## **DATED 2024**

**NATIONAL GRID ELECTRICITY SYSTEM OPERATOR LIMITED**

**and**

**[ ]**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**REACTIVE MARKET ANCILLARY SERVICES**

**AGREEMENT RELATING**

**[ ] POWER STATION**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Contract Log No**

***Voltage Only Option***

© National Grid Electricity System Operator Limited

**THIS REACTIVE MARKET ANCILLARY SERVICES AGREEMENT** is made the day of 2024

### BETWEEN:-

1. **NATIONAL GRID ELECTRICITY SYSTEM OPERATOR LIMITED** a company registered in England with number 11014226 whose registered office is at 1-3 Strand, London, WC2N 5EH (the **“Company**” which expression shall include its permitted successors and/or assigns); and
2. [ ]a company registered in England/ with number [ ] whose registered office is at [ ] (the “**Generator**” which expression shall include its permitted successors and/or assigns),

together the “**Parties**”.

### WHEREAS:-

(A) The **Company** and the **Generator** are parties to a **Mandatory** **Services** **Agreement** [dated [ ] OR [have agreed to enter into a **Mandatory Services Agreement** following the date hereof] in respect of [ ] **Power** **Station** (the “**MSA**”).

(B) Clause 3 of the **MSA** gives effect to the provisions of paragraph 2 of Schedule 3, Part I to the **Connection and Use of System Code** (the “**CUSC Schedule**”) with respect to the payments to be made by the **Company** to the **Generator** for the provision by the **Generator** of the **Obligatory** **Reactive Power Service** from the **Contracted Units**.

(C) For the duration of its term, this Reactive Market Ancillary Services Agreement (“**Market Agreement**”) replaces certain provisions of the **MSA** and sets out alternative terms upon which the **Generator** has agreed to provide the **Enhanced Reactive Power Service** from the **Contracted Units** pursuant to paragraph 3 of the **CUSC** **Schedule**.

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

1. **DEFINITIONS, INTERPRETATION AND CONSTRUCTION**

Unless the subject matter otherwise requires or is inconsistent therewith or unless expressly defined in Appendix 1, the definitions contained or referred to in Section 11 of the **Connection and Use of System** **Code**, in the **CUSC** **Schedule** and in Appendix 3 to the **MSA** have the same meanings, interpretations and construction in this **Market Agreement** as though the same were set out in full in this **Market Agreement**. In addition, the further definitions set out in Appendix 1 to this **Market** **Agreement** shall apply.

2. **COMMENCEMENT, TERM AND SUSPENSION**

2.1 This **Market Agreement** shall be conditional in all respects on the **Company** and the **Generator** having entered into a **MSA** by not later than [ ].

Subject to Sub-Clause 2.1, this **Market Agreement** shall apply to **Settlement Days** from and including [ ] hours on [ ] and, subject always to earlier termination in accordance with Clause 5 hereof, shall continue in force and effect until the earlier of:-

1. 07:00 hours on 31 March 2024; or
2. the date of termination of the **CUSC Schedule** or the **MSA**.

For the avoidance of doubt, in the event this **Market Agreement** is terminated in relation to any individual **Contracted** **Unit**, the provisions of this **Market Agreement** shall terminate in relation to that **Contracted Unit** only.

2.2 For the duration of each **Service Period**, in relation to the **Contracted Unit** to which this **Market** **Agreement** applies, the provisions of Clause 3 of the **MSA** (except Sub-Clause 3.2) shall be suspended and have no force and effect.

2.3 Nothing in this **Market Agreement** shall affect the rights and obligations of the **Parties** accrued under the terms of Clause 3 of the **MSA** as at the date this **Market Agreement** comes into effect.

3. **SERVICE PROVISION AND PAYMENT**

3.1 **Provision of Enhanced Reactive Power Service**

For the duration of this **Market Agreement** the **Generator** agrees to provide the **Enhanced Reactive Power Service** upon and subject to the terms and conditions set out herein.

3.2 **Service Requests**

3.2.1 Where in respect of any **Settlement Period** during any **Service Period** the prevailing **Physical Notification** of any **Contracted Unit** is zero, then except with respect to any period of deemed unavailability pursuant to Sub-Clause 3.4, the **Company** shall be entitled to instruct the provision of the **Enhanced Reactive Power Service** in accordance with Sub-Clause 3.2.2.

