

Guidance Document

Use of System - Virtual Lead Party (VLP)

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1. What is a Virtual Lead Party?

A Virtual Lead Party (VLP) or Balancing Services Provider (BSP) is an independent aggregator that controls (potentially on behalf of a third party) power generation and/or electricity demand from a range of assets for the purposes of selling Balancing Services to National Grid Electricity System Operator (ESO). The VLP does not simultaneously supply energy as this is the role of a Supplier.

2. Why do I need to sign agreements with National Grid Electricity System Operator?

In order to provide Balancing Services to National Grid ESO and participate in the Balancing Mechanism, agreements need to be signed to allow you to provide National Grid ESO these services, and for National Grid ESO to pay you for the provision of these services.

3. What agreements do I need?

As a VLP, you will need to sign a [Virtual Lead Party Agreement \(VLPA\)](#). If you are not already a CUSC Party, you will also need to sign a [CUSC Accession Agreement](#). The CUSC sets out the principal rights and obligations in relation to connection and use of the NETS. The full CUSC and further information relating to the CUSC can be found at:

<https://www.nationalgrid.com/uk/electricity/codes/connection-and-use-system-code-cusc>

4. How much will my application cost?

The Use of System Application has a £5000 + VAT fixed fee. These fees are set out in the Statement of Use of System Charges and are reviewed periodically. The current Statement can be found at:

<https://www.nationalgrideso.com/charging/charging-statements>

After National Grid ESO receives your Use of System Application, we will send you an invoice. Details describing how to pay will be included at the bottom of the invoice.

5. Am I liable for Balancing Services Use of System (BSUoS) or Transmission Network Use of System (TNUoS) charges?

No – VLPs are not liable for these charges.

6. How do I apply?

You need to complete and sign the [Use of System Application \(CUSC Exhibit F\)](#) which can be found on our website.

Please note Clause 9 of the CUSC Accession Agreement states that if your organisation is not a company incorporated under the Companies Act 1985, you will need to provide National Grid ESO with an address in Great Britain which can receive CUSC notifications on your behalf.

Please return the completed form via post to:

Electricity Customer Connections (Floor L2)
National Grid Electricity System Operator
Faraday House
Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA

or via email to: Transmissionconnections@nationalgrideso.com

7. How long will the application process take?

When we receive the completed Use of System Application and the application fee, we will arrange to have your Offer documents produced within 28 calendar days. You will have 3 months to accept and return the Offer, which we will then countersign for and on behalf of National Grid ESO. The Offer will consist of 2 copies of the VLPA (including an Appendix F5) and 2 of a CUSC Accession Agreement, if you are not already a CUSC Party.

One copy of each of the countersigned agreements will be returned to you for your records.

8. Balancing Mechanism Unit (BMU) Registrations

Once you have signed a VLPA, please contact the BMU registration team to register or modify a Secondary BMU Unit at: BMU.Registration@nationalgrideso

You will also need to register your BMU with Elexon. More information on BMUs and how to register a BMU with Elexon is available on their website:

<https://www.elexon.co.uk/operations-settlement/balancing-mechanism-units/>

In addition, you will need to Prequalify before you can provide Balancing Services to National Grid ESO. Signing your VLPA is required as part of Prequalification but other information is also required – details are available here:

<https://www.nationalgrideso.com/balancing-services/reserve-services/replacement-reserve-rr>

Further useful information is also available here:

<https://www.nationalgrideso.com/balancing-services/wider-access>

9. Who can I contact?

If you have any questions or need any advice, please contact the Electricity Customer Connections team:

Email: Transmissionconnections@nationalgrideso.com

Faraday House, Warwick Technology Park,
Gallows Hill, Warwick, CV346DA

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