

MW DISPATCH SERVICE TERMS

1. INTRODUCTION, DEFINITIONS AND INTERPRETATION

- 1.1. This document sets out the terms for a MW dispatch transmission constraint management service (the “**MW Dispatch Service**”).
- 1.2. The terms set out in this document including its schedules (the “**Service Terms**”) form a tripartite contract (“**MW Dispatch Contract**”) between the Provider, the DNO and NGENSO in accordance with the Registration Process.
- 1.3. Unless the context otherwise requires, any capitalised term used in these Service Terms shall have the meaning given to it (if any) in Schedule 1, and the rules of interpretation set out in Schedule 1 shall apply.

2. CHANGES TO SERVICE TERMS

- 2.1. NGENSO shall initiate a review of these Service Terms and their operation not later than twelve (12) months after the Commencement Date by notice published on the Industry Information Website inviting any suggestions for changes from the DNO or any Provider.
- 2.2. Without prejudice to Clause 2.1, NGENSO may from time to time, initiate a review of these Service Terms and their operation at any time by notice published on the Industry Information Website inviting any suggestions for changes from the DNO or any Provider. NGENSO shall initiate such a review upon receipt of any request from a Provider or the DNO as provided in Clause 2.3.
- 2.3. Changes to these Service Terms may at any time be requested by the DNO or by a Provider to reflect any Change in Law or Proposed Legal Requirement.
- 2.4. NGENSO shall, as part of a review under Clause 2.1 or Clause 2.2, and when requested under Clause 2.3, formulate and consult on Change Proposals in accordance with the procedure set out in Schedule 4 (*Change Management*), subject to prior consultation with the DNO. NGENSO will not proceed with a Change Proposal if the DNO objects to it on reasonable grounds. Such objection should be supported by a full explanation from the DNO for NGENSO consideration.
- 2.5. The DNO may serve notice on NGENSO proposing that NGENSO initiates a review of these Service Terms in accordance with Clause 2.2 (a “**DNO Review Notice**”), and such DNO Review Notice shall set out in reasonable detail the scope of the proposed review and the reasons the DNO has made such a proposal. NGENSO shall:
 - 2.5.1. give due consideration to the DNO Review Notice; and
 - 2.5.2. notify the DNO within two (2) weeks of the date of the DNO Review Notice whether, acting reasonably, it has decided to initiate the review proposed in the DNO Review Notice and, if not (whether in whole or in part), its reasons for not doing so.

3. REGISTRATION

- 3.1. A MW Dispatch Contract will come into effect upon the Provider registering for the MW Dispatch Service through NGENSO’s system, verification of the Provider’s eligibility to provide the MW Dispatch Service and acceptance of the Provider’s offer to provide the MW Dispatch Service as further described in the MW Dispatch Participation Guidance Document (the “**Registration Process**”).
- 3.2. The Provider acknowledges and agrees that NGENSO may share with the DNO data (including any Personal Data) submitted by it during the Registration Process for the purposes of testing

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the Provider's DER Units and verifying the Provider's eligibility to provide the MW Dispatch Service.

- 3.3. The DNO acknowledges that the provision of the MW Dispatch Service, to the extent provided in accordance with its MW Dispatch Contract, will satisfy the Provider's obligation under its Connection Agreement to provide NGESO with visibility and commercial control of its Contracted DER Units.
- 3.4. The DNO undertakes to NGESO to use its reasonable endeavours to enforce the Provider's obligation under its Connection Agreement to provide NGESO with visibility and commercial control of its Contracted DER Units.

4. PROVIDERS' GENERAL OBLIGATIONS

4.1. The Provider will:

- 4.1.1. ensure or procure the availability of the Contracted DER Unit to provide Active Power Response in compliance with these Service Terms and all Applicable Laws, Statutory Requirements and Good Industry Practice;
- 4.1.2. provide the MW Dispatch Service in accordance with all UK health, safety and environment legislation and approved codes of practice;
- 4.1.3. ensure that all technical, communication and data provision requirements set out in these Service Terms are complied with at all times;
- 4.1.4. act diligently and in good faith in all of its dealings with each Company;
- 4.1.5. ensure that it is available on reasonable notice to provide such assistance or information as each Company may reasonably require in connection with the MW Dispatch Service;
- 4.1.6. at the request of each Company, make available to that Company information in relation to the metering equipment at the Contracted DER Unit;
- 4.1.7. upon reasonable notice and within normal working hours, permit and grant (or secure) rights of access to the site to each Company and/or its agents or sub-contractors as that Company may reasonably require in order to inspect and test the Contracted DER Unit, or to install, maintain, replace or remove communication equipment belonging to that Company in relation to the provision of the MW Dispatch Service;
- 4.1.8. remedy any Defect or breach of the MW Dispatch Contract as soon as is reasonably practicable in accordance with Good Industry Practice and to the satisfaction of each Company; and
- 4.1.9. disclose the existence of any agreement or arrangement the Provider may have in respect of the Contracted DER Unit that could reasonably impact the ability of the Contracted DER Unit to provide Active Power Response or the ability of the Provider to perform its obligations under these Service Terms.

5. ACTIVE RESPONSE CAPABILITY

- 5.1. A Provider shall, throughout the term of its MW Dispatch Contract and in respect of each Trading Day, operate and maintain each of its Contracted DER Units in accordance with Good Industry Practice with a view to ensuring that it has Active Response Capability.
- 5.2. The DNO shall provide notifications, reports and other information to NGESO as required by and in accordance with the Data Exchange Protocol, including notification of any Contracted

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DER Unit that does not have Active Response Capability for the reasons set out in Clauses 5.3.1, 5.3.2 or 5.3.4.

- 5.3. A Contracted DER Unit shall be made available at all times by the Provider for the provision of Active Power Response in accordance with Clause 6, save only to the extent that:
- 5.3.1. the DNO determines, in accordance with the Primacy Rules, that the Contracted DER Unit is unavailable; or
 - 5.3.2. the DNO has curtailed or has planned to curtail the Output of the Contracted DER Unit in accordance with the Connection Agreement; or
 - 5.3.3. the Output of the Contracted DER Unit is, at the relevant time, within the Deadband; or
 - 5.3.4. without prejudice to any other provision of these Service Terms the DERMS and/or Control Equipment is, at the relevant time, unavailable to the DNO.
- 5.4. To enable NGESO to monitor the level of Active Power Response available and/or provided from the Contracted DER Units, the DNO shall record Output from each Contracted DER Unit and shall make that data available to NGESO in real time in accordance with the Data Exchange Protocol.

6. SERVICE INSTRUCTION AND DELIVERY

- 6.1. Each Provider shall, by not later than 16:00 on the Day Ahead, submit to NGESO by such means as NGESO may reasonably require any change to the Utilisation Rate for each Contracted DER Unit for the Trading Day, in the absence of which the Utilisation Rate most recently submitted by the Provider for the relevant Contracted DER Unit shall apply. NGESO shall be entitled to notify to the Authority details of any changes to the Utilisation Rate.
- 6.2. With respect to any Contracted DER Units that, at the relevant time, have Active Response Capability, NGESO may at any time in respect of a Trading Day issue a notice to the DNO requiring the DNO to instruct the relevant Providers in respect of all or any such Contracted DER Units to provide Active Power Response (a “**Dispatch Instruction**”).
- 6.3. Immediately on receipt of a Dispatch Instruction, the DNO shall (save where the Dispatch Instruction is rejected by the DNO because the Contracted DER Unit does not have Active Response Capability) forward through the Control Equipment the relevant details of the Dispatch Instruction to each relevant Provider.
- 6.4. A Provider shall comply with each Dispatch Instruction notified to it by the DNO and ensure that its Contracted DER Unit reduces Output in accordance with the requirements of Schedule 5 (*MWD Instruction Process*) until a Cease Instruction is issued. The Provider acknowledges that, notwithstanding and without prejudice to any other curtailment rights contained therein, the DNO may itself curtail the Output of the Provider's Contracted DER Unit pursuant to the Connection Agreement if:
- 6.4.1. its Contracted DER Unit does not at any time reduce Output in accordance with the requirements of Schedule 5 (*MWD Instruction Process*); or
 - 6.4.2. the DERMS and/or Control Equipment is unavailable to the DNO.
- 6.5. The DNO shall provide confirmation to NGESO in accordance with the Data Exchange Protocol whether:
- 6.5.1. the Dispatch Instruction has been relayed to the relevant Providers; and
 - 6.5.2. the relevant Contracted DER Units have reduced Output in accordance with Schedule 5 (*MWD Instruction Process*).
- 6.6. NGESO may issue a notice to the DNO requiring the DNO to instruct the relevant Providers in respect of certain Contracted DER Units to cease the provision of Active Power Response (a “**Cease Instruction**”), with effect from any time after the issue of a Dispatch Instruction.

