

***SUBJECT TO CONTRACT***

---

**NATIONAL GRID ELECTRICITY SYSTEM OPERATOR LIMITED  
STANDARD CONTRACT TERMS FOR THE PROVISION  
OF THE STABILITY MID-TERM MARKET SERVICE**

---

**Draft v.4.0**

**INDICATIVE DRAFT SUBJECT TO CONTRACT**

**TABLE OF CONTENTS**

<b><u>CLAUSE HEADING</u></b>	<b><u>PAGE NO.</u></b>
1. DEFINITIONS AND INTERPRETATION	4
2. COMMENCEMENT AND TERM	5
3. STABILITY MID-TERM MARKET TENDER	5
4. SERVICE START DATE	6
5. SERVICE PROVISION	8
6. SERVICE FEES	12
7. REPROVING TESTS	12
8. MONITORING	13
9. GRID CODE	14
10. PAYMENT	14
11. TERMINATION	17
12. LIMITATION OF LIABILITY	20
13. METERING	21
14. CONFIDENTIALITY AND ANNOUNCEMENTS	21
15. DISCLOSURE OF INFORMATION	24
16. DISPUTE RESOLUTION	24
17. ENTIRE AGREEMENT	25
18. NOTICES	26
19. FORCE MAJEURE	26
20. VARIATIONS	28
21. NO PARTNERSHIP	28
22. WARRANTIES AND INDEMNITY	28
23. CHANGE IN LAW/CHANGE IN CIRCUMSTANCES	29
24. CUSC	29
25. ANTI-BRIBERY	29
26. EMR	30
SCHEDULE A – Definitions	31
SCHEDULE B – Proving Tests and Reproving Tests	46
SCHEDULE C – Change Control Procedure	47
SCHEDULE D - Payments	50
SCHEDULE E – Redeclaration Forms/ Restoration Notice	57
SCHEDULE F Security Schedule	62

***INDICATIVE DRAFT SUBJECT TO CONTRACT***

**INDICATIVE DRAFT SUBJECT TO CONTRACT**

**1. DEFINITIONS AND INTERPRETATION**

- 1.1. This document (these “**Standard Contract Terms**”) is binding on a **Provider** and the **Company** under the terms of the **Framework Agreement** and contains:
- 1.1.1. the rules for the submission of **Stability Mid-Term Market Tenders**; and
- 1.1.2. the detailed service terms with respect to a **Stability Contract** formed upon issue of a **Tender Acceptance** by the **Company**.
- 1.2. The **Company** may from time to time, initiate a review of these **Standard Contract Terms** and their operation at any time by notice published on the **Company’s Website** inviting any suggestions for changes from any **Provider**. The **Company** shall initiate such a review upon receipt of any request from a **Provider** as provided in Paragraph 1.3.
- 1.3. Changes to these **Standard Contract Terms** may at any time be requested by a **Provider** to reflect any **Change in Law** or **Proposed Legal Requirement**.
- 1.4. The **Company** shall, as part of a review under Paragraph 1.2, and when requested under Paragraph 1.3, formulate and consult on **Change Proposals** in accordance with the procedure set out in Schedule C (*Change Control Procedure*).
- 1.5. Terms and expressions defined in Schedule A shall apply where used in these **Standard Contract Terms**.
- 1.6. In these **Standard Contract Terms**:-
- 1.6.1. except where the context otherwise requires, references to a particular Clause, Paragraph, Schedule or Appendix shall be a reference to that Clause, Paragraph, Schedule or Appendix in or to these **Standard Contract Terms**;
- 1.6.2. the table of contents and headings are inserted for convenience only and shall be ignored in construing these **Standard Contract Terms**;
- 1.6.3. references to the words “include” or “including” are to be construed without limitation;
- 1.6.4. except where the context otherwise requires, any reference to an Act of Parliament or any Part or Section or other provision of, or Schedule to, an Act of Parliament shall be construed, at the particular time, as including a reference to any amendment, modification, extension or re-enactment thereof then in force and to all instruments, orders or regulations then in force and made under or deriving validity from the relevant Act of Parliament;
- 1.6.5. references to the masculine shall include the feminine and references in the singular shall include references in the plural and vice versa;

## **INDICATIVE DRAFT SUBJECT TO CONTRACT**

- 1.6.6. except where the context otherwise requires, any reference to a “person” includes any individual, partnership, firm, company, corporation, joint venture, trust, association, organisation or other entity, in each case whether or not having separate legal personality;
- 1.6.7. references to “in writing” shall include communication by electronic means; and
- 1.6.8. the Schedules form part of and are incorporated in these **Standard Contract Terms** and references to the **Standard Contract Terms** shall include references to the Schedules provided always that in the event of inconsistency or conflict between any matters set out in any Schedule and any matter set out in the main body of these **Standard Contract Terms** the latter shall prevail.

## **2. COMMENCEMENT AND TERM**

- 2.1 The provisions of a **Stability Contract** shall apply from the start of the relevant **Stability Year** and, subject always to earlier termination in accordance with Clause 4 (*Service Start Date*), Clause 11 (*Termination*), Clause 19 (*Force Majeure*) or Clause 25 (*Anti-Bribery*) shall continue in force and effect until the expiry of the **Service Term**.

## **3. STABILITY MID-TERM MARKET TENDER**

- 3.1. The **Company** will procure **Stability Mid-Term Market Services** through a **Tender** for **Stability Contracts** in respect of each **Stability Year**, provided always that the **Company** may (at its absolute discretion) elect not to run a **Tender** in respect of any **Stability Year** if it considers that sufficient **Providers** have agreed to extend the terms of current **Stability Contracts** in accordance with Clause 3.2.
- 3.2. The **Company** may invite each **Provider** to extend the term of its **Stability Contract** for the next **Stability Year** following the date of expiry of the **Stability Contract** (“**Extension Period**”) on the basis that the same terms and conditions will otherwise apply. Any such invitation shall be notified by written notice to the **Provider** given not later than three (3) months prior to the date of expiry of its **Stability Contract**. If a **Provider** offers to extend the term of its **Stability Contract**, the **Company** may by notice in writing to the **Provider**, accept the **Provider’s** offer and the **Stability Contract** shall be amended accordingly.
- 3.3. Unless a **Stability Contract** is further extended under Clause 3.2 for the subsequent **Stability Year**, the **Stability Contract** shall terminate automatically without notice on the expiry of the **Extension Period**.
- 3.4. Each **Stability Mid-Term Market Tender** must be submitted by the deadline specified in the relevant **Stability Mid-Term Market Tender Pack**.
- 3.5. No costs or expenses incurred by **Providers** in the course of preparing and/or submitting any **Stability Mid-Term Market Tender** shall be payable by the **Company**. Save to the extent published by the **Company** pursuant to Clause 3.11, the contents of each **Stability Mid-Term Market Tender** shall be treated as private and confidential. **Providers** must not divulge or release details of the **Stability Mid-Term Market Tender** to any third party, other than on an “in confidence” basis to those parties having a legitimate need to know, or whom they need to consult for the purpose of preparing

**INDICATIVE DRAFT SUBJECT TO CONTRACT**

the **Stability Mid-Term Market Tender**.

- 3.6. **Stability Mid-Term Market Tenders** shall be assessed in accordance with the **Stability Mid-Term Market Tender Assessment Principles**, and the **Company** shall notify by an **Acceptance Letter** each **Provider** whose **Stability Mid-Term Market Tender** has been accepted of its acceptance decision.
- 3.7. Acceptance by the **Company** of each **Stability Mid-Term Market Tender**, as confirmed by an **Acceptance Letter**, shall constitute formation of a **Stability Contract** in relation to each applicable tendered **Facility**, which shall be personal to the **Provider** and may not be assigned or transferred without the consent of the **Company** (not to be unreasonably withheld or delayed).
- 3.8. Each **Stability Contract** shall be conditional in all respects on the following (the “**Conditions Precedent**”):
- 3.8.1. the **Provider** or (where applicable) its agent or contractor having applied to Elexon Limited to become a **BSC Party**;
- 3.8.2. the **Provider** having acceded to the **BSC** and **CUSC**;
- 3.8.3. the **Provider** having submitted the **Maintenance Plan**; and
- 3.8.4. the **Provider** having provided **Acceptable Security**.
- 3.9. The **Provider** shall use all reasonable endeavours to ensure that the **Conditions Precedent** are satisfied by no later than the date specified in the **Stability Mid-Term Market Tender Pack** or such later date as the **Company** may agree (the “**CP Date**”) and shall provide a monthly report in writing to the **Company** detailing progress in satisfying the **Conditions Precedent** until such time as the **Conditions Precedent** have been satisfied or waived in full. For the avoidance of doubt, any incorrect, wrongful or inadvertent declaration given by the **Provider** in attesting to the progress towards or achievement of any **Condition Precedent** shall to the extent that the **Stability Contract** is in force constitute a material breach for the purposes of Clause 11.4.1 (*Termination*).
- 3.10. If the **Conditions Precedent** have not been satisfied by the **Provider** or waived by the **Company** on or before the **CP Date**, the **Stability Contract** shall (to the extent in force) cease to apply.
- 3.11. To assist **Providers** in a future tender process described in this Clause 3, the **Company** may (at its discretion) publish on its website such information relating to a **Tender** as it reasonably considers to be relevant and helpful in the preparation of **Stability Mid-Term Market Tenders**.
- 3.12. The **Provider** shall comply with the provisions of Schedule F (*Security*) in relation to the implementation of the **Works** and the provision of the **Stability Mid-Term Market Service**.
- 4. SERVICE START DATE**
- 4.1. The **Provider** shall (at its own cost) implement and complete the **Works** in accordance with **Good Industry Practice** by the **Scheduled Start Date** and, by not later than ten (10) **Business Days** following the end of each calendar month until the **Start Date** has occurred (or more frequently on either **Party’s** request), provide to the **Company** a

**INDICATIVE DRAFT SUBJECT TO CONTRACT**

progress report in writing and in such format as the **Company** may from time to time specify setting out details of the progress of the **Works** against the milestones set out in the applicable **Acceptance Letter** (each, a “**Milestone**”). For the avoidance of doubt, any incorrect, wrongful or inadvertent declaration given by the **Provider** in attesting to the progress towards completion of the **Works** or the achievement of any **Milestone** shall constitute a material breach of the terms of the relevant **Stability Contract**.

- 4.2. The **Provider** shall notify the **Company** in writing, when the **Works** are substantially completed and the **Facility** is capable in the **Provider's** opinion of providing the **Stability Mid-Term Market Service**, of the dates on which the **Facility** will be available for a **Proving Test** over the following period of thirty (30) days. The **Parties** shall use reasonable endeavours to ensure that a **Proving Test** of the **Facility** is conducted as soon as practicable and shall agree the date and time of the **Proving Test**, provided always that, although the **Company** shall not unreasonably refuse to carry out a **Proving Test** at any time and date that may be requested by the **Provider**, having regard to the cost implications, the **Company** reserves the right to cancel any **Proving Test** previously agreed to be carried out. In such a case the **Parties** shall agree an alternative time and date when the **Proving Test** shall be carried out which shall be as soon as practicable thereafter, taking into account the requirements of both **Parties**. The **Company** shall be entitled to attend a **Proving Test** and either **Party** may request the **Expert** to be present at a **Proving Test**.
- 4.3. As soon as practicable after the date on which the **Proving Test** has been completed and in any event within ten (10) **Business Days**, the **Company** shall notify the **Provider** whether the **Facility** has passed or failed the **Proving Test**. Any dispute as to whether the **Proving Test** has been passed or failed may be referred by either **Party** to the **Expert** for determination. If it is agreed or otherwise determined that the **Proving Test** has been successfully passed, the **Company** shall return to the **Provider** the **Acceptable Security** as soon as reasonably practicable following the **Start Date**.
- 4.4. If the **Facility** has not successfully passed the **Proving Test** by the **Scheduled Start Date** then, save to the extent due to a **Delay Event**, the **Provider** shall pay to the **Company**, without deduction or set off, liquidated damages at the **LAD Rate** with effect from the **Scheduled Start Date** until and including the date on which the **Facility** successfully passes the **Proving Test**, provided always that such liquidated damages shall not in any event exceed the **LAD Cap**.
- 4.5. If at any time the aggregate amount of liquidated damages paid or payable under Clause 4.4 is equal to the **LAD Cap** then, the **Company** shall have the right to terminate this **Stability Contract** by written notice to the **Provider**.
- 4.6. For the purposes of Clause 4.4, liquidated damages shall be payable by the **Provider** to the **Company** on a monthly basis in accordance with Clause 10 (*Payment*) and the due date shall be ascertained accordingly.
- 4.7. The remedies prescribed in Clause 4.4, 4.5 and 4.6 shall be the **Company's** sole and exclusive remedies with respect to any failure of the **Facility** to successfully pass the **Proving Test** by the **Scheduled Start Date**.

## 5. SERVICE PROVISION

### *Provision of Stability Mid-Term Market Service*

- 5.1. The provisions of this Clause 5 shall apply with respect to a **Provider** whose **Facility** has successfully completed a **Proving Test** pursuant to Clause 4.
- 5.2. The **Provider** agrees with effect from the **Start Date** and throughout the **Service Term** to power, operate, maintain and repair the **Facility** and associated **Plant and Apparatus** in accordance with **Good Industry Practice** with a view to making the **Facility Available** in accordance with the relevant **Stability Contract** and the **Technical Performance Requirements** and to deliver the **Stability Mid-Term Market Service** in accordance with the **Company's Instructions**, subject to **Planned Maintenance Periods** agreed pursuant to Clause 5.11 (*Maintenance of the Facility*). The **Provider** shall report to the **Company** in writing on a monthly basis providing such details of its compliance with its obligations under this Clause 5 and in such format as the **Company** may require.
- 5.3. The **Provider** agrees at all times:
- 5.3.1. by the issue of **Redeclarations** and **Restoration Notices** to keep the **Company** informed as to any inability of the **Facility** to provide the **Contracted Inertia Capability**, and/or **Contracted SCL Capability**; and
- 5.3.2. to maintain a single point of remote control in respect of the **Connection Site** of the **Facility** to facilitate the issue of **Instructions** and **Instructions to End** by the **Company**.

### *Stability Mid-Term Market Service Redeclaration*

- 5.4. The **Provider** shall, without delay on becoming aware that the **Facility** is no longer, or will no longer be, capable of providing to the full extent the **Contracted Inertia Capability**, and/or the **Contracted SCL Capability** (including by reason of **Force Majeure** or during **Planned Maintenance Periods**) in accordance with the relevant **Stability Contract** promptly notify the **Company** [by facsimile or such other electronic means as the **Company** may specify from time to time]<sup>1</sup> in the form set out in Forms A - C (as applicable) in Schedule E ("**Redeclaration**"). Each **Redeclaration** shall specify:
- 5.4.1. the level of **Inertia Capability** and **SCL Capability** which the **Facility** will be capable of providing (if any);
- 5.4.2. the reasons for the reduction in the **Inertia Capability** and/or the **SCL Capability**, which must be explained in reasonable detail and relate only to technical issues concerning the **Facility**, **Force Majeure**; and
- 5.4.3. the steps that the **Provider** will take in order to restore the **Contracted Inertia Capability** and the **Contracted SCL Capability**.
- 5.5. Following a **Redeclaration**, the **Provider** shall take all reasonable steps to restore the **Contracted Inertia Capability** and/or the **Contracted SCL Capability** (as the context requires) and keep the **Company** reasonably informed of progress in restoring such

---

<sup>1</sup> NGESO is working on an alternative to fax for notices.



**INDICATIVE DRAFT SUBJECT TO CONTRACT**

capability. The **Provider** shall notify the **Company** by facsimile (or such other electronic means as the **Company** may specify from time to time) in the form set out in Form D in Schedule E ("**Restoration Notice**") when that capability has been restored. In the event that the **Company** reasonably believes the **Facility** is **Unavailable** following restoration of **Contracted Inertia Capability** or **Contracted SCL Capability** (as the context requires) the **Company** may by notice in writing require the **Provider** to undertake a **Reproving Test** in accordance with Clause 7 (*Reproving Tests*) following the date of the **Restoration Notice** or if (in the absence of a **Restoration Notice**) the **Company** considers at any time that the **Provider** is not implementing the steps referred to in Clause 5.4.3.

