

APPENDIX 1

| | Option | Description | Geographical Scope | Implications | Commercial Value | Risk |
|---|------------------------|--|-----------------------|--|------------------|-----------------|
| A | Do Nothing | Ovo contract not novated and no further action taken until the end of the contract period. | N/A | Council would not compensation for buy-out costs or referral fees and would continue to bear running costs of the scheme. No further commercial or social value derived from the contract. Reputational risk to Council if existing customers not offered an alternative fair contract by a reputable supplier at the end of the contract. | Nil | Medium |
| B | Managed Exit | Ovo contract novated. S&GC run contract and managed exit planned, including soft landing for existing customers requiring selection of a suitable alternative energy supplier. | North West & Midlands | Reputational risks partially mitigated. Potentially Fairerpower could “sell on” existing customers to a new provider, but may be offset by exit costs. Continued CEC subsidy until closure | Low | Medium/ High |
| C | Restricted local offer | Ovo contract novated to S&GC. Energy supply offer for electricity and gas to domestic market marketed to end of the contract period. | North West & Midlands | Delivers some additional commercial and social value. regional deals could not go ahead. Likely to require continued CEC subsidy given restricted scope. | Low | Low |

APPENDIX 1

| | Option | Description | Geographical Scope | Implications | Commercial Value | Risk |
|---|-------------------------------|---|-----------------------|---|------------------|--------|
| D | Multi-supplier local offer | Ovo contract novated to S&GC. Ovo payments reinvested to procure suppliers for RSL voids, developments, businesses and off-grid supply. | North West & Midlands | Delivers additional commercial and social value including addressing rural fuel poverty. Addresses wider aims of the Fairerpower scheme can be expanded across the Midlands and North West. Continued council subsidy would not be required. | Medium | Medium |
| E | Multi-supplier national offer | As for option D but wider geographical scope. | National | Maximises commercial and social value. Continued CEC subsidy would not be required. More complex procurement but a larger number of strategic partners would offer economies of scale. S&GC could work with LA's, RSLs and developers to maximise financial return. | High | High |

APPENDIX 1

| | Option | Description | Geographical Scope | Implications | Commercial Value | Risk |
|---|------------------------------|--|--------------------|---|------------------|-----------|
| F | New national supply licenses | Ovo contract novated. Notice served to terminate at original break point. S&GC apply for full energy supply licences for gas and electricity supply to domestic and non-domestic markets. Local energy supply company (ESCo) developed to procure other non-regulated energy service and off-grid fuel supply. | National | Significant procurement exercise. Puts Fairerpower on equal footing with other market competitors. Would require major investment and entails high commercial risk. | Very high | Very high |