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**NATIONAL GRID ELECTRICITY SYSTEM OPERATOR LIMITED  
SERVICE TERMS & CONDITIONS FOR THE PROVISION  
OF ANCHOR PLANT CAPABILITY (TRANSMISSION)**

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**Draft v.1.0**

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**NATIONAL GRID ELECTRICITY SYSTEM OPERATOR LIMITED – ANCHOR PLANT CAPABILITY  
(TRANSMISSION) CONTRACT TERMS**

**1. GENERAL TERMS AND CONDITIONS/DEFINITIONS AND INTERPRETATION**

- 1.1. The terms set out in this document, including its schedules, (these “**Service Terms & Conditions**”) and the Contract Form shall form the entire agreement between NGESO and the AR Contractor regarding the provision of Anchor Plant Capability (this “**Agreement**”).
- 1.2. Unless the subject matter or context otherwise requires or is inconsistent therewith, terms and expressions defined in the Contract Form, in paragraph 11.3 of the Connection and Use of System Code, the Glossary and Definitions section of the Grid Code, in Schedule 1 to these Service Terms & Conditions or the General Terms and Conditions shall have the same meanings where used in this Agreement.
- 1.3. The rules of interpretation set out in the General Terms and Conditions shall apply as if set out in full herein.

**2. COMMENCEMENT**

- 2.1. The provisions of this Agreement shall, subject to Clause 2.2, apply from the date stated on the front page of the Contract Form and, subject always to earlier termination in accordance with Clause 17 (*Termination*), shall continue in force and effect until the expiry of the Service Term.
- 2.2. This Agreement, other than this Clause 2 and Clauses 18 (*Force Majeure*) to 34 (*Entire Agreement*), shall in all respects be conditional on the Conditions Precedent being satisfied by the AR Contractor or waived by NGESO by the CP Date.
- 2.3. The AR Contractor shall use all reasonable endeavours to ensure that the Conditions Precedent are satisfied as soon as possible after the date hereof and in any event by not later than the CP Date.
- 2.4. When each of the Conditions Precedent has been satisfied or (where permitted, as stated in the Contract Form) waived, the AR Contractor shall without delay give written notice to that effect to NGESO. Such notices shall be conclusive and binding on the Parties as to the satisfaction or waiver thereof. Without prejudice to the foregoing, the AR Contractor shall (in circumstances where such consent is required) notify NGESO as soon as is reasonably practicable upon the granting of a consent under Section 36 of the Act in respect of the Contracted Anchor Plant and such notification shall be accompanied by a copy of such consent.
- 2.5. If any Condition Precedent has not been satisfied by the AR Contractor or waived by NGESO on or before the CP Date this Agreement shall (to the extent in force) cease to apply.

**3. IMPLEMENTATION OF THE WORKS**

- 3.1. The AR Contractor shall (at its own cost) implement and complete the Works in accordance with Good Industry Practice by the Scheduled Commercial Operations Date.
- 3.2. The AR Contractor shall, by not later than ten (10) Business Days following the end of each calendar month until the Commercial Operations Date has occurred (or

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more frequently on either Party's request), provide to NGESO a progress report in writing setting out details of:

3.2.1. the progress of the Works by reference to the Project Plan, including progress in the delivery to site of plant and equipment required for the operation of the Contracted Anchor Plant and the installation of such plant and equipment and progress in obtaining all outstanding consents, permissions, approvals, licences, exemptions and other permits (in legally effectual form) as may be necessary for the operation of the Contracted Anchor Plant in accordance with the terms of this Agreement;

3.2.2. the AR Contractor's proposals for remedying any delay or anticipated delay in implementing the Project Plan;

3.2.3. the occurrence of any Delay Event and any adjustment (which shall, subject to NGESO's right to terminate under Clause 17.2, reflect the period of delay) to the Scheduled Commercial Operations Date; and

3.2.4. any proposed revisions to the Project Plan necessary to reflect the above, and, subject to NGESO's approval (not to be unreasonably withheld or delayed) the revised Project Plan shall supersede the then current Project Plan, provided that any dispute concerning the occurrence or duration of a Delay Event and any related change to the Scheduled Commercial Operations Date may be referred by either NGESO or the AR Contractor by notice in writing to the other for determination by the Expert.

3.3. When the Works are substantially completed (including the installation and commissioning of all communications links to enable the AR Contractor to receive Restoration Instructions) and, subject to the development of a Local Joint Restoration Plan in accordance with Clause 9.3, the Contracted Anchor Plant is capable in the AR Contractor's opinion of providing the Anchor Plant Capability in accordance with the Contracted Anchor Requirements, the AR Contractor shall notify NGESO in writing of the dates on which the Contracted Anchor Plant will be available for a Commissioning Assessment over the following period of thirty (30) days. The Parties shall use reasonable endeavours to ensure that the Commissioning Assessment is conducted as soon as possible and shall agree the date and time of the Commissioning Assessment, provided always that, although NGESO shall not unreasonably refuse to carry out a Commissioning Assessment at any time and date that may be requested by the AR Contractor, having regard to the cost implications, NGESO reserves the right to cancel any Commissioning Assessment previously agreed to be carried out. In such a case the Parties shall agree an alternative time and date when the Commissioning Assessment shall be carried out which shall be as soon as possible thereafter. NGESO shall be entitled to attend a Commissioning Assessment and either Party may request the Expert to be present at a Commissioning Assessment.

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- 3.4. As soon as practicable after the date on which the Commissioning Assessment has been completed and in any event within five (5) Business Days, NGESO shall notify the AR Contractor whether the Contracted Anchor Plant has passed or failed the Commissioning Assessment. Any dispute as to whether the Commissioning Assessment has been passed or failed may be referred by either Party to the Expert for determination.
- 3.5. If the Contracted Anchor Plant has not successfully passed the Commissioning Assessment by the Scheduled Commercial Operations Date then, save to the extent due to a Delay Event, the AR Contractor shall pay to NGESO, without deduction or set off, liquidated damages (“**LADs**”) at the LAD Rate with effect from the Scheduled Commercial Operations Date until and including the date on which the Contracted Anchor Plant successfully passes the Commissioning Assessment, provided always that such liquidated damages shall not in any event exceed the LAD Cap.
- 3.6. If at any time the aggregate amount of LADs paid or payable under Clause 3.5 is equal to the LAD Cap then, NGESO shall have the right to terminate this Agreement by written notice to the AR Contractor in accordance with Clause 17 (*Termination*).
- 3.7. For the purposes of Clause 3.5, LADs shall be payable by the AR Contractor to NGESO on a monthly basis in accordance with Clause 12 (*Payment*) and the due date shall be ascertained accordingly.
- 3.8. If the Contracted Anchor Plant has not for any reason (including any Delay Event) successfully passed the Commissioning Assessment by the first anniversary of the Scheduled Commercial Operations Date (“**Review Date**”), NGESO may request such additional evidence regarding the AR Contractor’s progress toward achieving the Commercial Operations Date as it may reasonably require and may further require that the Parties meet to consider in good faith whether there are reasonable prospects that the Commissioning Assessment will be passed within three (3) months after the Review Date. Once NGESO considers that it is in possession of sufficient evidence, it shall, acting reasonably, make a determination and notify the AR Contractor in writing either:
- 3.8.1. that it (in its absolute discretion) considers there to be a reasonable prospect that the Commissioning Assessment will be passed within three (3) months after the Review Date, in which event this Agreement shall continue in full force and effect and the AR Contractor shall continue to take all steps necessary to pass the Commissioning Assessment within that three (3) months period; or
- 3.8.2. that it (in its absolute discretion) considers there is no reasonable prospect that the Commissioning Assessment will be passed within three (3) months after the Review Date,

and NGESO shall have the right to terminate this Agreement by written notice to the AR Contractor in accordance with Clause 17 (*Termination*) if it gives notice under

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Clause 3.8.1 and the Commissioning Assessment is not achieved within three (3) months after the Review Date or if it gives notice under Clause 3.8.2.

3.9. The remedies prescribed in this Clause 3 shall be NGESO's sole and exclusive remedies with respect to any failure of the Contracted Anchor Plant to pass successfully a Commissioning Assessment by the Scheduled Commercial Operations Date.

3.10. The AR Contractor shall:

3.10.1. comply with the provisions of Schedule 5 (*Security*) in relation to the implementation of the Works and the provision of Anchor Plant Capability; and

3.10.2. take reasonable steps (in accordance with Good Industry Practice) to procure that no aspect of the Works is sourced or ultimately derived from any Sanctioned Person and that no aspect of providing Anchor Plant Capability otherwise involves a Sanctioned Person.

**4. WORKS CONTRIBUTION PAYMENTS**

4.1. The Parties acknowledge that, where the Contract Form specifies that no Works, other than a Commissioning Assessment, are required for the purposes of enabling the AR Contractor to provide Anchor Plant Capability no Works Contribution Payment is payable in respect of the Works and that the provisions of this Clause 4 and all provisions relating to the payment of a Works Contribution Payment or a Works Contribution Refund Payment shall not apply.

4.2. Subject to receipt by NGESO of Acceptable Security for the Security Amount and subject to that security remaining in full effect, NGESO shall, by reference to each Works Contribution Period, pay to the AR Contractor an amount ("**Works Contribution Payment**") in respect of the Internal Costs and External Costs incurred by the AR Contractor in that Works Contribution Period subject to receipt from the AR Contractor of invoices that:

4.2.1. itemise Internal Costs and External Costs separately;

4.2.2. to the extent relating to External Costs, do not exceed, when aggregated with all other External Costs so invoiced, the External Costs Cap and are supported by copy invoices from the relevant third party contractors and such other evidence of having been incurred as NGESO may reasonably require; and

4.2.3. to the extent relating to Internal Costs, do not exceed, when aggregated with all other Internal Costs so invoiced, the Internal Costs Cap and include a description which is reasonably satisfactory to NGESO of that part of the Works to which such invoice relates and is supported by such other evidence as NGESO may reasonably require,

provided always that, in each case, the invoiced sums shall be limited to reasonable costs which have been reasonably incurred and which the AR Contractor shall have used its reasonable endeavours to mitigate.

4.3. Following receipt of any invoice in respect of the Works submitted by the AR Contractor in accordance with Clause 4.2, NGESO shall, as soon as reasonably

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practicable thereafter, notify the AR Contractor and provide a reason where NGESO determines (acting reasonably) that such invoice does not meet the requirements of Clause 4.2 and the AR Contractor shall submit a replacement invoice that does meet those requirements as soon as reasonably practicable thereafter.

- 4.4. Each invoice meeting the requirements of Clause 4.2 shall be paid by NGESO within forty two (42) days after receipt.
- 4.5. The AR Contractor acknowledges that it should not over-recover its costs where a Works Contribution Payment has been made to fund all or part of the Contracted Anchor Plant and the AR Contractor seeks to provide a Balancing Service or other similar service to a third party (otherwise than pursuant to existing contractual obligations) using any part of the Funded Capability. Accordingly, it is hereby agreed that the AR Contractor will not offer terms to NGESO for provision of any Balancing Service or offer terms to a third party for the provision of a similar service using any part of the Funded Capability during any period prior to the Expiry Date without first seeking to agree in writing with NGESO an appropriate reduction in the Availability Price for the duration of any resulting contract reflecting the proportion of the capital cost of the Funded Capability. NGESO shall, as soon as reasonably practicable following receipt of a written request from the AR Contractor, meet with the AR Contractor to discuss an appropriate reduction, and each of NGESO and the AR Contractor shall use reasonable endeavours to agree on such appropriate reduction in the Availability Price within such period as is required to allow the AR Contractor to offer terms to NGESO with respect to the relevant Balancing Service or offer terms to a third party for the provision of a similar service. If no such agreement is concluded, then NGESO reserves the right to decline to contract with the AR Contractor for any Balancing Service or similar service provided from any part of the Funded Capability.
- 4.6. If NGESO and the AR Contractor have agreed in writing prior to the date of this Agreement, the basis on which the AR Contractor may use Funded Capability to provide Balancing Services or other similar services to a third party the AR Contractor may provide Balancing Services or other similar services to a third party on the basis of that agreement.
- 4.7. NGESO shall be entitled to call upon the security provided to it in accordance with Clause 4.2 if (and to the extent that): -
- 4.7.1. an Annual Availability Shortfall Payment has become payable under this Agreement and has not been paid by the AR Contractor in accordance with Clause 12.1.3;
  - 4.7.2. a Works Contribution Refund Payment has become payable under this Agreement and has not been paid by the AR Contractor in accordance with Clause 17.4;
  - 4.7.3. LADs have become payable under this Agreement and have not been paid by the AR Contractor in accordance with Clause 3.5; or
  - 4.7.4. other equivalent Acceptable Security of the required amount has not been put in place within the time periods provided for in this Clause 4. Where the security has been called for this reason, NGESO shall repay the amount so called when the AR Contractor puts in place the appropriate replacement security.