*Instruction of the Stability Mid-Term Market Service*

- 5.6. It is acknowledged by the **Provider** that, in relation to any **Settlement Period** in which the **Facility** is **Available**, the **Company** shall have the right (but not any obligation) to issue an instruction ("**Instruction**") to provide the **Stability Mid-Term Market Service** (from the **Facility**, and subsequently notify the **Provider** when it no longer requires the provision of the **Stability Mid-Term Market Service** from the **Facility** ("**Instruction to End**").
- 5.7. Following receipt of an **Instruction**, the **Provider** shall acknowledge receipt as soon as possible (but in any case by no later than the **Confirmation Time**) and shall take all necessary steps to ensure that the **Facility** is **Synchronised** to the **Total System** and, thereafter, operates throughout each **Instructed Settlement Period** in accordance with the **Technical Performance Requirements** until the time notified in the relevant **Instruction to End**.

*Failure to comply with Instruction*

- 5.8. If an **Instruction** is issued by the **Company** and:
- 5.8.1. the **Facility** fails to **Synchronise** (if not already **Synchronised**) by the **Synchronising Time** then the **Facility** shall be treated as **Unavailable** in the **Settlement Period** in which the failure occurred and each subsequent **Settlement Period** until the **Facility** does **Synchronise** and the **Provider** shall, at the **Company's** discretion, pay an **Instruction Failure Rebate**; and/or
- 5.8.2. in the absence of a **Redeclaration** stating that the **Inertia Capability** is 0, the **Facility** fails to provide **Inertia Capability**, then the **Facility** shall be treated as incapable of providing **Inertia Capability** in the **Settlement Period** in which the failure occurred and each subsequent **Settlement Period** until the **Facility** has been demonstrated to the **Company's** satisfaction to have **Inertia Capability** which may, at the **Company's** discretion, be by the **Facility** successfully passing a **Reproving Test** and the **Provider** shall, at the **Company's** discretion, pay an **Instruction Failure Rebate**; and/or
- 5.8.3. in the absence of a **Redeclaration** stating that the **SCL Capability** is 0, the **Facility** fails to provide **SCL Capability**, then the **Facility** shall be treated as incapable of providing **SCL Capability** in the **Settlement Period** in which the failure occurred and each subsequent **Settlement Period** until the **Facility** has been demonstrated to the

**INDICATIVE DRAFT SUBJECT TO CONTRACT**

**Company's** satisfaction to have **SCL Capability** which may, at the **Company's** discretion, be by the **Facility** successfully passing a **Reproving Test** and the **Provider** shall, at the **Company's** discretion, pay an **Instruction Failure Rebate**.

- 5.9. Promptly following each failure under Clause 5.8 the **Provider** shall notify the **Company** of the causes of the failure as soon as reasonably practicable.
- 5.10. The **Parties** agree and acknowledge that **Instructions, Instructions to End** and also confirmations by the **Provider** of **Instructions** and **Instructions to End** transmitted and stored on **EDL** (or such alternative electronic despatch system as the **Parties** may agree to use) shall (except during periods when **EDL** (or any alternative system) is unavailable for whatever reason in which case communication shall be made by telephone, e-mail or facsimile (whichever is appropriate)) be conclusive evidence of the giving and/or receipt of any communication required to be given pursuant to the terms of Clauses 5.6 and 5.7.

*Maintenance of the Facility*

- 5.11. The **Provider** shall, prior to the commencement of each **Contract Year**, notify the **Company** in writing by such means as the **Company** may reasonably require of the dates and times of all planned maintenance and inspection periods ("**Planned Maintenance Periods**") applicable to the **Facility** in a plan ("**Maintenance Plan**") for the forthcoming **Contract Year** (except that for the first **Contract Year**, the **Maintenance Plan** shall be applicable for the purposes of the **Stability Contract** only for that part of the **Contract Year** commencing on the **Start Date**). The **Provider** shall, as far as possible, schedule the **Planned Maintenance Periods** at the same time as any **Planned NETS Outage** and/or (in the case of an embedded **Facility**) any **Planned DNO Outage** with a view to minimising the **Unavailability** of the **Facility**. The **Provider** may propose modifications to the **Maintenance Plan** from time to time during the **Contract Year** on no less than fourteen (14) days' notice.
- 5.12. Within fourteen (14) days of the **Provider's** notification of the **Maintenance Plan** or any modification thereto under Clause 5.11, the **Company** shall notify the **Provider** of its agreement with or objections to the **Maintenance Plan** or any modification thereto and, if the **Company** shall make no notification within such time, it shall become binding on the **Parties**. The **Parties** shall act in good faith and use reasonable endeavours to resolve any objections notified by the **Company** taking into account maintenance practices consistent with **Good Industry Practice** and, as far as possible, ensuring that the **Planned Maintenance Periods** are scheduled at the same time as any **Planned NETS Outage** and/or (in the case of an embedded **Facility**) any **Planned DNO Outage** with a view to minimising the **Unavailability** of the **Facility** and the **Maintenance Plan** shall be amended accordingly.

*Substitution of the Facility*

- 5.13. If at any time the **Provider** notifies the **Company** that it wishes to substitute the **Facility** (for a specified period or on a permanent basis) with any other facility at the same **Point of Stability** which has a **Response Time** equal to or better than that specified in the **Technical Performance Requirements** and can achieve not less than the **Contracted SCL Capability** and **Contracted Inertia Capability** (the "**Substitute**

**INDICATIVE DRAFT SUBJECT TO CONTRACT**

**Facility**") it shall take such steps as the **Company** may reasonably require, including:

- 5.13.1. submission to the **Company** of a **Maintenance Plan** in respect of the **Substitute Facility** and approval of that **Maintenance Plan** by the **Company** on the basis set out in Clause 5.12 which shall apply in respect of the **Substitute Facility** mutatis mutandis; and
- 5.13.2. the successful completion of a **Proving Test** of the **Substitute Facility** pursuant to the principles set out in Schedule B, Part A to verify that the **Substitute Facility** is capable of providing the **Stability Mid-Term Market Service** in accordance with the **Technical Performance Requirements**.
- 5.14. If the **Company** confirms that it is satisfied with the steps taken by the **Provider** in accordance with Clause 5.13 (but not otherwise), the **Parties** shall, with effect from the date of such confirmation, treat the **Substitute Facility** as the **Facility** for all purposes of the **Stability Contract**.

*Deemed Availability*

- 5.15. The **Facility** shall be treated as **Available** in any **Settlement Period** in which it is unable to provide the **Stability Mid-Term Market Service** solely by reason of a **Network Constraint** and the **Provider** shall be entitled to **Availability Payments** calculated on the basis of the **Contract Fee**, save to the extent that either:
  - 5.15.1. the **Facility** is unable to provide the **Stability Mid-Term Market Service** solely by reason of a **Network Constraint** on a named circuit within any agreement with restricting intertrip schemes, including but not limited to Category 1 or Category 3 intertrip scheme within the **Provider's Bilateral Connection Agreement**; or
  - 5.15.2. the **Facility** has otherwise been unable to provide the **Stability Mid-Term Market Service** solely by reason of a **Network Constraint** for in excess of 90 days in aggregate in any **Contract Year**,and, in either such case, the **Facility** shall be treated as **Unavailable** and shall not be entitled to **Availability Payments**.

- 5.16. For the avoidance of doubt, the **Facility** shall not be treated as **Available** under Clause 5.15 during any **Planned Maintenance Period**.

*Permitted Service*

- 5.17. A **Facility** will not be treated as **Unavailable** during a **Settlement Period** by reason only of providing a **Permitted Service** during that **Settlement Period**, provided that:
  - 5.17.1. its ability to provide the **Stability Mid-Term Market Service** is not adversely affected by the provision of the **Permitted Service**; and
  - 5.17.2. the **Provider** has given prior notice in writing to the **Company** that it intends to provide the **Permitted Service** during that **Settlement Period**.

*Continued Performance Failure*

- 5.18. In the event of any **Continued Performance Failure**, the **Company** may (at its sole discretion) by written notice to the **Provider** and in respect of all **Settlement Periods** until

## **INDICATIVE DRAFT SUBJECT TO CONTRACT**

the **Company** is satisfied that necessary remedial action has been implemented, reduce, by a percentage equal to the percentage of **Instructed Service Periods** in which the **Facility** was **Unavailable** in accordance with Clause 5.8, each or any of the **Contract Rate**, the **Contracted Utilisation Price**, the **Contracted Inertia Capability** and/or the **Contracted SCL Capability**.

### **6. SERVICE FEES**

6.1. The **Company** shall pay to the **Provider** in respect of each month in the **Service Term**:

6.1.1. a sum calculated in accordance with Schedule D, Part A, paragraph A.1 ("**Availability Payment**") by reference to each **Settlement Period** in which the **Facility** is **Available** and capable of providing **Inertia Capability** and/or **SCL Capability**, in which case the **Availability Payment** will be calculated by reference to the **Contracted Inertia Capability** and **Contracted SCL Capability** or, in each case, any lower values specified in a **Redeclaration**;

6.1.2. a sum calculated in accordance with Schedule D, Part B, paragraph B.1 ("**Utilisation Payment**") by reference to each **Instructed Settlement Period**; and

6.1.3. save in the case of a **Provider** that is entitled to the payment of the Obligatory Reactive Power Payment under **CUSC**, a sum calculated in accordance with Schedule D, Part C ("**Reactive Power Payment**") by reference to each **Instructed Settlement Period**.

6.2. The **Provider** shall pay to the **Company**:

6.2.1. in respect of each month (when applicable), a sum calculated in accordance with Schedule D, Part A, paragraph A.2 ("**Availability Rebate**"), which shall not exceed the amount of the **Availability Payment** for that month;

6.2.2. in respect of each **Contract Year**, if any amount in respect of the monthly **Availability Rebates** for the **Contract Year** has not been off-set against monthly **Availability Payments** and remains due and payable by the **Provider**, a sum calculated following the end of that **Contract Year** or on earlier termination under Clause 11 (*Termination*) in accordance with Schedule D, Part A, paragraph A.3 ("**Annual Reconciliation Payment**"), which shall not exceed the aggregate amount of **Availability Payments** for that **Contract Year**.

6.3. No payment shall be made by the **Company** pursuant to Clause 6.1 in relation to any **Settlement Period** in respect of which the **Provider** fails to comply with any of its obligations under Clause 5 (*Service Provision*) of these **Standard Contract Terms**.

### **7. REPROVING TESTS**

7.1. Without prejudice to the **Company's** right to conduct a test in accordance with **Grid Code OC5.5.1**, the **Company** shall have the right: (i) pursuant to Clause 5.5, Clause 5.8.2 or Clause 5.8.3; or (ii) otherwise not more than twice in any **Contract Year**, by notice in writing ("**Test Notice**") to require the **Provider** to carry out a **Reproving Test** at a time no sooner than fourteen (14) **Business Days** after the time of issue of the **Test Notice** to determine whether the **Facility** is capable of operating in accordance with the **Technical Performance Requirements**, including providing the **Contracted Inertia Capability** and/or the **Contracted SCL Capability**. Each of the **Company** and

**INDICATIVE DRAFT SUBJECT TO CONTRACT**

the **Provider** shall bear its own costs incurred by undertaking a **Reproving Test**.

- 7.2. Upon receipt of a **Test Notice**, the **Provider** shall not issue a **Redeclaration** in respect of the time and the duration that the **Reproving Test** is instructed to be carried out (unless the **Facility** would be **Unavailable** by reason of a forced outage or maintenance specified in the **Maintenance Plan** or by reason of an event or circumstance of **Force Majeure**).
- 7.3. To commence a **Reproving Test**, the **Company** shall give the **Provider** an **Instruction**. The performance of the **Facility** in response to that **Instruction** shall be assessed by the **Company** by reference to metering referred to in Clause 13 (*Metering*) and/or any **Monitoring Equipment** and at the option of the **Provider** shall be carried out in the presence of a reasonable number of representatives of the **Provider** and, if so requested, its lenders. If such metering and/or **Monitoring Equipment** is functioning accurately and indicates that the **Provider** is unable to comply with such **Instruction** then the **Company** shall notify the **Provider** that the **Facility** has failed the **Reproving Test**.
- 7.4. If the **Facility** fails a **Reproving Test** the values established by that test for **Inertia Capability** and/or **SCL Capability** shall become the values for **Contracted Inertia Capability** and/or **Contracted SCL Capability**. For the purposes of this Clause 7 the **Provider** may require the **Company** to carry out one or more further **Reproving Tests**, on any **Business Day** on not less than forty eight (48) hours' notice, which shall be carried out in accordance with the provisions of this Clause 7 as if the **Company** had issued an instruction at the time of notice from the **Provider**, and the values for **Contracted Inertia Capability** and/or **Contracted SCL Capability** shall be determined by the latest of such tests.
- 7.5. If a dispute arises relating to the performance of the **Facility** during a **Reproving Test**, the **Company** and the **Provider** shall attempt to resolve the dispute by discussion, and if they fail to reach agreement the **Company** shall carry out a further **Reproving Test** on any **Business Day** on not less than forty eight (48) hours' notice which shall be carried out in accordance with the provisions of this Clause 7. If the **Company** notifies the **Provider** that the **Facility** has passed such further **Reproving Test**, it shall be deemed to have passed the first **Reproving Test**. If the **Company** notifies the **Provider** that the **Facility** has failed such further **Reproving Test** and a dispute arises on that further **Reproving Test**, the dispute may be referred by either **Party** by notice to the other for determination by the **Expert**.
- 7.6. An instruction issued by the **Company** as part of a test in accordance with **Grid Code** OC5.5.1 or a **Reproving Test** carried out pursuant to this Clause 7 shall constitute an **Instruction**.

## **8. MONITORING<sup>2</sup>**

- 8.1. The **Provider** shall at all times after the **Start Date** comply with the requirements of ECC6.6 of the **Grid Code** as if the same was set out in these **Standard Contract**

---

<sup>2</sup> Note: this Clause will be updated once further NGESO requirements have been identified.



## **INDICATIVE DRAFT SUBJECT TO CONTRACT**

**Terms** and, without limitation thereto, shall ensure that all **Monitoring Equipment** is operational and that all required signals are provided at all times and that the **Monitoring Equipment** is maintained in accordance with **Good Industry Practice**.

- 8.2. If any part of the **Monitoring Equipment** fails to deliver the information required at the relevant substation (including the communications routes) under ECC6.6 of the **Grid Code**, then the **Provider** shall repair the **Monitoring Equipment** as soon as practicable after being notified of the fault by the **Company** or as otherwise agreed. The **Provider** shall also provide electronic signals to allow the **Company** to monitor the status of the **Monitoring Equipment** as at the **Grid Entry Point**.
- 8.3. For the purposes of the **Standard Contract Terms**, the accuracy of the **Monitoring Equipment** shall be maintained in accordance with the **Company's** requirements for dynamic system monitoring as published on the **Company's Website** from time to time.<sup>3</sup>

## **9. GRID CODE**

It is acknowledged by both **Parties** that the provision of the **Stability Mid-Term Market Service** in accordance with the terms hereof shall not relieve the **Provider** of any of its obligations set out in the **Grid Code** including without limitation its obligations (where applicable to the **Provider**) set out in **Grid Code** CC8.1 to provide **Reactive Power** (supplied otherwise than by means of the **Stability Mid-Term Market Service**) in accordance with **Grid Code** CC6.3.2 and CC6.3.4.

## **10. PAYMENT**

- 10.1. As soon as reasonably practicable and no later than eight (8) **Business Days** following the end of each calendar month in respect of which either **Party** is obliged to pay any sum to the other (including liquidated damages payable under Clause 4 (*Service Start Date*)), the **Company** shall send to the **Provider** a statement (the "**Monthly Statement**") setting out the amounts payable. In respect of each calendar month, the **Company** shall include in that statement (where relevant):-
- 10.1.1. its calculation of any sum payable by the **Provider** by way of liquidated damages under Clause 4 (*Service Start Date*);
- 10.1.2. its calculation of the **Availability Payment** due to the **Provider** and any **Availability Rebate** due to the **Company** in respect of the previous calendar month;
- 10.1.3. its calculation of the **Utilisation Payment** due to the **Provider** in respect of the previous calendar month;
- 10.1.4. in relation to the last calendar month in the **Stability Year**, its calculation of the **Annual Reconciliation Payment** due from the **Provider**;
- 10.1.5. save in the case of a **Provider** that is entitled to payment for the Obligatory Reactive Power Service under **CUSC**, its calculation of the **Reactive Power Payment** due to the **Provider** in respect of the previous calendar month;

---

<sup>3</sup> Note: Company will notify Providers when changes to the DSM document are published on the Company's website.

