

HILL DICKINSON

Energy solutions for the NHS



Utilise our energy to deliver results for your energy



Conserve your energy for what matters:

- ▶ meeting NHS carbon emissions strategy targets
- ▶ achieving guaranteed cost savings
- ▶ delivering high quality, sustainable services

Rapidly rising energy prices and uncertainty in global energy supplies are pushing cost effective and sustainable energy provision ever higher up the NHS agenda.

In January 2009, the NHS Sustainable Development Unit published 'Reducing Carbon, Saving Lives' a carbon emissions reduction strategy for the NHS. This requires every NHS organisation to return its carbon emissions to 2007 levels by 2013 and to deliver a 10% reduction in carbon emissions against 2007 levels by March 2015.

The challenge for the NHS then is to decrease energy dependency, increase energy efficiency, reduce carbon emissions and deliver all this with significant cost savings.

Did you know...

- ▶ All NHS Organisations must have a Board-approved carbon management strategy by the end of 2009
- ▶ From 1st April 2010, all NHS Trusts are likely to be charged £12 per metric tonne of CO₂ they emit, under the Government's Carbon Reduction Commitment.

Hill Dickinson:

One complete energy solution

An energy services project involving combined heat and power (CHP) technology can help you benefit from:

- ▶ Significant annual savings against existing energy costs
- ▶ Meeting mandatory carbon emissions targets
- ▶ Reduction in carbon emissions, typically by 20%
- ▶ Decrease in energy dependency and increase in energy efficiency
- ▶ Procurement of new or replacement plant and equipment
- ▶ Exemption from or reduction in capital charges

The installation of CHP technology is generally achieved by an outsourcing arrangement, following a PPP project structure, under which (as well as bearing the capital cost) the contractor guarantees savings against existing energy costs. Such arrangements are contractually complex and involve elements not encountered in a normal PPP or PFI project.

Hill Dickinson is the leading law firm in the country in the field of energy services projects involving CHP technology, and a long-standing provider of legal services to the NHS, and so are ideally placed to help the NHS and other public sector bodies to achieve these objectives.

We have worked on 13 energy services projects involving CHP technology, more than any other law firm, on behalf of public sector bodies, the majority in the NHS. These projects have a combined capital value in excess of £50m. Each of these projects has delivered energy facilities with significantly improved energy efficiency, generating a combined annual saving in excess of approximately £6m, as well as reducing carbon emissions.

We are unparalleled in offering an established and nationally recognised team dedicated to energy services projects involving CHP technology.

Our energy team is led by Stephen Lansdown, a well-known and well-respected legal expert in the field of energy services projects who is recognised in the Legal 500 2008 Guide to the Legal Profession.

We have built up strong relationships over a number of years with the major service providers, intermediaries and consultants in the energy services sector. These links help to position us at the forefront of developments in this hugely important area.

Energy solutions for the NHS

What we do:

- ▶ Advise and lead on the delivery and development of energy services projects involving CHP technology
- ▶ Provide pragmatic legal guidance at every stage of the process, from initiation and procurement through to completion, commissioning and operation
- ▶ Draft complex sets of agreements and contracts between public sector bodies and service providers relating to energy services projects involving CHP technology for:
 - installation of new CHP plant and equipment
 - delivery of electricity, heat and cooling solutions
 - energy management services

We can help your organisation to:

- ▶ Meet mandatory carbon emissions reduction strategy targets
- ▶ Achieve guaranteed cost savings
- ▶ Derive best long-term value
- ▶ Manage risk

Don't just take our word for it...

In Year 1 of its energy services project, our client Kingston Hospital NHS Trust saved:

- ▶ **£124,848 on energy costs and**
- ▶ **10,279t in carbon emissions**

"Hill Dickinson demonstrated, to considerable effect, their ability to obtain and utilise a comprehensive understanding of our needs as a client... delivering guaranteed savings and reducing our carbon emissions within Government and NHS deadlines... With comprehensive experience in the field, the Trust benefited by receiving considered and proactive advice, and avoided 'reinventing the wheel' or learning at our expense." **Allan Morley, ex-Kingston Hospital NHS Trust**

Hill Dickinson quality assured through:

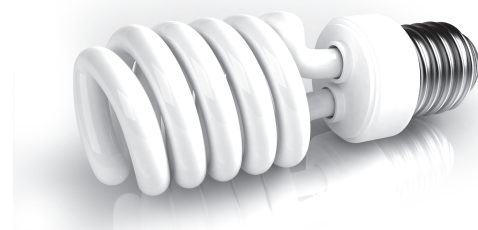
- ▶ Status as recognised legal experts in energy services projects
- ▶ Diverse and extensive experience
- ▶ Unparalleled understanding of the energy services landscape
- ▶ Membership of the Combined Heat and Power Association
- ▶ Working with industry leaders within the energy sector
- ▶ Long-standing provider of legal services to the NHS
- ▶ Strong relationships within the NHS and key intermediaries
- ▶ Seamless access as a full service law firm to experts in other areas of law

Experience counts

Procurement of an energy services project is a complex process. To maximise the benefits for the NHS, dedicated and highly experienced legal advisors are essential to navigate you through the potential pitfalls and ensure that the most suitable options are considered and explored. These include:

- ▶ The installation of CHP plant and equipment not only allows the generation of electricity, heat and cooling for the NHS in a carbon and cost-efficient way - CHP technology solutions can also permit the export of surplus generated electricity to the National Grid, or heat to a district heating scheme, thereby allowing further revenues to be derived from the plant and equipment.
- ▶ The £100m Energy and Sustainability Capital Fund is available to the NHS in England until 31 March 2009 to support energy efficiency and carbon reduction schemes, and it is anticipated that this fund will be extended or replaced with other funding streams - we can advise on eligibility for funding and assist in the application process.
- ▶ Purchased CHP plant and equipment qualifies not only for capital allowances but also for enhanced capital allowances - correct application of this allowance by a service provider can result in the recoupment of capital investment in as little as two years.
- ▶ Energy services projects can be structured to guarantee to the user a pre-agreed level of savings against existing utilities and other expenditure - we have the market knowledge and experience to help our clients find the most cost effective option for their circumstances.
- ▶ Alternatively, some energy services projects allow the user simply to pay for the generated electricity, heat and cooling without the user making any capital investment, and with the cost agreed in advance - we can advise on these discount energy purchase arrangements, taking into account suitability for purpose and the whole life cost.

Through our experience, we understand that a crucial motivator for public sector organisations is to derive value for money - against a backdrop of increasing regulatory compliance and an uncompromising demand from the public for high quality services.



About Hill Dickinson

Hill Dickinson is a leading UK law firm offering a comprehensive range of legal services from offices in Liverpool, Manchester, London, Chester and Singapore and its associated firm Hill Dickinson International has offices in London and Greece. Collectively the firms have over 150 partners and a complement of more than 1000 staff.

Hill Dickinson is a leader in the fields of healthcare and public sector law, and is a leading force in commercial and company law. The firm has an award winning property and construction practice and is widely regarded as a leader in the fields of intellectual property, commercial litigation, employment, insurance and private client law. The firm's marine expertise is internationally renowned and it has one of the largest marine practices in the world.

Contact

To discuss how energy services projects involving CHP technology can reduce your carbon emissions, lower your energy consumption, deliver new systems and control the cost of energy usage, and how we can work with you, contact:

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For further information about the Government's NHS carbon emissions targets visit www.dh.gov.uk and for independent advice on CHP and the Combined Heat and Power Association visit www.chpa.org.uk.

Alternatively, speak to us.

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