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- 4.8. If any bank or banks being the issuer of a bond or letter of credit shall suffer at any time a change of rating so as to fall below that required of a Rated Bank the AR Contractor shall forthwith on the AR Contractor becoming aware of such occurrence notify NGESO and within twenty (20) Business Days of the AR Contractor becoming aware of such change of rating provide to NGESO a replacement bond or letter of credit from a Rated Bank on the same terms as to amount and expiry date as the security being replaced or equivalent Acceptable Security. For the avoidance of doubt any such change of rating shall not during such period of twenty (20) Business Days constitute a breach under this Agreement, provided that the replacement security shall be provided, and from the date of its provision the security which it replaces shall be released by NGESO.
- 4.9. Where the form of Acceptable Security is a parent company guarantee and the AR Contractor has elected in the Contract Form that this Clause 4.9 shall apply, the AR Contractor shall procure that:
- 4.9.1. the Guarantor's auditor shall as soon as reasonably practicable following the end of each financial year of the Guarantor in which the parent company guarantee remains in force, certify (the "**Auditor's Certificate**") the net asset value on a consolidated basis of the Guarantor, by reference to the Guarantor's most recent annual audited financial statements; and
- 4.9.2. the Guarantor's finance director shall as soon as reasonably practicable following the end of the second quarter in each of the Guarantor's financial years in which the parent company guarantee remains in force, certify (the "**FD's Certificate**") the net asset value on a consolidated basis of the Guarantor, by reference to the Guarantor's half-year unaudited financial statements,
- and if:
- 4.9.3. the AR Contractor shall fail to procure: (i) the Auditor's Certificate by not later than six (6) months after the end of a financial year of the Guarantor; or (ii) the FD's Certificate by not later than one (1) month after the end of the second quarter in a financial year of the Guarantor (in either case, the "**Due Date**"); or
- 4.9.4. the net asset value of the Guarantor stated in the Auditor's Certificate or the FD's Certificate (as the context requires) is less than the Guarantor Minimum NAV,
- the AR Contractor shall within twenty (20) Business Days following the Due Date or the date of issue of the Auditor's Certificate or the FD's Certificate (as the context requires) provide to NGESO Acceptable Security to replace such parent company guarantee.
- 4.10. Where the Acceptable Security provided by the AR Contractor is a parent company guarantee and the AR Contractor has elected in the Contract Form that this Clause 4.10 shall apply, the AR Contractor shall procure that, if the Guarantor shall suffer at any time a change of rating so as to fall below the Guarantor Minimum Credit Rating, the AR Contractor shall forthwith on becoming aware of such occurrence notify NGESO and within twenty (20) Business Days of the AR Contractor becoming aware of such change of rating provide to NGESO a replacement for such parent company guarantee comprising another form of Acceptable Security.

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- 4.11. Where the AR Contractor's Acceptable Security is time limited, the AR Contractor must replace it at least forty five (45) days prior to expiry. If the AR Contractor fails to so replace the Acceptable Security, NGESO shall be entitled to make a claim for an amount equal to the Security Amount.
- 4.12. The AR Contractor shall on reasonable notice to NGESO be entitled to request the substitution of any Acceptable Security with any other Acceptable Security. Subject to NGESO's consent (not to be unreasonably withheld or delayed) and on such replacement Acceptable Security being put in place NGESO shall release the Acceptable Security first provided. The AR Contractor may provide different security instruments to NGESO at any time, each securing a different amount, provided that the number of security instruments does not exceed six at any time, that the aggregate sum secured is equal to the Security Amount and that the security otherwise constitutes Acceptable Security.

**5. SERVICE TERM**

- 5.1. The AR Contractor shall make Available the Contracted Anchor Plant with effect on and from the Commercial Operations Date and, subject to earlier termination of this Agreement in accordance with Clause 17 (*Termination*) or extension in accordance with Clause 5.2, until the Expiry Date (the "**Service Term**").
- 5.2. If the provisions of this Agreement shall not by then have terminated, not later than twelve (12) months prior to the end of the Service Term (or any Extended Term agreed under this Clause), the Parties shall meet to discuss whether the Service Term should be extended and if so the duration of such extension (an "**Extended Term**") and the terms (including prices) upon which the Contracted Anchor Plant shall continue to be made Available by the AR Contractor, provided always that no extension may be agreed for a period which, either alone or when aggregated with any other period of extension, shall exceed [ ] years. Unless the Service Term is further extended under this Clause or this Agreement shall by then have terminated, this Agreement shall terminate automatically without notice at the end of an Extended Term.

**6. ANCHOR PLANT CAPABILITY**

- 6.1. The AR Contractor shall, throughout the Service Term, fuel, operate, maintain and repair the Contracted Anchor Plant in accordance with Good Industry Practice with a view to making the Contracted Anchor Plant available to:
- 6.1.1. provide Anchor Plant Capability; and
- 6.1.2. comply with valid instructions for initiation and implementation of the Local Joint Restoration Plan, so that, in the event of a Total Shutdown or a Partial Shutdown of the National Electricity Transmission System:
- 6.1.2.1. in the case of Anchor Plant other than a HVDC System, at least one of the Gensets at the Power Station is able to Start-Up from Shutdown and to energise a part of the National Electricity Transmission System and thereafter the local User System (in accordance with the Local Joint Restoration Plan) and/or be Synchronised to the National Electricity Transmission System and



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the local User System (in accordance with the Local Joint Restoration Plan);

- 6.1.2.2. or, in the case of a HVDC System, it is able to Start-Up from Shutdown and to energise part of the National Electricity Transmission System and thereafter the local User System (in accordance with the Local Joint Restoration Plan) and/or be Synchronised to the National Electricity Transmission System and the local User System (in accordance with the Local Joint Restoration Plan),

upon instruction from NGESO, in accordance with the Time to Connect, without an external electrical supply.

- 6.1.3. The AR Contractor hereby further agrees with effect from the Commercial Operations Date and thereafter until the Expiry Date to provide and maintain at the Contracted Anchor Plant (and, where necessary, replenish) all necessary consumables (which, where applicable, shall include supplies of raw water, demineralised water and infrastructure for the supply of natural gas to the Auxiliary Units), maintain, where applicable, arrangements for supplies of natural gas to the Auxiliary Units at the appropriate time and the required pressure and maintain communication channels for the Contracted Anchor Plant and other related supplies so that, in the event of an Electricity System Restoration:

- 6.1.3.1. by block and/or ramp loading in each case in accordance with Clause 6.3, Active Power from the Contracted Anchor Plant of at least the Contracted Power is capable of being provided and sustained for not less than the period specified in the Contracted Anchor Requirements; and

- 6.1.3.2. in the case of a Power Station, the Contracted Anchor Plant is capable of providing sufficient Active Power to achieve a controlled Shutdown of the Gensets and perform a Start-Up of an Genset at least three times; or

- 6.1.3.3. in the case of an HVDC System, the Contracted Anchor Plant is capable of importing to the National Electricity Transmission System sufficient Active Power to achieve re-energisation following a trip at least three times.

- 6.2. If, during a period which is the subject of a prior notification from the AR Contractor to NGESO that the Contracted Anchor Plant does not have the Anchor Plant Capability, NGESO issues a declaration in accordance with Grid Code OC9 that a Partial Shutdown or a Total Shutdown exists, the AR Contractor shall, if required by NGESO, indicate whether and to what extent it is able to respond to Emergency Instructions and, if so, the basis upon which it will accept such instructions. Subject to the Parties reaching agreement thereto the AR Contractor shall use its reasonable endeavours to meet any such request by NGESO to provide Anchor Plant Capability.

- 6.3. Without prejudice to the Grid Code, Anchor Plant Capability shall comprise the capability in an Electricity System Restoration of the Contracted Anchor Plant to operate in accordance with the Contracted Anchor Requirements and, where required,

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to perform and re-perform the following actions upon receipt of a relevant instruction from NGESO:-

- 6.3.1. in the case of a Power Station, and if applicable, maintaining suitable mains independent turbine barring and jacking facilities for all Gensets (independent of the Auxiliary Units) which will last for a minimum of twenty (20) minutes after the loss of external alternating current supplies;
- 6.3.2. immediately commence the procedure to enable Start-Up of the Contracted Anchor Plant from Shutdown with or without an external electrical supply (in the case of a HVDC System, to the GB Converter Station);
- 6.3.3. within the Time to Connect, energise part of the National Electricity Transmission System (which would then energise the local Distribution System) and/or local Distribution System from the Connection Point or be Synchronised to the National Electricity Transmission System or the local Distribution System or a part thereof (the “**Connection Event**”) in accordance with the Local Joint Restoration Plan;
- 6.3.4. be capable of accepting individual loads which will be connected in the form of demand blocks in each case of up to the relevant figure specified in the Contracted Anchor Requirements and in the Local Joint Restoration Plan;
- 6.3.5. when a block load is connected to the Contracted Anchor Plant in accordance with Clause 6.3.4, respond so that the Frequency of the Power Island should not fall below the minimum or above the maximum Frequency specified in the Contracted Anchor Requirements and that the Frequency of the Power Island is restored to within statutory limits (above 49.5 Hz and, to the extent possible, below 50.5 Hz) within ten (10) seconds maintaining stable operation thereafter pending connection of the next block load;
- 6.3.6. be capable of operating within the loading restrictions set out in the Contracted Anchor Requirements and of accepting loading instructions issued by NGESO and/or the Public Distribution System Operator in accordance with the loading procedures specified in the Local Joint Restoration Plan;
- 6.3.7. achieve a power output equal to the Contracted Power (or such lesser power output as may be instructed by NGESO) within the loading period specified in the Contracted Anchor Requirements assuming loading is achieved by the connection of demand blocks in accordance with Clauses 6.3.4, 6.3.5 and 6.3.6;
- 6.3.8. in order to achieve the power output within the loading period as specified in 6.3.7, achieve the interim power output levels specified in the Contracted Anchor Requirements (or such other interim power output levels as agreed between the AR Contractor and NGESO from time to time) in the timescales therein specified, and further be capable of sustaining a power output equal to the Contracted Power (or such lower level of MW output as may be instructed by NGESO) in accordance with Clause 6.1.3 until otherwise instructed by NGESO; and
- 6.3.9. without prejudice to the AR Contractor's obligation to provide Reactive Power in accordance with Grid Code CC 6.3.2 (where applicable), provide Reactive Power at no-load at the generator stator terminals (at rated terminal voltage) or at the GB Converter Station (as the context requires) of at least the range specified in the Contracted Anchor Requirements (or such other range agreed between the AR Contractor and NGESO from time to time); and