**INDICATIVE DRAFT SUBJECT TO CONTRACT**

- 10.1.6. any adjustments to be made (net of interest) in relation to disputes concerning **Availability Payments, Utilisation Payments or Reactive Power Payments** for any month prior to the previous month; and
- 10.2. If the **Provider** disagrees with any dates times facts or calculations set out in any **Monthly Statement**, it may notify the **Company** in writing, with evidence on which it relies upon 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 Clause 10.3. The **Parties** shall discuss and endeavour to resolve the matter in good faith and any adjustments agreed shall be included in the **Monthly Statement** next following the date of resolution of the dispute. The dates, times, facts and calculations set out in the **Monthly Statement** shall be binding upon the **Parties** until such time as they are reversed or revised by agreement between the **Parties** or otherwise determined pursuant to Clause 16 (*Dispute Resolution*).
- 10.3. Where, having regard to any **Settlement Run** or to the results of any other monitoring by the **Company** of service delivery, the **Company** 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 the **Company** shall, subject to verification by the **Company**, revise the **Monthly Statement** and re-issue the same to the **Provider**, and the provisions of Clause 10.2 shall apply mutatis mutandis to such revised **Monthly Statement**. In the absence of fraud, neither the **Company** nor the **Provider** may invoke the provisions of this Clause with respect to the contents of any **Monthly Statement** after the period of twelve (12) months has elapsed following submission of that **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** issued by the **Company** shall be final and conclusive.
- 10.4. No later than the eighteenth (18<sup>th</sup>) **Business Day** of each month, the **Company** will issue a self-billing invoice (or credit note) reflecting the **Monthly Statement** issued pursuant to Clause 10.2, and no later than five (5) **Business Days** after such date of issue the **Company** shall pay to the **Provider** (or the **Provider** shall pay to the **Company**, as the case may be) the net amount shown as due from the **Company** to the **Provider** (or from the **Provider** to the **Company**, as the case may be) in that **Monthly Statement**.
- 10.5. If either **Party** (the “**Defaulting Party**”) fails to pay any amount properly due under a **Stability Contract** on the due date, then the **Defaulting Party** shall pay to the other **Party** interest on such overdue amount at the **Base Rate** plus three per cent (3%) from the due date on which such payment was properly due to (but excluding) the date of actual payment. Any interest shall accrue from day to day.
- 10.6. If it is agreed or otherwise determined under Clause 10.2 that the **Provider** was entitled to a further payment from the **Company**, the **Provider** shall be entitled to interest at the **Base Rate** on the amount of such further payment from the date on which that sum would have been payable had it been included in the **Monthly Statement** for each **Relevant Settlement Period** until the date of payment.
- 10.7. If it is agreed or otherwise determined under Clause 10.2 that the **Provider** was not

**INDICATIVE DRAFT SUBJECT TO CONTRACT**

entitled to any payment it has received, the **Company** shall be entitled to interest at the **Base Rate** on the amount so paid from the date of payment until the date of repayment or the date when the **Company** makes a payment to the **Provider** which takes such payment into account.

- 10.8. Notwithstanding any other provision of these **Standard Contract Terms**, the **Parties** shall not be limited in any way as to the evidence they may rely upon in any proceedings arising out of or in connection with payment for the **Stability Mid-Term Market Service** under these **Standard Contract Terms** and the **Parties** agree that in the event and to the extent that either **Party** succeeds in proving in any such proceedings that the **Stability Mid-Term Market Service** was or was not provided, the successful **Party** shall (without prejudice to any liquidated damages provision of these Standard Contract Terms) be entitled to repayment of the sums already paid or payment of sums not paid as the case may be in respect of the **Stability Mid-Term Market Service**.
- 10.9. Save as otherwise expressly provided in these **Standard Contract Terms**, sums payable by one **Party** to the other pursuant to these whether by way of charges, interest or otherwise shall (except to the extent 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 save for sums the subject of a final award or judgement (after exhaustion of all appeals if this opportunity is taken) or which by agreement between the **Company** and the **Provider** may be so deducted or set off.
- 10.10. All amounts specified hereunder shall be exclusive of any Value Added Tax or other similar tax and the **Company** 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 supply of the **Stability Mid-Term Market Service** under a **Stability Contract**.
- 10.11. All payments by the **Company** to the **Provider** owed in accordance with the **Stability Contract** under these **Standard Contract Terms** will be made by payment to the bank account details of which are notified to the **Company** by the **Provider** from time to time.
- 10.12. The submission of all **Monthly Statements** and facts and other evidence in support thereof and any questions in connection therewith from the **Company** to the **Provider** and vice versa in accordance with this Clause 10 must be made, in the absence of agreement to the contrary between the **Parties**, by 19.00 hours on the **Business Day** concerned.
- 10.13. The **Provider** hereby irrevocably consents to the operation of a self-billing system by the **Company** with regard to the payment for the **Stability Mid-Term Market Service** and will at all times throughout the **Service Term** maintain such consent. The **Provider** hereby undertakes to do (at the **Company's** cost) all acts and things reasonably necessary to enable the **Company** to comply with the regulations of HM Revenue & Customs as regards the self-billing of the **Stability Mid-Term Market Service**.
- 10.14. The provisions of this Clause 10 shall survive termination of the relevant **Stability Contract**.



## 11. TERMINATION

### Automatic Termination

- 11.1. Each **Stability Contract** and the **Provider's Framework Agreement** shall terminate automatically upon:-
- 11.1.1. the **Provider** ceasing to be a **BSC Party** solely as a result of the **Provider's** election or a material breach by the **Provider** of its obligations under such agreement; or
- 11.1.2. the **Provider** ceasing to be a party to the **CUSC Framework Agreement** solely as a result of the **Provider's** election or a material breach by the **Provider** of its obligations under such agreement; or
- 11.1.3. in the case of a **Provider** required by the Electricity Act 1989 to hold a **Generation Licence**, the revocation or withdrawal of that **Generation Licence**; or
- 11.1.4. termination of the applicable **Connection Agreement** solely as a result of the **Provider's** election or a material breach by the **Provider** of its obligations under such agreement, and the **Provider** cannot comply in all material respects with its obligations under these **Standard Contract Terms**.

### Termination by the Provider

- 11.2. The **Provider** may, by notice in writing to the **Company**, terminate a **Stability Contract** in the event that:
- 11.2.1. the **Company** shall fail to pay (other than by inadvertent error in funds transmission which is discovered by the **Provider**, notified to the **Company** and corrected within five (5) **Business Days** following such notification) any sum properly due or owing from it in respect of a **Stability Contract** according to its terms and such non-payment remains unremedied and not disputed in good faith and upon reasonable grounds at the expiry of fifteen (15) **Business Days** immediately following receipt by the **Company** of written notice from the **Provider** of such non-payment; or
- 11.2.2. without prejudice to Clause 11.1, the **Company** shall commit any material breach (other than a breach under Clause 11.2.1) of these **Standard Contract Terms** (or persistent breaches of these **Standard Contract Terms** which taken as a whole are material), or shall commit a breach of any of the material obligations on its part to be observed under these **Standard Contract Terms**, and the **Provider** shall have served written notice on the **Company** requiring it to remedy such default (if it is capable of remedy) within thirty (30) days or such longer period as may be reasonably necessary to remedy the default and the **Company** shall have failed to remedy such default to the reasonable satisfaction of the **Provider** within the specified period; or
- 11.2.3. in respect of the **Company**:-
- (a) an order of the High Court is made or an effective resolution passed for its winding-up or dissolution; or

**INDICATIVE DRAFT SUBJECT TO CONTRACT**

- (b) a receiver (which expression shall include an administrative receiver within the meaning of Section 29 of the Insolvency Act 1986) of the whole or any material part of its assets or undertaking is appointed; or
- (c) an administration order under Section 8 of the Insolvency Act 1986 is made or an administrator has been appointed (whether out of court or otherwise) or if a voluntary arrangement is proposed by the **Company** under Section 1 of that Act; or
- (d) it enters into any scheme of arrangement (other than for the purpose of reconstruction or amalgamation upon terms and within such period as may previously have been approved in writing by the **Authority**); or
- (e) any of the events referred to in (a) to (d) above has occurred and is continuing and the **Company** is unable to pay its debts within the meaning of Section 123 (1) or (2) of the Insolvency Act 1986 save that such section shall have effect as if for seven hundred and fifty pounds sterling (£750) there was inserted two hundred and fifty thousand pounds sterling (£250,000) (and the **Company** shall not be deemed to be unable to pay its debts if any demand for payment is being contested in good faith by it with recourse to all appropriate measures and procedures);

and in any such case within twenty eight (28) days of appointment of the liquidator, receiver, administrative receiver, administrator, nominee or other similar officer, such person has not provided to the **Provider** a guarantee of future performance by the **Company** of the **Stability Contract** in such form and amount as the **Provider** may reasonably require.

- 11.3. The **Provider** may, subject to payment in full of the **Termination Sum**, terminate the **Stability Contract** by not less than twenty-eight (28) **Business Days**' notice in writing to the **Company**.

Termination by the **Company**

- 11.4. The **Company** may, by notice in writing to the **Provider**, terminate a **Stability Contract** in the event that:-

11.4.1. without prejudice to Clause 11.1, the **Provider** shall commit any material breach (other than a breach under Clause 11.4.2) of these **Standard Contract Terms** (or persistent breaches of these **Standard Contract Terms** which taken as a whole are material), or shall commit a breach of any of the material obligations on its part to be observed under these **Standard Contract Terms**, and the **Company** shall have served written notice on the **Provider** requiring it to remedy such default (if it is capable of remedy) within thirty (30) days or such longer period as may be reasonably necessary to remedy the default and the **Provider** shall have failed to remedy such default to the reasonable satisfaction of the **Company** within the specified period; or

11.4.2. the **Provider** shall fail to pay (other than by inadvertent error in funds transmission which is discovered by the **Company**, notified to the **Provider** and corrected within five (5) **Business Days** following such notification) any material sum properly due or owing

**INDICATIVE DRAFT SUBJECT TO CONTRACT**

from it in respect of a **Stability Contract** according to its terms and such non-payment remains unremedied and not disputed in good faith and upon reasonable grounds at the expiry of fifteen (15) **Business Days** immediately following receipt by the **Provider** of written notice from the **Company** of such non-payment; or

11.4.3. the **Facility** remains **Unavailable** for more than ninety (90) consecutive days; or

11.4.4. in respect of the **Provider**:-

- (a) an order of the High Court is made or an effective resolution passed for its winding-up or dissolution; or
- (b) a receiver (which expression shall include an administrative receiver within the meaning of Section 29 Insolvency Act 1986) of the whole or any material part of its assets or undertaking is appointed; or
- (c) an administration order under Section 8 of the Insolvency Act 1986 is made or an administrator has been appointed (whether out of court or otherwise) or if a voluntary arrangement is proposed by the **Provider** under Section 1 of that Act; or
- (d) it enters into any scheme of arrangement (other than for the purpose of reconstruction or amalgamation upon terms and within such period as may previously have been approved in writing by the **Authority**); or
- (e) any of the events referred to in (a) to (d) above has occurred and is continuing and the **Provider** is unable to pay its debts within the meaning of Section 123 (1) or (2) of the Insolvency Act 1986 save that such section shall have effect as if for seven hundred and fifty pounds sterling (£750) there was inserted two hundred and fifty thousand pounds sterling (£250,000) (and the **Provider** shall not be deemed to be unable to pay its debts if any demand for payment is being contested in good faith by it with recourse to all appropriate measures and procedures)

and in any such case within twenty eight (28) days (or such longer period as the **Company** may in its absolute discretion permit) of appointment of the liquidator, receiver, administrative receiver, administrator, nominee or other similar officer, such person has not provided to the **Company** a guarantee of future performance by the **Provider** of the **Stability Contract** in such form and amount as the **Company** may reasonably require.

11.5. If the **Stability Contract** is terminated by the **Company** pursuant to Clause 11.4, the **Provider** shall pay to the **Company** the **Termination Sum**.

Other termination rights

11.6. The provisions of this Clause 11 are additional to any other rights of termination expressly provided. Termination of a **Stability Contract** under this Clause 11 or any other provision of these **Standard Contract Terms** shall be without prejudice to the

**INDICATIVE DRAFT SUBJECT TO CONTRACT**

rights and remedies to which a **Party** may be entitled hereunder and shall not affect any accrued rights obligations or liabilities of either **Party** nor the coming into or continuance in force of any provision hereof which is expressly or by implication intended to come into or continue in force on or after such termination.

**12. LIMITATION OF LIABILITY**

- 12.1. Subject to Clause 12.2 and save and to the extent that any provision of these **Standard Contract Terms** provides for an indemnity or the payment of liquidated damages, the **Parties** agree and acknowledge that neither **Party** (the "**Party Liable**") nor any of its officers, employees or agents shall be liable to the other **Party** for loss arising from any breach of these **Standard Contract Terms** other than for loss directly resulting from such breach and which at the date of the relevant **Stability Contract** was reasonably foreseeable as not unlikely to occur in the ordinary course of events from such breach, provided that the liability of any **Party** in respect of all claims for such loss shall not exceed five million pounds sterling (£5 million) per incident or series of incidents.
- 12.2. Nothing in these **Standard Contract Terms** shall exclude or limit the liability of the **Party Liable** for death or personal injury resulting from the negligence of the **Party Liable** or any of its officers, employees or agents and the **Party Liable** shall indemnify and keep indemnified the other **Party**, its officers, employees or 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 the **Party Liable** or any of its officers, employees or agents.
- 12.3. Subject to Clause 12.2 and save where any provision of these **Standard Contract Terms** or any **Framework Agreement** provides for an indemnity or the payment of liquidated damages neither the **Party Liable** nor any of its officers, employees or agents shall in any circumstances whatsoever be liable to the other **Party** for:-
- 12.3.1. any loss of profit, loss of revenue, loss of use, loss of contract or loss of goodwill; or
- 12.3.2. any indirect or consequential loss.
- 12.4. Each **Party** acknowledges and agrees that the other **Party** holds the benefit of Clauses 12.1, 12.2 and 12.3 for itself and as trustee and agent for its officers, employees and agents. In exercising any right or power as trustee hereunder neither **Party** shall be restricted by any provision of these **Standard Contract Terms** as to the manner in which it exercises its discretion (if any).
- 12.5. The rights and remedies provided by these **Standard Contract Terms** or any **Framework Agreement** to the **Parties** are exclusive and not cumulative and exclude and are in place of all substantive (but not procedural) rights or remedies express or implied and provided by common law or statute in respect of the subject matter of **these Standard Contract Terms** or any **Framework Agreement**, including any rights either **Party** may possess in tort which shall include actions brought in negligence and/or nuisance. Accordingly, each of the **Parties** hereby waives to the fullest extent possible

## **INDICATIVE DRAFT SUBJECT TO CONTRACT**

such rights and remedies provided by common law or statute and releases the other **Party**, its officers, employees and agents to the same extent from all duties, liabilities, responsibilities or obligations provided by common law or statute in respect of the matters dealt with in these **Standard Contract Terms, the Framework Agreement** or any **Stability Contract** and undertakes not to enforce any of the same except as expressly provided herein.

12.6. For the avoidance of doubt, the **Parties** acknowledge and agree that nothing in these **Standard Contract Terms** shall exclude or restrict or otherwise prejudice or affect any of the rights, powers, privileges, remedies, duties and obligations of the **Secretary of State** or the **Authority** under the **Act**, any **Licence** or otherwise howsoever.

12.7. Each of Clauses 12.1, 12.2, 12.3 and 12.4 shall:-

12.7.1. be construed as a separate and severable contract term, and if one or more of such Clauses is held to be invalid, unlawful or otherwise unenforceable the other or others of such Clauses shall remain in full force and effect and shall continue to bind the **Parties**; and

12.7.2. survive termination of the Framework **Agreement** or any **Stability Contract**.