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- 6.7. Following receipt of a Cease Instruction, the DNO shall forward through the Control Equipment the relevant details of the Cease Instruction to each relevant Provider within the period specified in Schedule 5 (*MWD Instruction Process*).
- 6.8. If at any time during any Relevant Settlement Period, there is a Service Failure, the Provider shall be treated as not having provided Active Power Response for the duration of that Relevant Settlement Period.
- 6.9. If at any time following the provision of Active Power Response and prior to the issue of a Cease Instruction the Control Equipment associated with a Contracted DER Unit and/or DERMS becomes unavailable, the Provider shall, for the purposes of calculating the Monthly Utilisation Payment, be treated as having ceased the provision of Active Power Response from the time the Cease Instruction is issued by NGESO. NGESO shall issue a further Cease Instruction once the Control Equipment and/or DERMS becomes available.
- 6.10. Each Provider acknowledges and agrees that there shall be no maximum or minimum duration of a Dispatch Instruction and no minimum recovery period following any Cease Instruction before the issue of a further Dispatch Instruction.

7. MONTHLY UTILISATION PAYMENT

- 7.1. In consideration of a Provider complying with a Dispatch Instruction notified to it by the DNO in a Month (but not otherwise), NGESO shall pay to that Provider an amount calculated in accordance with Schedule 2 (*Monthly Utilisation Payment*) ("**Monthly Utilisation Payment**").
- 7.2. In respect of each Month in which a Dispatch Instruction was notified to a Provider by the DNO and by no later than expiry of the second Month which follows, NGESO shall send to a Provider a statement ("**Monthly Statement**") identifying any Relevant Settlement Periods in which a Service Failure occurred and setting out its calculation of:-
 - 7.2.1. the Monthly Utilisation Payment payable by NGESO to the Provider pursuant to clause 7.1;
 - 7.2.2. any adjustments made to previous Monthly Statements; and
 - 7.2.3. the resulting net amount due to (or from, as the case may be) the Provider,and in respect thereof the provisions of Schedule 3 (*Payment Procedure*) shall apply.

8. COMMUNICATIONS

- 8.1. NGESO and the DNO shall comply with the Data Exchange Protocol in respect of communications, including back-up communications facilities in relation to the MW Dispatch Service.
- 8.2. Each Provider acknowledges that, if at any time the Data Exchange Equipment is unavailable, NGESO may issue BOAs in the Balancing Mechanism out of cost merit order as an alternative to instructing the MW Dispatch Service.
- 8.3. A Provider shall at all times during the term of a MW Dispatch Contract maintain in service the Control Equipment for each Contracted DER Unit.

9. TERMINATION OF A MW DISPATCH CONTRACT

- 9.1. Each of the Parties shall have the right, if it is not the Party ("**Terminating Party**") in breach or in relation to which any of the events concerned occurs, to immediately terminate the MW Dispatch Contract on giving written notice of termination to another Party ("**Defaulting Party**") (copied to any other Party) if at any time during the term of the MW Dispatch Contract:
 - 9.1.1. the Defaulting Party is in material and/or persistent breach of the Contract; or
 - 9.1.2. an Insolvency Event occurs in relation to the Defaulting Party; or

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- 9.1.3. Clause 10.3 (*Service Failure*) or Clause 15.5 (*Assignment*) of these Service Terms applies.
- 9.2. For the purposes of Clause 9.1.1, and without limitation, the following shall be deemed to be a material breach by a Party of the MW Dispatch Contract:
- 9.2.1. the Defaulting Party fails to pay (other than by inadvertent error in funds transmission which is discovered by Terminating Party, notified to the Defaulting Party and corrected within thirty (30) Business Days following such notification) any amount properly due or owing from it, and such non-payment continues unremedied and not disputed in good faith and upon reasonable grounds at the expiry of thirty (30) Business Days immediately following receipt by the Defaulting Party of written notice from the Terminating Party of such non-payment;
- 9.2.2. Clause 19.10 (*Modern Slavery, Anti-Bribery and Living Wage*) of these Service Terms applies; or
- 9.2.3. any other material breach by the Defaulting Party of any of its obligations under the MW Dispatch Contract occurs which, if capable of remedy, the Defaulting Party fails to remedy within ten (10) Business Days after service of a written notice from the Terminating Party specifying the breach and requiring it to be remedied.
- 9.3. On termination, the rights and liabilities of the Parties that have accrued before termination shall subsist.
- 9.4. This clause and the following provisions of these Service Terms shall survive termination or expiry of the MW Dispatch Contract, without limit of time:
- 9.4.1. Clause 7 (*Monthly Utilisation Payment*);
- 9.4.2. Clause 9 (*Termination of a MW Dispatch Contract*);
- 9.4.3. Clause 10 (*Service Failure*);
- 9.4.4. Clause 12 (*Liability, Indemnity, and Insurance*);
- 9.4.5. Clause 14 (*Records and Audit*);
- 9.4.6. Clause 16 (*Confidentiality*);
- 9.4.7. Clause 17 (*Intellectual Property Rights*);
- 9.4.8. Clause 18 (*Data Protection*);
- 9.4.9. Clause 21 (*Dispute Resolution*);
- 9.4.10. Clause 22 (*Governing Law and Jurisdiction*);
- 9.4.11. Clause 26 (*Waiver*);
- and
- 9.4.12. any other provision of these Service Terms that expressly or by implication is intended to come into, or continue in force, on or after termination or expiry of the MW Dispatch Contract.
- 9.5. Where requested by another Party, on termination or expiry of the MW Dispatch Contract each Party shall delete or return Confidential Information provided by the other Party for the purpose of the MW Dispatch Contract.
- 9.6. Following termination or expiry of the MW Dispatch Contract, the Provider shall promptly at the Provider's cost:
- 9.6.1. deliver to each Company for approval a final invoice detailing all monies due to it under the MW Dispatch Contract;
- 9.6.2. submit to each Company within thirty (30) Business Days all invoices with supporting documents for payment of all outstanding sums in connection with the provision of the MW Dispatch Service.

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- 9.7. Not used
- 9.8. NGENSO may at any time and by not less than three (3) months notice in writing to all Providers and the DNO, terminate all MW Dispatch Contracts in circumstances where the MW Dispatch Service is no longer required.
- 9.9. A MW Dispatch Contract shall terminate automatically:
- 9.9.1. in circumstances where the Provider implements an alternative service having a similar effect to the MW Dispatch Service that enables NGENSO to curtail the Output of the Provider's Contracted DER Units to its satisfaction, subject to the prior written approval of NGENSO and the DNO; or
- 9.9.2. if the Provider's Connection Agreement is terminated or if the Provider's equipment is de-energised under the Connection Agreement otherwise than on a temporary basis.
- 9.10. The Provider acknowledges that its connection to the DNO Network is subject to providing visibility and control to NGENSO and complying with any commercial control instructions issued by NGENSO, including pursuant to this Contract, and that any Service Failure by the Provider or any Defect shall also constitute a material breach of its Connection Agreement, entitling the DNO to terminate the Connection Agreement and disconnect the connection point.

10. SERVICE FAILURE

- 10.1. Notwithstanding its obligations under Clause 10.2, the Provider shall notify NGENSO and the DNO as soon as reasonably practicable upon becoming aware of any unavailability of the Control Equipment.
- 10.2. In the event of a Service Failure by the Provider, the DNO may require the Provider to:
- 10.2.1. provide it with a written explanation as to the cause of the Service Failure;
- 10.2.2. implement a rectification plan for improving performance and/or reducing the number of occurrences of failure, which may include at the DNO's discretion, a repeat of any commissioning tests undertaken on initial installation and commissioning of the Contracted DER Unit; or
- 10.2.3. take any other action that may be agreed with the DNO in order to alleviate a Service Failure (as reasonably required in the circumstances).
- 10.3. In the event that:
- 10.3.1. the Provider fails to comply with the terms of Clause 10.2;
- 10.3.2. the Provider's proposals are not accepted by the DNO;
- 10.3.3. the Provider and the DNO fail to reach agreement on any rectification actions; or
- 10.3.4. the Provider's performance in respect of the Service Failure notified by the DNO does not significantly improve within thirty (30) days of the date of the notice,
- such failure will be deemed a material breach of the MW Dispatch Contract for the purposes of Clause 9.1.1.

11. FORCE MAJEURE

- 11.1. A Party shall not be in breach or default of the MW Dispatch Contract to the extent that it is prevented from performing any of its obligations under the MW Dispatch Contract as a result of a Force Majeure Event, for so long as the Force Majeure Event continues to prevent such performance.
- 11.2. If a Force Majeure Event occurs, the following process will apply:
- 11.2.1. the affected Party will notify the other Parties as soon as reasonably practicable of:

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- 11.2.1.1. the occurrence and description of the Force Majeure Event;
 - 11.2.1.2. the date on which the Force Majeure Event commenced and its likely duration (if known); and
 - 11.2.1.3. the effect of the Force Majeure Event on the Party's ability to perform its obligations under the MW Dispatch Contract;
- 11.2.2. as soon as is reasonably practicable following notification pursuant to clause 11.2.1, the Parties shall meet to discuss how best to continue their respective obligations under the MW Dispatch Contract; and
- 11.2.3. the affected Party will use reasonable endeavours to mitigate the impact of the Force Majeure Event on its ability to perform its obligations under the MW Dispatch Contract.
- 11.3. For the avoidance of doubt the non-performance of a Party's obligations under the MW Dispatch Contract arising prior to the Force Majeure Event, shall not be excused as a result of the Force Majeure Event.

