

Short Term Operating Reserve (STOR) Auction Rules

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1. Introduction

- 1.1 These **STOR Auction Rules** describe the process by which **NGESO** will procure **STOR** from prospective **Service Providers**, and is to be read alongside the **STOR Service Terms** pursuant to which a **Registered STOR Participant** may additionally offer to provide **Optional STOR** from **STOR Units** which are not **BM Participating**.
- 1.2 Subject always to sub-paragraph 1.3, only with respect to **STOR Contracts** formed pursuant to either these **STOR Auction Rules** or (in respect of **Optional STOR**) the **STOR Service Terms** will the **STOR Service Terms** apply to the provision of, and payment for, **STOR** from **STOR Units**.
- 1.3 Nothing in these **STOR Auction Rules** or the **STOR Service Terms** will prejudice the ongoing provision of, and payment for, **Long Term STOR** from **STOR Units** under and in accordance with the **STOR SCTs**.
- 1.4 These **STOR Auction Rules** supplement, and should be read alongside, the **STOR Participation Guidance Document**.

2. Changes to these STOR Auction Rules

- 2.1 Subject always to sub-paragraph 2.2, **NGESO** may update these **STOR Auction Rules** from time to time by publication of an updated version on its website, and each such updated version shall be effective from the date shown on its front cover.
- 2.2 To the extent required by the **Electricity Balancing Guidelines** (and by reference to those provisions of the **STOR Procurement Documents** constituting terms and conditions approved by the **Authority** as the terms and conditions related to balancing pursuant to Article 18 of the **Electricity Balancing Guidelines**), any variation to these **STOR Auction Rules** will be proposed and implemented in accordance with the applicable requirements in the **Electricity Balancing Guidelines**.

3. STOR General Terms and Conditions and Glossary of Terms

- 3.1 These **STOR Auction Rules** are subject to the prevailing **STOR General Terms and Conditions** published by **NGESO** alongside these **STOR Auction Rules**.
- 3.2 Unless the context otherwise requires, any capitalised term used in these **STOR Auction Rules** shall have the meaning given to it (if any) in the prevailing **STOR Glossary of Terms and Rules of Interpretation**, and the rules of interpretation set out in that document shall also apply.

4. Registration

- 4.1 No entity may submit a **STOR Bid** unless and until **NGESO** has confirmed pursuant to the provisions of the **Registration Documents** that it is a **Registered STOR Participant**, and for such purpose (and unless otherwise specified by **NGESO** in the **STOR Participation Guidance Document**) Forms A and B of the **Registration Documents** must be submitted to **NGESO** by the date specified in the **STOR Participation Guidance Document**.
- 4.2 Where **NGESO** determines (acting reasonably) that any details provided, including confirmations and declarations given, in Forms A and/or B (including any accompanying Declaration, as defined in Form A) of the **Registration Documents** by or on behalf of a **Registered STOR Participant** are no longer true and/or accurate, then **NGESO** may (but shall not be obliged to) de-register the relevant entity as **Registered STOR Participant** and/or **Registered Service Provider** (as the case may be). Such de-registration shall be notified by **NGESO** to the **Registered STOR Participant** by email, whereupon no further **STOR Bids** (or, pursuant to the **STOR Service Terms**, **Mandatory Availability Declarations** or **Optional Availability Declarations**) may be submitted by that entity unless and until it is re-registered pursuant to the provisions of the **Registration Documents**.
- 4.3 Subject always to sub-paragraphs 4.5 and 4.6:-
- 4.3.1 a **STOR Bid** may only be submitted by a **Registered STOR Participant** in respect of **Plant and Apparatus** where:-

4.3.2 such **Plant** and **Apparatus** has been validated by **NGESO** as an **Eligible Asset** with a **Maximum Registered STOR Capacity**;

4.3.3 such **Eligible Asset** has been allocated by the **Registered STOR Participant** to a single **STOR Unit**; and

4.3.4 such **STOR Unit** has been registered by the **Registered STOR Participant** with **Technical Parameters** approved by **NGESO**,

in each case, in accordance with the **STOR Participation Guidance Document**.

4.4 For the purposes of sub-paragraph 4.3:-

4.4.1 **NGESO** will determine the process of validation of **Eligible Assets**, which will include (without limitation) verification of installation and operability of **STOR Despatch** where applicable; and

4.4.2 **NGESO** will approve **Technical Parameters** registered to a **STOR Unit** by reference (without limitation) to the prevailing technical service requirements for delivery of **STOR**.