12.8. For the avoidance of doubt, nothing in this Clause 12 shall prevent or restrict any **Party** enforcing or claiming damages in respect of breach of any payment obligation (including the right for either **Party** to sue for direct damages to enforce any payment obligation or any future payment obligation) owed to it under or pursuant to these **Standard Contract Terms, the Framework Agreement** or any **Stability Contract**.

12.9. Each **Party** acknowledges and agrees that the provisions of this Clause 12 have been the subject of discussion and negotiation and are fair and reasonable having regard to the circumstances as at the date of the relevant **Tender Submission**.

## **13. METERING<sup>4</sup>**

13.1. The relationship between the **Parties** with respect to **Energy Metering Equipment** shall be regulated in accordance with Sections K and L of the **Balancing and Settlement Code**.

13.2. The relationship between the **Parties** with respect to **Operational Metering Equipment** shall be regulated by section 6 of the **Connection and Use of System Code**.

13.3. The **Provider** hereby consents (and where required pursuant to the **Balancing and Settlement Code** agrees to give its consent) to the disclosure to and use by the **Company** for the purposes of these **Standard Contract Terms** of all and any generation, demand and other operating data relating to the **Facility**.

## **14. CONFIDENTIALITY AND ANNOUNCEMENTS**

14.1. Subject to the exceptions provided in Clause 14.3, Clause 15 (*Disclosure of Information*) (and to the extent otherwise expressly permitted by these **Standard**

---

<sup>4</sup> Note: this Clause will be updated once further requirements have been identified.

**INDICATIVE DRAFT SUBJECT TO CONTRACT**

**Contract Terms**), neither **Party** shall, at any time, whether before or after the expiry or sooner termination of the **Stability Contract** without the prior consent of the other **Party** in writing (such consent not to be unreasonably withheld or delayed), divulge or suffer or permit its officers, employees, agents or contractors to divulge to any person or permit use by any person (other than disclosure to or use by any of its or their respective officers or employees to the extent that such disclosure and use is required to enable such persons properly to carry out their duties in connection with the **Stability Contract**):-

- 14.1.1. any of the contents of these **Standard Contract Terms**;
- 14.1.2. any commercially confidential information relating to the negotiations concerning the entering into of the **Stability Contract**;
- 14.1.3. any commercially confidential information which may come to a **Party's** knowledge in the course of such negotiations; or
- 14.1.4. any commercially confidential information concerning the operations, contracts, commercial or financial arrangements or affairs of the other **Party**.
- 14.2. Each **Party** undertakes to use information referred to in Clause 14.1 and disclosed to it by the other **Party** solely for the purposes of the **Stability Contract** and shall not use it for any other purpose or for the purposes of any third party.
- 14.3. The restrictions imposed by Clause 14.1 shall not apply to the disclosure of any information:
  - 14.3.1. which now or hereafter comes into the public domain otherwise than as a result of a breach of a confidentiality obligation or which either **Party** can show was in its written records prior to the date of disclosure of the same by the other **Party**, under the **Stability Contract** or which it receives from a third party independently entitled to disclose it;
  - 14.3.2. which is required by law or pursuant to the rules of the Electricity Arbitration Association in England and Wales or pursuant to the rules or regulations of the Financial Conduct Authority to be disclosed to any person who is authorised by law or pursuant to the rules of the Electricity Arbitration Association in England and Wales or pursuant to the rules or regulations of the Financial Conduct Authority to receive the same;
  - 14.3.3. which is required to be disclosed by the regulations of any recognised exchange upon which the share capital of the **Party** making the disclosure (or its parent undertaking) is or is proposed to be from time to time listed or dealt in, or is required to be disclosed by the Panel on Takeovers and Mergers;
  - 14.3.4. to a court, arbitrator or administrative tribunal in the course of proceedings before it to which the disclosing **Party** is a party;
  - 14.3.5. pursuant to any **Licence** of the **Party** concerned;
  - 14.3.6. to any consultants, banks, financiers, insurers, professional advisers retained by the disclosing **Party**;



**INDICATIVE DRAFT SUBJECT TO CONTRACT**

- 14.3.7. by the **Provider** to a third party who is a party to a power purchase agreement in respect of the electricity generated by the **Facility** and with whom all (or some of) the risks and benefits arising from the **Agreement** will be shared provided such party is subject to confidentiality undertakings which are no less onerous than those to which the **Provider** is subject to under the **Stability Contract**;
- 14.3.8. by either **Party** to any parent, subsidiary or fellow subsidiary undertaking on a “need to know” basis only; or
- 14.3.9. required or expressly permitted to be disclosed under the terms of any agreement or arrangement to which both the **Parties** have agreed to be bound.
- 14.4. In this Clause 14, the words “parent undertaking”, “subsidiary undertaking” and “fellow subsidiary undertaking” shall have the meanings as provided in sections 1161 and 1162 of the Companies Act 2006.
- 14.5. Before either **Party** discloses any information in any of the circumstances described in Clauses 14.3.6 to 14.3.8 (other than to its authorised professional advisers), it shall notify the other **Party** of its intention to make such disclosure and (in the case where the disclosing **Party** is the **Provider**) procure the execution and delivery to that **Party** of an undertaking executed by the person to whom the disclosure is proposed to be made being in the same terms mutatis mutandis as the undertakings contained in this Clause 14.
- 14.6. No public announcement or statement regarding the signature, performance or termination of the **Stability Contract** shall be issued or made by either **Party** unless:
- 14.6.1. to the extent legally possible, before it is issued or made, both the **Parties** have been furnished with a copy of it and have approved it (such approval not to be unreasonably withheld or delayed); or
- 14.6.2. 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.
- 14.7. With respect to the information referred to in Clause 14.1 both **Parties** shall ensure, to the extent reasonably practicable, that:-
- 14.7.1. such information is disseminated within their respective organisations on a “need to know” basis only;
- 14.7.2. employees, directors, officers, contractors, agents, consultants and professional advisers who are in receipt of such information are made fully aware of the **Party’s** obligations of confidence in relation thereto; and
- 14.7.3. any copies of such information, whether in hard copy or computerised form, will clearly identify the information as confidential.
- 14.8. Notwithstanding any other provision of these **Standard Terms and Conditions**, the provisions of this Clause 14 shall continue to bind a person for a period of twenty four (24) months after termination of the **Stability Contract**, in whole or in part, for whatever reason.

**INDICATIVE DRAFT SUBJECT TO CONTRACT**

**15. DISCLOSURE OF INFORMATION**

- 15.1. The **Provider** hereby consents to the disclosure and use by the **Company** in such manner or form and at such times as it thinks fit of:
- 15.1.1. the details of the **Contract Rate, Technical Performance Requirements** and any other information submitted by the **Provider** in its **Tender Submission**;
- 15.1.2. the aggregate cost of **Availability Payments** and the aggregate amount of **Availability Rebates** made by the **Company** to the **Provider** and all other providers of the **Stability Mid-Term Market Service**;
- 15.1.3. such data in relation to the provision of the **Reactive Capability** as the **Company** publishes from time to time in respect of the **Obligatory Reactive Power Service**; and
- 15.1.4. any other data and other information relating to the **Stability Contract** and the provision of the **Stability Mid-Term Market Service** for the purposes of any or all of the statements published from time to time pursuant to Standard Condition C16 of the **Transmission Licence**.
- 15.2. Where the **Company** intends to disclose and use any data or other information relating to the **Stability Contract** other than that specified in Clause 15.1 it shall first consult with the **Provider** regarding the form and scope of the intended disclosure documentation and, acting reasonably and in good faith, make such adjustments to the disclosure documentation as the **Provider** may reasonably request in order to protect its business interests.

**16. DISPUTE RESOLUTION**

- 16.1. Save where expressly stated in these **Standard Contract Terms** to the contrary and subject to any contrary provision of the **Act** or any **Licence** or the rights, powers, duties and obligations of the **Authority** or the **Secretary of State** under the **Act**, any **Licence** or otherwise howsoever, either **Party** may refer any dispute or difference of whatever nature howsoever arising under out of or in connection with the **Stability Contract** between the **Parties** to arbitration pursuant to the arbitration rules of the **Electricity Arbitration Association** in force from time to time. Provided always that prior to any such referral to arbitration:
- 16.1.1. the **Party** seeking to refer the matter to arbitration shall first serve on the other **Party** a "**Dispute Notice**" describing in reasonable detail the nature of the dispute;
- 16.1.2. the **Parties** shall thereafter without delay commence and continue to use all reasonable endeavours to resolve the dispute in question promptly, equitably and in a good faith manner and (where commensurate with the nature and extent of the dispute) at a senior officer level; and
- 16.1.3. any referral to arbitration may only be made by a **Party** where the dispute remains unresolved upon expiry of a period of twenty eight (28) days following delivery of the relevant **Dispute Notice**.
- 16.2. Where any provision in these **Standard Contract Terms** provides, or the **Parties** have



## **INDICATIVE DRAFT SUBJECT TO CONTRACT**

agreed, for a dispute or difference between the **Parties** to be referred to an expert ("**Expert**") the following provisions shall apply, and neither **Party** shall commence proceedings in any court in respect of or otherwise in connection with such dispute:

- 16.2.1. the **Expert** shall be jointly appointed by the **Parties** and shall be a person of good repute with the relevant skills and technical experience to be able to make a fair and reasoned determination having regard to the nature of the dispute or difference;
- 16.2.2. the **Parties** agree that the **Expert** shall act as an expert and not as an arbitrator and shall decide those matters referred to him using his skill, experience and knowledge and with regard to all such other matters as he in his sole discretion considers appropriate;
- 16.2.3. if the Parties cannot agree upon the selection of an **Expert**, the **Expert** shall be selected on the application of either **Party** by the Centre for Effective Dispute Resolution;
- 16.2.4. all references to the **Expert** shall be made in writing by either **Party** with notice to the other being given contemporaneously, and the **Parties** shall promptly supply the **Expert** with such documents and information as he may request when considering any referral;
- 16.2.5. the **Expert** shall be requested to use his best endeavours to give his decision upon the question before him as soon as possible in writing following its referral to him, his decision shall, in the absence of fraud or manifest error, be final and binding upon the **Parties**;
- 16.2.6. the **Parties** shall equally share the **Expert's** fees and expenses unless the **Expert** determines otherwise; and
- 16.2.7. save to the extent otherwise expressly provided herein or in the determination by the **Expert**, this Clause shall, to the extent necessary for the **Parties** to perform their obligations under these **Standard Contract Terms**, continue to bind the **Parties** after termination.

## **17. ENTIRE AGREEMENT**

These **Standard Contract Terms** contain or expressly refer to the entire agreement between the **Parties** with respect to the subject matter of the **Stability Contract**, and expressly excludes any warranty, condition or other undertaking implied at law or by custom, and supersedes all previous agreements and understandings between the **Parties** with respect thereto and each of the **Parties** acknowledges and confirms that it is not aware of any representation, warranty or other undertaking not fully reflected in the terms of the **Stability Contract** and these **Standard Contract Terms** upon which it has relied upon entering into the **Stability Contract**. To the extent that any such representation, warranty or other undertaking exists, each **Party** irrevocably and unconditionally waives any right it may have to claim damages for breach of warranty and/or to rescind the **Stability Contract**, unless such warranty or misrepresentation was made or given fraudulently.

**INDICATIVE DRAFT SUBJECT TO CONTRACT**

**18. NOTICES**

18.1. Any notice or other communication given by a **Party** under the **Stability Contract** shall be:

18.1.1. in writing and in English;

18.1.2. signed by, or on behalf of, the **Party** giving it; and

18.1.3. sent to the relevant **Party** by post at the address set out in **Framework Agreement** (in which case a copy shall also be sent by email), or by email to the address set out in the **Framework Agreement**.

18.2. Notices may be given, and are deemed received:

18.2.1. by hand: on receipt of a signature at the time of delivery;

18.2.2. by first-class Royal Mail Recorded Signed For post: at 9:00am on the second **Business Day** after posting; and

18.2.3. by email: on receipt of a delivery receipt email from the correct email address or on earlier receipt of confirmation of receipt from the recipient.

18.3. All references to time are to the local time at the place of deemed receipt.

18.4. This Clause does not apply to notices given in legal proceedings, arbitration or other dispute resolution proceedings or to operational communications to which the provisions of Clause 5 (*Service Provision*) apply.

**19. FORCE MAJEURE**

19.1. In so far as either **Party** is prevented from performing any of its obligations under the **Stability Contract** due to an event or circumstance of **Force Majeure**, then the rights and obligations of the **Parties** shall be suspended for as long as and to the extent that

**INDICATIVE DRAFT SUBJECT TO CONTRACT**

the circumstance of **Force Majeure** prevents such performance. For the avoidance of doubt:

- 19.1.1. the **Provider** shall not be entitled to any **Availability Payment** and the **Company** shall not be entitled to any **Availability Rebate** to the extent that the **Facility** is **Unavailable** by reason of **Force Majeure**;
- 19.1.2. the **Parties** agree that they shall not be relieved from their obligations under the **Stability Contract** by reason of events or circumstances commencing prior to the last date specified in the **Tender** for **Tender Submissions** and continuing as at that date including restrictions introduced by any **Competent Authority** in relation to **Coronavirus** and the **Coronavirus Disease**; and
- 19.1.3. the **Parties** further agree that they shall be relieved from their obligations under the **Stability Contract** to the extent that they are unable to perform them by reason of any further restrictions or guidance introduced by any **Competent Authority** in relation to **Coronavirus** and the **Coronavirus Disease** on or after the date on which the **Provider** submitted its **Tender Submission**.
- 19.2. The **Party** affected by the **Force Majeure** shall give to the other **Party** immediately upon becoming aware of an event or circumstance of **Force Majeure**, a written communication describing the **Force Majeure** (including, without limitation, the nature of the occurrence and its expected duration) and the obligations which it is prevented from performing and shall continue to furnish regular reports with respect thereto to the other **Party** during the period of **Force Majeure**.
- 19.3. As soon as is reasonably practicable, following an event or circumstance of **Force Majeure**, the **Parties** shall discuss how best to continue their respective obligations as set out in the **Stability Contract**.
- 19.4. For the avoidance of doubt the non-performance of either **Party**'s obligations pursuant to the **Stability Contract** arising prior to the event or circumstance of **Force Majeure**, shall not be excused as a result of the event or circumstance of **Force Majeure**.
- 19.5. Either **Party** shall have a right to terminate the **Stability Contract** by notice in writing to the other if that other **Party** has been prevented from performing its obligations due

**INDICATIVE DRAFT SUBJECT TO CONTRACT**

to an event of **Force Majeure** for a continuous period of six (6) calendar months or more or for an aggregate period of nine (9) calendar months or more.

**20. VARIATIONS**

No variation to the terms of the **Stability Contract** shall be effective unless made in writing and signed by duly authorised representatives on behalf of both the **Company** and the **Provider**.

**21. NO PARTNERSHIP**

The **Parties** are independent contractors. Nothing contained herein shall be deemed to create an association, joint venture, partnership or principal/agent relationship between the **Parties** or to impose any partnership obligation or liability on either **Party**. Neither **Party** shall have any right, power or authority to enter into any agreement or commitment, act on behalf of, or otherwise bind the other **Party** in any way.

**22. WARRANTIES AND INDEMNITY**

22.1. Each **Party** warrants and represents to the other that it has full power and authority to enter into the **Stability Contract** and perform its obligations hereunder.

22.2. The **Provider** hereby warrants and represents to the **Company** that:

22.2.1. the availability and delivery of the **Stability Mid-Term Market Service** from the **Facility** pursuant to and in accordance with these **Standard Contract Terms** does not cause it to be in breach of, or to otherwise be non-compliant with, any **Legal Requirement** and/or any agreement with any person; and

22.2.2. it will not do anything in connection with the **Stability Contract** that will cause it to be in breach of, or to otherwise be non-compliant with, any **Legal Requirement** and/or any agreement with any person.

22.3. The **Provider** further warrants and represents to the **Company** that the availability and delivery of the **Stability Mid-Term Market Service** from the **Facility** pursuant to and in accordance with the **Stability Contract** will not at any time cause the **Provider** to be in breach of or to otherwise be non-compliant with any **Connection Agreement** and/or any agreement for the supply of electricity or related services to or from the **Facility**. The **Provider** repeats this warranty and representation on acknowledgement of each **Instruction**.