12. LIABILITY, INDEMNITY AND INSURANCE

- 12.1. Subject to Clause 12.2, and save where any provision of these Service Terms provides for an indemnity, the Parties acknowledge and agree that no Party nor any of its officers, employees or agents shall be liable to another Party for loss arising from any breach of a MW Dispatch Contract other than for loss directly resulting from such breach and which at the date of formation of the MW Dispatch Contract was reasonably foreseeable as not unlikely to occur in the ordinary course of events from such breach in respect of:
- 12.1.1. physical damage to the property of the other Party, its officers, employees or agents; and/or
 - 12.1.2. the liability of such other Party to any other person for loss in respect of physical damage to the property of any person subject, for the avoidance of doubt, to the requirement that the amount of such liability claimed by such other Party should be mitigated in accordance with general law,
- and provided further that the liability of any Party in respect of all claims for the losses referred to in this Clause 12.1 shall not exceed the Liability Cap per incident or series of related incidents.
- 12.2. Nothing in these Service Terms shall exclude or limit the liability of any Party for death or personal injury resulting from the negligence of that Party or any of its officers, employees or agents, and each Party shall indemnify and keep indemnified the other Parties, their officers, employees and agents from and against all such and any loss or liability which such other Party may suffer or incur by reason of any claim on account of death or personal injury resulting from the negligence of that Party or its officers, employees or agents.
- 12.3. Subject to Clause 12.2, and save where any provision of these Service Terms provides for an indemnity, no Party nor any of its officers, employees or agents shall in any circumstances whatsoever be liable to another Party for:
- 12.3.1. any loss of profit, loss of revenue, loss of use, loss of data, loss of contract or loss of goodwill; or
 - 12.3.2. any indirect or consequential loss; or
 - 12.3.3. loss resulting from the liability of the other Party to any other person howsoever and whensoever arising save as provided in Clauses 12.1.2 and 12.2.

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12.4. The Provider shall procure (and on request provide evidence to each Company of) appropriate insurances as required by law and necessary for the safe and efficient performance of its MW Dispatch Contract with a reputable insurance company. Where possible the Provider shall add each of the Companies as a named party on its insurance policies.

12.5. Not used

12.6. The Provider's liabilities under its MW Dispatch Contract shall not be deemed to be released or limited by the Provider taking out the insurance policies referred to in Clause 0.

13. REPRESENTATIONS AND WARRANTIES

- 13.1. Without prejudice to its other obligations under and/or pursuant to the relevant MW Dispatch Contract, each Party warrants and undertakes to each other Party at all times that:
- 13.1.1. to the extent the Party is a company, it is a duly incorporated company validly existing under the law of its jurisdiction of incorporation;
 - 13.1.2. it has the right, power, capacity and authority to enter into and perform its obligations under the MW Dispatch Contract;
 - 13.1.3. the entry into and performance by it of the MW Dispatch Contract does not and will not contravene or conflict with any Applicable Law or judicial or official order applicable to it;
 - 13.1.4. it will not be in material breach of any other agreement or arrangement of whatever nature with any person which could or may affect the performance of its obligations under the MW Dispatch Contract;
 - 13.1.5. all information it provides to that Party will be complete and accurate;
 - 13.1.6. no Insolvency Event is continuing or might reasonably be anticipated; and
 - 13.1.7. no litigation, arbitration or administrative proceedings are taking place, pending, or to the Party's knowledge threatened against it, any of its directors or any of its assets, which, if adversely determined, might reasonably be expected to have a Material Adverse Effect.
- 13.2. Without prejudice to its other obligations under and/or pursuant to the relevant MW Dispatch Contract and in addition to the foregoing, the Provider warrants and undertakes to each Company at all times that:
- 13.2.1. it has obtained and maintains in force for as long as the MW Dispatch Contract subsists all licences, permissions, authorisations, consents and permits needed to supply the MW Dispatch Service in accordance with the terms of the MW Dispatch Contract, including but not limited to any authorisation required pursuant to the regulations, codes, agreements and arrangements referenced in Clause 13.2.6;
 - 13.2.2. it has neither fixed nor adjusted any Utilisation Rate 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 any Utilisation Rate in connection with the MW Dispatch Contract (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 entering into an agreement for provision of the MW Dispatch Service with the Companies (or either of them);
 - 13.2.3. it shall disclose any change of circumstances which could affect the delivery of the MW Dispatch Service;
 - 13.2.4. it is and remains responsible for (or, if applicable, procuring of) health and safety compliance at the sites providing the MW Dispatch Service;
 - 13.2.5. where any site is occupied by an Affiliate of the Provider or any other third party, the Provider shall be responsible for ensuring that where any provision in the Contract imposes an obligation on the Provider to do or refrain from doing a particular thing in relation to a site or any Contracted DER Unit at such site, the relevant Affiliate or third party complies with that obligation as if it were the named "Provider" party to the MW Dispatch Contract; and

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13.2.6. the provision of the MW Dispatch Service will not cause it or the Contracted DER Unit to be in breach of the Electricity Safety, Quality and Continuity Regulations 2002 (as amended from time to time) (available from the DNO on request) or any other enactment relating to safety or standards, the Grid Code, Distribution Code, any Connection Agreement, any agreement for the supply of electricity or any restrictions and conditions attaching to relevant authorisations of the Environment Agency.

13.3. Without prejudice to any right or remedy, each Party will be entitled to claim damages from another Party for any breach of a representation or warranty set out in these Service Terms.

14. RECORDS AND AUDITS

- 14.1. Each Provider shall keep proper and accurate records of all matters relating to the performance of its obligations under its MW Dispatch Contract.
- 14.2. The records shall be maintained in a form suitable for audit purposes and shall be retained for any period required by any Applicable Law, and in any event, for the term of the MW Dispatch Contract and for a period of no less than seven (7) years after termination of the MW Dispatch Contract where such records contain or relate to financial data and/or contract data.
- 14.3. Each Company, or a reputable independent third-party auditor nominated by it, may, on reasonable notice to the Provider and during normal working hours, inspect and review the records for the purposes of verifying the Provider's compliance with its obligations under the MW Dispatch Contract and/or to meet any other audit or information requirement that may be required by Applicable Law and/or any regulatory body, including the Authority.
- 14.4. The Provider shall co-operate fully and promptly with any such audit and/or inspection conducted by a Company and provide such reasonable assistance as may be required by that Company in relation to any audit.
- 14.5. The Provider shall ensure that all paperwork issued by or on behalf of the Provider to each Company (including, without limitation, invoices, correspondence and delivery notes), is complete, accurate and clearly references any other appropriate and necessary information.

15. ASSIGNMENT

- 15.1. Save as provided for in Clause 15.2, a MW Dispatch Contract is personal to the Parties and no Party shall assign, transfer, mortgage, charge, sub-contract or deal in any other manner with any or all of its rights and obligations under the MW Dispatch Contract without the prior written consent of the other Parties (such consent not to be unreasonably withheld, conditioned or delayed).
- 15.2. Each Company may assign or transfer the benefit and/or burden of a MW Dispatch Contract or any other rights and/or obligations pursuant to these Service Terms and to a successor Licence holder.
- 15.3. Not used.
- 15.4. If ownership, occupancy or use (for the purpose of providing the MW Dispatch Service) of the site at which a Contracted DER Unit is located changes, or may change, during the term of a MW Dispatch Contract, the Provider shall immediately notify the Companies of the same. Each Company and the Provider shall if required, at the reasonable request of each Company, discuss the implications of the change and the options available to minimise any disruption that may be caused by the change.
- 15.5. Each Company reserves the right to terminate a MW Dispatch Contract in accordance with Clause 9.1.3 if a Change in Ownership of the Provider occurs and the new owner of the Provider fails to meet any of a Company's reasonable due diligence checks as notified to the Provider.

16. CONFIDENTIALITY

- 16.1. Each Company may disclose information relating to a MW Dispatch Contract under obligations within its Licence, the Grid Code, the Connection and Use of System Code, the Distribution Code, the Fuel Security Code or as otherwise required or permitted by the Authority or as expressly stated in these Service Terms to be permitted under this Clause 16.1. Information disclosed will include but may not be limited to provider names, awarded prices, volumes, GSP and asset locations, and contract durations. Each Company may also share information relating to any MW Dispatch Contract for the purposes of industry initiatives in relation to network constraint management and electricity network optimisation and each Company shall be entitled to make publicity releases and/or announcements regarding any MW Dispatch Contract and/or that Company's activities under any MW Dispatch Contract. Each Company may disclose to the other any information obtained in connection with the performance of a MW Dispatch Contract. It shall not be a breach of this Clause 16 where a Company discloses any such information.
- 16.2. Subject to Clauses 16.1, 16.3.4 and 16.3.5, no public announcement or statement regarding the completion, performance or termination of a MW Dispatch Contract shall be issued or made by the Provider without each Company's prior written approval (such approval not to be unreasonably withheld or delayed). No Party shall be prohibited from issuing or making any such public announcement or statement to the extent expressly permitted or if it is necessary to do so in order to comply with any Applicable Law or the regulations of any recognised stock exchange upon which the share capital of such Party is from time to time listed or dealt in.
- 16.3. Save as permitted by Clause 16.1, each Party shall treat as strictly confidential and shall not disclose any Confidential Information relating to the other Parties received or obtained as a result of entering into or performing a MW Dispatch Contract. The restrictions imposed by this Clause 16.3 shall not apply to the disclosure of any Confidential Information:
- 16.3.1. which is in or becomes part of the public domain otherwise than as a result of a breach of this Clause 16.3, or which a Party can show was in its written records prior to the date of disclosure of the same by another Party, or which it received from a third party independently entitled to disclose it;
 - 16.3.2. which is required to be disclosed by law, an industry code or pursuant to any licence of the Party concerned;
 - 16.3.3. to a court, arbitrator or administrative tribunal in the course of proceedings before it to which the disclosing Party is a party;
 - 16.3.4. to any parent, subsidiary or fellow subsidiary undertaking on a "need to know" basis only. In this Clause 16.3.4, the words "parent", "subsidiary" and "undertaking" shall have the meanings as provided in sections 1159, 1161 and 1162 of the Companies Act 2006;
 - 16.3.5. by the Provider to any owner and/or operator of relevant plant and apparatus to the extent necessary to enable the Provider to provide the MW Dispatch Service pursuant to these Service Terms and fulfil its obligations under the relevant MW Dispatch Contract.
- 16.4. Save as permitted by Clause 16.1, no Party shall use the name, brands and/or logos of another Party for any purpose without that other Party's prior written approval (such approval not to be unreasonably withheld or delayed).
- 16.5. The information that NGENSO is permitted to disclose under Clause 16.1 shall include:
- 16.5.1. disclosure to the Authority of changes to the Utilisation Rate in accordance with Clause 6.1; and
 - 16.5.2. disclosure to the DNO of any information obtained by NGENSO in connection with the Provider and its offer to provide the MW Dispatch Service during the Registration Process.