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- 6.3.10. operate in a Frequency Sensitive Mode in accordance with instructions issued by NGESO pursuant to the Grid Code or as specified in the Local Joint Restoration Plan; and
  - 6.3.11. operate in a Voltage Control Mode in accordance with instructions issued by NGESO pursuant to the Grid Code or as specified in the Local Joint Restoration Plan; and
  - 6.3.12. recommence all or part of the Local Joint Restoration Plan to the extent that any Genset or the HVDC System is disconnected from the National Electricity Transmission System or demand is disconnected from that Genset or HVDC System during an Electricity System Restoration; and
  - 6.3.13. to co-operate with NGESO to facilitate the provision of local 400kV, 275kV and 132kV sub-station indications to enable proper co-ordination of actions defined in the Local Joint Restoration Plan and to enable Remote Synchronisation to be co-ordinated from the AR Contractor's control room; and
  - 6.3.14. maintain provision of Anchor Plant Capability in accordance with the provisions of this Clause (without reliance on Auxiliaries that could be adversely affected by deviations in the Frequency of the System or by other conditions affecting the National Electricity Transmission System) until notification from NGESO to the AR Contractor in accordance with Grid Code OC 9 that the Electricity System Restoration has concluded.
- 6.4. The precise operational and procedural requirements of and responses from the Contracted Anchor Plant will be more comprehensively set out in the Local Joint Restoration Plan provided always that the Local Joint Restoration Plan shall place no greater obligations upon the AR Contractor than those contained within this Agreement. In relation thereto, in the event of any inconsistency between the provisions of the Local Joint Restoration Plan and this Agreement the provisions of the Local Joint Restoration Plan shall prevail in so far as the inconsistency relates to procedural matters, otherwise the provisions of this Agreement shall prevail. Subject to Clause 11 (*Safety and Insurance*) the AR Contractor acknowledges that in a Electricity System Restoration, NGESO may issue an instruction for operation of the Contracted Anchor Plant outside of the technical limitations comprising the Contracted Anchor Requirements to the extent that, in the case of a Power Station, the instruction is to operate in accordance with Dynamic Parameters and other BM Unit Data (as those terms are defined in the Grid Code) submitted pursuant to Grid Code BC1 (as amended from time to time).
- 6.5. The AR Contractor warrants to NGESO that it believes that operation of the Contracted Anchor Plant in accordance with the Contracted Anchor Requirements will be within its safe operating parameters (whether relating to personnel or Plant or Apparatus) and will not require the AR Contractor to change generation on the Gensets or flow on the HVDC System for safety reasons pursuant to Grid Code OC 9.

***Revisions to Contracted Anchor Requirements and/or Anchor Plant Capability requirements***

- 6.6. Subject always to Clause 6.7, the AR Contractor may issue a request to NGESO that one or more of the Contracted Anchor Requirements and/or the Anchor Plant Capability requirements (more particularly specified in Clause 6.3) be revised temporarily (such request to be confirmed by facsimile or other electronic means approved from time to time by NGESO and in the form set out in Schedule 6), and

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upon receipt of the AR Contractor's confirmation of such request, NGESO may at its sole discretion either accede to or decline such request provided always that any acceptance of such request may at NGESO's sole discretion be immediately withdrawn at any time thereafter.

- 6.7. The AR Contractor shall specify in any request made in accordance with Clause 6.6 the start time and expected end time between which any revisions to the Contracted Anchor Requirements and/or the Anchor Plant Capability requirements shall apply.
- 6.8. If NGESO accepts any request made by the AR Contractor pursuant to Clause 6.6, any such revisions shall apply from the start time specified by the AR Contractor, until the end time specified by the AR Contractor or any earlier time at which NGESO withdraws its acceptance of the AR Contractor's request pursuant to Clause 6.6.
- 6.9. If NGESO declines (or withdraws any previous acceptance of) any request made by the AR Contractor pursuant to Clause 6.6, then the original Contracted Anchor Requirements and/or Anchor Plant Capability requirements shall continue to apply (or be reinstated as the case may be), and for the avoidance of doubt if as a result the AR Contractor is unable to maintain the Anchor Plant Capability from the Contracted Anchor Plant then it shall notify NGESO accordingly in accordance with Clause 7.1.
- 6.10. For the avoidance of doubt, the revisions which may be requested by the AR Contractor pursuant to Clause 6.6 may include without limitation reductions to quantities of consumables and/or other related supplies required to be provided and/or maintained by the AR Contractor at the Power Station in accordance with Clause 6.1.3.

**7. ABSENCE OF ANCHOR PLANT CAPABILITY**

***Notification by AR Contractor***

- 7.1. The AR Contractor shall notify NGESO by facsimile or other electronic means approved from time to time by NGESO, in the form set out in Schedule 6, as soon as reasonably practicable (but in any event within twenty (20) minutes of it becoming aware that) if:-

7.1.1. the Contracted Anchor Plant does not or will not have any part of the Anchor Plant Capability and such notification shall include a brief explanation thereof, the time of commencement and the expected duration thereof;

7.1.2. (without prejudice to Clause 7.1.1) following the issue of a notification by the AR Contractor in accordance with Clause 7.1, the Anchor Plant Capability has been restored and such notification shall include the time of such restoration.

- 7.2. For the purposes of Clause 7.1 the AR Contractor shall be deemed to have the knowledge of its operators at the Contracted Anchor Plant. The AR Contractor undertakes to NGESO that each notification given by its plant operators pursuant to Sub-Clause 7.1 shall reflect the true operating characteristics of the Contracted Anchor Plant.

***Determination by NGESO***

- 7.3. Notwithstanding Sub-Clause 7.1, the Contracted Anchor Plant may be determined by NGESO not to have the Anchor Plant Capability (subject to review by the Expert) by reference to inspections, Assurance Visits or testing carried out pursuant to

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Clauses 15 (*Inspections and Assurance Visits*) and 13 (*Testing*), or metering and monitoring carried out pursuant to Clause 14 (*Metering and Monitoring*).

7.4. With effect from: -

7.4.1. the time at which the Contracted Anchor Plant is notified by the AR Contractor or determined by NGESO or, in the event of disagreement, by the Expert upon the reference of either Party, to no longer to have the Anchor Plant Capability; or

7.4.2. the commencement of the Settlement Period in which an Event of Default shall have occurred, the Contracted Anchor Plant shall be deemed not to have the Anchor Plant Capability and no payments in respect of all subsequent Settlement Periods shall be payable by either Party to the other unless and until the Anchor Plant Capability shall be deemed to be restored in accordance with the following provisions:-

7.4.2.1. The AR Contractor shall as soon as reasonably practicable notify NGESO by facsimile or other electronic means approved from time to time by NGESO in the form set out in Schedule 6 of the time and date when it considers that the Anchor Plant Capability is restored and shall, where unavailability of Anchor Plant Capability was due to an Event of Default, give NGESO a brief explanation as to the reason for such Event of Default.

7.4.2.2. Promptly following receipt of such notification and explanation, NGESO may inform the AR Contractor within five (5) Business Days that it wishes to conduct a test (a "**Reproving Assessment**") in order to verify such restoration of Anchor Plant Capability and, in respect thereof, the relevant provisions of Clause 13 (*Testing*) shall apply. The scope of a Reproving Assessment shall in each case have regard to the nature and extent of the circumstances which gave rise to the Contracted Anchor Plant no longer having the Anchor Plant Capability and shall be discussed and agreed with the AR Contractor (such agreement not to be unreasonably withheld or delayed). Without limiting the foregoing, a Reproving Assessment may include the monitoring of the normal operation of the Gensets or HVDC System and/or the Auxiliary Units (as appropriate).

7.4.2.3. If NGESO fails to notify the AR Contractor in accordance with Clause 7.4.2.2 that it wishes to carry out a Reproving Assessment then the Anchor Plant Capability shall be deemed to have been restored with effect from the time set out in the notification by the AR Contractor pursuant to Clause 7.4.2.1 and the Monthly Availability Payments shall become payable with effect from such time and date.

7.4.2.4. Promptly following receipt of notification from NGESO that it wishes to conduct a Reproving Assessment, the AR Contractor shall notify NGESO of the time and date when the Reproving Assessment may be carried out which (unless NGESO and the AR Contractor otherwise agree in writing) shall be not earlier than seventy two (72) hours and not later than one hundred and sixty eight (168) hours following such notification. If the AR Contractor unreasonably delays its notification, NGESO may specify a time for the conduct of the Reproving Assessment on no less than one hundred and sixty eight (168) hours' notice. NGESO shall not unreasonably refuse to carry out a Reproving Assessment at the times and dates notified by the AR Contractor. Without limitation, it shall be reasonable for NGESO (by

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notice in writing to the AR Contractor) to refuse to carry out the Reproving Assessment at the time and date notified by the AR Contractor in order to minimise cost implications or where the safety or security of the System may be compromised. Upon any refusal by NGESO as aforesaid, the AR Contractor shall notify NGESO of an alternative time and date when the Reproving Assessment may be carried out and where the AR Contractor unreasonably delays in sending such notification, NGESO may specify a time for the conduct of the Reproving Assessment on no less than one hundred and sixty eight (168) hours' notice.

7.4.2.5. If NGESO fails to conduct a Reproving Assessment at the time and date notified by the AR Contractor pursuant to Clause 7.4.2.4, save in the circumstances therein set out, then (unless it is prevented from carrying out such Reproving Assessment by means of an act or default of the AR Contractor or by reason of an event or circumstance of Force Majeure) the Anchor Plant Capability shall be deemed to have been restored with effect from the time set out in the notification by the AR Contractor pursuant to Clause 7.4.2.1 and the Monthly Availability Payments shall become payable with effect from such time and date.

7.4.2.6. If the Contracted Anchor Plant passes a Reproving Assessment, then (subject to Clause 7.4.2.7) the Anchor Plant Capability shall be deemed to be restored with effect from the time and date notified by the AR Contractor pursuant to Clause 7.4.2.1 and the Monthly Availability Payments shall become payable with effect from such time and date.

7.4.2.7. If the AR Contractor fails a Reproving Assessment, then Clauses 7.4.2.1 to 7.4.2.4 (inclusive) shall continue to apply and the AR Contractor shall be required to re-notify NGESO of the time and date when it considers that the Anchor Plant Capability shall be restored, and the Anchor Plant Capability shall only be deemed to be restored as from the earlier of:-

7.4.2.7.1. the passing of a subsequent Reproving Assessment;

7.4.2.7.2. the date of the first notification where the first Reproving Assessment is determined to have been passed; or

7.4.2.7.3. if NGESO fails to carry out a subsequent Reproving Assessment, with effect from the time of the last notification from the AR Contractor to NGESO that the Anchor Plant Capability is restored.

7.4.2.8. In relation to the conduct of all Reproving Assessments the provisions of Clause 13 (*Testing*) shall apply.

7.4.2.9. During any period of dispute as to a determination of NGESO that the Contracted Anchor Plant no longer has the Anchor Capability, the provisions of Clause 7.4.3 shall apply.

7.4.3. For the avoidance of doubt, no payments shall be payable by either Party in respect of any Settlement Periods following a determination by NGESO that the Contracted Anchor Plant no longer has the Anchor Plant Capability, notwithstanding that the AR Contractor shall have requested a further test and/or made a reference to the Expert pursuant to Clause 28.6, unless and until:-

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- 7.4.3.1. the AR Contractor passes such further test or the Expert determines that such further test was passed, in which cases the Monthly Availability Payments in respect of the Settlement Periods since the first test shall become payable by NGESO to the AR Contractor by reference to the first practicable Monthly Statement issued following such further successful test together with interest thereon at the Base Rate from the date on which such payments would otherwise have been due and payable by NGESO; or
- 7.4.3.2. the Anchor Plant Capability shall be deemed to be restored in accordance with Clause 7.4.2.6.