22.4. If, notwithstanding Clause 22.3, the **Company** suffers or incurs any loss in respect of a claim by a third party related to any actual or alleged breach or non-compliance by the **Provider** as described in Clause 22.3, the **Provider** shall indemnify the **Company** against all and any losses, liabilities, claims and expenses that may be suffered or incurred by the **Company** in connection therewith. Such indemnity shall include any legal costs and expenses reasonably incurred in the contesting of such claims,

**INDICATIVE DRAFT SUBJECT TO CONTRACT**

including the court costs and the reasonable fees of lawyers and other professional advisers.

**23. CHANGE IN LAW/CHANGE IN CIRCUMSTANCES**

23.1. If a **Relevant Change in Law** or a **Relevant Change in Circumstances** occurs that:

23.1.1. requires a change in the **Provider's** policies or practices in operating the **Facility**; or

23.1.2. materially increases or decreases the **Provider's** costs of performing the **Stability Contract**,

either **Party** may by not less than ten (10) **Business Days'** notice to the other require the other **Party** to meet and the **Parties** shall in good faith seek to agree any changes in operating practice and/or any changes which should be made to these **Standard Contract Terms** or the **Stability Contract** as are necessary to achieve (insofar as possible) the same balance of benefits, liabilities, risk and reward between the **Parties** in respect of the subject matter of the **Stability Contract** as applied immediately prior to the **Relevant Change in Law** or **Relevant Change in Circumstances** (as the context requires).

23.2. Neither **Party** shall be liable to the other **Party** for a failure to perform any obligation under the **Stability Contract** which becomes prohibited or otherwise impossible to perform by reason of a **Change in Law** or a **Relevant Change in Circumstances**.

**24. CUSC**

The provisions of Paragraphs 6.14 (*Transfer and Sub-contracting*), 6.20 (*Waiver*), 6.22 (*Third Party Rights*), 6.23 (*Jurisdiction*), 6.24 (*Counterparts*), 6.25 (*Governing Law*) and 6.26 (*Severance of Terms*) of the **CUSC** shall apply to this these **Standard Contract Terms** as if set out in full herein.

**25. ANTI-BRIBERY**

25.1. Each **Party** shall:

25.1.1. comply with all **Anti-Bribery Laws**;

25.1.2. not engage in any activity, practice or conduct which would constitute an offence under sections 1, 2 or 6 of the **Bribery Act** if such activity, practice or conduct had been carried out in the United Kingdom;

25.1.3. have and shall maintain in place throughout the term of the **Stability Contract** its own policies and procedures, including **Adequate Procedures** to ensure compliance with the **Anti-Bribery Laws**, and this Clause 24.1, and will enforce them where appropriate; and

25.1.4. procure and ensure that all of its **Associated Persons** and/or other persons who are performing services and/or providing goods in connection with the **Stability Contract** comply with this Clause 25.

**INDICATIVE DRAFT SUBJECT TO CONTRACT**

25.2. Without prejudice to any other rights or remedies either **Party** may terminate the **Stability Contract** on written notice to the other **Party** specifying the date on which the **Stability Contract** will terminate in the event of a breach of this Clause 25.

**26. EMR**

26.1. Notwithstanding any confidentiality obligations and any restriction on the use or disclosure of information set out in these **Standard Contract Terms**, the **Provider** consents to the **Company** and each of its subsidiaries using all and any information or data supplied to or acquired by it in any year under or in connection with the **Stability Contract** for the purpose of carrying out its **EMR Functions**.

26.2. The provisions relating to the resolution of disputes set out in these **Standard Contract Terms** (if any) are subject to any contrary provision of an **EMR Document**.

26.3. Where for the purposes of this provision only:

<b>“AF Rules”</b>	has the meaning given to “allocation framework” in section 13(2) of the Energy Act 2013;
<b>“Capacity Market Rules”</b>	means the rules made under section 34 of the Energy Act 2013 as modified from time to time in accordance with that section and The Electricity Capacity Regulations 2014;
<b>“EMR Document”</b>	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 (Definition of Eligible Provider) Regulations 2014, The Contracts for Difference (Electricity Supplier Obligations) 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; and
<b>“EMR Functions”</b>	has the meaning given to “EMR functions” in Chapter 5 of Part 2 of the Energy Act 2013.

**SCHEDULE A – Definitions**

---

**“Acceptable Security”**

- (i) an on-demand without proof or conditions irrevocable performance bond or guarantee in a form reasonably satisfactory to the **Company** issued by a **Rated Bank** payable in Sterling in London; or
- (ii) an irrevocable standby letter of credit in a form reasonably satisfactory to the **Company** issued by a **Rated Bank** payable in Sterling in London; or
- (iii) a cash deposit in Sterling in an **Escrow Account**;
- (iv) a parent company guarantee in terms and from an issuer satisfactory to the **Company**; or
- (v) such other form of security acceptable to the **Company**,

in each case, for an amount equal to the **Secured Amount** from time to time;

**“Acceptance Letter”** means the letter provided by the **Company** to the **Provider** by email, confirming the formation of a **Stability Contract**;

**“Act”** the Electricity Act 1989;

**“Active Frequency Response Power”** has the meaning given to it in the Grid Code;

**“Active Inertia Power”** means the injection or absorption of **Active Power** by a **Grid Forming Plant** to and from the **Total System** during a **System Frequency** change.

The amount of **Active Power** supplied or absorbed by the **Grid Forming Plant** is a function of the energy storage capability of the **Internal Voltage Source** and **ROCOF** or, in the case of an **HVDC System**, is a function of the **Active Power** provided by either the **Remote End HVDC Converter Station** or some extra **Plant**.

For the avoidance of doubt, this includes the rotational inertial energy of the complete drive train of a **Synchronous Generating Unit**.

**Active Inertia Power** is an inherent capability of a **Grid Forming Plant** to respond naturally, within less than 5 ms, to changes in the **System Frequency**.

For the avoidance of doubt the **Active Inertia Power** has a

**INDICATIVE DRAFT SUBJECT TO CONTRACT**

			slower frequency response compared with <b>Active Phase Jump Power</b> ;
<b>“Active Phase Jump Power”</b>			means the transient <b>Active Power</b> transferred from a <b>Grid Forming Plant</b> to the <b>Total System</b> as a result of changes in the phase angle between the <b>Internal Voltage Source</b> of the <b>Grid Forming Plant</b> and the <b>Grid Entry Point</b> or <b>Point of Stability</b> .  In the event of a disturbance or fault on the <b>Total System</b> , a <b>Grid Forming Plant</b> will instantaneously supply or absorb <b>Active Phase Jump Power</b> to the <b>Total System</b> as a result of the phase angle change.  For <b>GBGF-I Plant</b> as a minimum value this is up to the <b>Phase Jump Angle Limit</b> .  <b>Active Phase Jump Power</b> is an inherent capability of a <b>Grid Forming Plant</b> that starts to respond naturally, within less than 5 ms, and can have frequency components to over 1000 Hz.;
<b>“Active Power”</b>			has the meaning given to it in the <b>Grid Code</b> ;
<b>“Actual Capability”</b>	<b>Inertia</b>		means in relation to a <b>Settlement Period</b> in which the <b>Facility</b> was <b>Available</b> to provide <b>Inertia Capability</b> , the <b>Contracted Inertia Capability</b> or such lower level of <b>Inertia Capability</b> as may have been specified in a <b>Redeclaration</b> ;
<b>“Actual SCL Capability”</b>			means in relation to a <b>Settlement Period</b> in which the <b>Facility</b> was <b>Available</b> to provide <b>SCL Capability</b> , the <b>Contracted SCL Capability</b> or such lower level of <b>SCL Capability</b> as may have been specified in a <b>Redeclaration</b> ;
<b>“Adequate Procedures”</b>			shall be determined in accordance with section 7(2) of the <b>Bribery Act</b> (and any guidance issued under section 8 of that Act);
<b>“Agreement”</b>			has the meaning given to that term in Clause 1.1;
<b>“Annual Reconciliation Payment”</b>			has the meaning given to that term in Clause 6.2.2 ( <i>Service Fees</i> );
<b>“Anti-Bribery Laws”</b>			shall mean all applicable laws, statutes, regulations, and codes of mandatory application relating to anti-bribery and anti-corruption including but not limited to the <b>Bribery Act</b> ;
<b>“Associated Person”</b>			shall have the meaning ascribed to it in section 8 of the <b>Bribery Act</b> and shall include but is not limited to any employees, agents and/or subcontractors of the <b>Provider</b> or



**INDICATIVE DRAFT SUBJECT TO CONTRACT**

	the <b>Company</b> as applicable in relation to the provision of the <b>Stability Mid-Term Market Service</b> ;
<b>“Authority”</b>	means the Gas and Electricity Markets Authority;
<b>“Available”</b>	means the <b>Facility</b> is capable of energising and <b>Synchronising</b> in response to an <b>Instruction</b> and providing either <b>SCL Capability</b> or <b>Inertia Capability</b> (or both) (excluding any period in which the <b>Facility</b> is otherwise expressly treated as not available for the <b>Stability Mid-Term Market Service</b> ) and the terms <b>“Availability”</b> , <b>“Unavailable”</b> and <b>“Unavailability”</b> shall be construed accordingly;
<b>“Availability Payment”</b>	has the meaning given to it in Clause 6.1.1 ( <i>Service Fees</i> );
<b>“Availability Rebate”</b>	has the meaning given to that term in Clause 6.2.1 ( <i>Service Fees</i> );
<b>“Balancing Settlement Code” or “BSC”</b>	as defined in the <b>Company’s Licence</b> ;
<b>“Balancing Mechanism”</b>	has the meaning given to it in the <b>Grid Code</b> ;
<b>“Base Rate”</b>	means the Bank of England Official Rate from time to time provided that, if at any time the Bank of England Official Rate is a negative rate, then zero per cent (0%);
<b>“Bilateral Connection Agreement”</b>	has the meaning given to it in the <b>CUSC</b> ;
<b>“Bribery Act”</b>	the Bribery Act 2010;
<b>“BSC Party”</b>	has the meaning given to it in the <b>BSC</b> ;
<b>“Business Day”</b>	a week-day (other than a Saturday or a Sunday) on which banks are open for domestic business in the City of London;
<b>“Change in Law”</b>	means the occurrence of any of the following events after the date of these <b>Standard Contract Terms</b> :  (a) the coming into effect of any <b>Law or Directive</b> that is not in effect as at the date of these <b>Standard Contract Terms</b> ;  (b) the repeal, replacement or amendment of any <b>Law or Directive</b> ; or  (c) a change in the interpretation of any <b>Competent Authority</b> of any <b>Law or Directive</b> ;

**INDICATIVE DRAFT SUBJECT TO CONTRACT**

<b>“Company”</b>	National Grid Electricity System Operator Limited or its successors or assigns;
<b>“Company’s Website”</b>	means the relevant section of the website used by the <b>Company</b> ;
<b>“Competent Authority”</b>	means the <b>Authority</b> 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 the <b>Company</b> or the subject matter of the <b>Stability Contract</b> ;
<b>“Conditions Precedent”</b>	means the conditions precedent specified in clause 3.8;
<b>“Confirmation Time”</b>	the latest time by which an <b>Instruction</b> must be acknowledged in accordance with Clause 5.7, being two minutes after the issue of the <b>Instruction</b> ;
<b>“Connection Agreement”</b>	in relation to the <b>Facility</b> , the <b>Bilateral Connection Agreement</b> or connection agreement with the <b>Distribution Network Operator</b> to whose network the <b>Facility</b> is connected (as the case may be);
<b>“Connection Site”</b>	the location more particularly described in the <b>Connection Agreement</b> ;
<b>“Connection and Use of System Code” or “CUSC”</b>	the connection and use of system code drawn up pursuant to the <b>Transmission Licence</b> as from time to time revised in accordance with the <b>Transmission Licence</b> ; references in these <b>Standard Contract Terms</b> to any specific provision or part of the Connection and Use of System Code shall be construed as references to such provision or part as from time to time amended;
<b>“Continued Performance Failure”</b>	means, in respect of <b>Instructions</b> issued in any calendar month, the <b>Facility</b> failed to operate in accordance with any such <b>Instructions</b> and was treated as <b>Unavailable</b> under Clause 5.8 for twenty percent (20%) of the aggregate <b>Instructed Settlement Periods</b> in that month;
<b>“Contract Rate”</b>	the contract rate specified in the relevant <b>Tender Submission</b> ;
<b>“Contract Year”</b>	means each period of twelve (12) calendar months commencing on the <b>Scheduled Start Date</b> , or otherwise extended, in each year of the <b>Service Term</b> ;
<b>“Contracted Inertia”</b>	the <b>Tendered Inertia Capability</b> of the <b>Facility</b> as the same

# **INDICATIVE DRAFT SUBJECT TO CONTRACT**

<b>Capability”</b>		may be amended from time to time in accordance with Clause 7.4 ( <i>Reproving Test</i> );
<b>“Contracted Capability”</b>	<b>SCL</b>	the <b>Tendered SCL Capability</b> of the <b>Facility</b> as the same may be amended from time to time in accordance with Clause 7.4 ( <i>Reproving Test</i> );
<b>“Contracted Price”</b>	<b>Utilisation</b>	in relation to a <b>Stability Contract</b> , the price for calculating <b>Utilisation Payments</b> specified by the <b>Provider</b> in its <b>Tender Submission</b> and confirmed by the <b>Company</b> in the <b>Tender Acceptance</b> ;
<b>“Coronavirus”</b>		has the meaning given to it in the Coronavirus Act 2020, as at the date hereof;
<b>“Coronavirus Disease”</b>		has the meaning given to it in the Coronavirus Act 2020, as at the date hereof;
<b>“CP Date”</b>		has the meaning given to it in Clause 3.9;
<b>“DC Converter”</b>		has the meaning given to it in the <b>Grid Code</b> ;
<b>“Delay Event”</b>		means: (i) any event of <b>Force Majeure</b> that delays the implementation of the <b>Works</b> ; (ii) any failure to schedule a <b>Proving Test</b> within ten (10) days of the <b>Provider’s</b> notice under Clause 3.5 ( <i>Implementation of the Works</i> ) that is due to any act or omission of the <b>Company</b> ; (iii) any change reasonably required by the <b>Company</b> to the <b>Works</b> ; or (iv) any unforeseen delay by the <b>Local TO</b> or the <b>Local DNO</b> in connecting the <b>Facility</b> to the <b>NETS</b> or the <b>Distribution Network</b> (as the context requires) or modifying that connection, provided always that the <b>Provider</b> shall have used all reasonable endeavours to mitigate the effect of that delay;
<b>“Distribution Licence”</b>		means a licence issued under section 6(1)(c) of the Electricity Act 1989;
<b>“Distribution Network Operator” or “DNO”</b>	<b>Network</b>	a holder of a <b>Distribution Licence</b> relating to distribution activities in Great Britain, who was the holder of, or is a successor to a company which was the holder of a licence under section 6(1)(c) of the <b>Act</b> prior to the coming into force of section 30 of the Utilities Act 2000;
<b>“Distribution Network”</b>		means all or part of the distribution system operated by the <b>Local DNO</b> ;
<b>“Dynamic Compensation</b>	<b>Reactive</b>	has the meaning given to it in the <b>Grid Code</b> ;

