

**Schedule 2 – Exhibit 7**

**DATED [ \_\_\_\_\_ ]**

**NATIONAL ENERGY SYSTEM OPERATOR LIMITED**

**and**

**[ \_\_\_\_\_ ] (2)**

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**THE CONNECTION AND USE OF SYSTEM CODE**

**VLPA**

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**VIRTUAL LEAD PARTY AGREEMENT**

**Reference: [ \_\_\_\_\_ ]**

## **CONTENTS**

1. **DEFINITIONS, INTERPRETATION AND CONSTRUCTION**
2. **CONDITION PRECEDENTS AND COMMENCEMENT**
3. **OUTAGES & NETWORK MANAGEMENT**
4. **GRID CODE MATTERS**
5. **COMPLIANCE WITH TECHNICAL CONDITIONS**
6. **TERM**
7. **VARIATIONS**
8. **GENERAL PROVISIONS**

THIS **VIRTUAL LEAD PARTY AGREEMENT** is made on the [ ] day of [ ] 20[XX]

**BETWEEN**

- (1) The company registered in England with number 11014226 (“**The Company**”, which expression shall include its successors and/or permitted assigns); and
- (2) [ ] a company registered in [ ] with number [ ] whose registered office is at [ ] (the “**User**”, which expression shall include its successors and/or permitted assigns).

**WHEREAS**

- (A) Pursuant to the **ESO Licence**, **The Company** is required to prepare a Connection and Use of System Code (“**CUSC**”) setting out the terms of the arrangements for connection to and use of the **National Electricity Transmission System**.
- (B) The **User** has applied to **The Company** in the capacity of a **Virtual Lead Party** who intends to operate one or more **Secondary BMU Units**.
- (C) As at the date hereof, **The Company** and the **User** are parties to the **CUSC Framework Agreement** (being an agreement by which the **CUSC** is made contractually binding between the parties).
- (D) This **Virtual Lead Party Agreement (“VLPA”)** is entered into pursuant to the **CUSC** and shall be read as being governed by it.

**NOW IT IS HEREBY AGREED** as follows:

## 1 DEFINITIONS, INTERPRETATION AND CONSTRUCTION

Unless the subject matter or context otherwise requires or is inconsistent therewith, terms and expressions defined in Section 11 of the **CUSC** have the same meanings, interpretations or constructions in this **VLPA**.

## 2 CONDITION PRECEDENTS AND COMMENCEMENT

- 2.1 This **VLPA** shall commence on the date hereof.
- 2.2 It is a condition of this **VLPA** that the **VLP Assets** operated by the **User** are associated to a **SMRS** registered **Boundary Point Metering System** as per the **Balancing and Settlements Code**.

## 3 OUTAGES & NETWORK MANAGEMENT

- 3.1 Subject to the provisions of the **Grid Code**, **The Company** and the **User** shall be entitled to plan and execute outages on parts of, in the case of **The Company**, the **National Electricity Transmission System** or **Transmission Plant** or **Transmission Apparatus** and in the case of the **User**, its **VLP Assets**, at any time and from time to time.

## 4 GRID CODE MATTERS

- 4.1 The **User** is required (as per paragraph 6.3.1 of the **CUSC**) to comply with the relevant parts of the **Grid Code** which apply in respect of the relevant **Boundary Point Metering Systems** associated with the **VLP Assets**, as amended in accordance with the following provisions of this Clause 4.
- 4.2 The provisions in BC1 and BC2 of the **Grid Code** provide that compliance is required with such provisions in respect of those **VLP Assets** in this **VLPA**.

## 5 COMPLIANCE WITH TECHNICAL CONDITIONS

- 5.1 **The Company** and the **User** shall operate respectively the **National Electricity Transmission System** and the **User System** with the special automatic facilities and schemes set out in Appendix F5 to this **VLPA**.
- 5.2 The **User** shall ensure that the **VLP Assets** which it operates for the purposes of this **VLPA** complies with the technical conditions set out in Appendix F5 to this **VLPA**.
- 5.3 **The User** shall use all reasonable endeavours to ensure that the **VLP Assets** shall continue to comply with the technical conditions set out in Appendix F5 of this **VLPA**.

## 6 TERM

[Company Name]  
[Month Year]

[Reference]

v3 01 October 2024

- 6.1 Subject to the provisions for earlier termination set out in the **CUSC**, this **VLPA** shall continue until;
- i) the **User** notifies **The Company** in writing, providing no less than 28 days notice, of its wish to terminate this **VLPA**, or;
  - ii) the **User** has no **VLP Assets** registered to a **Secondary BMU** and so **The Company** may give notice of termination in writing to the **User** whereupon this **VLPA** shall terminate 28 days from such notice.
- 6.2 Once an **Event of Default** has occurred and is continuing **The Company** may give notice of termination to the **User** whereupon this **VLPA** shall forthwith terminate.

## 7 VARIATIONS

- 7.1 Subject to 7.2 no variation to this **VLPA** shall be effective unless made in writing and signed by or on behalf of both **The Company** and the **User**.
- 7.2 **The Company** and the **User** shall effect any amendment required to be made to this **VLPA** by the **Authority** as a result of a change in the **CUSC**, **Grid Code**, the **ESO Licence** or the **Transmission Licence**, an order or direction made pursuant to the **Act** or a **Licence**, or as a result of settling any of the terms hereof. The **User** hereby authorises and instructs **The Company** to make any such amendment on its behalf and undertakes not to withdraw, qualify or revoke such authority or instruction at any time.

## 8 GENERAL PROVISIONS

Paragraph 6.10, Paragraphs 6.12 to 6.26 and Paragraph 6.38 of the **CUSC** are incorporated into this **VLPA** *mutatis mutandis*.

**IN WITNESS WHEREOF** the hands of the duly authorised representatives of the parties hereto at the date first above written

SIGNED BY

.....

for and on behalf of

**NATIONAL ENERGY SYSTEM OPERATOR LIMITED**

SIGNED BY

.....

for and on behalf of

**[User]**

**APPENDIX F5**

**TECHNICAL CONDITIONS**  
**OTHER TECHNICAL REQUIREMENTS**