**8. INSTRUCTION**

- 8.1. During any Electricity System Restoration, NGESO shall give an instruction to the AR Contractor as referred to in Grid Code OC9.4 for implementation of the Local Joint Restoration Plan from the Contracted Anchor Plant (a “**Restoration Instruction**”) which may comprise (subject to Clause 11 (*Safety and Insurance*)), without limitation, any one or more of the instructions set out below. The Local Joint Restoration Plan shall set out who shall give the following instructions: -
  - 8.1.1. an instruction to Start-Up the Contracted Anchor Plant, without an external electrical supply (in the case of a, BS HVDC System without an external electrical supply to the GB Converter Station) and in accordance with the Local Joint Restoration Plan; and/or
  - 8.1.2. an instruction for the Contracted Anchor Plant to be connected to or Synchronised to the National Electricity Transmission System and the local User System (in accordance with the Local Joint Restoration Plan) or a part thereof; and/or
  - 8.1.3. an instruction, where applicable, for the Contracted Anchor Plant to maintain a specified voltage at the Commercial Boundary; and/or
  - 8.1.4. an instruction for the Contracted Anchor Plant to accept block loads within the range specified in the Contracted Anchor Requirements; and/or
  - 8.1.5. an instruction for the Contracted Anchor Plant to operate in Frequency Sensitive Mode; and/or
  - 8.1.6. an instruction to switch in or out the Power System Stabiliser (as that term is defined in the Grid Code).
- 8.2. The modes of instruction specified in this Clause are indicative only but all Restoration Instructions shall fall within the remit of this Agreement, the Local Joint Restoration Plan and/or the Grid Code. The actual method of instruction and the detailed instruction formats for use in a System Restoration will be more comprehensively set out in the Local Joint Restoration Plan.
- 8.3. Subject and without prejudice to Clause 11 (*Safety and Insurance*) the AR Contractor agrees that NGESO may issue an instruction for operation of the Contracted Anchor Plant outside of operating capability as declared or redeclared to NGESO pursuant to relevant provisions of the Grid Code but only to the extent the instruction is for operation in accordance with the relevant Anchor Plant Capability or a capability otherwise agreed by the AR Contractor.

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- 8.4. The AR Contractor acknowledges and agrees that a System Restoration will constitute an emergency situation as referred to in the Grid Code and that accordingly a Restoration Instruction may constitute an Emergency Instruction.
- 8.5. During any Electricity System Restoration, NGESO shall provide the AR Contractor with such information relating to the National Electricity Transmission System as NGESO, in its reasonable opinion, shall consider necessary in order to enable the AR Contractor to implement the Local Joint Restoration Plan or respond to instructions under the Grid Code.

**9. LOCAL JOINT RESTORATION PLAN AND TRAINING**

- 9.1. The AR Contractor shall co-operate with NGESO in the development, review and updating from time to time of a Local Joint Restoration Plan for the Power Station which shall be in a form to be agreed between the Parties (such agreement not to be unreasonably withheld or delayed) and one or more local Public Distribution System Operators and/or User and/or third party responsible for necessary consumables as referred to in Sub-Clause 6.1.3 (as the case may be) (together the “**Relevant Third Parties**”), and shall include details of the following:-
- 9.1.1. the part of the National Electricity Transmission System and/or local Distribution System to be energised (in the case of the local Distribution System indirectly) by the AR Contractor utilising the Contracted Anchor Plant and the methods by which this will be achieved;
- 9.1.2. how the block loading of the Contracted Anchor Plant is to be achieved by direct communication between the AR Contractor, the local Public Distribution System Operator and NGESO;
- 9.1.3. manner of operation during islanded conditions;
- 9.1.4. telephone numbers of all parties concerned and all other pertinent information of a similar nature; and
- 9.1.5. the time periods required for the restoration of such necessary consumables.
- 9.2. In connection with Clause 9.1, the AR Contractor shall ensure that all appropriate personnel at the Contracted Anchor Plant are made aware of the Local Joint Restoration Plan and receive appropriate training in respect thereof. Appropriate training shall be at the sole discretion of the AR Contractor but may include the carrying out of one exercise a year (of no more than a reasonable duration) with various station staff (which may include the operation of any part of the Local Joint Restoration Plan). Upon reasonable request from the AR Contractor, NGESO shall use reasonable endeavours (insofar as permitted by the Grid Code and subject as provided below) to co-operate with the AR Contractor in the carrying out of any such exercise by the issue of suitable instructions (at times and for periods agreed with NGESO) and, subject to the AR Contractor's rights referred to in Clauses 13.2 to 13.14.5, each Party shall bear its own additional staffing costs in connection with any such exercise. In respect of any exercises involving changes to the production profile of any BM Unit at the AR Contractor's Power Station, the provisions of Sub-Clauses 13.2 to 13.14.5 shall apply.
- 9.3. The occurrence of the Commercial Operations Date shall in all respects be conditional on a Local Joint Restoration Plan having been developed and, in connection therewith,



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the AR Contractor shall be responsible for procuring that all Relevant Third Parties co-operate in the development of such Local Joint Restoration Plan.

**10. SERVICE FEES AND REBATES**

- 10.1. With effect from the Commercial Operations Date, NGESO shall pay a monthly payment ("**Monthly Availability Payment**") calculated by reference the number of Settlement Periods in the Month in which the Contracted Anchor Plant was Available and the Availability Price in accordance with Schedule 3, Part I (*Availability Payments and Rebates*).
- 10.2. NGESO shall be entitled to apply an Availability Rebate in the circumstances specified in Schedule 2 (*Events of Default*).
- 10.3. If in any Availability Assessment Period the Actual Availability of the Contracted Anchor Plant falls below the Target Availability, the AR Contractor shall pay an Annual Availability Shortfall Payment.
- 10.4. If in any Availability Assessment Period the Actual Availability of the Contracted Anchor Plant falls below the Minimum Availability:
  - 10.4.1. the AR Contractor shall pay an Annual Availability Shortfall Payment; and
  - 10.4.2. the Availability Price shall be reduced by a fraction the denominator of which is the Target Availability and the numerator of which is the Actual Availability of the Contracted Anchor Plant until such time as the Actual Availability of the Contracted Anchor Plant has exceeded the Minimum Availability in a subsequent Availability Assessment Period.
- 10.5. If the Actual Availability of the Contracted Anchor Plant falls below the Minimum Availability in any two consecutive Availability Assessment Periods then, at NGESO's discretion:
  - 10.5.1. the AR Contractor shall pay an Annual Availability Shortfall Payment; or
  - 10.5.2. NGESO may terminate this Agreement in accordance with Clause 17.2.4.
- 10.6. For the purposes of calculating the Actual Availability of the Contracted Anchor Plant in any Availability Assessment Period, NGESO shall not take into account any periods of planned outage that it has agreed (in its absolute discretion) may be taken by the Contracted Anchor Plant in addition to the periods specified in the table set out in Part 7 of the Contract Form during the relevant Availability Assessment Period.
- 10.7. If an Electricity System Restoration is implemented, the AR Contractor may seek to recover costs incurred in connection with Emergency Instructions as Avoidable Costs (as defined in the BSC) under section G (*Contingencies*) of the BSC.

**11. SAFETY AND INSURANCE**

- 11.1. NGESO acknowledges that any decision to operate the Contracted Anchor Plant outside its safe operating parameters is one for the AR Contractor alone, and accepts that the AR Contractor may change generation or flow on the Contracted Anchor Plant if it believes it is necessary for safety reasons (whether relating to personnel or Plant and Apparatus).
- 11.2. The responsibility for injury to personnel and damage to Plant and Apparatus owned and/or operated by the AR Contractor caused by operation of the Contracted

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Anchor Plant in an Electricity System Restoration therefore rests with the AR Contractor and NGESO shall have no liability whatsoever in connection therewith.

- 11.3. The AR Contractor shall indemnify and keep indemnified NGESO in respect of liability for death or personal injury and/or damage to Plant and Apparatus owned and/or operated by NGESO and arising out of or in connection with such operation of the Contracted Anchor Plant outside of its safe operating parameters save to the extent that:

11.3.1. such death or personal injury and/or damage to Plant and Apparatus is caused by the negligent act or omission or default of NGESO; and

11.3.2. the AR Contractor has operated the Contracted Anchor Plant in accordance with Good Industry Practice.

- 11.4. The AR Contractor shall insure for public liability risks arising from its operation of the Contracted Anchor Plant with a reputable insurer with a minimum value of ten million pounds Sterling (£10,000,000) for each and every claim.

- 11.5. The AR Contractor acknowledges and agrees that, for the purposes of Clause 11.3, references to NGESO shall include the Transmission Owner and that, in addition to NGESO, the Transmission Owner shall be entitled to enforce Clause 11.3.

**12. PAYMENT**

- 12.1. In respect of each calendar month ("**Relevant Month**") during the Service Term and by no later than expiry of the second calendar month which follows, NGESO shall send to the AR Contractor a statement ("**Monthly Statement**") setting out its calculation of:-

12.1.1. the Monthly Availability Payment payable by NGESO to the AR Contractor pursuant to Clause 10.1;

12.1.2. any Availability Rebates payable by the AR Contractor to NGESO pursuant to Clause 10.2;

12.1.3. (where relevant) any Annual Availability Shortfall Payment due by the AR Contractor;

12.1.4. any adjustments made to previous Monthly Statements; and

12.1.5. the resulting net amount due to (or from, as the case may be) the AR Contractor.

- 12.2. If the AR Contractor disagrees with the content of the Monthly Statement, it may notify NGESO in writing, with evidence upon which it relies in support of such disagreement, no later than the date falling ten (10) Business Days after receipt thereof, but in the absence of any such notification by such date, the Monthly Statement shall be final and binding on the Parties subject only to Clause 12.3.

- 12.3. Where a disagreement is notified by the AR Contractor pursuant to Clause 12.2, NGESO and the AR Contractor shall discuss and endeavour to resolve the same in good faith, and any revisions to a Monthly Statement agreed as a result thereof shall be reflected in a revised Monthly Statement, which shall promptly be issued by NGESO. In the absence of agreement, the Monthly Statement shall be binding upon the Parties until such time as otherwise agreed in writing between the Parties or as

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may otherwise be determined by an Expert following a referral by either Party to an Expert for determination, and which in each case shall be reflected in a revised Monthly Statement which shall promptly be issued by NGESO.

- 12.4. Where, having regard to any results of any other monitoring by NGESO of service delivery, NGESO or the AR Contractor 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 NGESO shall, at its discretion, revise the Monthly Statement and re-issue the same to the AR Contractor, and the provisions of Clauses 12.2 and 12.3 shall apply mutatis mutandis to such revised Monthly Statement.
- 12.5. In the absence of fraud, neither NGESO nor the AR Contractor may invoke the provisions of Clause 12.4, with respect to the contents of any Monthly Statement (including any revised Monthly Statement) after the period of twelve (12) months has elapsed following submission of the original Monthly Statement in which the calculations and/or amounts in question were first stated, after which date such calculations and/or amounts shown in the last Monthly Statement (including any revised Monthly Statement) issued by NGESO shall be final and conclusive.
- 12.6. No later than the eighteenth (18<sup>th</sup>) Business Day of the second Month following the Relevant Month, NGESO will issue a self-billing invoice (or credit note) reflecting the Monthly Statement issued pursuant to Clause 12.1 (as may have been revised pursuant to the foregoing provisions), and no later than five (5) Business Days after such date of issue NGESO shall pay to the AR Contractor (or the AR Contractor shall pay to NGESO, as the case may be) the net amount shown as due from NGESO to the AR Contractor (or from the AR Contractor to NGESO, as the case may be) in that Monthly Statement (or revised Monthly Statement).
- 12.7. All payments shall be made in pounds sterling by direct bank transfer or equivalent transfer of immediately available funds to the other Party's bank account, details of which shall be as notified by each Party to the other from time to time in accordance with these Service Terms & Conditions. If either Party (the "**Defaulting Party**") fails to pay any amount properly due under these Service Terms on the due date then the Defaulting Party shall pay to the other Party interest on such overdue amount at the Enhanced Rate from the date on which such payment was properly due to (but excluding) the date of actual payment. Any interest shall accrue from day to day.
- 12.8. If by virtue of the foregoing provisions, it is determined or agreed that:-
- 12.8.1. the AR Contractor was entitled to a further payment from NGESO, then the AR Contractor shall be entitled to interest at the Base Rate on the amount of such further payment from the due date until the date of actual payment; or
- 12.8.2. the AR Contractor was not entitled to any payment it has received,
- then NGESO shall be entitled to interest at the Base Rate on such amount from the date of payment by NGESO until the date of repayment by the AR Contractor (or, as the case may be, until the date when NGESO makes a payment to the AR Contractor pursuant to Clause 12.6 against which such amount is offset).