**INDICATIVE DRAFT SUBJECT TO CONTRACT**

**Equipment”**

<b>“EDL”</b>	means the electronic despatch logging mechanism by which the <b>Company</b> communicates with the <b>Provider</b> and the <b>Provider</b> communicates with <b>Company</b> in respect of the <b>Facility</b> for the purposes of sending and acknowledging <b>Instructions</b> and <b>Instructions to End</b> ;
<b>“Electricity Arbitration Association”</b>	has the meaning given to it in the <b>Grid Code</b> ;
<b>“Energy Metering Equipment”</b>	has the meaning given to it in the <b>BSC</b> ;
<b>“Escrow Account”</b>	means a separately designated interest-bearing bank account in the name of the <b>Company</b> established by a mandate in such terms as the <b>Company</b> may require and signed by both the <b>Company</b> and the <b>Provider</b> at a branch of Barclays Bank PLC or another bank in the City of London as notified by the <b>Company</b> to the <b>Provider</b> ;
<b>“Expert”</b>	has the meaning given to that term in Clause 16.2 ( <i>Dispute Resolution</i> );
<b>“Extension Period”</b>	has the meaning given to that term in Clause 3.2;
<b>“Facility”</b>	means the facility described in the <b>Tender Acceptance</b> ;
<b>“Force Majeure”</b>	in relation to either <b>Party</b> any event, circumstance or condition which is beyond the reasonable control of such <b>Party</b> (not being, without limitation an event or circumstance caused by the negligence or lack of care and attention of that <b>Party</b> or its officers or employees, agents, contractors and sub-contractors) which, despite the reasonable endeavours of the <b>Party</b> claiming <b>Force Majeure</b> to prevent it or mitigate its effects, causes delay or disruption in the performance of any obligation imposed hereunder, 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, lightening, fire, storm, flood, earthquake, accumulation of snow or ice, lack of water arising from weather or environmental problems, explosion, governmental restraint, <b>Act</b> 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 neither: (i) lack of funds, nor (ii) the act or omission of any contractor (unless due solely to an event that would have been treated as a cause beyond its reasonable control if the contractor had been a party to the <b>Stability Contract</b> ),

**INDICATIVE DRAFT SUBJECT TO CONTRACT**

shall be interpreted as a cause beyond the reasonable control of that **Party**;

<b>“Framework Agreement”</b>	An agreement titled “Framework Agreement For The Provision of Stability Mid-Term Market (Y-1) Services” entered into between the <b>Company</b> and a <b>Provider</b> giving contractual effect to these <b>Standard Terms and Conditions</b>
<b>“GBGF-I Facility”</b>	a <b>Facility</b> that comprises <b>GBGF-I Plant</b> ;
<b>“GBGF-I Plant”</b>	means any <b>Power Park Module, HVDC System, DC Converter, OTSDUW Plant and Apparatus, Non-Synchronous Electricity Storage Module, Dynamic Reactive Compensation Equipment</b> or any <b>Plant and Apparatus</b> (including a smart load) which is connected or partly connected to the <b>Total System</b> via an <b>Electronic Power Converter</b> which has a <b>Grid Forming Capability (GBGF-I)</b> ;
<b>“GBGF-S Facility”</b>	a <b>Facility</b> that comprises <b>GBGF-S Plant</b> ;
<b>“GBGF-S Plant”</b>	means a <b>Synchronous Power Generating Module, Synchronous Electricity Storage Module</b> or <b>Synchronous Generating Unit</b> with a <b>Grid Forming Capability</b> ;
<b>“Generation Licence”</b>	a <b>Licence</b> for the generation of electricity;
<b>“Good Industry Practice”</b>	in relation to any undertaking and any circumstances the exercise of that degree of skill, care and diligence which would reasonably and ordinarily be expected from an experienced operator engaged in the same or similar type of undertaking under the same or similar circumstances;
<b>“Grid Code”</b>	has the meaning given to it in the <b>Company’s Licence</b> ;
<b>“Grid Entry Point”</b>	has the meaning given to it in the <b>Grid Code</b> ;
<b>“Grid Forming Capability”</b>	includes (but is not limited to) a <b>Power Generating Module, HVDC Converter</b> (which could form part of an <b>HVDC System</b> ), <b>Generating Unit, Power Park Module, DC Converter, OTSDUW Plant and Apparatus, Electricity Storage Module, Dynamic Reactive Compensation Equipment</b> or any <b>Plant and Apparatus</b> (including a smart load) whose supplied <b>Active Power</b> is directly proportional to the difference between the magnitude and phase of its <b>Internal Voltage Source</b> and the magnitude and phase of the voltage at the <b>Grid Entry Point</b> or <b>Point of Stability</b> and the sine of the <b>Load Angle</b> . As a consequence, a <b>Plant</b> which has a <b>Grid Forming Capability</b> is one where the frequency of

**INDICATIVE DRAFT SUBJECT TO CONTRACT**

rotation of the **Internal Voltage Source** is the same as the **System Frequency** for normal operation, with only the **Load Angle** defining the relative position between the two. In the case of a **GBGF-I Plant** a **GBGF-I Unit** forming part of a **GBGF-I Plant** shall be capable of sustaining a voltage at its terminals irrespective of the voltage at the **Grid Entry Point** or **Point of Stability** for normal operating conditions.

For **GBGF-I Plant** the control system, which determines the amplitude and phase of the **Internal Voltage Source**, shall have a response to the voltage and **System Frequency** at the **Grid Entry Point** or **Point of Stability** with a bandwidth that is less than a defined value as shown by the control system's **NFP Plot**.

Exceptions to this rule are only allowed during transients caused by **System** faults, voltage dips/surges and/or a step or ramp changes in the phase angle which are large enough to cause damage to the **Grid Forming Plant** via excessive currents;

<b>“Grid Forming Plant”</b>		means a plant which is classified as either a <b>GBGF-S Plant</b> or a <b>GBGF-I Plant</b> ;
<b>“HVDC System”</b>		has the meaning given to it in the <b>Grid Code</b> ;
<b>“Inertia Capability”</b>		in relation to the <b>Facility</b> , its ability to provide <b>Inertia Power</b> , stated as at the <b>Point of Stability</b> ;
<b>“Inertia Power”</b>		has the meaning given to it in the <b>Technical Performance Requirements</b> ;
<b>“Industry Document”</b>		the <b>Licences</b> , the <b>BSC</b> , the <b>CUSC</b> , the <b>Grid Code</b> and all other agreements, documents or codes with which the <b>Provider</b> is obliged to comply under the <b>Act</b> or its <b>Licence</b> ;
<b>“Instructed Period”</b>	<b>Settlement</b>	means a <b>Settlement Period</b> that is subject to an <b>Instruction</b> ;
<b>“Instruction”</b>		has the meaning given to it in Clause 5.6 ( <i>Instruction of the Stability Mid-Term Market Service</i> );
<b>“Instruction Rebate”</b>	<b>Failure</b>	a rebate against the <b>Availability Payment</b> calculated in accordance with paragraph A.5 of Schedule D;
<b>“Instruction to End”</b>		has the meaning given to it in Clause 5.6 ( <i>Instruction of the Stability Mid-Term Market Service</i> );
<b>“Internal Voltage Source”</b>		Means, for a <b>GBGF-S Plant</b> a real magnetic field that rotates synchronously with the <b>System Frequency</b> under normal

## **INDICATIVE DRAFT SUBJECT TO CONTRACT**

operating conditions, which as a consequence induces an **Internal Voltage Source** in the stationary generator winding that has a real impedance.

In a **GBGF-I** design, switched power electronic devices are used to produce a voltage waveform, with harmonics, that has a fundamental rotational component called the **Internal Voltage source (IVS)** that rotates synchronously with the **System Frequency** under normal operating conditions.

For a **GBGF-I Plant** there must be an impedance with only real physical values, between the **Internal Voltage Source** and the **Grid Entry Point** or **Point of Stability**.

For the avoidance of doubt a virtual impedance, is not permitted in **GBGF-I Plant**;

<b>“ITT”</b>	means the Invitation to Tender forming part of the <b>Stability Mid-Term Market Tender Pack</b> ;
<b>“LAD Cap”</b>	means a sum equal to the <b>LAD Rate</b> multiplied by ninety (90) days;
<b>“LAD Rate”</b>	means a daily rate calculated in accordance with paragraph A.4 of Schedule D;
<b>“Law or Directive”</b>	<p>(a) any law (including the common law);</p> <p>(b) any statute, statutory instrument, regulation, instruction, direction, rule or requirement of any <b>Competent Authority</b>;</p> <p>(c) any condition or other requirement of any <b>Licence</b> or other required authorisation, licence, consent, permit or approval (or of any exemption from the requirement to have the same); and</p> <p>(d) any provision of any <b>Industry Document</b>;</p>
<b>“Legal Requirement”</b>	has the meaning given to it in the <b>BSC</b> ;
<b>“Licence”</b>	means a licence issued under section 6(1) of the <b>Act</b> ;
<b>“Load Angle”</b>	the angle in radians between the voltage of the <b>Internal Voltage Source</b> and the voltage at the <b>Grid Entry Point</b> or <b>Point of Stability</b> ;
<b>“Local TO”</b>	means the owner of that part of the <b>NETS</b> to which the <b>Facility</b> is connected or (in the case of an embedded <b>Facility</b> ) the owner of that part of the <b>NETS</b> in which the associated <b>Grid</b>



**INDICATIVE DRAFT SUBJECT TO CONTRACT**

	<b>Supply Point</b> is located;
<b>“Local DNO”</b>	in the case of an embedded <b>Facility</b> , means the owner of the <b>Distribution Network</b> to which the <b>Facility</b> is connected;
<b>“Maintenance Plan”</b>	has the meaning given to it in Clause 5.11 ( <i>Maintenance of the Facility</i> );
<b>“Monitoring Equipment”</b>	all monitoring equipment required under ECC6.6 of the <b>Grid Code</b> ;
<b>“Monthly Statement”</b>	has the meaning given to it in Clause 10.1;
<b>“National Electricity Transmission System” or “NETS”</b>	has the meaning given to that term in the <b>Company’s Licence</b> ;
<b>“Network Constraint”</b>	means unavailability of the <b>NETS</b> or the <b>Distribution Network</b> for any reason (whether planned or unplanned) or restrictions otherwise imposed on the operation of a <b>Facility</b> by the <b>Local TO</b> or <b>Local DNO</b> ;
<b>“NFP”</b>	means Network Frequency Perturbation Plot, as defined in the <b>Grid Code</b> ;
<b>“Non-Synchronous Electricity Storage Module”</b>	has the meaning given to it in the <b>Grid Code</b> ;
<b>“Operational Metering Equipment”</b>	has the meaning given to it in the <b>CUSC</b> ;
<b>“OTSDUW Plant and Apparatus”</b>	has the meaning given to it in the <b>Grid Code</b> ;
<b>“Party”</b>	the <b>Company</b> or the <b>Provider</b> (as the context requires) and the term <b>“Parties”</b> shall be construed accordingly;
<b>“Party Liable”</b>	has the meaning given to it in Clause 12.1 ( <i>Limitation of Liability</i> );
<b>“Performance Chart”</b>	means a diagram showing the <b>Active Power</b> (MW) and <b>Reactive Power</b> (MVar) capability limits within which the <b>Facility</b> at its <b>Grid Entry Point</b> or <b>Point of Stability</b> will be expected to operate under steady state conditions;
<b>“Permitted Service”</b>	participation in the Balancing Mechanism, Frequency Response, Reserve, Enhanced Reactive, wholesale electricity market, Capacity Market, ‘Voltage 2026’ Reactive Power Services’, Stability Compensation Service (e.g. Stability Pathfinders) and Electricity System Restoration and such other services as the <b>Company</b> may from time to time notify



**INDICATIVE DRAFT SUBJECT TO CONTRACT**

	to all providers of the <b>Stability Mid-Term Market Service</b> ;
<b>“Phase Jump Angle”</b>	the change in angle of the <b>Internal Voltage Source</b> of a <b>Grid Forming Plant</b> when subject to a phase change at the <b>Grid Entry Point</b> or <b>Point of Stability</b> ;
<b>“Phase Jump Angle Limit”</b>	the maximum <b>Phase Jump Angle</b> when applied to a <b>GBGF-I Plant</b> which will result in a linear response without activating current limiting functions. This is specified for a <b>System</b> angle near to zero;
<b>“Planned Maintenance Periods”</b>	has the meaning given to it in Clause 5.11;
<b>“Planned NETS Outage”</b>	an outage of part of the <b>NETS</b> coordinated by the <b>Company</b> under OC2 of the <b>Grid Code</b> ;
<b>“Planned DNO Outage”</b>	in relation to an embedded <b>Facility</b> , an outage on that part of the <b>Distribution Network</b> to which the <b>Facility</b> is connected, coordinated by the <b>Company</b> under OC2 of the <b>Grid Code</b> and/or the <b>Local DNO</b> under DOC2 of the <b>Distribution Code</b> ;
<b>“Plant and Apparatus”</b>	has the meaning given to it in the <b>Grid Code</b> . The terms <b>“Plant”</b> and <b>“Apparatus”</b> shall be construed accordingly;
<b>“Provider”</b>	has the meaning given to it in the <b>Tender Acceptance</b> ;
<b>“Point of Stability”</b>	the point on the <b>NETS</b> or <b>Distribution Network</b> (if embedded) where the <b>Facility</b> is directly or radially connected, being the point where, unless otherwise stated, the <b>Stability Mid-Term Market Service</b> must be delivered;
<b>“Power Park Module”</b>	has the meaning given to it in the <b>Grid Code</b> ;
<b>“Power System Stabiliser” or “PSS”</b>	has the meaning given to it in the <b>Grid Code</b> ;
<b>“Proving Test”</b>	a proving test of the <b>Facility</b> undertaken in accordance with Clause 4.2 ( <i>Implementation of the Works</i> ) or a proving test of a <b>Substitute Facility</b> undertaken in accordance with Clause 5.13 ( <i>Substitution of the Facility</i> ) , in either case, in compliance with the principles set out in Schedule B Part A to verify that the <b>Facility</b> is capable of providing the <b>Stability Mid-Term Market Service</b> in accordance with the <b>Technical Performance Requirements</b> , including the <b>Contracted Inertia Capability</b> and <b>Contracted SCL Capability</b> ;
<b>“Rated Bank”</b>	means a City of London branch of a bank with a rating of at least A- (Standard and Poor’s long term rating) or A3 (Moody’s

**INDICATIVE DRAFT SUBJECT TO CONTRACT**

	long term rating);
<b>“Reactive Power”</b>	has the meaning given to it in the <b>Grid Code</b> ;
<b>“Reactive Power Fee”</b>	means the amount (expressed in £/Mvarh) specified for the relevant month in the column headed “X=1” in the document titled, “Obligatory Reactive Power Service Default Payment Rates” published each month on the National Grid web site;
<b>“Reactive Power Mode”</b>	means ‘target voltage mode’ or ‘constant Mvar mode’ as described in the <b>Technical Performance Requirements</b> ;
<b>“Reactive Power Payment”</b>	has the meaning given to it in Clause 6.1.3;
<b>“Redeclaration”</b>	has the meaning attributed to it in Clause 5.4 ( <i>Stability Mid-Term Market Service Redeclaration</i> );
<b>“Relevant Change in Circumstances”</b>	in the issue of a <b>Licence</b> to the <b>Provider</b> under section 6(1)(b) of the Electricity Act 1989;
<b>“Relevant Change in Law”</b>	in means a <b>Change in Law</b> that: <ul style="list-style-type: none"><li>a) was not, acting in accordance with <b>Good Industry Practice</b>, reasonably foreseeable by the <b>Provider</b> as at the date of the <b>Standard Contract Terms</b>; and</li><li>b) affects the provision of the <b>Stability Mid-Term Market Service</b> or other similar services but not one which affects the operation of the <b>Facility</b> in general;</li></ul>
<b>“Remote End HVDC Converter Station”</b>	has the meaning given to it in the <b>Grid Code</b> ;
<b>“Reproving Test”</b>	in relation to the <b>Facility</b> , a test undertaken in accordance with Clause 6 in compliance with the principles set out in Schedule B Part B to verify that the <b>Facility</b> is capable of providing the <b>Stability Mid-Term Market Service</b> in accordance with the <b>Technical Performance Requirements</b> , including the <b>Contracted Inertia Capability</b> and <b>Contracted SCL Capability</b> ;
<b>“Response Time”</b>	has the meaning attributed to it in the <b>Technical Performance Requirements</b> );
<b>“Restoration Notice”</b>	has the meaning attributed to it in Clause 5.5 ( <i>Stability Mid-Term Market Service Redeclaration</i> );
<b>“ROCOF”</b>	means Rate of Change of Frequency, as defined in the <b>Grid Code</b> ;
<b>“Scheduled Start Date”</b>	means the date specified by the <b>Provider</b> as part of its <b>Tender Submission</b> by which it expects to have completed the <b>Works</b> and the <b>Facility</b> to have passed the <b>Proving Test</b> ;

