

STRICTLY PRIVATE & CONFIDENTIAL

15th November 2016

Liz Ditchburn
Director General Economy

Dear Liz

Re: Project Boots & Guarantee of PPA Obligations from Scottish Ministers

In reply to your letter of 14 November, as requested I am setting out our response to the scenario you have proposed.

Financial Scenario

We note the suggested amends to the financial scenario as proposed in the right hand column of your table. We have spent the night working to backsolve the model for the amendments and analyse the implications for the quantum, tenure, cost, etc.

[REDACTED]

However due to Mr Gupta's commitment to the First Minister and Cabinet Secretary Ewing he was willing to proceed.

Whilst we appreciate the demands of the Scottish Ministers requires a robust negotiation to ensure the best interests of Scotland are satisfied,

[REDACTED]

We have also believed we have reached all party agreement on transactions that seem workable but have subsequently been withdrawn.

Please can we agree that the proposal as agreed yesterday (the middle column in your table) is the final one, subject to correct documentation and approvals, and needs to be progressed.

Transaction Process

We are seeking to satisfy all the requirements of the Scottish Ministers at all times but we are genuinely concerned by the timing pressure this is placing on the commercial transaction

[REDACTED]

Please could we encourage haste in the finalisation of this process.

One key area where we are spending considerable time, effort and cost is in closing out the legal documentation. We have sought to be practical and commercial in all our documentation. However some of the responses we are receiving do not seem to follow the same principle. Part of our concern is that we are simultaneously negotiating a broader suite of documents with the vendor and we appear to be spending far more time with what should be a fairly

[Redacted]

I and the rest of our team will make ourselves available to answer any follow up questions and resolve these matters with you at your earliest convenience.

Yours sincerely,

[Redacted]

[Redacted]