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- 12.9. All amounts specified falling due and payable pursuant to these Service Terms & Conditions shall be exclusive of any Value Added Tax or other similar tax and NGESO shall pay to the AR Contractor Value Added Tax at the rate for the time being and from time to time properly chargeable in respect of the making available and/or provision of the Service Terms & Conditions.
- 12.10. Sums payable by one Party to the other pursuant this Clause 12 whether by way of charges, interest or otherwise, shall (except to the extent permitted by these Service Terms & Conditions or otherwise required by any Legal Requirement) be paid in full, free and clear of and without deduction, set-off or deferment in respect of any disputes or claims whatsoever provided that either Party shall be entitled to set off any payment due and payable by the other Party under this Clause 12 against any payment it makes to that Party under this Clause 12.
- 12.11. The AR Contractor agrees that NGESO shall maintain a self-billing system whereby each Monthly Statement shall constitute a self-billing invoice for VAT purposes. Accordingly, NGESO and the AR Contractor shall enter into a self-billing agreement in accordance with VAT legislation and published guidance from HM Revenue and Customs from time to time, and agree to comply with all relevant requirements in relation to self-billing, and for such purpose the AR Contractor hereby warrants and undertakes to NGESO that:-
- 12.11.1. it is registered for VAT and will inform NGESO forthwith if its ceases to be so registered or changes its VAT registration number;
- 12.11.2. it will account to HM Revenue and Customs for the VAT paid by NGESO pursuant to Clause 12.9; and
- 12.11.3. it will not issue its own VAT invoices.

**13. TESTING**

- 13.1. Subject always to the provisions of this Agreement, the AR Contractor shall:-
- 13.1.1. [following written notice to NGESO under Clause 3.3 and not later than the Scheduled Commercial Operations Date carry out a Commissioning Assessment;]<sup>1</sup>
- 13.1.2. on written notice to NGESO and not later than the **[third]** anniversary of the Commercial Operations Date, carry out a test (a “**Capability Assessment**”) in accordance with the procedure set out in OC5.7.2 of the Grid Code provided always that not more than one Capability Assessment will be required to be undertaken by the AR Contractor in any period of thirty-six (36) calendar months;
- 13.1.3. on written notice from NGESO given not more than once in any two (2) calendar years, carry out a Remote Synchronisation Test, to determine whether the Gensets or HVDC System and/or the Auxiliaries and their associated Plant and Apparatus are able to perform the processes described in Part 2 of Schedule 4 (*RST Summary Procedure*) and are otherwise capable of providing Anchor Plant Capability in accordance with this Agreement. Subject to the foregoing, NGESO

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<sup>1</sup> New Providers only – where the Anchor Plant is currently being used to provide a Black Start Service, no Commissioning Assessment will be required unless changes are being made to the plant affecting its Anchor Plant Capability.

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may undertake a Remote Synchronisation Test at the time of conducting a Capability Assessment or at such other times as it may determine;

13.1.4. on written notice from NGESO given not more than once in any two (2) calendar years, carry out a Dead Line Charge Test, to determine whether the Gensets or HVDC System and/or the Auxiliaries and their associated Plant and Apparatus are able to perform the processes described in Part 3 of Schedule 4 (*Dead Line Charge Test Summary Procedure*) and are otherwise capable of providing Anchor Plant Capability in accordance with this Agreement. Subject to the foregoing, NGESO may undertake a Dead Line Charge Test at the time of conducting a Capability Assessment or at such other times as it may determine; and

13.1.5. following written notice from NGESO under Clause 7.4.2.2, carry out a Repeating Assessment in order to verify the restoration of Anchor Plant Capability on such date as may be determined in accordance the procedure set out in OC5.7.2 of the Grid Code.

***Test Procedure - Preparatory***

13.2. In respect of each Test, NGESO and the AR Contractor shall use all reasonable endeavours to agree, no later than four (4) clear Settlement Days before the day on which the Test is due to be conducted, the parameters and procedures for the conduct of the Test ("**Test Parameters and Procedures**"), such agreement to be recorded in the form of a side letter. If no such agreement is reached by such date and NGESO, acting reasonably, determines that such failure is due to the default of the AR Contractor, then without prejudice to any other provision of this Agreement no Monthly Availability Payments shall accrue due to the AR Contractor from such date until the date when such agreement is finally reached.

13.3. The Test Parameters and Procedures shall comprise those matters necessary to meet the objectives referred to in Clause 13.1.1 (*Commissioning Assessment*), 13.1.2 (*Capability Assessment*), 13.1.3 (*RST*), 13.1.4 (*Dead Line Charge*) and 13.1.5

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(*Reproving Assessments*), as applicable, and shall be consistent therewith, and shall in each case include (without limitation):

- 13.3.1. the BM Unit ID for each of the Gensets and BM Unit ID (or other identification) for each of the Auxiliary Units;
- 13.3.2. the proposed start time and end time for the Test Period, each determined in accordance with Clause 13.4;
- 13.3.3. a proposed running profile, together with underlying Physical Notification level and Maximum Export Limit, for each of the Gensets during the Test which meet the requirements of Sub-Clause 13.5; and
- 13.3.4. a proposed running profile for each of the Auxiliary Units.

***Test Period***

13.4. The start time and end time of a Test Period referred to in Sub-Clause 13.3.2 shall, unless otherwise agreed by the Parties in writing, be determined as follows:

13.4.1. in the case where the running profile comprised within the Test Parameters and Procedures indicates the Gensets being Synchronised in any Settlement Periods in the twelve hour period immediately prior to commencement of the Test Period:-

- (a) the start time shall be one hour prior to the time indicated in the running profile for the Genset to commence De-Loading in preparation for Desynchronisation; and
- (b) the end time shall be one (1) hour after the time indicated in the running profile by which the Genset shall have achieved an Output equal to its Physical Notification level;

13.4.2. if the running profile comprised within the Test Parameters and Procedures indicates the Gensets not being Synchronised in any Settlement Period in the twelve hour period immediately prior to commencement of the Test Period: -

- (a) the start time shall be one (1) hour prior to the time indicated in the running profile for the opening of the final circuit breaker connecting the Power Station to the National Electricity Transmission System or User System (as the case may be) in preparation for the Synchronisation of the Gensets; and
- (b) the end time shall be one (1) hour after the time indicated by the running profile for the Gensets to achieve an Output equal to its Physical Notification level.

13.5. The underlying Physical Notification level for a Genset during the Test referred to in Clause 13.3.3 shall, unless otherwise agreed by the Parties in writing, be zero (0) MW if the running profile of that Genset indicates it not being Synchronised in any Settlement Period in the twelve (12) hour period immediately prior to commencement of the Test Period.

13.6. The Dynamic Parameters for the Gensets during the Test shall, unless otherwise agreed by the Parties in the Test Parameters and Procedures, be those Dynamic

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Parameters which applied at the time of the written notice under Clause 13.1 of the requirement for a Test.

- 13.7. Once agreed by the Parties in accordance with Clause 13.2, the Test Parameters and Procedures may subsequently be revised by agreement in writing of the Parties (not to be unreasonably withheld or delayed) but not so as to fall outside of the Test Period.

***Black Start Test Procedure - Conduct***

- 13.8. In conducting a Test, NGESO may assess the suitability of, and the performance of the AR Contractor's personnel against, the terms of the Local Joint Restoration Plan and/or any System Restoration procedure which has been developed independently by the AR Contractor (as more particularly referred to in Clause 15.1.6), and such assessment shall (inter alia) be taken into account when determining whether the AR Contractor has passed or failed such Test.

- 13.9. Where NGESO or the AR Contractor reasonably considers that any Test, other than a Reproving Assessment (in respect of which Clause 7.4.2.4 (shall apply), would result in it incurring exceptional costs or (in the case of NGESO only) the safety or security of the System being compromised, it may notify the other Party of the cancellation of such Test, in which event the Parties shall agree a new time for the conduct of such Test and Clauses 13.2 to 13.7 and this Clause 13.9 shall apply. Where the AR Contractor unreasonably withholds or delays such agreement, NGESO may specify a time for the conduct of such Test on no less than one hundred and sixty eight (168) hours' notice.

***Notices***

- 13.10. The AR Contractor shall use such telephone and facsimile numbers (or the address for such other electronic means approved from time to time by NGESO) as may be notified to it by NGESO from time to time for the purposes of notices to be given or confirmed pursuant to this Clause 13. Service of such notice shall be without prejudice to the AR Contractor's obligations to notify BM Unit Data by means of the EDL Equipment pursuant to the Grid Code and/or the Balancing and Settlement Code.

***Black Start Test - Costs***

- 13.11. Each Party shall bear its own costs incurred as a direct result of a Commissioning Assessment, a Capability Assessment, a Dead Line Charge Test and a Remote Synchronisation Test save where the AR Contractor fails such Commissioning Assessment, Capability Assessment, Dead Line Charge Test or Remote Synchronisation Test (as the case may be), in which event the AR Contractor shall, in addition to bearing its own costs, reimburse to NGESO all of NGESO's reasonable resource costs (other than costs incurred in connection with reconfiguring the National Electricity Transmission System) and expenses reasonably incurred as a direct result thereof. Additionally, the AR Contractor shall reimburse to NGESO all of NGESO's reasonable costs reasonably incurred as a direct result of a Reproving Assessment

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conducted either following an Event of Default or following failure by the Contracted Anchor Plant of a previous Repeating Assessment.

***Disputes***

- 13.12. If a bona fide dispute arises relating to the performance of the Gensets or HVDC System and/or the Auxiliary Units or the results of a Test, NGESO and the AR Contractor shall, following notice in writing issued by either of them to the other, attempt to resolve the dispute by discussion, and if they fail to reach agreement within twenty (20) Business Days of that notice, the AR Contractor may require a further Test. If the Contracted Anchor Plant passes such further Test, it shall be deemed to have passed the first Test. If the Contracted Anchor Plant fails such further Test and a dispute arises in respect of that further Test, then the Parties shall attempt to resolve the dispute by discussion but if they fail to reach agreement within three (3) Business Days of the commencement of such discussion either Party may refer the matter to the Expert for determination. The Contracted Anchor Plant shall not be treated as failing any Test if it has given notice of non-capability pursuant to Clause 7 (*Absence of Anchor Plant Capability*) either:-

13.12.1. before the notice of the relevant Test is given in accordance with Clause 13.1; or

13.12.2. after the notice of the relevant Test is given in accordance with Clause 13.1 in respect of matters which the AR Contractor can reasonably demonstrate arose after the giving of such notice.

***Forced Cooling***

- 13.13. If during any Test relating to a power generating facility, a Genset at the Power Station is required to be Shutdown, any forced cooling of that Genset undertaken by the AR Contractor shall be at its own cost.