17. INTELLECTUAL PROPERTY RIGHTS

- 17.1. No MW Dispatch Contract shall transfer any interest in Intellectual Property Rights.

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- 17.2. All Intellectual Property Rights owned by or licensed to a Party shall at all times both during the term of a MW Dispatch Contract and after its termination, belong to or be licensed to the Party providing that Intellectual Property and no Party shall make any use of another Party's Intellectual Property other than to the extent reasonably necessary in performing its obligations pursuant to the MW Dispatch Contract, provided that nothing in this Clause 17.2 shall operate so as to exclude any non-excludable rights of a Party.

18. DATA PROTECTION

- 18.1. Each Party shall, at its own expense, ensure that it complies with all applicable Data Protection Law.
- 18.2. The Parties acknowledge that as at the date of the relevant MW Dispatch Contract, no Party acts as a Processor on behalf of another. If at any point during the term of a MW Dispatch Contract, a Party considers that one Party is acting as Processor on behalf of another, then the relevant Parties shall promptly meet to negotiate in good faith a separate data processing agreement to cover the matters required by the Data Protection Law.

19. MODERN SLAVERY, ANTI-BRIBERY AND LIVING WAGE

Modern slavery

- 19.1. The Provider undertakes, warrants and represents that:
- 19.1.1. neither the Provider nor any of its officers, employees, agents or subcontractors:
 - 19.1.1.1. has committed an offence under the Modern Slavery Act 2015 ("**MSA Offence**");
 - 19.1.1.2. has been notified that it is subject to an investigation relating to an alleged MSA Offence or prosecution under the Modern Slavery Act 2015; or
 - 19.1.1.2.1. is aware of any circumstances within its supply chain that could give rise to an investigation relating to an alleged MSA Offence or prosecution under the Modern Slavery Act 2015;
 - 19.1.2. it shall comply with all applicable anti-slavery and human trafficking laws, statutes, regulations and codes from time to time in force including but not limited to the Modern Slavery Act 2015;
 - 19.1.3. it shall notify the Companies immediately in writing if it becomes aware or has reason to believe that it, or any of its officers, employees, agents or subcontractors have breached or potentially breached any of the Provider's obligations under this Clause 19.1. Such notice to set out full details of the circumstances concerning the breach or potential breach of Provider's obligations;
 - 19.1.4. it shall include in its contracts with its subcontractors and suppliers' anti-slavery and human trafficking provisions that are at least as onerous as those set out in this Clause 19.1; and
 - 19.1.5. it will respond to all reasonable requests for information required by a Company for the purposes of completing that Company's annual anti-slavery and human trafficking statement.
- 19.2. The Provider shall indemnify each Company against any losses, incurred by or awarded against that Company as a result of any breach of anti-slavery and human trafficking laws, statutes, regulations and codes or the Modern Slavery Act 2015.
- 19.3. The Provider will permit each Company and their third party representatives, on reasonable notice during normal Business Hours, but without notice if there are reasonable grounds to suspect an instance of slavery and human trafficking, to access and take copies of records and any other information held at the premises and to meet with personnel and more generally to audit compliance with its obligations under this Clause 19. The Provider shall give

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all necessary assistance to the conduct of such audits during the term of the MW Dispatch Contract.

Anti-bribery

- 19.4. The Provider shall have suitable controls and compliance procedures in place and shall not engage in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010 and shall promptly report to each Company any request or demand for any undue financial or other advantage of any kind received or offered by the Provider in connection with the MW Dispatch Contract.
- 19.5. The Provider shall immediately notify each Company if a foreign public official exerts a direct or indirect influence over the performance of the MW Dispatch Contract.
- 19.6. The Provider shall not:
- 19.6.1. offer or agree to give any person working for or engaged by a Company or any Affiliate of a Company any gift or other consideration which could act as an inducement or a reward for any act or failure to act connected to the MW Dispatch Contract, or any other agreement between the Provider and a Company or any Affiliate of a Company, including its award to the Provider and any of the rights and obligations contained within it; nor
- 19.6.2. enter into the MW Dispatch Contract if it has knowledge that, in connection with it, any money has been, or shall be, paid to any person working for or engaged by a Company or any other Affiliate of a Company by or for the Provider, or that an agreement has been reached to that effect, unless details of any such arrangement have been disclosed in writing to each Company and has been approved by each Company before execution of the MW Dispatch Contract.
- 19.7. The Provider shall indemnify each Company against any losses, incurred by or awarded against that Company as a result of any breach of anti-corruption and anti-bribery laws, statutes, regulations and codes or the Bribery Act 2010.

Living wage

- 19.8. Where applicable the Provider agrees to:
- 19.8.1. pay all of its personnel who are directly employed by it in respect of the provision of the MW Dispatch Service the living wage for the term of the MW Dispatch Contract; and
- 19.8.2. ensure all employees of its contractors and subcontractors performing the provision of the MW Dispatch Service are paid not less than the living wage for the term of the MW Dispatch Contract.
- 19.9. The Provider agrees to provide each Company with such reasonable assistance as it may require from time to time to enable it to perform any activity required by any relevant government, agency or competent authority in any relevant jurisdiction for the purpose of compliance with any anti-slavery laws or anti-bribery laws (including but not limited to the Modern Slavery Act 2015 and the Bribery Act 2010).
- 19.10. Any breach of this Clause 19 by the Provider shall be deemed a material breach of the MW Dispatch Contract for the purposes of Clause 9 (*Termination of a MW Dispatch Contract*).

20. NOTICES

- 20.1. Any notice to a Party under a MW Dispatch Contract shall be in writing in the English language, signed by or on behalf of the Party giving it and shall be served on a Party if delivered personally or sent by prepaid first class post, prepaid recorded delivery to the address of the Party as notified from time to time by that Party to the other Parties in accordance with the Registration Documents.
- 20.2. A notice shall be deemed to have been received:

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- 20.2.1. if delivered by hand or recorded delivery post within Business Hours at the time of delivery or, if delivered by hand outside Business Hours, at the next start of Business Hours;
- 20.2.2. if sent by first class post, at 9.00 a.m. on the second Business Day after posting.
- 20.3. E-mail communications may be valid for notices the purposes of the MW Dispatch Contract, where agreed between the Parties. Such email notices shall be deemed to have been received on the day of sending, or where outside of Business Hours on the first Business Day thereafter.
- 20.4. In verifying service of a notice, it shall be sufficient to prove that delivery was made or that the envelope containing the notice was properly addressed and posted.
- 20.5. This Clause 20 does not apply to the service of any legal proceedings, or other documents in any legal action or other method of dispute resolution.

21. DISPUTE RESOLUTION

- 21.1. The Parties shall use good faith efforts to resolve any operational issue, dispute, claim or proceeding arising out of or relating to the MW Dispatch Contract.
- 21.2. In the event that a dispute cannot be resolved within thirty (30) days of written notice of the dispute, the dispute shall be escalated to the Parties' senior representatives (as notified by each Party to the other) who have authority to settle the same or may refer the dispute to mediation.
- 21.3. If thirty (30) days following such an escalation the relevant Parties have still not resolved the dispute, then a relevant Party shall have the right to refer the dispute to either:
 - 21.3.1. arbitration pursuant to the rules of the Electricity Arbitration Association in force from time to time; or
 - 21.3.2. if these Service Terms provide for the dispute to be referred to an Expert, an Expert, for determination.
- 21.4. For the avoidance of doubt, Clauses 21.2 and 21.3 shall not preclude a Party from raising arbitration proceedings in the event a claim is considered to be nearing the end of a prescription and/or limitation period pursuant to the Limitation Act 1980.