3.2.2 Each instruction to provide the **Enhanced Reactive Power Service** (“**Service Request**”) shall be submitted by the **Company** to the **Generator** by telephone followed by email, and no later than commencement of the **Notice Period** for the relevant **Service Period** and for the avoidance of doubt shall apply to all **Settlement Periods** in the **Service Period**.

3.2.3 Each **Service Request** shall be promptly acknowledged by the **Generator** by email.

3.3 **BM Unit Data**

3.3.1 Forthwith upon receipt by the **Generator** of a **Service Request**, and in respect of each **Settlement Period** in the **Service Period**, the **Generator** shall, in accordance with the **Grid Code**, and in respect of the relevant **Contracted Unit**:-

(a) procure that the Physical Notification is re-declared to not less than the **Contracted Output** and maintained at that level through to Gate Closure;

(b) resubmit all **Dynamic Parameters** to be consistent or greater than with the **Contracted Parameters**; and

(c) comply with the obligation set out in **Grid Code** BC2.5.1.

3.3.2 If, during the **Service Term** and with respect to the **Contracted Unit**, the **Generator** becomes aware that it can enhance the values of any of the **Contracted Parameters** then it shall promptly so notify the **Company** using form A, as specified in Appendix 2, and shall promptly notify the **Company** using form A, as specified in Appendix 2 when such enhanced **Contracted Parameters** can no longer be maintained.

3.4 **Service Unavailability**

3.4.1 For the purposes of this Clause 3, the **Enhanced Reactive Power Service** shall be deemed unavailable from a **Contracted Unit** in any **Settlement Period** in a **Service Period** where the prevailing **Physical Notification** for that **Settlement Period** is expected to be above zero at the commencement of the relevant **Notice Period**.

3.4.2 Where at any time the **Generator** becomes aware that the **Contracted** **Unit** no longer has the capability of providing the **Enhanced Reactive Power Service** during all or any part of a **Service Period**, then it shall promptly so notify the **Company** using form B, as specified in Appendix 2 (“**Declaration of Unavailability**”), and the **Generator** shall thereafter promptly notify the **Company** using form C, as specified in Appendix 2 when capability is restored.

3.4.3 Each notification of non-capability by the **Generator** pursuant to Sub-Clause 3.4.2 shall be accompanied by an explanation in reasonable detail of the reasons for such unavailability, and for the avoidance of doubt the **Generator** may only declare unavailability for reasons of safety or reasons relating to the technical capability of the **Contracted Unit**.

3.4.4 For the purposes of this Clause 3, the **Enhanced Reactive Power Service** shall be deemed unavailable from any **Contracted Unit** from the time that such **Contracted Unit** no longer has the capability to provide the **Enhanced Reactive Power Service** as described in Sub-Clause 3.4.2 to the time of receipt by the **Company** of notification that capability is restored as referred to in Sub-Clause 3.4.2

3.5 **Reactive Despatch Instruction**

3.5.1 It is acknowledged by the **Generator** that, at all times during each **Service Period** (excluding any period of deemed unavailability specified in Sub-Clause 3.4.4) when any **Contracted Unit** is operating in accordance with a non-zero **Physical Notification** (for the avoidance of doubt whether or not pursuant to a **Service** **Request**), the **Company** shall have the right (but not the obligation) to issue a **Reactive Despatch** **Instruction** to provide **Reactive Power** from that **Contracted Unit**.

3.5.2 Following receipt of a **Reactive Despatch Instruction**, the **Generator** shall take all necessary steps to ensure that the **Contracted Unit** operates throughout each **Settlement Period** and at the **Reactive Power** output specified in the **Reactive Despatch Instruction**.

3.6 **Payments to the Generator**

3.6.1 In consideration of the provision by the **Generator** of the **Enhanced Reactive Power Service**, and for the **Contracted Unit**, the **Company** shall make the following payments to the **Generator**:-

(a) subject to Sub-Clauses 3.6.2 and 3.6.3, a sum calculated in accordance with each applicable **Strike Price Option** as set out in Appendix 4 (“**Utilisation Fee**”) for each **Service Period** in respect of which the **Company** has issued a **Service Request.** The **Utilisation Fee** will be paid where:

* 1. the prevailing **Physical Notification** of the **Contracted Unit** is less than the **Contracted Output** of the **Contracted Unit** during **EFA Block** 3 and **EFA Block** 6 (“**Option 1”)**;
  2. the prevailing **Physical Notification** of the **Contracted Unit** is greater than or equal to the **Contracted Output** in **EFA Block 6** or where at the time of **Instruction** the **Physical Notification** is greater or equal to **Contracted Output** in **EFA Block 3** (“**Option 2”),** but not both; or
  3. the prevailing **Physical Notification** of the **Contracted Unit** is greater than or equal to the **Contracted Output** in both **EFA Block** 3 and **EFA Block** 6 (“**Option 3”)**,

except with respect to any period of deemed unavailability pursuant to Sub-Clause 3.4, the **Company** shall be entitled to instruct the provision of the **Enhanced Reactive Power Service** in accordance with Sub-Clause 3.2.2.