***Restrictions on Black Start Tests***

- 13.14. NGESO may not require a Test during periods when the Contracted Anchor Plant does not have or is deemed not to have the Anchor Plant Capability by reason of: -

13.14.1. a planned maintenance and/or inspection period agreed pursuant to the Grid Code;

13.14.2. an event or circumstance of Force Majeure;

13.14.3. notification in accordance with Clause 7.1; or

13.14.4. the terms of this Agreement (including Clauses 7.3, 7.3 or Schedule 2 (*Events of Default and Consequences*)).

***Damage to Plant and Apparatus***

- 13.14.5. For the avoidance of doubt, each Party shall bear the risk of, and the other Party shall have no liability to that Party in respect of, loss and damage to that Party's Plant and/or Apparatus caused during or as a result of any Test



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(whether due wholly or partly to the other Party's default or to the malfunction of its Plant or Apparatus or otherwise).

**14. MONITORING and METERING**

14.1. Without prejudice to any existing right of NGESO to monitor and meter the provision of any Ancillary Service, NGESO may monitor and/or meter the Anchor Plant Capability of the Contracted Anchor Plant and/or its ability to meet the Contracted Anchor Requirements. The AR Contractor shall for such purposes provide to NGESO all metering and monitoring data required under the Grid Code, including (without limitation):

- 14.1.1. Frequency (Hz);
- 14.1.2. Voltage (kV);
- 14.1.3. Availability (Available/Unavailable);
- 14.1.4. Active Power Output (MW);
- 14.1.5. Reactive Power Output (MVar);
- 14.1.6. For Contracted Anchor Plant comprising wind turbines, wind speed forecasts and observations (ms<sup>-1</sup>) and wind direction forecasts and observations (degrees); and
- 14.1.7. For Contracted Anchor Plant comprising hydro-electric plant, the upper reservoir limits.

14.2. The AR Contractor shall provide all data referred to in Clause 14.1 through data links and otherwise comply with all operational metering requirements set out or referred to in the Grid Code.

## 15. INSPECTIONS AND ASSURANCE VISITS

### *Inspections*

- 15.1. To enable NGESO to verify the Anchor Plant Capability and the ability of the Contracted Anchor Plant to meet the Contracted Anchor Requirements, the AR Contractor shall permit NGESO to inspect such of the following as NGESO may reasonably require (in each case upon giving to the AR Contractor not less than forty-eight (48) hours prior notice):-
- 15.1.1. the Gensets or HVDC Converter Station;
  - 15.1.2. the Auxiliary Units;
  - 15.1.3. the AR Contractor's other Plant and Apparatus and, in relation to Anchor Plant Capability, necessary consumables (which shall include supplies of raw water, demineralised water and, where applicable, infrastructure for the supply of natural gas to the Auxiliary Units), communication channels and other related supplies at the Power Station;
  - 15.1.4. where applicable arrangements that the AR Contractor has in place for the supply of natural gas to the Auxiliary Units at the appropriate time and the required pressure;
  - 15.1.5. the Local Joint Restoration Plan and such evidence as NGESO shall reasonably require to demonstrate compliance by the AR Contractor with its obligations contained in this Agreement; and
  - 15.1.6. any System Restoration procedure which has been or may in future be developed independently by the AR Contractor in respect of the Contracted Anchor Plant giving specific guidance to that Contracted Anchor Plant in the event of a System Restoration and which is or may at a future date be in current use at the Contracted Anchor Plant,
- such inspection shall be carried out without undue interference with the normal operation of the Contracted Anchor Plant.

### *Assurance Visits*

- 15.2. Without prejudice to, and in addition to, NGESO's right to carry out inspections in accordance with Clause 15.1, the AR Contractor shall, subject to Clause 15.3, not more than once in any calendar year, permit NGESO to visit the Contracted Anchor Plant (upon NGESO giving to the AR Contractor not less than one hundred and sixty eight (168) hours' prior notice) so that NGESO may ascertain to its reasonable satisfaction that the AR Contractor has, in accordance with Good Industry Practice, implemented at the Contracted Anchor Plant appropriate technical, training and documentation procedures (an "**Assurance Visit**"). Assurance Visits shall be carried out without undue interference with the normal operation of the Contracted Anchor Plant.
- 15.3. Following receipt of any notice issued by NGESO pursuant to Clause 15.2, the AR Contractor may propose to NGESO an alternative time and date for the Assurance Visit, provided that any such alternative time and date shall not be later than twenty eight (28) Settlement Days following the time and date specified by NGESO in its notice, and (at its option) NGESO may agree to such alternative time and date. In the event that the AR Contractor unreasonably delays the Assurance Visit beyond the time and date being twenty eight (28) Settlement Days after the time and date for the Assurance Visit specified by NGESO in its notice, then no Monthly Availability Payments shall accrue to the AR Contractor in respect of the period commencing at

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the time and date for the Assurance Visit specified in NGESO's notice and ending upon completion by NGESO of an Assurance Visit.

- 15.4. If any dispute arises in relation to an inspection or Assurance Visit, then the Parties shall attempt to resolve the dispute by discussion but if they fail to reach agreement within three (3) Business Days of the commencement of discussions either Party may refer the matter to the Expert for determination.

**16. CHANGES TO OTHER DOCUMENTS**

- 16.1. The Parties agree to negotiate in good faith and use all reasonable endeavours to agree amendments to this Agreement in light of:

16.1.1. any changes to a Legal Requirement or industry documentation (including without limitation the Electricity Act 1989, any Licence, the Balancing and Settlement Code, the Grid Code, the Connection and Use of System Code and/or the relevant Bilateral Agreement); or

16.1.2. the implementation of any new Legal Requirement,

resulting, in either case, in a material change to the manner of provision of Anchor Plant Capability by the AR Contractor and/or the basis of payments made to or by NGESO under this Agreement, such amendments to have the effect so far as reasonably practicable of making the provision of Anchor Plant Capability by the AR Contractor and/or (as the case may be) the basis of payments to or by NGESO under this Agreement no more or less favourable to the respective Party as was the case before such variations took effect (ignoring all payments made to the AR Contractor otherwise than pursuant to this Agreement which, as a result of the changes to industry documentation as referred to above, shall cease to be payable to the AR Contractor or are otherwise varied).

- 16.2. Failing agreement in respect of the matters contained in Clause 16.1, within thirty (30) days of a Party notifying the other Party that it intends to refer a matter to the Expert, that Party shall have the right to invoke the provisions of Clause 28 (*Dispute Resolution*).

**17. TERMINATION**

- 17.1. A Party shall have the right to terminate this Agreement in the circumstances set out in paragraph 8.1 of the General Terms and Conditions as if paragraphs 8.1 and 8.2 were set out in this Agreement in full, save that the references to paragraphs 9.3 (*Service Failure*) and 10.4 (*Force Majeure*) of the General Terms and Conditions shall not be applicable.

- 17.2. Without prejudice to Clause 17.1, NGESO may in its absolute discretion terminate this Agreement with immediate effect by notice in writing to the AR Contractor in the following circumstances:-

17.2.1. where the provisions of Schedule 2 so provide (*Events of Default and Consequences*);

17.2.2. in the circumstances described in Clause 3.6;

17.2.3. in the circumstances described in Clause 3.8;

17.2.4. in the circumstances described in Clause 10.5.2; or

17.2.5. in the circumstances described in Clause 22.5

- 17.3. NGESO shall have a right to terminate this Agreement by notice in writing to the AR Contractor if, in respect of any Availability Assessment Period, the number of

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Settlement Periods in which the Contracted Anchor Plant was Unavailable due to Force Majeure exceeded 75% of the Settlement Periods in that Availability Assessment Period.

- 17.4. If this Agreement is terminated by NGESO in accordance with this Clause 17, NGESO shall be entitled to payment by the AR Contractor of a Works Contribution Refund Payment calculated in accordance with Schedule 3, Part III.

**18. FORCE MAJEURE**

- 18.1. In so far as any Party is prevented from performing any of its obligations under this Agreement 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 the circumstance of Force Majeure prevents such performance. For the avoidance of doubt:

- 18.1.1. the AR Contractor shall not be entitled to any Monthly Availability Payment and NGESO shall not be entitled to any Availability Rebate to the extent that the Contracted Anchor Plant is Unavailable by reason of Force Majeure;
- 18.1.2. the Parties agree that they shall not be relieved from their obligations under this Agreement 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
- 18.1.3. the Parties further agree that they shall be relieved from their obligations under this Agreement 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 AR Contractor submitted its Tender Submission.

- 18.2. A Party affected by Force Majeure shall give to the other Parties immediately upon becoming aware of an event or circumstance of Force Majeure, a written notice 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 Parties during the period of Force Majeure.
- 18.3. 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 this Agreement.
- 18.4. For the avoidance of doubt the non-performance of any Party's obligations pursuant to this Agreement 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. NO ANNOUNCEMENT**

- 19.1. The AR Contractor agrees that, except as provided in Clause 23.2, it shall not make any public announcement or statement regarding the subject matter of this

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Agreement and/or the status of the Contracted Anchor Plant and this Clause shall continue to bind the AR Contractor after termination or expiry of this Agreement for whatever reason.

**20. LIABILITY, INDEMNITY AND INSURANCE**

- 20.1. Subject to Clause 20.2, and save where any provision of these Service Terms & Conditions provides for an indemnity, the Parties acknowledge and agree that neither Party nor any of its officers, employees or agents shall be liable to the other Party for loss arising from any breach of the Agreement other than for loss directly resulting from such breach and which at the date of formation of the Agreement was reasonably foreseeable as not unlikely to occur in the ordinary course of events from such breach in respect of:
- 20.1.1. physical damage to the property of the other Party, its officers, employees or agents; and/or
  - 20.1.2. the liability of the other Party to any other person for loss in respect of physical damage to the property of any person subject, for the avoidance of doubt, to the requirement that the amount of such liability claimed by such other Party should be mitigated in accordance with general law,
- and provided further that the liability of either Party in respect of all claims for the losses referred to in this Clause 20.1 shall not exceed the Liability Cap per incident or series of related incidents.
- 20.2. Nothing in these Service Terms & Conditions shall exclude or limit the liability of either Party for death or personal injury resulting from the negligence of that Party or any of its officers, employees or agents, and each Party shall indemnify and keep indemnified the other Party, its officers, employees and agents from and against all such and any loss or liability which such other Party may suffer or incur by reason of any claim on account of death or personal injury resulting from the negligence of that Party or its officers, employees or agents.
- 20.3. Subject to Clause 20.2, and save where any provision of these Service Terms & Conditions provides for an indemnity, neither Party nor any of its officers, employees or agents shall in any circumstances whatsoever be liable to the other Party for:
- 20.3.1. any loss of profit, loss of revenue, loss of use, loss of data, loss of contract or loss of goodwill; or
  - 20.3.2. any indirect or consequential loss; or
  - 20.3.3. loss resulting from the liability of the other Party to any other person howsoever and whensoever arising save as provided in Clauses 20.1.2 and 20.2.
- 20.4. Without prejudice to Clause 11.4, the AR Contractor shall insure with a reputable insurance company for (and on request provide evidence to NGESO of) such insurances as required by law and necessary for the safe and efficient performance of the Agreement and to cover the liabilities set out in this Clause. Where possible the AR Contractor shall add NGESO as a named party on its insurance policies.
- 20.5. The AR Contractor's liabilities under the Agreement shall not be deemed to be released or limited by the AR Contractor taking out the insurance policies referred to in Clause 20.4.