Arbitration

- 21.5. Where any dispute is referred in accordance with Clause 21.3.1 to arbitration, the following provisions shall apply:
 - 21.5.1. the seat of arbitration shall be London;
 - 21.5.2. the number of arbitrators shall be one. Where no arbitrator is named or where the named arbitrator is not able or unwilling to act the appointer of the arbitrator (and of any replacement) shall be The President of the Electricity Arbitration Association;
 - 21.5.3. whatever the nationality, residence or domicile of a Party and wherever the dispute or difference or any part thereof arose, the laws of England and Wales shall be the proper law of any reference to arbitration, and in particular (but not so as to derogate from the generality of the foregoing) the rules and provisions of the Arbitration Act 1996 (notwithstanding anything in Section 108 thereof) shall apply to any such arbitration wherever the same or any part of it shall be conducted;
 - 21.5.4. for the avoidance of doubt, the Parties confirm and agree that nothing in the agreement to arbitrate prevents a Party:
 - 21.5.4.1. challenging the award of an arbitral tribunal as provided for under the Arbitration Act 1996;

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- 21.5.4.2. seeking the remedy of specific performance or any other power or remedy that would be available to the English court from the arbitral tribunal in accordance with the Arbitration Act 1996;
- 21.5.4.3. seeking interim relief from the English court under the Arbitration Act 1996, or from any other court with competent jurisdiction; or
- 21.5.4.4. seeking to enforce any arbitral award in the English court or any court of competent jurisdiction;
- 21.5.5. without prejudice to any other mode of service allowed under any relevant law, where a Provider is not incorporated in any part of Great Britain, the Provider agrees that if it does not have, or shall cease to have, a place of business in Great Britain it will promptly appoint, and shall at all times maintain, an agent for the service of process in Great Britain to accept service of process on its behalf in any proceedings commenced in support of, or in relation to arbitration, in the courts of England and Wales.

Expert determination

- 21.6. Where any dispute is referred in accordance with Clause 21.3.2 to an Expert for determination, the following provisions shall apply:
 - 21.6.1. the Expert shall act as an expert and not as an arbitrator and shall decide those matters referred to them using their skill, experience and knowledge, and with regard to all such other matters as they in their sole discretion consider appropriate;
 - 21.6.2. if the Parties cannot agree upon the selection of an Expert, the Expert shall be determined by the President for the time being of the Law Society of England and Wales;
 - 21.6.3. all references to the Expert shall be made in writing by each Party with notice to the others (as relevant) being given contemporaneously, and the Parties shall promptly supply the Expert with such documents and information as they may request when considering any referral;
 - 21.6.4. the Expert shall be requested to use their best endeavours to give their decision upon the question before them as soon as possible in writing following its referral to them, their decision shall, in the absence of fraud or manifest error, be final and binding upon the Parties;
 - 21.6.5. if the Expert wishes to obtain independent professional and/or technical advice in connection with the question before them:
 - 21.6.5.1. the Expert shall first provide the Parties with details of the name, organisation and estimated fees of the professional or technical adviser; and
 - 21.6.5.2. the Expert may engage such advisor with the consent of the Parties (which consent shall not be unreasonably withheld or delayed) for the purposes of obtaining such professional and/or technical advice as they may reasonably require;
 - 21.6.6. the Expert shall not be held liable for any act or omission, and their written decision will be given without any liability on the Expert's part to any Party, unless it shall be shown that they acted fraudulently or in bad faith;
 - 21.6.7. save to the extent otherwise expressly provided in these Service Terms, pending the determination by the Expert, the MW Dispatch Contract shall continue to the extent possible for the Parties to perform their obligations; and
 - 21.6.8. the Expert shall at their discretion be entitled to order that the costs of the reference of a dispute to them shall be paid by the Parties in whatever proportions they think fit.

22. GOVERNING LAW AND JURISDICTION

- 22.1. Any claim, dispute or matter (whether contractual or non-contractual) arising under or in connection with a MW Dispatch Contract or its enforceability shall be governed by and construed in accordance with the laws of England and Wales.

23. SEVERANCE

- 23.1. If any provision of a MW Dispatch Contract becomes or is declared invalid, unenforceable or illegal by a judicial or other competent authority, such invalidity, unenforceability or illegality shall not prejudice or affect the remaining provisions of the MW Dispatch Contract, which shall continue in full force and effect notwithstanding such invalidity, unenforceability or illegality.
- 23.2. In relation to each MW Dispatch Contract, each Company and the relevant Provider acknowledges (as at the date of that MW Dispatch Contract coming into existence during the Registration Process) that it has entered into that MW Dispatch Contract on an arm's length basis and that it has taken independent legal advice in so doing.

24. THIRD PARTY RIGHTS

- 24.1. Save where expressly stated otherwise, no MW Dispatch Contract shall give rise to any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of a MW Dispatch Contract.
- 24.2. The rights of the Parties to rescind or vary a MW Dispatch Contract are not subject to the consent of any other person.

25. NO AGENCY OR PARTNERSHIP

- 25.1. Save as provided in the Registration Documents nothing in the MW Dispatch Contract shall be deemed to constitute a partnership or joint venture or contract of employment between the Parties nor constitute a Party the agent of another.
- 25.2. Subject to 2.1 above no Party shall act or describe itself as the agent of another, nor shall it make or represent that it has authority to make any commitments on another's behalf, including but not limited to the making of any representations or warranty and the exercise of any right or power.

26. WAIVER

No failure or delay by any Party to exercise any right, power or remedy under a MW Dispatch Contract will operate as a waiver of it nor will any partial exercise preclude any further exercise of the same, or of some other right, power or remedy.

27. ENTIRE AGREEMENT

A MW Dispatch Contract, these Service Terms and the documents referred to in them together constitute the entire agreement and understanding of the Parties relating to the matters contemplated by the MW Dispatch Contract and those documents, and supersede any previous drafts, agreements, understandings or arrangements between any of the Parties relating to the subject matter of the MW Dispatch Contract and those documents, which shall cease to have any further effect.

28. EMR

- 28.1. Notwithstanding any confidentiality obligations and any restriction on the use or disclosure of information set out in these Service Terms, the Provider consents to NGESO and each of its subsidiaries using all and any information or data supplied to or acquired by it in any year under these Service Terms for the purpose of carrying out its EMR Functions.

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- 28.2. The provisions relating to the resolution of disputes set out in these Service Terms are, in respect of disputes under this Clause 28, subject to any contrary provision of an EMR Document.
- 28.3. For the purposes of this Clause 28 only:
- 28.3.1. **“AF Rules”** has the meaning given to “allocation framework” in section 13(2) of the Energy Act 2013;
- 28.3.2. **“Capacity Market Rules”** means the rules created pursuant to section 34 of the Energy Act 2013 as modified from time to time in accordance with The Electricity Capacity Regulations 2014;
- 28.3.3. **“EMR Functions”** has the meaning given to “EMR functions” in Chapter 5 of Part 2 of the Energy Act 2013; and
- 28.3.4. **“EMR Document”** means The Energy Act 2013, The Electricity Capacity Regulations 2014, the Capacity Market Rules, The Contracts for **Difference** (Allocation) Regulations 2014, The Contracts for Difference (Electricity Supplier Obligation) Regulations 2014, The Contracts for Difference (Definition of Eligible Generator) Regulations 2014, The Electricity Market Reform (General) Regulations 2014, the AF Rules and any other regulations or instruments made under Chapter 2 (contracts for difference), Chapter 3 (capacity market) or Chapter 4 (investment contracts) of Part 2 of the Energy Act 2013 which are in force from time to time.

SCHEDULE 1

MW DISPATCH SERVICE DEFINITIONS AND INTERPRETATION

1. Definitions

“Act”	The Electricity Act 1989;
“Active Power Response”	in relation to a Contracted DER Unit, the reduction in Output of that unit in accordance with the requirements of Clause 6.4;
“Active Response Capability”	in relation to a Contracted DER Unit, means that the unit has been made available in accordance with Clause 5.3 to provide Active Power Response;
“Authority”	the Gas and Electricity Markets Authority established by section 1 of the Utilities Act 2000;
“Affiliate”	any holding company or subsidiary company of a Party, or any company which is a subsidiary of such holding company and “holding company” and “subsidiary” have the meanings given in section 1159 of the Companies Act 2006;
“Applicable Law”	any applicable law, statute, by-law, regulation, order, regulatory policy, guidance or industry code, rule of court or directives or requirements of any regulatory body;
“Base Rate”	in respect of any Business Day, the rate per annum which is equal to the Bank of England official bank rate as at the close of business on the immediately preceding Business Day;
“Balancing Mechanism”	has the meaning given to it in the Transmission Licence;
“Bid-Offer Acceptance” or “BOA”	has the meaning given to it in the Grid Code;
“Business Day”	a weekday other than a Saturday or Sunday on which banks are open for domestic business in the City of London;
“Business Hours”	between 9:00 am and 5:00 pm on a Business Day;
“Cease Instruction”	has the meaning given to it in Clause 6.6;
“Change in Law”	the coming into effect of :- (1) a Legal Requirement; or (2) any applicable judgement of a relevant court of law which materially changes a binding precedent;
“Change in Ownership”	means:- (a) any sale, transfer or disposal of any legal, beneficial or equitable interest in fifty per cent (50%) or more of the shares in the Provider (including the control over the exercise of voting rights conferred on those