(b) subject to Sub-Clause 3.6.4, an amount calculated in accordance with Appendix 1 of Schedule 3 to the **CUSC Schedule** for provision of **Reactive Power** in accordance with a **Reactive Despatch Instruction**.

3.6.2 For the avoidance of doubt, the **Utilisation Fee** shall not be payable for **Settlement Periods** associated with the run up and run down of the relevant **Contracted Unit**.

3.6.3 No payment shall be made by the **Company** pursuant to Sub-Clauses 3.6.1 (a) with respect to any **Settlement Period** in respect of which the **Generator** fails to comply with any of its obligations hereunder.

3.6.4 For the purpose of Sub-Clause 3.6.1(b), the provisions of paragraph 5 of Schedule 3 to the **CUSC Schedule** shall apply.

*Monthly Strike Prices*

3.6.5The **Generator** may provide to the **Company**  revised **Strike Prices** for the **Strike Price Options** for the **Contracted Unit** not less than three (3) Calendar Daysin advance of each **Calendar Month** after the first month**,** to be used in the calculation of the **Utilisation Fee** in accordance with Appendix 4**.**

3.6.6In the event that the **Generator** fails to provide the **Monthly Strike Prices** in accordance with 3.6.5 **the Company** shall use the previous **Calendar Months Monthly Strike Prices** as submitted by the Generator.

4. **GRID CODE**

It is acknowledged by both **Parties** that the provision by the **Generator** of the **Enhanced Reactive Power Service** in accordance with the terms hereof shall not relieve it of any of its obligations set out in the **Grid Code** including without limitation its obligations set out in **Grid Code CC**8.1 to provide **Reactive Power** (supplied otherwise than by means of **Synchronous** or **Static** **Compensation**) in accordance with **Grid Code CC**6.3.2 and **CC**6.3.4.

1. **TERMINATION**

5.1 The **Company** shall be entitled to terminate the provisions of this **Market Agreement** in relation to the **Contracted Unit** in the following circumstances:-

5.1.1 upon a change in the **Registered Capacity** of that **Contracted Unit** to less than 25MW; or

5.1.2 upon a continuous period of unavailability of that **Contracted Unit** to be instructed by the **Company** in accordance with **Grid Code BC**2 extending beyond 30 consecutive days; or

5.1.3 upon an aggregate period of 30 days in the **Service Term** in which, for that **Contracted Unit**, QRlead is less than QClead; or

5.1.4 upon an aggregate period of 30 days in the **Service Term** in which, for that **Contracted Unit**, QRlag is less than QClag,

in each case by giving notice in writing to the **Generator**, not later than 30 days following such occurrence, that such occurrence constitutes an event of default. Once the **Company** has given such notice of an event of default, this **Market Agreement** shall terminate in relation to the **Contracted Unit** concerned.

5.2 The **Company** shall also be entitled to terminate the provisions of this **Market Agreement** with effect from the end of a **Day** by giving notice in writing to the **Generator** two **Days** prior to that **Day**.

1. **CONNECTION AND USE OF SYSTEM CODE**

The provisions of Paragraphs 4.3 (*Payments for Balancing Services*), 6.12 *(Limitation of* *Liability*), 6.14 (*Transfer and Sub-contracting*), 6.15 (*Confidentiality*), 6.20 (*Waiver*), 6.21 (*Notices*), 6.22 (*Third Party Rights*), 6.23 (*Jurisdiction*), 6.24 (*Counterparts*), 6.25 (*Governing Law*) and 6.26 (*Severance of Terms*) of the **Connection and Use of System Code** shall apply to this **Market Agreement** as if set out in full herein.

