

Commissioning Costs: Guidance

For Public Sector Decarbonisation Scheme (PSDS) projects, where project commissioning has been delayed beyond the grant end date, these commissioning costs may be claimed as eligible grant expenditure.

What can be claimed as commissioning costs?

Acceptable commissioning costs must relate to the commissioning of measures that are:

1. Within the agreed scope of your Public Sector Decarbonisation Scheme project application; and
2. Installed by the grant end date.

Commissioning works are typically up to 5% of the total project costs/grant value and can include:

- Energisation
- Testing of systems
- Formal handover
- Quality checks
- Snagging

Commissioning costs must not include any capital works such as procurement, purchasing or installation of equipment. Commissioning costs cannot be claimed for measures which are not installed within the eligible grant period. Payment claims submitted for these costs will be rejected.

What is delayed commissioning?

Delayed commissioning covers any project which has completed prior to the grant end date, but project commissioning works have been delayed beyond the grant end date.

Any delayed commissioning costs associated with works which completed before the grant end date may be claimed as eligible grant expenditure. The costs must relate to the commissioning of measures which completed within the scope of the Public Sector Decarbonisation Scheme programme up to the grant end date.

Any commissioning costs associated with works completed after the grant end date are not eligible to be claimed.

How can I claim commissioning costs?

Payment claims for commissioning costs should be forecasted and submitted as usual (see the '*forecasting and requesting payments*' page on the Salix website for further information).

In order to claim commissioning costs, you must provide the following as further supporting evidence:

- Invoices which clearly state the commissioning costs or accompanying breakdown of works which indicate the costs of commissioning. Invoices where commissioning costs are not clearly separated from any capital costs will not be accepted.
- Copy of, or excerpt from, contracts where commissioning costs are specified.

If you are claiming commissioning costs as part of your final payment claim, then you must submit your payment claim using the final payment statement of expenditure.

What is the difference between retention and commissioning costs?

Retention relates to the amount of money that the grant recipient withholds from their contractor for a defined period of time to ensure there is money held for any snagging works needed or to address defects found. At the end of the defined period of time, if no defects are found or snagging needed, the grant recipient will release this money to the contractor. The retention % and the amount of time the retention is held for should be defined in the contract between the grant recipient and the contractor.

Commissioning refers to the checks carried out to ensure any equipment installed can be switched on and put into use. During commissioning, some snagging works may be needed before the equipment or project can be fully commissioned. Some contracts may state that 50% of the retention is able to be released once commissioning has been completed.