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	<p>shares, control over the right to appoint or remove directors or the rights to dividends); and/or</p> <p>(b) any other arrangements that have or may have or which result in the same effect as described in (a) above;</p>
“Change Proposal”	has the meaning given to it in paragraph 1 of Schedule 4;
“Commencement Date”	in relation to a MW Dispatch Contract, the date on which the Registration Process is completed;
“Companies”	means each of NGESO and the DNO;
“Competent Authority”	means the Gas and Electricity Markets Authority or any local, national or supra-national agency, authority, department, inspectorate, minister, official, court, tribunal or public or statutory person (whether autonomous or not) of the United Kingdom (or the government thereof) which have jurisdiction over NGESO or the subject matter of these Service Terms;
“Connection Agreement”	in relation to a Contracted DER Unit, the connection agreement between the Provider and the DNO;
“Connection and Use of System Code” or “CUSC”	the Connection and Use of System Code designated by the Secretary of State as modified from time to time;
“Constraint Management Service”	in relation to a Provider, the service of maintaining the Active Response Capability of a Contracted DER Unit and the delivery of Active Power Response in accordance with the provisions of these Service Terms;
“Contracted DER Unit”	a DER Unit owned by a Provider that is subject to a MW Dispatch Contract;
“Control Equipment”	the Provider's interface equipment between the DERMS and the Contracted DER Unit controls which allows for the remote monitoring and dispatch of the Contracted DER Unit;
“Confidential Information”	any information, however it is conveyed, that relates to the business, affairs, developments, trade secrets, know-how, personnel, customers and/or suppliers of a Party (and/or any its Affiliates) together with all information derived from the above, and any other information clearly designated as being confidential (whether or not it is marked as “confidential”) or which ought reasonably to be considered to be confidential;
“Data Exchange Equipment”	the communications equipment maintained by NGESO and the DNO under the Data Exchange Protocol;
“Data Exchange Protocol”	the protocol agreed between NGESO and the DNO and others regarding the exchange of data, including for the purposes of the MW Dispatch Service;
“Data Protection Law”	any Applicable Law relating to the processing, privacy, and use of personal data, as applicable to NGESO, the DNO and Provider and/or the MW Dispatch Contract, including in the UK: (i) the Privacy and Electronic Communications (EC Directive) Regulations 2003 and any current laws or regulations implementing Council Directive 2002/58/EC; and/or (ii) the General Data Protection Regulation (EU)

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	2016/679 ("GDPR"), and/or any corresponding or equivalent national laws or regulations, once in force and applicable, including the Data Protection Act 2018, and includes any judicial or administrative interpretation of them, any guidance, guidelines, codes of practice, approved codes of conduct or approved certification mechanisms issued by any relevant supervisory authority;
"Day Ahead"	in relation to a Trading Day, the immediately preceding Trading Day;
"Deadband"	in respect of a Contracted DER Unit, Output below 0.02MW;
"Defaulting Party"	has the meaning given to that term in Clause 9.1;
"Defect"	an issue that may arise with the Contracted DER Unit equipment, metering equipment and/or Control Equipment that may impact on the Provider's ability to receive or comply with a Dispatch Instruction, or the ability for the metered Output of a Contracted DER Unit to be properly recorded;
"DER Management System" or "DERMS"	the DNO's system for the remote monitoring and despatch of Distributed Energy Resources via the Control Equipment;
"Dispatch Instruction"	has the meaning given to it in Clause 6.2;
"Dispatch Instruction Acceptance"	the point at which the DNO provides NGESO with confirmation that the Dispatch Instruction has been relayed to a Contracted DER Unit and for the avoidance of doubt shall be the point from which the Contracted DER Unit's Response Time shall be measured in accordance with Schedule 5;
"Distributed Energy Resource" or "DER Unit"	a generating facility or battery energy storage system connected to, or to be connected to, the DNO Network;
"Distribution Code"	the Distribution Code(s) drawn up by Public Distribution System Operators pursuant to the terms of their respective Distribution Licence(s) as from time to time revised in accordance with those Distribution Licences;
"Distribution Licence"	a Licence issued under section 6(1)(c) of the Act;
"DNO"	the operator of the DNO Network;
"DNO Network"	the electricity distribution system to which the Provider's Contracted DER Units are, or will be, connected;
"Enhanced Rate"	in respect of any Business Day, the rate per annum which is equal to four per cent (4%) above the Bank of England official bank rate as at the close of business on the immediately preceding Business Day;
"Expert"	an independent expert appointed for the purposes of determining a dispute in accordance with Clause 21.3.2;
"Final Change Decision"	means NGESO's decision on implementation of a Change Proposal formulated pursuant to Schedule 4, sub-paragraph 5(b);

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<p>“Final Implementation Date”</p>	<p>means the date from which amendments to these Service Terms shall become effective as specified in Schedule 4, subparagraph 10;</p>
<p>“Force Majeure Event”</p>	<p>in relation to a Party, means any event or circumstance which is beyond the reasonable control of such Party (not being, without limitation an event or circumstance caused by the negligence or lack of care and attention of that Party or its officers or employees, agents, contractors, and subcontractors or a failure to maintain plant or equipment in accordance with Good Industry Practice) but subject thereto including act of God, epidemic or pandemic, strike, lockout or other industrial disturbance, act of the public enemy, war declared or undeclared, threat of war, terrorist act, blockade, revolution, riot, insurrection, civil commotion, public demonstration, sabotage, act of vandalism, lightning, fire, storm, flood, earthquake, accumulation of snow or ice, lack of water arising from weather or environmental problems, explosion, governmental restraint, Act of Parliament, other legislation, bye law and Directive (not being any order, regulation or direction under Section 32, 33, 34 and 35 of the Act) provided always that lack of funds shall not be interpreted as a cause beyond the reasonable control of that Party;</p>
<p>“Fuel Security Code”</p>	<p>means the document of that title designated as such by the Secretary of State for Business, Energy and Industrial Strategy as may be amended from time to time;</p>
<p>“Good Industry Practice”</p>	<p>in relation to a Party, the exercise of that degree of skill, care, prudence, foresight and operating practice which would ordinarily and reasonably be expected from time to time of a skilled and experienced operator (engaged in the same type of undertaking as that of that Party);</p>
<p>“Grid Code”</p>	<p>the Grid Code drawn up pursuant to the Transmission Licence as from time to time revised in accordance with the Transmission Licence (and references in these Service Terms to any specific provision or part of the Grid Code shall be construed as references to such provision or part as from time to time amended);</p>
<p>“Industry Information Website”</p>	<p>means the web page on the NGESO website for the publication of information regarding the MW Dispatch Service for the use of the DNO and Providers;</p>
<p>“Insolvency Event”</p>	<p>means any pre-insolvency, creditor protection, or insolvency related actions, events, processes or proceedings, whether in or out of court, including the following (and any proceedings or steps leading to any of the following): any form of bankruptcy, liquidation, administration, receivership, voluntary arrangement, scheme of arrangement, restructuring plan or other compromise or arrangement or scheme with creditors, moratorium, stay or limitation of creditors’ rights, interim or provisional supervision by a court or court appointee, winding up or striking off, or any distress, execution, commercial rent arrears recovery or other process levied or exercised; or any</p>

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	similar actions, events, processes or proceedings in any jurisdiction outside England and Wales;
“Intellectual Property Rights”	all intellectual property, including patents, trade marks, service marks, domain names, business and trading names, styles, logos and get-ups, rights in goodwill, database rights and rights in data, rights in designs, copyrights and topography rights (whether or not any of these rights are registered, and including applications and the right to apply for registration of any such rights) and all inventions, rights in know-how, trade secrets and confidential information lists and other proprietary knowledge and information and all rights under licences and consents in relation to any such rights and all rights and forms of protection of a similar nature or having equivalent or similar effect to any of these that may subsist anywhere in the world for their full term, including any renewals and extensions;
“Legal Requirement”	means any act of parliament, regulation, licence or directive of a Competent Authority, including for the avoidance of doubt any retained EU law;
“Liability Cap”	means five hundred thousand GB pounds (£500,000);
“Licence”	any one or more as appropriate of the Licences granted pursuant to Section 6 of the Act;
“Month”	means a calendar month;
“Monthly Statement”	has the meaning given to that term in Clause 7.2;
“Monthly Utilisation Payment”	has the meaning given to that term in Clause 7.1;
“MSA Offence”	has the meaning given to that term in Clause 19.1.1.1;
“MW Dispatch Contract”	has the meaning given to it in Clause 1.2;
“MW Dispatch Participation Guidance Document”	the prevailing document titled “MW Dispatch Guidance Document” published by or on behalf of NGESO from time to time setting out the rules for participation in the MW Dispatch Service, which shall include the Registration Documents;
“MW Dispatch Service”	has the meaning given to it in Clause 1.1;
“National Electricity Transmission System” or “NETS”	has the meaning attributed to it in the CUSC;
“NGESO”	National Grid Electricity System Operator Limited, a company registered in England and Wales under company number 11014226;
“Output”	in relation to a Contracted DER Unit, its active power output;
“Parties”	in relation to a MW Dispatch Contract and taken together, NGESO, the DNO and a Provider and each a “Party” ;
“Permitted Service”	a network service other than the MW Dispatch Service that the Provider is permitted to provide under the Primacy Rules;
“Personal Data”	has the meaning given to that term in Data Protection Law;