**INDICATIVE DRAFT SUBJECT TO CONTRACT**

<b>“SCL Capability”</b>	in relation to the <b>Facility</b> , its short circuit level contribution;
<b>“Secured Amount”</b>	an amount equal to the <b>Provider’s</b> maximum potential liability outstanding from time to time in respect of liquidated damages payable in accordance with Clause 4.4 ( <i>Implementation of the Works</i> );
<b>“Service Term”</b>	in relation to a <b>Stability Contract</b> , the period of twelve (12) months from the <b>Start Date</b> , subject to any <b>Extension Period</b> agreed under Clause 3.2 or any period of automatic extension in accordance with Clause 18.6;
<b>“Settlement Run”</b>	has the meaning attributed to it in the <b>BSC</b> ;
<b>“Settlement Period”</b>	has the meaning attributed to it in the <b>BSC</b> ;
<b>“Stability Contract”</b>	a contract for the provision of <b>Inertia Capability</b> and/or <b>SCL Capability</b> formed upon the <b>Company’s</b> acceptance of a <b>Tender Submission</b> as confirmed by the <b>Company</b> issuing the <b>Acceptance Letter</b> ;
<b>“Stability Mid-Term Market Service”</b>	means the service of making the <b>Facility Available</b> and responding to the <b>Company’s Instructions</b> in accordance with this <b>Stability Contract</b> ;
<b>“Stability Mid-Term Market Tender”</b>	the procurement process followed from time to time by the <b>Company</b> for the procurement of the <b>Stability Mid-Term Market Service</b> ;
<b>“Stability Mid-Term Market Tender Assessment Principles”</b>	the assessment principles published as part of the <b>Stability Mid-Term Market Tender Pack</b> ;
<b>“Stability Mid-Term Market Tender Pack”</b>	the collation of documents published by the <b>Company</b> from time to time setting out the procedure to be followed for the procurement of for the <b>Stability Mid-Term Market Service</b> ;
<b>“Stability Tender”</b>	a tender submitted by a <b>Provider</b> to the <b>Company</b> for the provision from a <b>Facility</b> of the <b>Stability Mid-Term Market Service</b> in the form set out in the <b>Stability Mid-Term Market Tender Pack</b> ;
<b>“Stability Year”</b>	each period of twelve (12) months commencing at 00:00 hours on 1 October and ending at 23:59 hours on the following 31 September unless otherwise extended;
<b>“Standard Contract Terms”</b>	means these Standard Terms and Conditions for the provision of the <b>Stability Mid-Term Market Service</b> ;
<b>“Start Date”</b>	the date following that on which the <b>Facility</b> successfully

**INDICATIVE DRAFT SUBJECT TO CONTRACT**

	completes the <b>Proving Test</b> ;
<b>“Substitute Facility”</b>	has the meaning attributed to it in Clause 5.13 ( <i>Substitution of the Facility</i> );
<b>“Synchronised”</b>	the condition where the <b>Facility</b> is connected to the busbars of the <b>Total System</b> so that the frequencies and phase relationships of the <b>Facility</b> and the <b>Total System</b> are identical, like terms shall be construed accordingly e.g. <b>“Synchronise”</b> and <b>“Synchronism”</b> ;
<b>“Synchronising Time”</b>	means the latest time by which the <b>Facility</b> must <b>Synchronise</b> in accordance with Clause 5.8.1 following an <b>Instruction</b> , being thirty (30) minutes after the issue of the <b>Instruction</b>
<b>“Synchronous Compensation”</b>	means the operation of rotating synchronous apparatus for the specific purpose of providing this <b>Stability Mid-Term Market Service</b> in accordance with the <b>Technical Performance Requirements</b> ;
<b>“Synchronous Electricity Storage Module”</b>	has the meaning given to it in the <b>Grid Code</b> ;
<b>“Synchronous Generating Unit”</b>	has the meaning given to it in the <b>Grid Code</b> ;
<b>“Synchronous Power Generating Module”</b>	has the meaning given to it in the <b>Grid Code</b> ;
<b>“System Frequency”</b>	has the meaning given to it in the <b>Grid Code</b> ;
<b>“Target Availability”</b>	means: <ul style="list-style-type: none"><li>(i) in relation to <b>Contracted Inertia Capability</b>, the target (expressed as a percentage) specified in the <b>Tender Acceptance</b>; and</li><li>(ii) in relation to <b>Contracted SCL Capability</b> the target (expressed as a percentage) specified in the <b>Tender Acceptance</b>;</li></ul>
<b>“Technical Performance Requirements”</b>	those technical, performance and other requirements set out or referred to in the specification included in the <b>Stability Mid-Term Market Tender Pack</b> , including the <b>Contracted Inertia Capability</b> and the <b>Contracted SCL Capability</b> ;
<b>“Tender Acceptance”</b>	means the <b>Company’s</b> acceptance of a <b>Tender Submission</b> as confirmed in an <b>Acceptance Letter</b> ;
<b>“Tendered Inertia”</b>	the level of <b>Inertia Capability</b> specified in the <b>Provider’s</b>

**INDICATIVE DRAFT SUBJECT TO CONTRACT**

<b>Capability"</b>		<b>Tender Submission</b> and confirmed in the <b>Tender Acceptance</b> ;
<b>"Tendered Capability"</b>	<b>SCL</b>	the level of <b>SCL Capability</b> specified in the <b>Provider's Tender Submission</b> and confirmed in the <b>Tender Acceptance</b> ;
<b>"Tender Submission"</b>		a submission made by the <b>Provider</b> to the <b>Company</b> in response to the <b>ITT</b> for the provision of the <b>Stability Mid-Term Market Service</b> ;
<b>"Termination Sum"</b>		means an amount equal to the <b>LAD Cap</b> ;
<b>"Test Notice"</b>		has the meaning given to it in Clause 7.1;
<b>"Total System"</b>		the National Electricity Transmission System and all User Systems in Great Britain;
<b>"Transmission Interface Point"</b>		has the meaning given to it in the <b>Grid Code</b>
<b>"Transmission Licence"</b>		the licence granted to the <b>Company</b> under section 6(1)(b) of the Electricity Act 1989 as amended from time to time, including by the inclusion of the Electricity System Restoration Standard;
<b>"User System Entry Point"</b>		has the meaning given to it in the <b>Grid Code</b> ;
<b>"Utilisation Payment"</b>		has the meaning given to it in Clause 6.1.2;
<b>"Works"</b>		means in relation to a <b>Facility</b> , the modification, commissioning and testing of the <b>Facility</b> , including the installation of the <b>Monitoring Equipment</b> .

## **SCHEDULE B – Proving Tests and Repeating Tests<sup>5</sup>**

### **Part A – Proving Test**

The **Provider** shall undertake or shall procure that its contractor shall undertake a **Proving Test** ahead of the **Start Date** to ensure operability of the **Stability Mid-Term Market Service** and to test whether the **Facility** is capable of providing the **Reactive Capability**, the **Inertia Capability** and the **SCL Capability**, specified in the **Provider's Tender Submission** and of meeting the requirements of Schedule C (*Technical Performance Requirements*).

The level and scope of tests required will depend on the solution and build programme and shall be in accordance with the relevant provisions of [document reference to be confirmed at ITT], as the same may be amended from time to time.

### **Part B – Repeating Test**

The **Provider** agrees that it or its agent shall undertake **Repeating Tests** (including any re-tests), if required, during the **Service Term**, where requested by the **Company** in accordance with the provisions of Clause 7 (*Repeating Test*) of these **Standard Contract Terms** to test whether the **Facility** is capable of providing the **Stability Mid-Term Market Service**, including the **Contracted SCL Capability** and **Contracted Inertia Capability** and of meeting the requirements of Schedule C (*Technical Performance Requirements*).

The level and scope of tests required will depend on the technology of the **Facility** and shall be in accordance with the relevant provisions of [document reference to be confirmed at ITT], as the same may be amended from time to time. The **Company** may require the **Provider** to undertake any additional tests it considers necessary to identify the cause of any suspected non-compliance with the requirements of the **Stability Contract** or **Standard Contract Terms**.

---

<sup>5</sup> This Schedule is subject to review and updating.

**INDICATIVE DRAFT SUBJECT TO CONTRACT**

**SCHEDULE C – Change Control Procedure**

1. The **Company** may propose amendments to these **Standard Contract Terms** in accordance with Paragraph 1.2 and may propose amendments requested by a **Provider** 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 **Change in Law**;
  - b. if applicable, details of the **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 **Standard Contract Terms** (or an extract thereof) clearly identifying the proposed new or revised legal text.
3. Each **Change Proposal** shall be notified by the **Company** to the **Providers**, and for these purposes notification may be published on the **Company's** website.
4. The **Company** 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 the **Company** 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, the **Company** may, at its sole discretion, notify **CP Consultees** (which may be by publication on the **Company's** 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 the **Company** shall proceed to formulation of a decision ("**Final Change Decision**") pursuant to paragraph 6,provided always that where the **Company** 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. Each **Final Change Decision** shall specify one or more implementation dates and shall incorporate a copy of these **Standard Contract Terms** identifying clearly the new or revised legal text.
7. Each **Final Change Decision** shall be notified by the **Company** to all **CP Consultees** (which may be by publication on the **Company's** website) as soon as reasonably practicable and, ordinarily either alongside or within twenty (20) **Business Days** after the notification by the **Company** of its implementation decision pursuant to paragraph 5(b).
8. The **Company'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 the **Company's** justification for addressing or not any such comments in the **Final Change Decision**.
9. Amendments to these **Standard Contract Terms** set out in a **Final Change Decision** notified by the **Company** pursuant to paragraph 7 shall become effective from the



**INDICATIVE DRAFT SUBJECT TO CONTRACT**

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 the proposing party of the **Final Change Decision**.

10. Upon the amendments set out in a **Final Change Decision** becoming effective, these **Standard Contract Terms** as so amended shall apply with effect from the relevant **Final Implementation Date** to all **Stability Contracts** then subsisting as well as future **Stability Contracts**, subject always to:-
  - a. all and any accrued rights and liabilities of the **Company** 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 **Standard Contract Terms** are amended in accordance with the foregoing provisions, the **Company** shall on or before the **Final Implementation Date** publish the **Standard Contract Terms** as so amended on the **Company's** website.
12. With respect to a **Final Change Decision**, a **Provider** may, no later than fifteen (15) **Business Days** after notification by the **Company** of that **Final Change Decision**, elect by notice in writing to the **Company**, and subject always to paragraph 13, where it is of the reasonable opinion that such amendments materially prejudice its ability to provide the **Stability** and/or comply with its **Stability Contract**, to reject the application of such amendments to the **Standard Contract 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 **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 **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 the **Company** of a **Provider's** notice pursuant to paragraph 12 to reject the application of amendments to the **Standard Contract Terms**, the **Company** and the **Provider** shall negotiate in good faith provisions for the **Framework Agreement** ("**Special Conditions**") in order to negate the impact of the amendments set out in the **Final Change Decision** with respect to the **Standard Contract 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** the **Company** has been unable to reach agreement with the **Provider** as to the **Special Conditions** contemplated in paragraph 14, then either the **Company** 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 the **Company** and the **Provider**, the amendments set out in the relevant **Final Change Decision** shall not apply to the **Standard Contract Terms**.
17. Without prejudice to any provision of this Schedule, the **Company** 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 15 apply, the date being five (5) **Business Days** after the

***INDICATIVE DRAFT SUBJECT TO CONTRACT***

date of the **Expert's** written decision, withdraw a **Final Change Decision** by notice in writing to the **Provider**, whereupon the same shall be of no effect and any **Special Conditions** agreed between the **Parties** pursuant to paragraph 14 shall be removed in respect of such **Final Change Decision**.

18. Nothing in this Schedule shall preclude the **Company** and **Provider** at the relevant time from agreeing changes to these **Standard Contract Terms** at any time and from time to time otherwise than in accordance with this Schedule.

**SCHEDULE D - Payments**

**Part A – Availability Payment**

This Part A sets out the calculation of the payments in respect of **Availability** and comprises the following elements:

- A.1 the monthly **Availability Payment**;
- A.2 the monthly **Availability Rebate**; and
- A.3 the **Annual Reconciliation Payment**;

**A.1 – Monthly Availability Payment**

A.1 The **Availability Payment**  $AP_m$  for each calendar month  $m$  in the **Contract Year** is calculated as:

$$AP_m = \sum_{jm} [[(AC_{ij} * ASC_{ij} * TA_i) + (AC_{sj} * ASC_{sj} * TA_s)] / AP_d] * CR_j$$

Where:

- $\sum_{jm}$  is the summation for all **Settlement Periods**  $j$  in calendar month  $m$
- $AC_{ij}$  is the **Actual Inertia Capability** of the **Facility** in **Settlement Period**  $j$  divided by the **Tendered Inertia Capability** (expressed as a decimal fraction);
- $ASC_{ij}$  is 1 where the **Facility** is **Available** and capable of providing **Inertia Capability** in **Settlement Period**  $j$ , otherwise 0 including where the **Facility** is a **GBGF-S Plant** that is stacking with the **Balancing Mechanism** or wholesale electricity market;
- $TA_i$  is a factor: (i) if the value of  $AC_{ij}$  is less than 0.9, equal to 0.7; or (ii) otherwise, equal to 1;
- $AC_{sj}$  is the **Actual SCL Capability** of the **Facility** in **Settlement Period**  $j$  divided by the **Tendered SCL Capability**(expressed as a decimal fraction);
- $ASC_{sj}$  is 1 where the **Facility** is **Available** and capable of providing **SCL Capability** in **Settlement Period**  $j$ , otherwise 0 including where the **Facility** is a **GBGF-S Plant** that is stacking with the **Balancing Mechanism** or wholesale electricity market;
- $TA_s$  is a factor: (i) if the value of  $AC_{sj}$  is less than 0.9, equal to 0.7; or (ii) otherwise,

**INDICATIVE DRAFT SUBJECT TO CONTRACT**

equal to 1;

AP<sub>d</sub> is a factor of 2 where both **SCL Capability** and **Inertia Capability** are being contracted and procured, otherwise 1 where only one of either **SCL Capability** or **Inertia Capability** are contracted

CR<sub>j</sub> is the **Contract Rate** applicable in **Settlement Period j** (expressed in £/**Settlement Period**)

**A.2 – Monthly Availability Rebate**

A.2.1 The **Availability Rebate** (AR<sub>m</sub>) for each calendar month in the **Contract Year** is calculated as follows

$$AR_m = \text{Max}((UC_m + UL_m + LAD_u + IFR_m), - AP_m)$$

Where:

UC<sub>m</sub> is the sum (if any) calculated in accordance with paragraph A.2.2 below (being a negative value); and

UL<sub>m</sub> is the unrecovered **Availability Rebate** (if any) as at month m, calculated in accordance with paragraph A.6 below (being a negative value);

LAD<sub>u</sub> is the sum (if any) calculated in accordance with paragraph A.4 below (being a negative value); and

IFR<sub>m</sub> is the sum (if any) calculated in accordance with paragraph A.5 below (being a negative value).

A.2.2 The charge for **Unavailability** (UC<sub>m</sub>) in calendar month m of the **Contract Year** is calculated as:

$$UC_m = \text{max of } [\{\min (AA_{im} - TA_{im}), 0\} * BMa_m / AP_d] + [\{\min (AA_{sm} - TA_{sm}), 0\} * BMa_m / AP_d], \\ [\pounds 70,000 / 48 * (SP_{am} - (SP_m * 90\%))]$$

Where:

AA<sub>im</sub> is a fraction (expressed as a percentage) the numerator of which is the aggregate number of **Settlement Periods** in month m in which the **Facility** was **Available** to provide **Inertia Capability**; and the denominator of which is the aggregate number of **Settlement Periods** in month m less any **Settlement Periods** in which the **Facility** is **Unavailable** by reason of **Force Majeure**;

**INDICATIVE DRAFT SUBJECT TO CONTRACT**

$TA_{im}$  is the **Target Availability** (expressed as a percentage) for **Inertia Capability** for month  $m$ ;

$AA_{sm}$  is a **fraction** (expressed as a percentage) the numerator of which is the aggregate number of **Settlement Periods** in month  $m$  in which the **Facility** was **Available** to provide **SCL Capability**; and the denominator of which is the aggregate number of **Settlement Periods** in month  $m$  less any **Settlement Periods** in which the **Facility** is **Unavailable** by reason of **Force Majeure**;

$TA_{sm}$  is the **Target Availability** (expressed as a percentage) for **SCL Capability** for month  $m$ ;

$BMA_m$  is the alternative **Balancing Mechanism** cost for month  $m$ , calculated as the aggregate of the average daily System Inertia Cost (expressed in £/GVA.s) for each day in month  $m$ , as published by the **Company** at <https://www.nationalgrideso.com/data-portal/system-inertia-cost>;

$AP_d$  is a factor of 2 where both **SCL Capability** and **Inertia Capability** are being contracted and procured, otherwise 1 where only one of either **SCL Capability** or **Inertia Capability** are contracted;

$SP_{am}$  is the number of **Settlement Periods** in month  $m$  in which the **Facility** was available for all or part of the **Contracted Inertia Capability** and **Contracted SCL Capability**; and

$SP_m$  is the number of **Settlement Periods** in month  $m$ .

