, owner and operator. Our comprehensive portfolio includes energy efficiency, infrastructure upgrades, asset sustainability and renewable energy solutions delivered to clients throughout North America and Europe.

Our approach begins by addressing energy demand with analytics and efficiency measures to reduce energy consumption. Then, we right-size innovative options for energy supply with renewable and distributed solutions. As a long-term partner, we can also provide ongoing operations and maintenance services to support clients' energy objectives. Ameresco's sustainability services in support of clients' pursuit of Net Zero include upgrades to a facility's energy infrastructure and the development, construction, and operation of distributed energy resources.

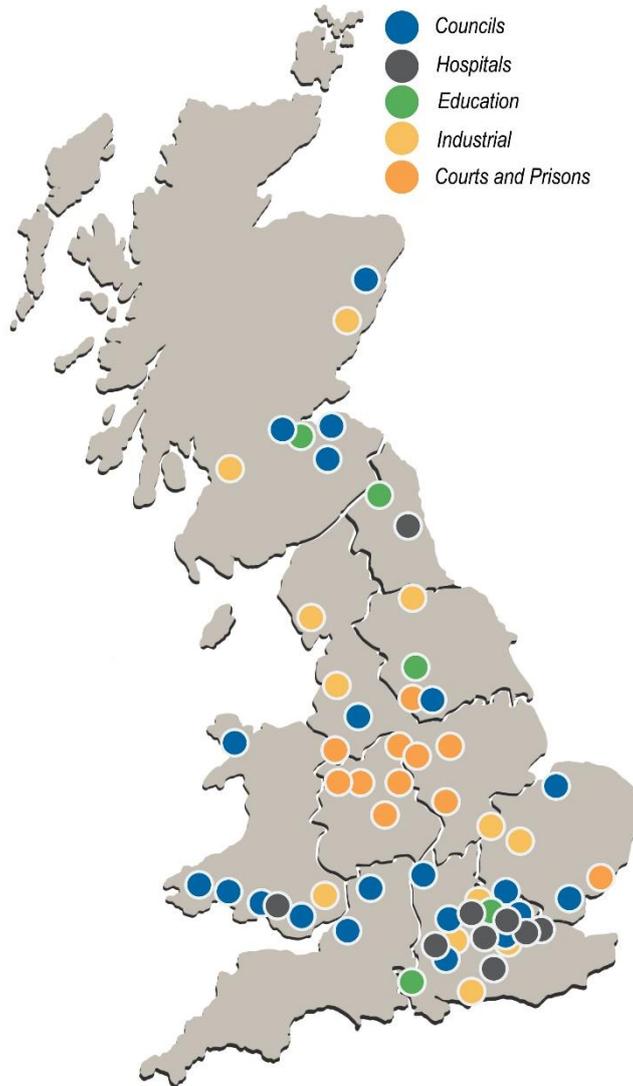
Technical independence coupled with our advanced technology portfolio allows us to integrate best-in-class solutions for the unique needs of each customer, paired with practical financial solutions. Whether focused on securing infrastructure upgrades, meeting sustainability goals, or creating resiliency, our customers benefit from a single provider of comprehensive clean technology solutions.

Drawing from 20 years of experience, Ameresco has successfully completed energy saving, environmentally responsible projects with Federal, state and local governments, healthcare and educational institutions, housing authorities, and commercial and industrial customers.

With its corporate headquarters in Framingham, MA, Ameresco has more than 1,000 employees providing local expertise in the United States, Canada, and Europe. For more information, visit www.ameresco.com.

UK Projects Map

Updated Feb 2022



Background information on the Essential Sub-Contractor



Vattenfall is a leading European energy company, that for more than 100 years has electrified industries, supplied energy to people’s homes and modernised our way of living through innovation and cooperation. We now want to make fossil-free living possible within one generation. Therefore, we are driving the transition to a more sustainable energy system through growth in renewable production and climate smart energy solutions for our customers.

Our main markets are Sweden, Germany, the Netherlands, France, Denmark and the United Kingdom.

The parent company of the Vattenfall Group, Vattenfall AB, is a non-listed company, 100 percent owned by the Swedish state. Vattenfall finances its operations by own generated cash flow and external funding, mainly in the form of corporate bonds.

Vattenfall Heat UK

Vattenfall Heat UK delivers on low carbon heating, cooling and power solutions; through a commitment to enable fossil free living within one generation. We're an energy partner at the forefront of affordable and reliable low carbon heating in the UK. The growth of our district heating business is accelerating in line with our purpose of powering climate smarter living.

About heat networks

Heat networks are essential in decarbonising heat in domestic and commercial properties. They harness heat from a central energy source, such as from the ground, water or waste heat from industrial processes and energy from waste plants. Heat sources are in abundance in cities.

Heat networks are a future proof way of heating homes in urban areas by being ‘technology agnostic’. This means that no matter what new technology may emerge in the coming years, developments are ready to adopt them without costly retrofitting. For more information, visit heat.vattenfall.co.uk.

Client Function for City Leap

As a result of entering into the legal agreements between the council and Ameresco Limited, both parties will take on substantive obligations including the following:

The council:

- Provide access to the council's estate, including its corporate buildings and social housing, for low carbon energy infrastructure projects;
- Work with and co-operate with JVCo to originate new projects;
- Promote City Leap with key stakeholders and other local authorities;
- Assist with grant funding applications; and
- Facilitate heat network expansion.

Ameresco Limited:

- Originate low carbon energy infrastructure projects on the Council's estate;
- Achieve all Key Performance Indicators;
- Comply with heat network delivery obligations;
- Comply with social value delivery obligations;
- Provide services to the council as currently provided by existing Energy Service team; and
- Make relevant payments to the Authority.

All low carbon energy infrastructure projects carried out on the council's estate will need to meet a number of conditions, known as Project Acceptance Criteria, before they can proceed. These Project Acceptance Criteria will include matters such as ensuring terms and conditions for such projects protect the Council and it obtains value for money. If a project that meets the Project Acceptance Criteria requires funding from the council and the council chooses to make that investment, then additional approval will be required in accordance with the council's usual decision-making processes, e.g. Cabinet approval for expenditure over £500,000.

In order for the council to effectively manage its relationship with the City Leap Energy Partnership, monitor Ameresco Limited's performance of its obligations, ensure that council meets its obligations and manage the Project Acceptance Criteria process, the council will set up an appropriately resourced internal team referred to as the Client Function, that will act as

the interface between the Council and City Leap.

The cost of setting up the processes to support these activities and the recruitment of the initial team (including their salaries) is included within the transition budget set out in the Cabinet Report. The cost of the City Leap Client Function in FY 2022/23 post the completion of the mobilisation phase will be contained within the envelope of the approved FY 2022/23 base budget for the Energy Service. The budget for the City Leap Client Function in future financial years will be approved as part of the Council's usual budget setting process.