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“Primacy Rules”	a set of rules published by NGESO and the DNO on their respective websites from time to time setting out (inter alia) the basis on which other network services take priority over the MW Dispatch Service;
“Processor”	has the meaning given to it in Data Protection Law;
“Proposed Legal Requirement”	means a Legal Requirement that has been proposed by a Competent Authority, including without limitation by means of a consultation, white paper, green paper or parliamentary bill, but which has not yet come into effect as a Change in Law;
“Provider”	the owner of a Contracted DER Unit;
“Public Distribution System Operators”	has the meaning attributed to it in the CUSC;
“Qualifying Change in Law”	means a Change in Law which principally affects or principally relates to NGESO in its capacity as operator of the National Electricity Transmission System and/or the procurement of the MW Dispatch Service or balancing services generally;
“Registered Provider”	an entity who has submitted the relevant Registration Documents and to whom NGESO has subsequently issued a confirmation that it has complied with the registration requirements;
“Registration Documents”	the documents and processes required by NGESO from time to time to be completed and/or performed by an entity for registration in accordance with Clause 4.1;
“Registration Process”	has the meaning given to that term in Clause 3.1;
“Relevant Settlement Periods”	in relation to a Contracted DER Unit that is subject to a Dispatch Instruction, means: <ul style="list-style-type: none"> (a) the Settlement Period in which the Dispatch Instruction Acceptance occurs and any subsequent Settlement Period in which the Contracted DER Unit is reducing Output in response to that instruction; and (b) each Settlement Period following the reduction in Output of the Contracted DER Unit to the level specified in Schedule 5 until and including the Settlement Period in which the Provider receives a Cease Instruction;
“Response Time”	has the meaning given to it in Schedule 5;
"Service Failure"	in relation to a Dispatch Instruction, a failure of the relevant Contracted DER Unit to: <ul style="list-style-type: none"> (a) acknowledge that instruction by reason of the unavailability of the Control Equipment and the failure shall be treated as having occurred in the Relevant Settlement Period in which that instruction is relayed to the Provider by the DNO; and/or (b) reduce Output in accordance with the requirements of Schedule 5 and the failure shall be treated as having occurred in the Relevant Settlement Periods in which such reduction is so required; and/or

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	(c) maintain the reduced level of Output required by Schedule 5 in any subsequent Relevant Settlement Period and the failure shall be treated as having occurred in each such Relevant Settlement Period;
“Service Terms”	has the meaning given to that term in Clause 1.2;
“Settlement Period”	a period of 30 minutes ending on the hour or half hour in each hour during a day;
“Special Conditions”	means such special conditions as may from time to time be agreed between the Companies and the Provider for the purposes of a MW Dispatch Contract;
“Terminating Party”	has the meaning given to that term in Clause 9.1;
“Trading Day”	means the period from 05:00:00 hours on one day to 04:59:59 hours on the next following day;
“Transmission Licence”	means the Licence granted to National Grid under section 6(1)(b) of the Act;
“Utilisation Rate”	in relation to a Contracted DER Unit, the rate for the calculation of the Utilisation Payment specified in the Registration Documents, subject to revision under Clause 6.1.

2. INTERPRETATION

2.1 In these Service Terms, unless the context otherwise requires:

- 2.1.1 the singular includes the plural and vice versa;
- 2.1.2 reference to a gender includes the other gender and the neuter;
- 2.1.3 references to an act of Parliament, statutory provision or statutory instrument include a reference to that act of Parliament, statutory provision or statutory instrument as amended, extended or re-enacted from time to time and to any regulations made under it;
- 2.1.4 words denoting persons shall include any individual, partnership, firm, company, corporation, joint venture, trust, association, organisation or other entity, in each case whether or not having separate legal personality;
- 2.1.5 references to Clauses and Schedules are references to clauses of and schedules to these Service Terms; and

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- 2.1.6 references to a company shall include a corporation or other body corporate and body corporate shall have the meaning given in section 1173 of the Companies Act 2006.
- 2.2 A table of contents and headings are for convenience only and shall be ignored in construing these Service Terms.
- 2.3 Any reference to the words “**including**”, “**include**”, “**in particular**” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

SCHEDULE 2

Monthly Utilisation Payments

NGESO will pay Providers for the volume of energy reduced in accordance with a Dispatch Instruction from the time of receipt of the Dispatch Instruction Acceptance by NGESO to the time of issue to the Provider of a Cease Instruction for each Contracted DER Unit, subject to the occurrence of a Service Failure. The payment will be calculated by reference to the Utilisation Rate.

The metered Output of a Contracted DER Unit at the time of a Dispatch Instruction will be used to determine the reduction in Output for the duration of the Dispatch Instruction.

The Monthly Utilisation Payment payable to a Provider in respect of its Contracted DER Units i for month m (UP_m) will be calculated as follows:

$$UP_m = \sum_{di} R_{di} * Q_{di} * (T_{di} - F_{di})$$

Where:

- \sum_{di} is the summation for all Dispatch Instructions d notified by the DNO to each Contracted DER Unit i over month m ;
- R_{di} is the Utilisation Rate (in £/MWh) applicable to the Dispatch Instruction d , for Contracted DER Unit i ;
- Q_{di} is the Output (in MW) of Contracted DER Unit i at the time of notification by the DNO of the Dispatch Instruction d ;
- T_{di} in relation to Dispatch Instruction d issued to Contracted DER Unit i , is the duration (in hours) from the time of the Dispatch Instruction Acceptance to the time of the corresponding Cease Instruction; and
- F_{di} in relation to Dispatch Instruction d notified by the DNO to Contracted DER Unit i , is the number (if any) of Relevant Settlement Periods in which a Service Failure occurs multiplied by 0.5.

SCHEDULE 3

Payment Procedure

Following the issue of a Monthly Statement in accordance with Clause 7 (*Monthly Utilisation Payment*) the following provisions shall apply.

1. If the Provider disagrees with the content of the Monthly Statement, it may notify NGENSO in writing, with evidence upon which it relies in support of such disagreement, no later than the date falling ten (10) Business Days after receipt thereof, but in the absence of any such notification by such date, the Monthly Statement shall be final and binding on the Parties subject only to paragraph 3.
2. Where a disagreement is notified by the Provider pursuant to paragraph 1, the Parties shall discuss and endeavour to resolve the same in good faith, and any revisions to a Monthly Statement agreed as a result thereof shall be reflected in a revised Monthly Statement, which shall promptly be issued by NGENSO. In the absence of agreement, the Monthly Statement shall be binding upon the Parties until such time as otherwise agreed in writing between the Parties or as may otherwise be determined by an Expert following a referral by either Party to an Expert for determination, and which in each case shall be reflected in a revised Monthly Statement which shall promptly be issued by NGENSO.
3. Where, having regard to any results of any other monitoring by NGENSO of service delivery, NGENSO or the Provider discovers that some or all of any calculations and/or amounts falling due shown in any Monthly Statement are incorrect, then it shall promptly notify the other in writing whereupon NGENSO shall, at its discretion, revise the Monthly Statement and re-issue the same to the Provider, and the provisions of paragraphs 1 and 2 shall apply mutatis mutandis to such revised Monthly Statement.
4. In the absence of fraud, neither NGENSO nor the Provider may invoke the provisions of paragraph 3, with respect to the contents of any Monthly Statement (including any revised Monthly Statement) after the period of twelve (12) months has elapsed following submission of the original Monthly Statement in which the calculations and/or amounts in question were first stated, after which date such calculations and/or amounts shown in the last Monthly Statement (including any revised Monthly Statement) issued by NGENSO shall be final and conclusive.
5. No later than the eighteenth (18th) Business Day of the second Month in which a Dispatch Instruction was issued to a Provider, NGENSO will issue a self-billing invoice (or credit note) in accordance with paragraph 10 reflecting the Monthly Statement issued pursuant to Clause 7.2 (as may have been revised pursuant to the foregoing provisions), and no later than five (5) Business Days after such date of issue NGENSO shall pay to the Provider (or the Provider shall pay to NGENSO, as the case may be) the net amount shown as due from NGENSO to the Provider (or from the Provider to NGENSO, as the case may be) in that Monthly Statement (or revised Monthly Statement).
6. All payments shall be made in pounds sterling by direct bank transfer or equivalent transfer of immediately available funds to the other Party's bank account, details of which shall be as notified by each Party to the other from time to time in accordance with these Service Terms. If either Party (the "**Defaulting Party**") fails to pay any amount properly due under these Service Terms on the due date then the Defaulting Party shall pay to the other Party interest on such overdue amount at the Enhanced Rate from the date on which such payment was properly due to (but excluding) the date of actual payment. Any interest shall accrue from day to day.
7. If by virtue of the foregoing provisions, it is determined or agreed that:-
 - a. the Provider was entitled to a further payment from NGENSO, then the Provider shall be entitled to interest at the Base Rate on the amount of such further payment from the due date until the date of actual payment; or
 - b. the Provider was not entitled to any payment it has received, then NGENSO shall be entitled to interest at the Base Rate on such amount from the date of payment by NGENSO until the date of repayment by the Provider (or, as the case may be, until the date when NGENSO makes a payment to the Provider pursuant to paragraph 5 against which such amount is offset).

