

## APPENDIX 2

## PIRI RISK REGISTER SUMMARY

	Description	Risk Rating	Mitigation Plan
A	PIRI is a large scale project which we anticipate proceeding via a commercial Partnership arrangement with a complex procurement requirement	RED	<ul style="list-style-type: none"> <li>To produce a full business case with input from technical experts to ensure opportunities and risk are understood and balanced.</li> <li>Procure a potential partner with advice from suitably experienced legal and techno/commercial advisors.</li> <li>Only once these steps have been completed will the approval to proceed be requested via a report to Cabinet.</li> </ul>
B	The Energy Centre location is key to the project. There is a risk that the project is unable to identify a suitable site and obtain the necessary planning permissions	RED	<ul style="list-style-type: none"> <li>A member of the Council's property team has been assigned to the project to enable a suitable location to be identified.</li> <li>Conversations with PCC Planning have commenced to identify the necessary reports to gain planning permission such as ecological reports, flood risk and archaeological reports once the preferred locations have been identified.</li> </ul>
C	There is a risk that with the increased volatility in gas/electricity/oil prices, this could lead to potential PIRI customers going elsewhere, rather than waiting for PIRI in 2025 (earliest)	RED	<ul style="list-style-type: none"> <li>Ensure continual engagement with organisations previously engaged with as part of the earlier phases of the PIRI scheme development.</li> <li>Continue discussions with other potential partners.</li> <li>Undertake early analysis with potential partners to ensure all parties understand the details.</li> </ul>
D	The GHNF funding was granted on the basis of the OBC which was based on the Council owning and operating the system and may not approve the delivery route now being proposed	AMBER	<ul style="list-style-type: none"> <li>The Council holds regular update meetings and produces monthly update reports for the GHNF. The progress towards the route to delivery are covered in these. The Full Business Case will formalise the proposed delivery route for PIRI and will be shared with GHNF.</li> </ul>
E	Change in Government policy could impact the variables incorporated into the OBC and FBC in a negative way before the project enters the construction phase	AMBER	<ul style="list-style-type: none"> <li>Monitor government proposed policy amendments and take appropriate advice to mitigate if this occurs.</li> </ul>

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F	The assumed District Heat network's thermal and electrical demands may be inaccurate where detailed demand data was not available. Resulting in District heating scheme becomes either oversized causing lower predicted revenues or undersized causing capacity issues at times of high demand	AMBER	<ul style="list-style-type: none"> <li>The scheme is proposed to be installed in two phases. The second phase can be re-designed and the additional heat sources re-sized (or removed) once actual demand is known.</li> <li>The second phase can be limited to the DH network if deemed required.</li> <li>Ensure the energy centre could be expanded in case the heat demand is underestimated.</li> </ul>
G	There is a risk to the timelines due to Council Governance and Procurement processes that have to be followed before the council can proceed with activities, impacting the cash flow/project timelines	AMBER	<ul style="list-style-type: none"> <li>Build in Cabinet approvals and dependencies into the project plan where key decisions have to be ratified by the Council.</li> </ul>
H	The Bespoke design of the connection to PERF (plant room), may result in increase in cost and/or change in design and layout	AMBER	<ul style="list-style-type: none"> <li>Engage with suppliers to ensure cost effective solution and to ensure solution is optimised for area available.</li> </ul>
I	Companies who have purchased Electric Vehicle's before PIRI scheme is installed will have an existing charging solution in place	AMBER	<ul style="list-style-type: none"> <li>Continued engagement with the Council and Peterborough Limited who are likely to transition to EV's over a longer timescale.</li> <li>Opportunities to work with landowners to provide opportunity 'top-up' charging commercially will be explored.</li> </ul>
J	If the District Heating design was changed and not constructed to the maximum scheme this could result in increased costs, as further work will be needed in the future.	AMBER	<ul style="list-style-type: none"> <li>Ensure a booster station can be incorporated into the maximum scheme design to overcome pressure losses.</li> </ul>
K	Secondary side modifications needed for connecting buildings' heating systems are not understood and therefore not implemented due to cost or within the timeframes needed for 'Power on'	AMBER	<ul style="list-style-type: none"> <li>Training by District Heat Network (DHN) designer to the council to explain the secondary side heating design requirements in order for compatibility with District Heat network.</li> </ul> <p>The reports include an example of the typical modifications needed (e.g. variable temperature system upgrade) and the impacts on DHN scheme if not implemented correctly.</p>

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L	May have to build Energy Centre in two phases resulting in increase of 10-20% in cost	AMBER	<ul style="list-style-type: none"> <li>Contract negotiation during construction of Phase 1 with those constructing the energy centre.</li> </ul>
M	Energy Centre location is not within the vicinity of PERF resulting in accessibility and increased costs.	AMBER	<ul style="list-style-type: none"> <li>Distance from the PERF to any potential Energy Centre locations will be considered as part of the identification work with the Property Team.</li> <li>Energy Centre costs will be revisited, based on the preferred location, as part of the Full Business Case and where needed, quotes will be refreshed.</li> </ul>
M	Proposed customers of the scheme drop out during Commercialisation phase resulting in loss of heat demand and potentially loss of electricity demand.	AMBER	<ul style="list-style-type: none"> <li>Engagement with key industrial stakeholders has continued throughout the whole programme. Ensuring awareness of their commitments and what inputs will be required of them as we progress through the FBC.</li> <li>Provisional contractual agreements will be sought for all stakeholders, both energy off takers and providers using internal and specialist input as required during the FBC stage.</li> </ul>
O	Future policy changes to network charging structure (DUoS, TNUoS) may impact revenue stack. As well as impact counterfactual costs and different levies - climate, final consumption. Network installation costs may be higher than estimated	AMBER	<ul style="list-style-type: none"> <li>Engagement with larger offtakers to understand location of meters, substations and options for connecting. Engage also with BEIS, Ofgem, PFER policy review &amp; feedback activities.</li> <li>Provisional contractual agreements will be sought for all stakeholders, both energy off takers and providers using internal and specialist input as required during the FBC stage.</li> </ul>
P	To qualify for regulatory exemptions, private wire network and distributed generation must be owned by the same entity.	AMBER	<ul style="list-style-type: none"> <li>Commercial structure designed to take this issue into account.</li> <li>Partnership delivery is expected to overcome any regulatory issues. Further work will take place as part of the FBC development.</li> </ul>

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Q	Current financial climate won't attract the projected £50m of investment required to deploy assets in Peterborough	GREEN	<ul style="list-style-type: none"> <li>• Soft Market testing completed with industry leaders. Circa 12 responses, were positive and showed an interest in investing in PIRI.</li> <li>• Communication channels will remain open.</li> </ul>
R	Council does not have requisite knowledge or experience for system ownership resulting in either Scheme does not go ahead or is poorly managed.	GREEN	<ul style="list-style-type: none"> <li>• Structure proposed does not involve full council ownership but a partnership. Reducing this risk significantly.</li> </ul>
S	Political changes impacting financial viability of project	GREEN	<ul style="list-style-type: none"> <li>• Gate reviews are built into PIRI Programme Plan to continually assess financial viability and agree continuation of the project.</li> <li>• Outline Business Case already produced and approved.</li> <li>• Full Business Case will be written, which will require full cabinet approval, before proceeding further.</li> </ul>