1. **DISCLOSURE OF INFORMATION**

The **Generator** hereby consents to the disclosure and use by the **Company** in such manner or form as it thinks fit of data and other information relating to this **Market Agreement** and the provision of the **Enhanced Reactive Power Service** (including payments made to the **Generator** hereunder):

(a) to the extent necessary to enable the **Company** to comply with its obligations set out in the **CUSC Schedule**;

(b) for the purposes of any or all of the statements published from time to time pursuant to Standard Condition C16 of the **Transmission Licence**; or

(c) for the purposes of making market data available to tenderers for **Enhanced Reactive Power Services**.

8. **DISPUTE RESOLUTION**

It is hereby acknowledged and agreed by the **Parties** that any dispute or difference of whatever nature concerning the obligations of the **Parties** under this **Market Agreement** insofar as and to the extent the same relate to the **Enhanced Reactive Power Service** shall be a dispute or difference arising out of or in connection with the **CUSC Schedule**, and accordingly the provisions of Section 7 of the **Connection and Use of System Code** shall apply.

9. **NOTICES**

For the purposes of this **Market Agreement**, save to the extent as may be specified on the forms specified in Appendix 2, any notice or other communication to be given by the **Company** or the **Generator** to the other under, or in connection with matters contemplated by, this **Market Agreement** shall be sent to the following address and/or facsimile number and marked for the attention of the person named below:

the **Company**: National Grid Electricity System Operator Limited

Market Services

Faraday House

Warwick Technology Park

Gallows Hill Warwick CV34 6DA

Facsimile number: 01926 655630

For the attention of: The Company Secretary

Copy to: Head of Commercial Operations

Facsimile number: 01926 656613

the **Generator**:

Operational email:

For the attention of: The Company Secretary

Operational telephone

contact number:

Operational contact:

**10. HIERARCHY**

If any provision of this **Market Agreement** shall be inconsistent with the provisions of the **CUSC Schedule**, the provisions of the **CUSC Schedule** shall prevail to the extent of such inconsistency.

**11. VARIATIONS**

No variations or amendments to this **Market Agreement** shall be effective unless made in writing and signed by and on behalf of both **Parties**.

**12. ASSIGNMENT BY THE COMPANY**

The **Company** is permitted to assign or transfer the benefit and/or burden of this **Market** **Agreement** to the holder of a **Licence** with responsibility for carrying out the **Balancing Services Activity**.

**13. ANTI-BRIBERY**

13.1 Each **Party** shall:

3.13.1 comply with all **Anti-Bribery Laws**;

3.13.2 not engage in any activity, practice or conduct which would constitute an offence under sections 1, 2 or 6 of the Bribery Act 2010 if such activity, practice or conduct had been carried out in the United Kingdom;

3.13.3 have and shall maintain in place, throughout the **Service Term**, its own policies and procedures, including adequate procedures, to ensure compliance with the **Anti-Bribery Laws** and this Clause 13, and will enforce them where appropriate; and

3.13.4 procure and ensure that all of its **Associated Persons** and/or other persons who are performing services in connection with this **Agreement** comply with this Clause 13.

13.2 If either **Party** breaches this Clause 13 then, without prejudice to any other rights or remedies, the other **Party** may immediately terminate this **Market Agreement** on written notice to the **Party** in breach.

**14. EMR**

14.1 Notwithstanding any confidentiality obligations and any restriction on the use or disclosure of information set out in this **Market** **Agreement**, the **Generator** 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 this **Market Agreement** for the purpose of carrying out its **EMR Functions**.

14.2 The provisions relating to the resolution of disputes set out in this **Market Agreement** (if any) are subject to any contrary provision of an **EMR Document**.

14.3 Where for the purposes of this provision only:

|  |  |
| --- | --- |
| **“AF Rules”** | has the meaning given to “allocation framework” in section 13(2) of the Energy Act 2013; |
| **“Capacity Market Rules”** | 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; |
| **“EMR Document”** | means The Energy Act 2013, The Electricity Capacity Regulations 2014, the Capacity Market Rules, The Contracts for Difference (Allocation) Regulations 2014, The Contracts for Difference (Definition of Eligible Generator) 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 |
| **“EMR Functions”** | has the meaning given to “EMR functions” in Chapter 5 of Part 2 of the Energy Act 2013. |

**IN WITNESS WHEREOF** the hands of the duly authorised representatives of the **Parties** at the date first above written.