4.5 Where **NGESO** determines (acting reasonably), having regard to declarations of unavailability notified by the **Registered STOR Participant** or monitoring by **NGESO** in each case pursuant to the **STOR Service Terms**, or otherwise, that:-

4.5.1 any **Eligible Asset** is no longer capable of providing its **Maximum Registered STOR Capacity**; and/or

4.5.2 that the **STOR Unit** is no longer capable of complying with its **Technical Parameters**,

then at its sole discretion **NGESO** may so notify the **Registered STOR Participant** whereupon, in the case of sub-paragraph 4.5.1 the relevant **Plant and Apparatus** shall require to be re-validated as an **Eligible Asset** pursuant to sub-paragraph 4.3 and its allocation to a **STOR Unit** shall be automatically deemed withdrawn, and in the case of sub-paragraph 4.5.2 the **STOR Unit** shall not be the subject of any **STOR Bid** unless and until **NGESO** shall have approved revised **Technical Parameters** pursuant to sub-paragraph 4.3.

4.6 It is a further pre-condition to participation in the **STOR** procurement process that, in respect of each **STOR Unit** that is not **BM-Participating**, the **Service Provider** shall have notified to **NGESO** the metering system identifiers for that **STOR Unit** for the purposes of implementing the **ABSVD Methodology Statement**.

5. STOR Bid Submissions

5.1 For any **STOR Service Day** and unless otherwise specified by **NGESO** from time to time in the **STOR Participation Guidance Document**, **STOR Bids** may be submitted by **Registered STOR Participants** at any time during the seven (7) consecutive **STOR Service Days** prior to the **STOR Bid Deadline** for that **STOR Service Day**. Once submitted, a **STOR Bid** may subsequently be revised or withdrawn in accordance with sub-paragraph 5.6.

5.2 It shall be the responsibility of **Registered STOR Participants** to ensure that **STOR Bids** are submitted on time in accordance with sub-paragraph 5.1. **STOR Bids** submitted after the **STOR Bid Deadline** shall be considered null and void regardless of cause unless otherwise decided by **NGESO** at its sole discretion.

5.3 Each **STOR Bid** shall be submitted to **NGESO** by the method(s) prescribed in the **STOR Participation Guidance Document**.

5.4 Each **STOR Bid** shall relate to a single **STOR Unit** and to every **STOR Committed Window** in a single **STOR Service Day**, and without limitation a **Registered STOR Participant** may not submit multiple **STOR Bids** for the same **STOR Unit** and **STOR Service Day** or for fewer than all **STOR Committed Windows**.

5.5 To be compliant, and unless otherwise specified in the **STOR Participation Guidance Document**, each **STOR Bid** shall specify:-

5.5.1 the name of the **Registered STOR Participant**;

- 5.5.2 a unique identifier for the applicable **STOR Unit** (including, where not **BM Participating**, the metering system identifiers associated with it (insofar as not already submitted to **NGESO** pursuant to the **Registration Procedure**);
- 5.5.3 the applicable **STOR Service Day**;
- 5.5.4 a price (in £/MW/h, where the applicable pound and pence figures shall each be an integer);
- 5.5.5 the **Contracted MW** (in MW), which shall be an integer not less than three (3) MW and which shall not in any event exceed the aggregate **Maximum Registered STOR Capacity** of each component **Eligible Asset**; and
- 5.5.6 whether it is **Curtailable** (and if so, the minimum acceptance quantity (in MW)).
- 5.6 Once a **STOR Bid** for a **STOR Service Day** has been submitted pursuant to the foregoing provisions of this paragraph 5, it may subsequently be revised or withdrawn by the **Registered STOR Participant** by way of a resubmission of the **STOR Bid** in accordance with this paragraph 5, or as may otherwise be specified in the **STOR Participation Guidance Document**.
- 5.7 All **STOR Bids** shall be fully compliant (without any qualification) with the requirements of these **STOR Auction Rules** and the **STOR Participation Guidance Document**.
- 5.8 **Registered STOR Participants** must not divulge or release details of the **STOR Bid** to any third party, other than on an “in confidence” basis to those parties having a legitimate need to know, or with whom they need to consult for the purpose of preparing a **STOR Bid**.