### **A.3 – Annual Reconciliation Payment**

The **Annual Reconciliation Payment** ( $ARL_{final}$ ) is calculated for **Contract Year**  $y$  as follows:

$$ARL_{final} = \text{Min} (AP_y + AR_y, \text{Abs} ((\underline{UC}_y + LAD_y + IFR_y) - AR_y))$$

Where:

$AP_y$  is the aggregate **Availability Payment** calculated in respect of each month in **Contract Year**  $y$  in accordance with paragraph A.1;

$AR_y$  is the aggregate **Availability Rebate** calculated in respect of each month in **Contract Year**  $y$  in accordance with paragraph A.2.1;

$\underline{UC}_y$  is the aggregate charge for **Unavailability** calculated in respect of each month in **Contract Year**  $y$  in accordance with paragraph A2.2;

***INDICATIVE DRAFT SUBJECT TO CONTRACT***

- LAD<sub>y</sub> is the aggregate liquidated damages for a late **Start Date** calculated in accordance with paragraph A.4; and
- IFR<sub>y</sub> is the aggregate **Instruction Failure Rebate** calculated in respect of each month *m* in **Contract Year** *y* in accordance with paragraph A.5.

#### A.4 Liquidated Damages due for late start

LAD<sub>u</sub> = min of [(no. of **Settlements Periods** the **Facility** is late compared to the **Scheduled Start Date** \* (BMA / no. of **Settlement Periods** in month m)) or ((£70,000 / 48) \* no. of **Settlements Periods** the **Facility** is late compared to the **Scheduled Start Date**)]

#### A.5 Instruction Failure Rebate

The **Instruction Failure Rebate** for month m (IFR<sub>m</sub>) is calculated as follows:

$$IFR_m = \min [FSP_m * (BMA_m/SP_m)], [FSP_m * (£70,000/48)]$$

Where:

FSP<sub>m</sub> is the number of **Settlement Periods** in month m in which the **Facility** was **Unavailable** in accordance with Clause 5.8.1, incapable of providing **Inertia Capability** in accordance with Clause 5.8.2 or incapable of providing **SCL Capability** in accordance with Clause 5.8.3;

BMA<sub>m</sub> is the alternative **Balancing Mechanism** cost for month m, calculated as the aggregate of the average daily System Inertia Cost (expressed in £/GVA.s) for each day in month m, as published by the **Company** at <https://www.nationalgrideso.com/data-portal/system-inertia-cost>; and

SP<sub>m</sub> is the number of **Settlement Periods** in month m.

#### A.6 Updated Unrecovered Availability Rebate - UL<sub>m</sub>

The unrecovered **Availability Rebate** (UL<sub>m</sub>) for each calendar month m in the **Contract Year** is:

Where m = 1, the monthly unrecovered **Availability Rebate** (UL<sub>m</sub>) will be 0;

Where m > 1, the monthly unrecovered **Availability Rebate** (UL<sub>m</sub>) will be calculated as:

$$UL_m = \sum_1^{m-1} UC_m + \sum_1^{m-1} LAD_u \sum_1^{m-1} IFR_m - \sum_1^{m-1} AR_m$$

Where:

Σ is the summation of the monthly values for UC<sub>m</sub>, LAD<sub>u</sub>, IFR<sub>m</sub> and AR<sub>m</sub> in all calendar months up to and including the previous month in the **Contract Year**.



**INDICATIVE DRAFT SUBJECT TO CONTRACT**

**Part B - Utilisation Payment**

The **Utilisation Payment**  $UP_m$  for each calendar month  $m$  in the **Contract Year** is calculated as:

$$UP_m = \sum H_m [((ADi * AU_i) + (ADs * AU_s))/APd] * UR/2$$

Where:

- $\sum H_m$  is the **summation** for all **Instructed Settlement Periods** in calendar month  $m$ ;
- $ADi$  is expressed as a factor of 1 if the **Facility** provided instructed **Inertia Capability** during each **Instructed Settlement Period**, or, where the **Facility** is a **GBGF-S Plant** that is stacking with the **Balancing Mechanism** or wholesale electricity market then this factor is 0;
- $AU_i$  is the **Actual Inertia Capability** of the **Facility** divided by the **Tendered Inertia Capability** (expressed as a decimal fraction) for the relevant **Contract Year**;
- $ADs$  is expressed as a factor of 1 if the **Facility** provided **SCL Capability** during each **Instructed Settlement Period**, or, where the **Facility** is a **GBGF-S Plant** that is stacking with the **Balancing Mechanism** or wholesale electricity market then this factor is 0;
- $AU_s$  is the **Actual SCL Capability** of the **Facility** divided by the **Tendered SCL Capability** (expressed as a decimal fraction) for the relevant **Contract Year**;
- $UR$  is the **Contracted Utilisation Price** (expressed in £/hour);
- $APd$  is a factor of 2 where both **SCL Capability** and **Inertia Capability** are being contracted and procured, otherwise 1 where only one of either **SCL Capability** or **Inertia Capability** is contracted.

Please note application of this formula when providing the 'Voltage 2026' reactive power service as a Permitted Service will be subject to the stacking rules defined in the Stability Mid-Term Market Tender Pack.

**INDICATIVE DRAFT SUBJECT TO CONTRACT**

**Part C- Reactive Power Payment<sup>6</sup>**

The **Reactive Power Payment** (where applicable) in respect of calendar month m (" $RP_m$ ") is calculated as follows:

$$RP_m = \sum_{j=1}^{month} RF * (U_{lead} + U_{lag})$$

Where:

$$\sum_{j=1}^{month}$$

is the summation over all **Instructed Settlement Periods** j in calendar month;

RF is the **Reactive Power Fee** (expressed in £/MVarh);

$U_{lag}$  is the metered quantity of **Reactive Power** (expressed in MVarh) produced by the **Facility**; and

$U_{lead}$  is the metered quantity of **Reactive Power** (expressed in MVarh) absorbed by **Facility**.

---

<sup>6</sup> This payment will not apply to the extent that the Provider is entitled to payment for OPRPS.



**INDICATIVE DRAFT SUBJECT TO CONTRACT**

**Telephone:** [            ]                      **Standby Phone:** [            ]  
**Email:** [                 ]

INDICATIVE DRAFT SUBJECT TO CONTRACT

**FORM B**  
**STABILITY COMPENSATION SERVICE FAX FORM FOR**  
**REDECLARATION OF SCL CAPABILITY**

Facility:	
Contract Number:	
Company Name:	
Company Address:	

Tel:	
Standby Tel:	
Fax:	
Standby Fax:	

We hereby notify you that the Contracted SCL Capability of the above Facility will be reduced to a level of [ ]<sup>10</sup> as follows:

Period commencing:

Unavailability Period		Estimated Restoration of Contracted SCL Capability	
Date	Time	Date	Time

Reasons for the Contracted SCL Capability being reduced and the steps being taken to restore Contracted SCL Capability:

Fax Sent By (Print name): ..... Date: .....Time: .....

Signature: .....

Acknowledged by National Grid Electricity System Operator Limited  
(Print name): .....

Signature: ..... Date: ..... Time: .....

National Grid Electricity System Operator Control

Fax number: [ ] Standby Fax: [ ]  
Telephone: [ ] Standby Phone: [ ]  
Email: [ ]

<sup>10</sup> If SCL Capability is unavailable, insert 0

***INDICATIVE DRAFT SUBJECT TO CONTRACT***

INDICATIVE DRAFT SUBJECT TO CONTRACT

**FORM D**  
**STABILITY MID-TERM MARKET SERVICE FAX FORM FOR**  
**RESTORATION NOTICE**

Facility:	
Contract Number:	
Company Name:	
Company Address:	

Tel:	
Standby Tel:	
Fax:	
Standby Fax:	

We hereby notify you that the [Contracted Inertia Capability] [Contracted SCL Capability] of the Facility will be restored with effect from the period commencing:

Date	Time

Reason for Restoration of [Contracted Inertia Capability] [Contracted SCL Capability] :

Fax Sent By (Print name): ..... Date: .....Time: .....

Signature: .....

Acknowledged by National Grid Electricity System Operator  
(Print name): .....

Signature: ..... Date: ..... Time: .....

National Grid Electricity System Operator Control

National Grid Electricity System Operator Control

Fax number: [                      ]                      Standby Fax: [                      ]  
Telephone: [                      ]                      Standby Phone: [                      ]  
Email: [                      ]



## **INDICATIVE DRAFT SUBJECT TO CONTRACT**

### **SCHEDULE F Security Schedule**

#### **1. INTRODUCTION & BACKGROUND**

The **Company** is committed to delivering operational excellence and the highest levels of security standards. This is achieved by maintaining appropriate security controls and safeguards that cover both internal processes and those elements provided to the **Company** by its supply-chain. These supply-chain partners, contractors, service providers, and suppliers (collectively called 'Suppliers') upon whom the **Company** relies, play a key role in the achievement of these goals.

This security schedule represents an abridged version specific to this supplier engagement and as such the **Company** reserves the right to add any additional relevant security clauses should the scope of the assets and/or services being provided change.

#### **2. PURPOSE**

The purpose of this schedule is to define the security requirements that need to be met by the **Provider** and the relevant sub-contractors used during the delivery and support of products and services to the **Company**.

#### **3. RELATED STANDARDS**

This schedule shall be used in conjunction with all associated contract documentation and the **Company's** 'Supplier Code of Conduct', or the **Provider's** reasonably equivalent own Code of Conduct. A copy of the Supplier Code of Conduct can be found on the Company's website under the Suppliers page (<https://www.nationalgrid.com/suppliers>).

#### **4. DEFINITIONS**

**Product:** A product is the item offered for sale. A product can be a service or an item. It can be physical or in virtual or cyber form. (Collective term for and may be described as an asset, component, service, equipment, assembly, sub-assembly, design, system or various other terms within a contract or purchase order.)

**Service:** A form of 'product', often associated with a support activity or process

**Cyber Asset:** Any programmable electronic devices and communication networks including hardware, software, and data.

**Externally Facing:** Any vulnerability that could be exploited without existing access to the system.

#### **5. ASSURANCE AND AUDIT REQUIREMENTS**

The **Company** requires its supply-chain to provide evidence of compliance with the obligations under this agreement and applicable law, and to demonstrate the controls supporting the confidentiality, integrity and security of the **Company's** data and systems.

Therefore, the **Company**, acting by itself or through its agents, shall have the right to undertake the assurance and audit activities detailed below during the term of the contract, and, for a minimum period of twelve (12) months thereafter.

All assessment and audit activities shall be subject to existing confidentiality arrangements between the **Company** and the **Provider** and do not extend to accounts and confidential financial information, restricted information under stock exchange listing regulations, information relating to other clients or suppliers, information subject to data protection or confidentiality obligations and similar.

## **INDICATIVE DRAFT SUBJECT TO CONTRACT**

The **Company** and the **Provider** shall bear their own respective costs and expenses incurred as part of the above assurance or audit activities.

### **6. PRE-CONTRACT SECURITY AND PERIODIC ASSURANCE ASSESSMENTS**

The **Company** operates a risk-based approach to supply-chain security, whereby the level of security assurance and oversight is proportionate to the products or services being supplied, and the potential risks associated. This may include pre-, post-, and end of contract assurance assessments and periodic reporting requirements depending on the risk presented to the **Company**. Upon agreement with NG Security, evidence may be provided in different formats and methods and the assessment will be performed remotely. The **Company** may request assurance evidence no more than once per calendar year.

### **7. REGULATORY AUDITS**

Under statute, rules, regulations, codes of practice/regulatory frameworks, or otherwise, certain government departments and regulatory, statutory, and other entities, committees and bodies (collectively called, "**Regulatory Body**"), are entitled to investigate the affairs of the **Company**, including any activities or processes performed by the **Company's** supply-chain.

In these circumstances, the **Company** agrees to provide evidence of such a Regulatory Body investigation to the **Provider**, and the **Provider** shall cooperate with the Regulatory Bodies in order to respond to such regulatory questions, including any questions related to matters related to the use of open source code.

The **Provider** shall cooperate with the **Company** in order to respond to audit-related questions. This includes any third-party representative that the **Company** employs to conduct the audit on its behalf. The decision to use a third party shall be communicated to the **Provider** and shall be mutually acceptable to both the **Company** and the **Provider**.

### **8. FOR CAUSE AUDIT**

In the event of an actual or suspected security breach, the **Company** may invoke its right to audit, as provided under these **Standard Contract Terms**, within no less than 48 hours' notice to the **Provider** in order to investigate and review related documentation, facilities, and processes.

The extent of this audit shall be limited to the products/services and the infrastructure associated with delivery of those products/services.

### **9. SECURITY INCIDENT MANAGEMENT AND DATA BREACH**

The **Provider** shall cooperate with the **Company** to resolve security issues and support the **Company** with any notifications to governmental/administrative entities, as required by law.

Note: all associated information security incidents and data breaches impacting client data or services shall be reported to the Company's Cyber-Response hotline without delay:

- In the **US**, call **781-907-3745**
- In the **UK (United Kingdom)**, call **01214248204**
- Or send an email to **cyberresponse@nationalgrid.com**.

### **10. SECURITY MANAGEMENT SYSTEMS**

The **Provider** shall maintain an overarching organisational security policy and supporting security management systems that ensure the products or services supplied to the **Company**

## **INDICATIVE DRAFT SUBJECT TO CONTRACT**

conform to the requirements within this schedule, and all relevant legislative requirements applicable to the **Provider**.

### **11. DATA SECURITY**

Where the **Company's** information is held by the **Provider**, it shall be encrypted to protect the confidentiality, integrity, and availability of their information at rest, during transmission, and in-use to prevent unauthorized disclosure and modification.

### **12. VULNERABILITY AND PATCH MANAGEMENT**

The **Provider** shall have threat and vulnerability management policies, processes, and systems and undertake vulnerability scans of the **Provider's** information systems at least quarterly based on risk, to prevent the exploitation of system control weakness, security breaches, and information systems and connected Operational Technology outages. Information systems are defined by National Grid's definition of a "Cyber Asset" as per Section 3.

The **Provider** shall remediate identified threats and vulnerabilities via the implementation and tracking of security patches. Patches shall be tested prior to release and implementation into production.

### **13. CODE SECURITY AND STABILITY TESTING**

Where the **Provider** is providing software, it shall, prior to release for download by the **Company**, conduct code security testing using an approved internal team or, at its own expense, an independent third party, in order to ensure the code operates as designed and is secure.

### **14. BUSINESS CONTINUITY**

In relation to the **Provider's** products and support, the **Provider** shall have business continuity plans that detail how operations will be maintained during an unplanned disruption in service. This shall include contingencies for business processes, assets, human resources, and business partners, and cover key information, system, and services. Continuity plans shall be approved by senior management and reviewed/tested every 12 calendar months at a minimum.

### **15. PROVIDER LOCATIONS**

The primary locations that are directly supporting the delivery of **Stability Mid-Term Market Services** and therefore have any level of access to the **Company's** systems or data (including operational management, cloud hosting, IT support) are set out in Schedule 3 to the **Framework Agreement**.

### **16. SUB TIER SUPPLIERS AND SUBCONTRACTORS**

Details of the **Provider's** sub-tier suppliers and subcontractors that will have access to any the **Company's** systems or data are set out in Schedule 3 to the **Framework Agreement**.