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**21. RECORDS AND AUDITS**

- 21.1. The AR Contractor shall keep proper and accurate records of all matters relating to the performance of its obligations under this Agreement.
- 21.2. The records shall be maintained in a form suitable for audit purposes and shall be retained for any period required by any Legal Requirement, and in any event, for the term of the Agreement and for a period of no less than seven (7) years after termination of the Agreement where such records contain or relate to financial data and/or contract data.
- 21.3. NGESO, or a reputable independent third-party auditor nominated by it, may, on reasonable notice to the AR Contractor and during normal working hours, inspect and review the records for the purposes of verifying the AR Contractor's compliance with its obligations under the Agreement and/or to meet any other audit or information requirement that may be required by any Legal Requirement.
- 21.4. The AR Contractor shall co-operate fully and promptly with any such audit and/or inspection conducted by NGESO and provide such reasonable assistance as may be required by NGESO in relation to any audit.
- 21.5. The AR Contractor shall ensure that all paperwork issued by or on behalf of the AR Contractor to NGESO (including, without limitation, invoices, correspondence and delivery notes), is complete, accurate and clearly references any other appropriate and necessary information.

**22. ASSIGNMENT**

- 22.1. Save as provided for in Clause 22.2, this Agreement is personal to the Parties and neither Party shall assign, transfer, mortgage, charge, sub-contract or deal in any other manner with any or all of its rights and obligations under the Agreement without the prior written consent of the other Party (such consent not to be unreasonably withheld, conditioned or delayed).
- 22.2. NGESO may assign or transfer the benefit and/or burden of this Agreement or any other rights and/or obligations pursuant to these Service Terms and to a successor Licence holder.
- 22.3. The AR Contractor may with the prior consent of NGESO (such consent not to be unreasonably withheld or delayed):
  - 22.3.1. assign or charge its benefit under this Agreement in whole or in part by way of security; or
  - 22.3.2. upon disposal of any part of the AR Contractor's business comprising the Contracted Anchor Plant, the AR Contractor may transfer its rights and obligations under this Agreement to the purchaser thereof provided that there have been transferred to the purchaser of all of its rights and obligations under each of the Bilateral Agreements (and associated Construction Agreements) and Mandatory Services Agreements relevant to the part of the business or undertaking to be transferred.
- 22.4. If ownership, occupancy or use (for the purpose of providing the Anchor Plant Capability) of the site at which a Contracted Anchor Plant is located changes, or may change, during the term of the Agreement, the AR Contractor shall immediately notify NGESO of the same. NGESO and the AR Contractor shall, at the reasonable request of NGESO, discuss the implications of the change and the options available to minimise any disruption that may be caused by the change.

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- 22.5. NGESO may terminate the Agreement in accordance with Clause 17.2 if a Change in Ownership of the AR Contractor occurs and the new owner of the AR Contractor fails to meet any of NGESO's reasonable due diligence checks as notified to the AR Contractor.

**23. CONFIDENTIALITY**

- 23.1. NGESO may disclose information relating to this Agreement under obligations within its Licence, the Balancing and Settlement Code, the Grid Code, the Connection and Use of System Code, the Fuel Security Code or as otherwise required or permitted by the Authority or as expressly stated in this Agreement to be permitted under this Clause. It shall not be a breach of this Clause 23 where NGESO discloses any such information.
- 23.2. Neither Party shall be prohibited from issuing or making any public announcement or statement to the extent expressly permitted or if it is necessary to do so in order to comply with any Legal Requirement 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.
- 23.3. Save as permitted by Clause 23.1, each Party shall treat as strictly confidential and shall not disclose any Confidential Information relating to the other Party received or obtained as a result of entering into or performing this Agreement. The restrictions imposed by this Clause 23.3 shall not apply to the disclosure of any Confidential Information:
- 23.3.1. which is in or becomes part of the public domain otherwise than as a result of a breach of Clause 23.3, or which a Party can show was in its written records prior to the date of disclosure of the same by the other Party, or which it received from a third party independently entitled to disclose it;
  - 23.3.2. which is required to be disclosed by law, an industry code or pursuant to any licence of the Party concerned;
  - 23.3.3. to a court, arbitrator or administrative tribunal in the course of proceedings before it to which the disclosing Party is a party;
  - 23.3.4. to any parent, subsidiary or fellow subsidiary undertaking on a "need to know" basis only. In this Clause 23.3.4, the words "parent", "subsidiary" and "undertaking" shall have the meanings as provided in sections 1159, 1161 and 1162 of the Companies Act 2006;
  - 23.3.5. by the AR Contractor to any owner and/or operator of relevant plant and apparatus to the extent necessary to enable the AR Contractor to provide the Anchor Plant Capability pursuant to these Service Terms & Conditions and fulfil its obligations under this Agreement.
- 23.4. Save as permitted by Clause 23.1, no Party shall use the name, brands and/or logos of another Party for any purpose without that other Party's prior written approval (such approval not to be unreasonably withheld or delayed).

**24. INTELLECTUAL PROPERTY RIGHTS**

- 24.1. The provisions of paragraph 14 of the General Terms and Conditions shall apply to all Intellectual Property Rights (as defined in the General Terms and Conditions) owned by or licensed to either Party as if set out in full herein.

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**25. DATA PROTECTION**

- 25.1. The provisions of paragraph 15 of the General Terms and Conditions shall apply in respect of Data Protection Law as if set out in full herein.

**26. MODERN SLAVERY, ANTI-BRIBERY AND LIVING WAGE**

- 26.1. The provisions of paragraph 16 of the General Terms and Conditions shall apply as if set out in full herein.

**27. NOTICES**

- 27.1. Paragraph 17 of the General Terms and Conditions shall apply to any notice required to be submitted as if set out in full herein.
- 27.2. For the purposes of Clause 27.1, the contact details and addresses of each Party shall be those set out in Part 8 of the Contract Form or as otherwise notified from time to time by that Party to the other Party.

**28. DISPUTE RESOLUTION**

- 28.1. The Parties shall use good faith efforts to resolve any operational issue, dispute, claim or proceeding arising out of or relating to this Agreement.
- 28.2. In the event that a dispute cannot be resolved within thirty (30) days of written notice of the dispute, the dispute shall be escalated to the Parties' senior representatives (named in the Contract Form, or as otherwise notified by each Party to the other) who have authority to settle the same or may refer the dispute to mediation.
- 28.3. If thirty (30) days following such an escalation the Parties have still not resolved the dispute, then a Party shall have the right to refer the dispute to either:
- 28.3.1. Arbitration pursuant to the rules of the Electricity Arbitration Association in force from time to time; or
- 28.3.2. (where these Service Terms & Conditions provide for the dispute to be referred to an Expert) an Expert,
- for determination.
- 28.4. For the avoidance of doubt, Clauses 28.2 and 28.3 shall not preclude a Party from raising arbitration proceedings in the event a claim is considered to be nearing the end of a prescription and/or limitation period pursuant to the Limitation Act 1980.

*Arbitration*

- 28.5. Where any dispute is referred in accordance with Clause 28.3.1 to arbitration, the following provisions shall apply:
- 28.5.1. The seat of arbitration shall be London;
- 28.5.2. The number of arbitrators shall be one. Where no arbitrator is named or where the named arbitrator is not able or is unwilling to act the appointer of the arbitrator (and of any replacement) shall be The President of the Electricity Arbitration Association;
- 28.5.3. Whatever the nationality, residence or domicile of a Party and wherever the dispute or difference or any part thereof arose, the laws of England and Wales shall be the proper law of any reference to arbitration, and in particular (but not so as to derogate from the generality of the foregoing) the rules and provisions of the Arbitration Act 1996 (notwithstanding



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anything in Section 108 thereof) shall apply to any such arbitration wherever the same or any part of it shall be conducted;

28.5.4. For the avoidance of doubt, the Parties confirm and agree that nothing in the agreement to arbitrate prevents a Party:

28.5.4.1. challenging the award of an arbitral tribunal as provided for under the Arbitration Act 1996;

28.5.4.2. seeking the remedy of specific performance or any other power or remedy that would be available to the English court from the arbitral tribunal in accordance with the Arbitration Act 1996;

28.5.4.3. seeking interim relief from the English court under the Arbitration Act 1996, or from any other court with competent jurisdiction; or

28.5.4.4. seeking to enforce any arbitral award in the English court or any court of competent jurisdiction.

28.5.5. Without prejudice to any other mode of service allowed under any relevant law, if the AR Contractor is not incorporated in any part of Great Britain, the AR Contractor agrees that if it does not have, or shall cease to have, a place of business in Great Britain it will promptly appoint, and shall at all times maintain, an agent for the service of process in Great Britain to accept service of process on its behalf in any proceedings commenced in support of, or in relation to arbitration, in the courts of England and Wales.

*Expert determination*

28.6. Where any dispute is referred in accordance with Clause 28.3.2 to an Expert for determination, the following provisions shall apply:

28.6.1. the Expert shall act as an expert and not as an arbitrator and shall decide those matters referred to them using their skill, experience and knowledge, and with regard to all such other matters as they in their sole discretion considers appropriate;

28.6.2. if the Parties cannot agree upon the selection of an Expert, the Expert shall be determined by the President for the time being of the Law Society of England and Wales;

28.6.3. all references to the Expert shall be made in writing by either Party with notice to the other (as relevant) being given contemporaneously, and the Parties shall promptly supply the Expert with such documents and information as they may request when considering any referral;

28.6.4. the Expert shall be requested to use their best endeavours to give their decision upon the question before them as soon as possible in writing following its referral to them, their decision shall, in the absence of fraud or manifest error, be final and binding upon the Parties;

28.6.5. if the Expert wishes to obtain independent professional and/or technical advice in connection with the question before them:

28.6.5.1. the Expert shall first provide the Parties with details of the name, organisation and estimated fees of the professional or technical adviser; and

28.6.5.2. the Expert may engage such advisor with the consent of the Parties (which consent shall not be unreasonably withheld or delayed) for the purposes of obtaining such professional and/or technical advice as they may reasonably require;

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- 28.6.6. the Expert shall not be held liable for any act or omission, and their written decision will be given without any liability on the Expert's part to either Party, unless it shall be shown that they acted fraudulently or in bad faith;
- 28.6.7. save to the extent otherwise expressly provided herein pending the determination by the Expert, this Agreement shall continue to the extent possible for the Parties to perform their obligations; and
- 28.6.8. the Expert shall at their discretion be entitled to order that the costs of the reference of a dispute to them shall be paid by the Parties in whatever proportions they think fit.

**29. GOVERNING LAW AND JURISDICTION**

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

**30. SEVERANCE**

- 30.1. The provisions of paragraph 19 (*Severance*) of the General Terms and Conditions shall apply as if set out in full herein.

**31. THIRD PARTY RIGHTS**

- 31.1. Save where expressly stated otherwise, this Agreement does not give rise to any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement.
- 31.2. The rights of the Parties to rescind or vary this Agreement are not subject to the consent of any other person.

**32. NO AGENCY OR PARTNERSHIP**

- 32.1. The provisions of paragraph 21 of the General Terms and Conditions shall apply as if set out in full herein.

**33. WAIVER**

- 33.1. The provisions of paragraph 22 of the General Terms and Conditions shall apply as if set out in full herein.

**34. ENTIRE AGREEMENT**

- 34.1. The Contract Form, these Service Terms & Conditions and the documents referred to in them (the “**Relevant Documents**”) together constitute the entire agreement and understanding of the Parties relating to the matters contemplated by the Relevant Documents and supersede any previous drafts, agreements, understandings or arrangements between any of the Parties relating to the subject matter of the Relevant Documents, which shall cease to have any further effect.

**35. EMR**

- 35.1. Notwithstanding any confidentiality obligations and any restriction on the use or disclosure of information set out in this Agreement, the AR Contractor consents to NGESO and each of its subsidiaries using all and any information or data supplied to or acquired by it in any year under or in connection with this Agreement for the purpose of carrying out its EMR Functions.