6. Warranty and Undertaking

- 6.1 By submitting a **STOR Bid**, each **Registered STOR Participant** hereby warrants and undertakes to **NGESO** that:-
- 6.1.1 the **STOR Unit** and its constituent **Eligible Assets** are reasonably expected to be available to deliver **STOR** in accordance with the **STOR Service Terms** throughout each **STOR Committed Window** in the applicable **STOR Service Day**; and
- 6.1.2 it has neither fixed nor adjusted the bid prices or volumes under or in accordance with any agreement or arrangement with any other person, and that it has neither communicated to a person (other than its professional advisers) the amount or approximate amount of the bid prices or volumes (other than in confidence in order to obtain quotations necessary for insurance purposes) nor entered into any agreement or arrangement with any other person to restrain that other person from bidding or to fix or adjust the bid prices or volumes to be submitted by that other person.
- 6.2 Each **Registered STOR Participant** indemnifies **NGESO** from and against any losses, liabilities, claims, expenses and demands which **NGESO** might suffer as a result of the **Registered STOR Participant** being in breach of the warranty and undertaking set out in this paragraph 6.

7. Disqualification of STOR Bids

- 7.1 If, in the sole judgment of **NGESO**, a **Registered STOR Participant** has failed to submit a compliant **STOR Bid**, **NGESO** reserves the right to:-
- 7.1.1 accept that **STOR Bid**; or
- 7.1.2 disqualify that **STOR Bid**; and/or
- 7.1.3 take any other action as it deems appropriate in the circumstances including requesting the **Registered STOR Participant** to amend any information set out in the **STOR Bid** (but not the prices) and resubmit a non-compliant **STOR Bid** so that it is made compliant.

7.2 **NGESO's** decision as to whether or not a **STOR Bid** is compliant shall be final, and the **Registered STOR Participant** may be notified of its decision without prior consultation or explanation.

8. Assessment of STOR Bids

8.1 **NGESO** shall publish from time to time its daily **STOR** requirement as more particularly described in the **STOR Assessment Principles**.

8.2 For each **STOR Service Day**, **NGESO** shall apply match valid **STOR Bids** against the **STOR** requirement in accordance with the **STOR Assessment Principles** and pursuant thereto accept (including partially accept in accordance with sub-paragraph 8.4) or reject valid **STOR Bids**.

8.3 In accordance with the **STOR Assessment Principles**, the offered price associated with the marginal **STOR Bid** shall derive the **Market Clearing Price** which shall constitute the **Availability Price** (£/MW/h) for that **STOR Service Day** for all accepted **STOR Bids** as more particularly described in sub-paragraph 8.8.

8.4 Subject to sub-paragraph 8.5, where a **STOR Bid** is stated to be **Curtable** and, if otherwise accepted, would cause the aggregate **Contracted MW** of all accepted **STOR Bids** to exceed **NGESO's** prevailing published **STOR** requirement, then it can be partially accepted by **NGESO** to the extent that such **STOR** requirement is not thereby exceeded as more particularly described in the **STOR Assessment Principles**.

8.5 Where **NGESO** determines (in its sole discretion) that, due to system limitations, it is unable to partially accept **STOR Bids** which are **Curtable**, then it shall so notify **Registered STOR Participants** whereupon, until such time as subsequently notified by **NGESO** that such system limitations have been resolved, sub-paragraph 8.4 shall not apply (and these **STOR Auction Rules** shall be read and construed accordingly), and with respect to any **STOR Bid** which, if accepted, would cause the aggregate **Contracted MW** of all accepted **STOR Bids** to exceed **NGESO's** prevailing published **STOR** requirement, **NGESO** shall accept or reject such **STOR Bid** at its sole discretion.

8.6 No later than 06.00 hours on the **STOR Service Day** which precedes the relevant **STOR Service Day** for which **STOR Bids** have been assessed (or by such later time prior to commencement of that **STOR Service Day** as may be specified by **NGESO** for such purpose in the **STOR Participation Guidance Document**), **NGESO** shall notify each **Registered STOR Participant** whose **STOR Bid(s)** has been assessed of its decision to either accept (including partially accept, where applicable) or reject, which shall be final and binding. Each such notification of acceptance shall be accompanied by notification of the **Market Clearing Price**.

8.7 Such acceptance shall only be effective where sent by email to the **Registered STOR Participant** at the email address stated in its **Registration** details (or otherwise notified by the **Registered STOR Participant** to **NGESO** for such purpose), and for the avoidance of doubt publication of the **STOR Daily Report** shall not constitute acceptance for these purposes. Any **STOR Bids** in respect of which the **Registered STOR Participant** is not so notified of acceptance or rejection by the time and date referred to in paragraph 8.6 shall be deemed to have been rejected unless the **Registered STOR Participant** is otherwise notified in writing by **NGESO**.