**SIGNED** on behalf of

#### NATIONAL GRID

#### ELECTRICITY SYSTEM OPERATOR LIMITED

**SIGNED** on behalf of

**[ ]**

**APPENDIX 1**

**Definitions**

|  |  |
| --- | --- |
| **“Contracted Maximum**  **Lagging MVAr”** | means, for each **Contracted Unit**, the maximum lagging MVAr value specified in the table set out in Appendix 3; |
| **“Contracted Maximum**  **Leading MVAr”** | means, for each **Contracted Unit**, the maximum leading MVAr value specified in the table set out in Appendix 3; |
| **“Contracted Output”** | means, for each **Contracted Unit**, the applicable MW level specified in Appendix 3; |
| **“Contracted Parameters”** | means, in relation to a **Contracted Unit**, the parameters and values specified in the table set out in Appendix 3; |
| **“Contracted Unit”** | for the purposes of this **Market Agreement**, means **BM Unit** [ ], at the **Generator**’s [ ] **Power Station**; |
| **“Day”** | means a calendar day; |
| **“Enhanced Reactive Power Service”** | means the availability and provision of **Reactive Power** from the **Contracted Units** in accordance with this **Market Agreement**; |
| **“MSA”** | for the purposes of this **Market Agreement**, the meaning attributed to it in the recitals hereto; |
| **“Notice Period”** | means a period of 8 hours which expires at the start of the relevant **Service Period**; |
| **“Option 1”** | has the meaning given to it in Clause 3.6.1 and Appendix 4; |
| **“Option 2”** | has the meaning given to it in Clause 3.6.1 and Appendix 4; |
| **“Option 3”** | has the meaning given to it in Clause 3.6.1 and Appendix 4; |
| **“Redeclared Range”** | means, in relation to a **Contracted Unit**, the **Reactive Power** output range submitted by the **Generator** in accordance with Sub-Clause 3.3, being the range between the maximum **Reactive Power** output (lagging) and the maximum **Reactive Power** output (leading); |
|  |  |
| **“Service Period”** | means the period commencing at 23.00 hours on a Day and ending at 07.00 hours on the next Day during the Service Term; |
| **“Service Request”** | has the meaning given to that term in Sub-Clause 3.2.2; |
| **“Service Term”** | means the period more particularly described in Sub-Clause 2.2; |
|  |  |
| **“Strike Price Options”** | means the options set out in Clause 3.6.1, which shall be used by the **Company** when determining the **Utilisation Fee** as set out in Appendix 4. |
|  |  |
| **“Utilisation Fee”** | means the amount per **Settlement Period** more particularly described in Sub-Clause 3.6.1(a). |

**APPENDIX 2**

**Facsimile Forms**

**FORM A**

**ENHANCED REACTIVE POWER SERVICE FAX FORM FOR**

**DYNAMIC PARAMETER REDECLARATION**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Contracted Unit:** |  |  | **Tel:** |  |
| **Contract Number:** |  |  | **Standby Tel:** |  |
| **Company Name:** |  |  | **Fax:** |  |
|  |  |  | **Standby Fax:** |  |

**We hereby notify you of a Dynamic Parameter Re-declaration of the above Contracted Unit**

**due to ……………………………………………………………………..**

**PARAMETER RE-DECLARARTION PRIOR TO SERVICE PERIOD**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | | **BM Unit ( )** | **BM Unit ( )** | **BM Unit ( )** |
| **Output (MW)** | |  |  |  |
| **Reduction (MW) if applicable** | |  |  |  |
| **MVAr Range at Commercial Boundary** | **Maximum Leading MVAr** |  |  |  |
| **Maximum Lagging MVAr** |
|  | |  |  |  |
|  | |  |  |  |
|  | |  |  |  |
|  | |  |  |  |
|  | |  |  |  |

**Fax Sent By (Print name): ...............…........................ Date: ...................**

**Time: .............………………………….. Signature: ..........…….............................**

**Acknowledged by National Grid (Print name): ………..…………………………………….**

**Signature: ........................…................ Date: .....................**

**Time: ............……………………………..**

**National Grid Control**

**Fax number: 0870 602 4808 Standby Fax: 0870 602 4805**

**Telephone: 0844 892 0385 Standby Phone: 0844 892 0370**

**FORM B**

**ENHANCED REACTIVE POWER SERVICE FAX FORM FOR**

**DECLARATION OF UNAVAILABILITY**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Contracted Unit:** |  |  | **Tel:** |  |
| **Contract Number:** |  |  | **Standby Tel:** |  |
| **Company Name:** |  |  | **Fax:** |  |
| **Contracted MW:** |  |  | **Standby Fax:** |  |

