Principal Decision Report

Decision below £250k and only affects one ward

Subject:	Power Purchase Agreement for Wrigley Head Solar Farm – appointment of Ovo Energy
Decision maker: Senior Officer	Emma Barton, Deputy Chief Executive (Place)
Decision date:	2nd November 2026
Report author:	Andrew Hunt, Green Energy & Sustainability Manager
Ward (s):	Failsworth East

Reason for decision

To appoint Ovo Energy to supply a Power Purchase Agreement for Wrigley Head Solar Farm for a period of 18 months from start of operations, at an estimated value of £188,500. This appointment to be made by direct award with an exemption from the Council's Contract Procedure Rules due to the urgent need to energise the solar farm.

Recommendation(s)

1. That an exemption from the Council's Contract Procedure Rules be approved for the PPA contract award to Ovo Energy
2. That Ovo Energy be awarded an 18-month Power Purchase Agreement for the electricity generated from Wrigley Head Solar Farm

Background

Wrigley Head Solar Farm is a sub-1 Megawatt ground mounted solar array owned by the Council. Construction of the solar farm has recently completed but the facility cannot be energised and commence exporting electricity to the grid until an agreement is in place for the sale of the electricity generated by the solar farm to a third party.

The Council has carried out some market research and has identified Ovo Energy as being a supplier offering relatively high (for the marketplace) Power Purchase Agreement (PPA) rates for generating facilities of the size of Wrigley Head. Ovo are offering a nominal rate of around £144 per MWh generated by the solar farm.

The Council is currently procuring a Strategic Energy Partner (SEP) for Oldham Borough, and its intention is that once the SEP has been appointed around December 2027, the SEP may be able to offer a preferential rate PPA for Wrigley Head as well as Operation and Maintenance services which will be due for renewal at that point. It is therefore proposed that until that point, the Council establish an 18-month PPA with Ovo Energy to ensure that the solar farm achieves

energisation as soon as possible and so maximises revenue income until the SEP is in place and the PPA arrangement can be reviewed.

The urgent need to achieve energisation of the solar farm and begin generating revenue for the Council means that during the time taken to undertake a competitive procurement process, the solar farm would remain un-energised and would be losing potential revenue income at a rate of approximately £344 per day, based on the unit rate being offered by Ovo Energy. This means that the economic advantage to the Council of a direct award to Ovo Energy as soon as is practicable far outweighs any marginal economic advantage that could potentially be achieved by running a competitive procurement process.

Due to the specialist nature of the contract required, and the critical timescales involved, an exemption from the Council's Contract Procedure Rules (CPRs) is requested to make this appointment. Section 21 of the CPRs allows exemptions under exceptional circumstances, and in the case of this appointment the following applies:-

- The Contract is for Supplies, Services or the execution of Works which are required in circumstances of extreme urgency

and seeks approval to appoint Ovo Energy via a direct award to begin purchasing the electricity generated by Wrigley Head as soon as is practicable.

Alternative option(s) to be considered *(please give the reason(s) for recommendation(s)*

Option 1 – approve an exemption from the Council's Contract Procedure Rules to appoint Ovo Energy via direct award to provide an 18-month Power Purchase Agreement for the electricity generated by Wrigley Head Solar Farm. Under this option, energisation of the solar farm will be achieved as soon as is practicable and the Council will begin to benefit from revenue income from the sale of the electricity.

Option 2 – do not appoint Ovo Energy. Under this option the Council would run a competitive procurement process to identify the most economically advantageous supplier for a Power Purchase Agreement for the electricity generated by Wrigley Head Solar Farm. However, in the time taken to run this procurement process the solar farm would remain un-energised and would not be generating revenue for the Council.

Consultation *(include any conflict of interest declared by relevant Cabinet Member consulted)*

N/A

Risks

Implications

Financial	The proposal to approve an exemption from the Council's Contract Procedure Rules to appoint Ovo Energy on a Power Purchase Agreement via direct award will potentially see the Council benefit by an estimated £188,500 (net of VAT). This income generation will be revenue income. It is estimated that this income will be received from the start of the financial year 2027/28. It is assumed that the income will help offset some operational costs such as insurance, but the large majority of the income will be available to help fund wider Council activity. At the end of the 18-month contract period, a further report will be required to confirm future arrangements. John Hoskins
Legal	Procurement have confirmed support for the proposed exemption under the Council's Contract Procedure Rules. Procurement should be satisfied in conjunction with the Service, that the circumstances support reliance on the exemption. Legal Services has previously undertaken a review of the proposed Power Purchase Agreement with Ovo Energy. Subject to agreement of the final contractual documentation there are no further legal implications arising from the recommendations in this report. Sukie Kaur - Solicitor
Procurement	Procurement support the urgent requirement for the direct award and the EXEMPTION FROM THE CONTRACT PROCEDURE RULES, under 21.3 (h) The Contract is for Services which are required as a matter of extreme urgency. The Council will begin to benefit from revenue income from the sale of the electricity supply. The award for the PPA for Wrigley Head Solar Farm for a period of 18 months from start of operations. This will allow for time to go to open market Competitively and comply with the PCR 23 Regulations. A transparency Notice will be required if this exemption is authorised. Angela Porter – Senior Category Manager
Equality impact including implications for Children and Young People	N/A

Other	N/A

Has the relevant Legal Officer confirmed that the recommendations within this report are lawful and comply with the Council's Constitution?	Yes
Has the relevant Finance Officer confirmed that any expenditure referred to within this report is consistent with the Council's budget?	Yes
Are any of the recommendations within this report contrary to the Policy Framework of the Council?	Yes

Background Papers under Section 100D of the Local Government Act 1972

None.

Appendix

None.

Report author sign-off	Andrew Hunt
Role	Green Energy & Sustainability Manager
Date of sign-off	9 October 2026

Approval	
Officer approval sign-off	Shelley Kipling
Role	Chief Executive
Date of sign-off	Xx/xx/xx