8.8 For any **STOR Service Day**, and as more particularly described in the **STOR Assessment Principles**, the "**Market Clearing Price**" shall be the highest offered price of all accepted (including partially accepted) **STOR Bids**, and such **Market Clearing Price** shall constitute the **Availability Price** for the purposes of the **STOR Service Terms** and all **STOR Contracts** for that **STOR Service Day**.

9. Formation of STOR Contracts

9.1 Acceptance by **NGESO** of a **STOR Bid** pursuant to sub-paragraph 8.6 shall constitute formation of a **STOR Contract** in relation to each applicable **STOR Unit** whereupon, for the duration of each **STOR Committed Window** in the applicable **STOR Service Day**, the **Registered STOR Participant** shall provide **STOR** from the applicable **STOR Unit** pursuant to and in accordance with the **STOR Service Terms**.

9.2 Each **STOR Contract** shall be personal to the **Registered STOR Participant** and may not be assigned otherwise than in accordance with paragraph 7 (Assignment and Transfer) of the **STOR General Terms and Conditions** without the consent of **NGESO** (not to be unreasonably withheld or delayed).

10. Market Information

- 10.1 **NGESO** shall use reasonable endeavours to publish on its **Industry Information Website**, by 10.00 hours on the same day that it notifies **Registered STOR Participants** of acceptance and rejection of **STOR Bids**, a report ("**STOR Daily Report**") containing information which **NGESO** considers to be relevant and helpful in the preparation of **STOR Bids**, which may (at **NGESO**'s sole discretion) include:-
- 10.1.1 the identity of the **STOR Unit** associated with each **STOR Bid**, and whether or not **BM Participating**;
 - 10.1.2 the name of the **Registered STOR Participant** associated with each **STOR Bid**;
 - 10.1.3 if applicable, an indication of the fuel type used by the **STOR Unit** associated with each **STOR Bid**;
 - 10.1.4 an indication of which **STOR Bids** were accepted;
 - 10.1.5 the offered price for each **STOR Bid**;
 - 10.1.6 the offered **Contracted MW** for each **STOR Bid**;
 - 10.1.7 if **Curtailed**, the accepted portion of the **STOR Bid**; and
 - 10.1.8 the **Market Clearing Price**.

11. Confidentiality

- 11.1 Subject always to sub-paragraphs 11.2 and 11.3, the provisions of paragraph 8 (*Confidentiality and Announcements*) of the **STOR General Terms and Conditions** shall apply to all and any information provided by **NGESO** or any **Registered STOR Participant** to the other (whether orally or in writing) pursuant to or in connection with these **STOR Auction Rules**.
- 11.2 Each **Registered STOR Participant** agrees to the publication by **NGESO** of the information contained in the **STOR Daily Reports**, including in a non-anonymised form, insofar as relating directly or indirectly to the **Registered STOR Participant** and the relevant **STOR Unit**.
- 11.3 Without limiting sub-paragraph 11.2, each **Registered STOR Participant** also agrees to the disclosure by **NGESO** to the relevant **Public Distribution System Operator** of information related to any **STOR Bid** (whether or not accepted) insofar as relevant to the management and operation of its **Distribution System**, including without limitation location of each **Eligible Asset** allocated to the relevant **STOR Unit** and its MPAN and technology type, and the **Contracted MW**.

12. Exceptional Circumstances

- 12.1 If an exceptional situation arises, in particular if a system or the information needed to operate the **STOR** auction process is unavailable or if an incident prevents the auction process from being held in normal circumstances, then **NGESO** may take any or all of the following measures (at its sole discretion):
- 12.1.1. modify any or all of the earliest time for submission of **STOR Bids**, the **STOR Bid Deadline** and the latest time for notification of acceptance decisions;
 - 12.1.2 authorise **Registered STOR Participants** to submit new **STOR Bids** or modify existing **STOR Bids**;
 - 12.1.3 authorise **Registered STOR Participants** to submit **STOR Bids** otherwise than in accordance with sub-paragraph 5.2; and/or
 - 12.1.4 cancel the auction process for any one or more **STOR Service Days**.

13. Use of NGESO Website and Systems

- 13.1 Insofar as made available as part of the auction process, each **Registered STOR Participant** agrees to use the **NGESO** website (including all and any associated hardware and software IT and telecommunications equipment and transmission media):-

- 13.1.1 in compliance with all applicable **Law**;
- 13.1.2 in compliance with all and any technical specifications provided from time to time by or on behalf of **NGESO**; and
- 13.1.3 solely for the purpose of formation of **STOR Contracts**, and any other use is strictly prohibited.