**We hereby notify you of the unavailability of Enhanced Reactive Power Service**

**from the above Contracted Unit**

**UNAVAILABILITY OF SERVICE PRIOR TO OR WITHIN NOTICE PERIOD,**

**OR WITHIN SERVICE PERIOD**

|  |
| --- |
| **Reason for Unavailability:** |
|  |
|  |
|  |
|  |
|  |

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

**Signature: .........................................**

**Acknowledged by National Grid (Print name):** …………………………………………

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

**National Grid Control**

**Fax number: 0870 602 4808 Standby Fax: 0870 602 4805**

**Telephone: 0844 892 0385 Standby Phone: 0844 892 0370**

**FORM C**

**ENHANCED REACTIVE POWER SERVICE FAX FORM FOR**

**REDECLARATION OF AVAILABILITY**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Contracted Unit:** |  |  | **Tel:** |  |
| **Contract Number:** |  |  | **Standby Tel:** |  |
| **Company Name:** |  |  | **Fax:** |  |
| **Contracted MW:** |  |  | **Standby Fax:** |  |

**We hereby notify you of the availability of Enhanced Reactive Power Service**

**from the above Contracted Unit**

**RESTORATION OF AVAILABILITY OF SERVICE PRIOR TO OR WITHIN NOTICE PERIOD,**

**OR WITHIN SERVICE PERIOD**

|  |
| --- |
| **Reason for Restoration of Availability:** |
|  |
|  |
|  |
|  |
|  |

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

**Signature: .........................................**

###### Acknowledged by National Grid (Print name): …………………………………………

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

**National Grid Control**

**National Grid Control**

**Fax number: 0870 602 4808 Standby Fax: 0870 602 4805**

**Telephone: 0844 892 0385 Standby Phone: 0844 892 0370**

**APPENDIX 3**

**Contracted Output and Dynamic Parameters**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | | **BM Unit** | **BM Unit ( )** | **BM Unit ( )** |
| **Contracted Output (MW)** | |  |  |  |
| **Mvar Range** | **Contracted Maximum Leading MVAr** |  |  |  |
| **Contracted Maximum Lagging MVAr** |

**APPENDIX 4 - Gas**

**Utilisation Fee**

The **Contract Fee** for each **Service Period** shall be determined as follows:-

**Contract Fee** (CF) = (Max (0, SP – CSSd))) \* CO \* Hd

Where:

CF = the **Contract Fee** for the relevant **Service Period.**

SP = the Strike Price, being either:

1. £**00.00**/MWh for **Option 1** - where at the time of the **Service Request**, PN < **Contracted Output** in EFA Block 6 and EFA Block 3 in the **Service Period**,
2. £**00.00**/MWh for **Option 2** - where at the time of the **Service Request**, either PN >= **Contracted Output** in EFA Block 6 or PN >= **Contracted Output** in EFA Block 3, in the **Service Period**, but not both,

(iii) £**00.00**/MWh for **Option 3** - where at the time of the **Service Request**, PN >= **Contracted Output** in both EFA Block 6 and EFA Block 3 in the **Service Period**

OR as subsequently revised in accordance with clause 3.6.5.

CSSd = for **Service Periods** expiring in calendar day d, the day ahead **Clean Spark Spread**

**Clean Spark Spread** = GBPP – Gas Cost – Carbon Cost

Where:

Gas Cost = (Within Day NBP/ Gas Conversion Factor \* 10)/ Gas Efficiency Constant

Carbon Cost = (UK ETS + CPS) \* Gas Carbon Intensity

And where:

GBPP = a mean average across each **Settlement Period** throughout the **Service Period** of the clearing prices for those **Settlement Periods** published by EPEX Spot following the half-hourly day ahead auction on calendar day d-1, quoted as £/MWh

Within Day NBP = is the Within Day NBP volume-weighted System Average Price (SAP) as published by National Gas quoted as pence/therm;

December 2024 UK ETS = the UK Emissions Trading Scheme allowance price (expressed in £/tonne) for December of the relevant year published by the ICE end of day settlement price on the day of instruction or, if no report is published for that day, the report published most recently prior to that day.

CPS = UK carbon price support being £18/tonne

Gas Carbon Intensity = 0.00

Gas Efficiency Constant = 0.00

Gas Conversion Factor = 29.3071

CO = **Contracted Output**

Hd = the number of hours comprised in the relevant **Service Period** excluding periods of deemed unavailability pursuant to Sub-Clause 3.4 and any **Settlement Periods** in respect of which the **Generator** fails to comply with any of its obligations hereunder as referred to in Sub-Clause 3.6.3.