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8. All amounts specified falling due and payable pursuant to these Service Terms shall be exclusive of any Value Added Tax or other similar tax and NGESO shall pay to the Provider Value Added Tax at the rate for the time being and from time to time properly chargeable in respect of the making available and/or provision of the MW Dispatch Service.
9. Sums payable by one Party to the other pursuant this Schedule 3 whether by way of charges, interest or otherwise, shall (except to the extent permitted by these Service Terms or otherwise required by Law) be paid in full, free and clear of and without deduction, set-off or deferment in respect of any disputes or claims whatsoever provided that either Party shall be entitled to set off any payment due and payable by the other Party under this Schedule 3 against any payment it makes to that Party under this Schedule 3.
10. The Provider agrees that NGESO shall maintain a self-billing system whereby each Monthly Statement shall constitute a self-billing invoice for VAT purposes. Accordingly, NGESO and the Provider shall enter into a self-billing agreement in accordance with VAT legislation and published guidance from HM Revenue and Customs from time to time, and agree to comply with all relevant requirements in relation to self-billing, and for such purpose the Provider hereby warrants and undertakes to NGESO that:-
 - a. it is registered for VAT and will inform NGESO forthwith if its ceases to be so registered or changes its VAT registration number;
 - b. it will account to HM Revenue and Customs for the VAT paid by NGESO pursuant to paragraph 8; and
 - c. it will not issue its own VAT invoices.
11. The provisions of this Schedule 3 shall survive the termination of any MW Dispatch Contract.

SCHEDULE 4

Change Management

1. NGESO may propose amendments to these Service Terms in accordance with Clause 2.1, Clause 2.2 or Clause 2.5 and shall propose amendments requested by the DNO or by a Provider in accordance with Clause 2.3, by formulating a written proposal ("**Change Proposal**").
2. The contents of a Change Proposal shall include without limitation:-
 - a. an explanation of, and the rationale for, each amendment, including the extent to which required as a result of a Proposed Legal Requirement or a Change in Law;
 - b. if applicable, details of the Proposed Legal Requirement or Change in Law;
 - c. the proposed implementation date; and
 - d. where reasonable to do so having regard to the nature of each amendment, a copy of these Service Terms (or an extract thereof) clearly identifying the proposed new or revised legal text.
3. Each Change Proposal shall be notified by NGESO to the DNO and Providers, and for these purposes notification may be by publication on the Industry Information Website.
4. NGESO shall give all recipients of the Change Proposal ("**CP Consultees**") a reasonable opportunity and, in any event, not less than thirty-one (31) calendar days, to review and provide NGESO with written comments on each Change Proposal.
5. Not earlier than the date for receipt of comments from CP Consultees specified in paragraph 4, and having regard to such comments received, NGESO may, at its sole discretion, notify CP Consultees (which may be by publication on the Industry Information Website) its decision either to:-
 - a. withdraw the Change Proposal, which shall be effective upon written notice of the same to all CP Consultees; or
 - b. implement the Change Proposal (with or without modifications) whereupon NGESO shall proceed to formulation of a Final Change Decision pursuant to paragraph 6,provided always that where NGESO fails to take either of the steps outlined above by the date which is forty-five (45) Business Days after the date of notification of the Change Proposal then the same shall be deemed to have been withdrawn with immediate effect.
6. NGESO shall formulate a Final Change Decision:
 - a. in respect of any Change Proposal reflecting a request from a Provider or the DNO under Clause 2.3;
 - b. in respect of any Change request that NGESO agrees to progress pursuant to Clause 2.5; or
 - c. in respect of any other Change Proposal that NGESO decides, subject to Clause 2.4 to implement,and each Final Change Decision shall specify one or more implementation dates and shall incorporate a copy of these Service Terms identifying clearly the new or revised legal text.
7. Each Final Change Decision shall be notified by NGESO to all CP Consultees (which may be by publication on the Industry Information Website) as soon as reasonably practicable and, ordinarily either alongside or within twenty (20) Business Days after the notification by NGESO of its implementation decision pursuant to paragraph 5(b).
8. NGESO's notification of the Final Change Decision shall be accompanied by a summary of all written comments received in relation to the Change Proposal pursuant to paragraph 4 (save to the extent marked as confidential) together with NGESO's justification for addressing or not any such comments in the Final Change Decision.

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9. Amendments to these Service Terms set out in a Final Change Decision notified by NGENSO pursuant to paragraph 7 shall become effective from the applicable implementation dates specified in the Final Change Decision ("**Final Implementation Dates**") which, for the avoidance of doubt, shall not be a date prior to the date fifteen (15) Business Days after notification by NGENSO of the Final Change Decision.
10. Upon the amendments set out in a Final Change Decision becoming effective, these Service Terms as so amended shall apply with effect from the relevant Final Implementation Date to all MW Dispatch Contracts then subsisting as well as future MW Dispatch Contracts, subject always to:
 - a. all and any accrued rights and liabilities of NGENSO, the DNO and Providers hereunder and all and any rights and remedies they may have, in each case with respect to periods prior to the Final Implementation Date; and
 - b. paragraphs 15 and 17.
11. On each occasion that these Service Terms are amended in accordance with the foregoing provisions, NGENSO shall on or before the Final Implementation Date publish the Service Terms as so amended on the Industry Information Website.
12. With respect to a Final Change Decision (other than a Final Change Decision in respect of a request by the Provider under Clause 2.3), a Provider may, no later than fifteen (15) Business Days after notification by NGENSO of that Final Change Decision, elect by notice in writing to NGENSO, and subject always to paragraph 13, where it is of the reasonable opinion that such amendments materially prejudice its ability to provide the MW Dispatch Service and/or comply with its MW Dispatch Contract, to reject the application of such amendments to the Service Terms provided that such rejection is accompanied by a full and detailed justification for the rejection.
13. To the extent that any Final Change Decision includes amendments required as a result of a Proposed Legal Requirement or a Change in Law, no Provider may make an election to reject the application of such amendments pursuant to paragraph 12. Provided always that where a Provider disputes that a Final Change Decision includes amendments required as a result of a Proposed Legal Requirement or a Change in Law (including a Qualifying Change in Law) then it may, within the period of fifteen (15) Business Days specified in paragraph 12, refer that dispute for determination by an Expert.
14. Within twenty (20) Business Days of receipt by NGENSO of a Provider's notice pursuant to paragraph 12 to reject the application of amendments to the Service Terms, NGENSO and the DNO shall, together with the Provider, negotiate in good faith Special Conditions in order to negate the impact of the amendments set out in the Final Change Decision with respect to the Service Terms, such that the Provider is in no better and no worse position after the coming into effect of the Final Change Decision than it would have been had such Final Change Decision not come into effect.
15. If by the expiry of such period of twenty (20) Business Days NGENSO and the DNO have been unable to reach agreement with the Provider as to the Special Condition(s) contemplated in paragraph 14, then either NGENSO and the DNO or the Provider may, with the written consent of the other, refer the matter or matters in dispute for determination by an Expert.
16. Until such time as such Special Conditions are agreed or determined (as the case may be), and notwithstanding paragraph 10, unless otherwise agreed between NGENSO and the DNO and the Provider, the amendments set out in the relevant Final Change Decision shall not apply to the Service Terms.
17. NGENSO may at its sole discretion modify a Final Change Decision that is required as a result of a Proposed Legal Requirement at any time prior to the coming into effect of the Change in Law, provided that such Final Change Decision shall only be amended to the extent that and insofar as is necessary to give effect to any change to the Proposed Legal Requirement which comes to NGENSO's attention or, in the case of a Final Change Decision reflecting a request under Clause 2.3, any change notified to it by the DNO or relevant Provider (as the context requires).
18. Without prejudice to any provision of this Schedule 4, NGENSO may, at its sole discretion and at any time prior to the later of (i) the relevant Final Implementation Date or, (ii) where paragraphs 13 or

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15 apply, the date being five (5) Business Days after the date of the Expert's written decision, withdraw a Final Change Decision by notice in writing to the DNO and Provider, whereupon the same shall be of no effect and the Registration details of the affected Provider shall be updated so as to remove any Special Condition(s) agreed between the Parties pursuant to paragraph 14 in respect of such Final Change Decision.

19. Nothing in this Schedule shall preclude NGENSO, the DNO and Providers at the relevant time from agreeing changes to these Service Terms at any time and from time to time otherwise than in accordance with this Schedule.

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SCHEDULE 5 MWD Instruction Process

1. Each Dispatch Instruction notified to a Provider by the DNO is an instruction to reduce the Output of the Contracted DER Unit to zero (0) MW.
2. Following receipt of a Dispatch Instruction from the DNO the Provider must reduce Output of the Contracted DER Unit to zero (0) MW (or within the Deadband) within two (2) minutes from the time of the Dispatch Instruction Acceptance (the "**Response Time**").
3. The Provider must maintain the Output of the Contracted DER Unit at zero (0) MW (or within the Deadband) until a Cease Instruction is relayed to the Provider by the DNO. In the case of a battery energy storage system, provided the Output remains at zero (0) MW (or within the Deadband), the Contracted DER Unit may import electricity during the period until a cease instruction.
4. If the Provider does not acknowledge and comply with the Dispatch Instruction at any time a Cease Instruction is relayed as set out above, the DNO may itself reduce Output of the Contracted DER Unit to zero (0) MW in accordance with the Connection Agreement.