14. Accuracy of Information

- 14.1 All and any information provided by **NGESO** to **Registered STOR Participants** for the purposes of these **STOR Auction Rules** including in each **STOR Daily Report** is provided in good faith, but no representation or warranty is given by **NGESO** (or any of its employees, officers agents or advisers) as to the accuracy or completeness of such information.

15. Intellectual Property

- 15.1 **NGESO** and each **Registered STOR Participant** retain ownership of the documents, data and information of any kind (including all intellectual property rights in them) that are provided to the other pursuant to these **STOR Auction Rules**.
- 15.2 Each **Registered STOR Participant** undertakes to **NGESO** that it will at all times when participating in a **STOR** auction process, hold all and any authorisations and/or property rights and/or licences for all of the configurations, interfaces, firmware and software needed by it for it to participate in the applicable auction process.
- 15.3 Each **Registered STOR Participant** shall comply (and use reasonable endeavours to ensure that its staff and other representatives comply) with all applicable user licences and terms of use of which the **Registered STOR Participant** is aware governing use by the **Registered STOR Participant** of the systems or software applications comprised in the **NGESO** website.
- 15.4 Each **Registered STOR Participant** indemnifies and keeps indemnified **NGESO** from and against any claims from a third party relating to an infringement of that third party's intellectual property rights or other property rights arising out of use by the **Registered STOR Participant** of the **NGESO** website in breach of any user licence or terms of use referred to in sub-paragraph 15.3 of which it is aware.
- 15.5 **NGESO** shall procure such third party intellectual property authorisations as may be necessary to enable the **Registered STOR Participant** to use the **NGESO** website for the purposes of the **STOR** auction process.
- 15.6 **NGESO** shall indemnify and keep indemnified the **Registered STOR Participant** from and against any claims from a third party if and to the extent that the use of the **NGESO** website by such **Registered STOR Participant** for the purposes of a **STOR Bid** infringes a third party's intellectual property rights or other property rights.
- 15.7 In respect of the indemnities given in sub-paragraphs 15.4 and 15.6 the indemnified party shall:
 - 15.7.1 notify the indemnifying party as soon as possible of any claim the subject of the indemnity (in this paragraph 15, "**IPR Claim**");
 - 15.7.2 give the indemnifying party control of the **IPR Claim**;
 - 15.7.3 make no admissions in respect of an **IPR Claim** without prior written consent of the indemnifying party; and
 - 15.7.4 provide such support in respect of the **IPR Claim** as the indemnifying party may reasonably require at the cost of the indemnifying party.

16. Viruses

- 16.1** Each **Registered STOR Participant** shall, prior to uploading any information to the **NGESO** website or otherwise interfacing with it, use up to date versions of anti-virus software available from an industry accepted anti-virus software vendor to check for and delete from its systems viruses, trojan horses, worms, time-bombs, keystroke loggers, spyware, adware or any other harmful programmes or similar computer code designed adversely to affect the operation of any computer software or hardware (in this paragraph 16, “**Malicious Software**”).
- 16.2** If, notwithstanding the provisions of sub-paragraph 16.1, **Malicious Software** is found on the **NGESO website**, the **Registered STOR Participant** shall co-operate with **NGESO** to reduce the effect of the **Malicious Software** and, particularly if **Malicious Software** causes loss of operational efficiency to the **NGESO** website, assist **NGESO** to mitigate any losses and restore the **NGESO** website to its original operating efficiency.

17. Costs

- 17.1** For the avoidance of doubt, each **Registered STOR Participant** shall remain responsible for all costs and expenses incurred by it in connection with these **STOR Auction Rules** and participation in **NGESO**'s procurement of **STOR** including all costs of preparing and submitting **STOR Bids**.

18. Site Export and Import Limits

- 18.1** Each **Registered STOR Participant** shall, prior to submitting a **STOR Bid**, ensure sufficient export and/or import capacity at the premises at which each relevant **Eligible Asset** is situated (including where applicable **Transmission Entry Capacity** (and, if relevant, the **STTEC**)) so as to enable it to provide **STOR** during each and every **STOR Service Day** in accordance with its obligations under the **STOR Contract** which may be formed in relation thereto and in conformance with its obligations owed to the owner of the relevant part of the **National Electricity Transmission System** or the relevant **Distribution System** or such other network (as applicable).