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35.2. For the purposes of this Clause 35 only:-

- 35.2.1. **“AF Rules”** has the meaning given to “allocation framework” in section 13(2) of the Energy Act 2013;
- 35.2.2. **“Capacity Market Rules”** means the rules created pursuant to section 34 of the Energy Act 2013 as modified from time to time in accordance with The Electricity Capacity Regulations 2014;
- 35.2.3. **“EMR Functions”** has the meaning given to “EMR functions” in Chapter 5 of Part 2 of the Energy Act 2013; and
- 35.2.4. **“EMR Document”** means The Energy Act 2013, The Electricity Capacity Regulations 2014, the Capacity Market Rules, The Contracts for Difference (Allocation) Regulations 2014, The Contracts for Difference (Electricity Supplier Obligation) Regulations 2014, The Contracts for Difference (Definition of Eligible Generator) Regulations 2014, The Electricity Market Reform (General) Regulations 2014, the AF Rules and any other regulations or instruments made under Chapter 2 (contracts for difference), Chapter 3 (capacity market) or Chapter 4 (investment contracts) of Part 2 of the Energy Act 2013 which are in force from time to time.<sup>2</sup>

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<sup>2</sup> The boilerplate requires further development. Where appropriate the ENA General Contract Terms will be used, subject to necessary modification.

## **SCHEDULE 1**

### **Definitions**

<b>“Acceptable Security”</b>	<p>means security in the form of:</p> <ul style="list-style-type: none"> <li>i. a first demand, without proof or conditions, irrevocable performance bond and in terms reasonably satisfactory to NGESO issued by a Rated Bank payable in Sterling in London; or</li> <li>ii. an irrevocable standby letter of credit and in terms reasonably satisfactory to NGESO issued by a Rated Bank payable in Sterling in London;</li> <li>iii. a cash deposit in Sterling in an Escrow Account;</li> <li>iv. a parent company guarantee and in terms and from an issuer reasonably satisfactory to NGESO; or</li> </ul> <p>such other form of security acceptable to NGESO and in terms reasonably satisfactory to NGESO;</p>
<b>“Act”</b>	the Electricity Act 1989;
<b>“Actual Availability”</b>	in relation to an Availability Assessment Period, means the percentage of Settlement Periods in the Availability Assessment Period in which the Contracted Anchor Plant was Available;
<b>“Agreement”</b>	has the meaning given to it in Clause 1.1;
<b>“Anchor Plant”</b>	has the meaning given to that term in the Grid Code;
<b>“Anchor Plant Capability”</b>	the ability of the Contracted Anchor Plant to Start-Up from Shutdown and to energise and maintain a part of the Total System upon instruction from NGESO, within two hours, without an external electrical power supply from the Total System and including the obligations of the AR Contractor contained in Clause 6 in addition to and without prejudice to the AR Contractor’s

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	obligations under the Grid Code with regard to an Electricity System Restoration;
<b>“Anchor Restoration Contractor” or “AR Contractor”</b>	the party identified in the Contract Form as the owner of the Contracted Anchor Plant;
<b>“Ancillary Services”</b>	has the meaning given to it in the Grid Code;
<b>“Annual Availability Shortfall Payment”</b>	a sum calculated in accordance with Schedule 3, Part II;
<b>“Assessment”</b>	a Capability Assessment or a Reproving Assessment, as the context requires;
<b>“Assurance Visit”</b>	has the meaning give to it in Clause 15.1;
<b>“Auxiliary Unit”</b>	(where applicable) the auxiliary power source identified in the Contracted Anchor Requirements;
<b>“Authority”</b>	The Gas and Electricity Markets Authority;
<b>“Availability Assessment Period”</b>	a period of twelve consecutive calendar months commencing on the Commercial Operations Date or an anniversary of the Commercial Operations Date;
<b>“Availability Price”</b>	the price specified in Part 6 of the Contract Form;
<b>“Availability Rebate”</b>	an amount calculated in accordance with Schedule 3, Part 1 to be paid by the AR Contractor to NGESO in the circumstances set out in Schedule 2 ( <i>Events of Default</i> );
<b>“Available”</b>	in relation to the Contracted Anchor Plant, means that the Contracted Anchor Plant meets the requirements of Clause 6.1 and the term <b>“Unavailable”</b> shall be construed accordingly;
<b>“Balancing and Settlement Code”</b>	has the meaning given to that term in the Transmission Licence;
<b>“Balancing Service”</b>	has the meaning given to that term in the Transmission Licence;
<b>“Base Rate”</b>	The Bank of England Official Rate from time to time;
<b>“Bilateral Agreement”</b>	has the meaning given to it in the CUSC;

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<b>“Business Day”</b>	a week-day other than a Saturday on which banks are open for domestic business in the City of London;
<b>“Capability Assessment”</b>	has the meaning given to it in Clause 13.1.2;
<b>“Commercial Boundary”</b>	has the meaning attributed to it in the CUSC;
<b>“Commercial Operations Date”</b>	means the day after the date on which NGESO notifies the AR Contractor that the Contracted Anchor has passed the Commissioning Assessment in accordance with Clause 3.4;
<b>“Commissioning Assessment”</b>	the commissioning testing of the Contracted Anchor Plant to be undertaken in accordance with a procedure to be developed by NGESO and summarised in Schedule 4, Part 1 ( <i>Commissioning Assessment Summary Procedure</i> );
<b>“Competent Authority”</b>	means the Authority or any local, national or supra-national agency, authority, department, inspectorate, minister, official, court, tribunal or public or statutory person (whether autonomous or not) of the United Kingdom (or the government thereof) which have jurisdiction over NGESO or the AR Contractor or the subject matter of this Agreement;
<b>“Conditions Precedent”</b>	means the conditions set out in Part 1 of the Contract Form;
<b>“Confidential Information”</b>	any information, however it is conveyed, that relates to the business, affairs, developments, trade secrets, know-how, personnel, customers and/or suppliers of a Party (and/or any its Affiliates) together with all information derived from the above, and any other information clearly designated as being confidential (whether or not it is marked as “confidential”) or which ought reasonably to be considered to be confidential;
<b>“Connection Point”</b>	the connection of the Contracted Anchor Plant to the National Electricity Transmission System, as more particularly

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	described in the Bilateral Agreement for the Power Station;
<b>“Consents”</b>	means all and any consent, licence, approval, permission, wayleave or other right of whatever nature whether governmental or regulatory in character or otherwise necessary for the provision of by the AR Contractor of the Contracted Anchor Plant, including where relevant the implementation of the Works;
<b>“Construction Agreement”</b>	has the meaning given to it in the CUSC;
<b>“Contract Form”</b>	means the document signed by the Parties to which these Service Terms & Conditions are attached;
<b>“Contracted Anchor Plant”</b>	the Anchor Plant identified in the Contract Form;
<b>“Contracted Anchor Requirements”</b>	in relation to a Contracted Anchor Plant, the technical requirements set out in Part 5 of the Contract Form;
<b>“Contracted Power”</b>	has the meaning given to it in the Contracted Anchor Requirements;
<b>“Connection and Use of System Code (CUSC)”</b>	the Connection and Use of System Code designed by the secretary of state as from time to time modified;
<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>	the date falling thirty (30) Business Days after the date of this Agreement;
<b>“CUSC Framework Agreement”</b>	has the meaning attributed to it in the Transmission Licence;
<b>“Data Protection Law”</b>	any Legal Requirement relating to the processing, privacy, and use of personal data, as applicable to NGESO and the AR Contractor, including in the UK: (i) the Privacy and Electronic Communications (EC Directive) Regulations 2003 and any current laws or regulations implementing Council Directive 2002/58/EC; and/or (ii)

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	the General Data Protection Regulation (EU) 2016/679 (“GDPR”), and/or any corresponding or equivalent national laws or regulations, once in force and applicable, including the Data Protection Act 2018, and includes any judicial or administrative interpretation of them, any guidance, guidelines, codes of practice, approved codes of conduct or approved certification mechanisms issued by any relevant supervisory authority;
<b>“Dead Line Charge Test”</b>	means the test more particularly described in Part 3 of Schedule 4;
<b>“Delay Event”</b>	means: (i) any event of Force Majeure that delays the implementation of the Works; or (ii) any failure to schedule a Commissioning Assessment within ten (10) days of the AR Contractor’s notice under Clause 3.3 that is due to any act or omission of NGESO;
<b>“Directive”</b>	in relation to a Party, any ordinance, code, decision, directive, order, decree, regulation, determination, award, standard or rule of any Competent Authority, which is legally binding upon that Party or, if not legally binding upon that Party, with which that Party would ordinarily comply, acting in accordance with Good Industry Practice;
<b>“EDL Equipment”</b>	in relation to a Power Station, the electronic despatch mechanism by which the Parties communicate with respect to the BM Units at the AR Contractor’s Power Station for the purposes of operation of the Balancing Mechanism and the utilisation of Balancing Services;
<b>“Electricity System Restoration”</b>	has the meaning given to that term in the Transmission Licence;
<b>“Electricity System Restoration Standard”</b>	has the meaning given to that term in the Transmission Licence;
<b>“Emergency Instruction”</b>	has the meaning attributed to it in the Grid Code;
<b>“Enhanced Rate”</b>	in respect of any day the rate per annum which is 4% per annum above the Base Rate;



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<b>“Escrow Account”</b>	a separately designated bank account in the name of NGESO established by a mandate signed by both NGESO and the AR Contractor at a branch of Barclays Bank PLC or another bank in the City of London as notified by NGESO to the AR Contractor, bearing from (and including) the date of deposit of principal sums to (but excluding) the date of withdrawal of principal sums from such account a reasonable commercial rate of interest which shall be payable to the AR Contractor but mandated for withdrawal of principal only by way of a call by NGESO or by way of payment to the AR Contractor to the extent of any reduction in the amount so secured and mandated for the transfer of any interest accrued to the Escrow Account quarterly to such bank account as the AR Contractor may specify;
<b>“Event of Default”</b>	an event of default specified in Schedule 2;
<b>“Expert”</b>	a person appointed for the purposes of an expert determination under Clause 28.3.2 of the General Terms and Conditions;
<b>“Expiry Date”</b>	the date falling on the [fifth] anniversary of the Commercial Operations Date;
<b>“External Costs”</b>	the costs incurred by the AR Contractor to third parties in the implementation of the Works more specifically detailed in Part 2 of the Contract Form;
<b>“External Costs Cap”</b>	the maximum amount reimbursable in respect of External Costs as specified in Part 2 of the Contract Form;
<b>“External Interconnection”</b>	the meaning attributed to it in the Grid Code;
<b>“Force Majeure”</b>	in relation to a Party, any event, circumstance or condition which is beyond the reasonable control of such Party (not being, without limitation an event or circumstance caused by the negligence or lack of care and attention of that Party or its officers or employees, agents, contractors and sub-contractors) which, despite the reasonable endeavours of the Party claiming Force Majeure to prevent it or mitigate its effects, causes delay or

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	<p>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, Act of Parliament, other legislation, bye law and Directive (not being any order, regulation or direction under Section 32, 33, 34 and 35 of the Act) or Network Constraint 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 this Agreement), shall be interpreted as a cause beyond the reasonable control of that Party;</p>
<b>“Frequency”</b>	<p>the number of alternating current cycles per second (expressed in Hertz) at which a System is running;</p>
<b>“Fuel Security Code”</b>	<p>the document of that title designated as such by the Secretary of State as from time to time amended;</p>
<b>“Funded Capability”</b>	<p>in relation to a Contracted Anchor Plant, any capability that has been materially enhanced through a Works Contribution Payment;</p>
<b>“GB Converter Station”</b>	<p>in relation to an HVDC System, the HVDC Converter Station located in GB;</p>
<b>“General Terms and Conditions”</b>	<p>the Flexibility Services General Terms and Conditions published by the ENA;</p>
<b>“Genset”</b>	<p>(where applicable) a Generating Unit or CCGT Unit within the relevant CCGT Module (as such terms are defined in the Grid Code) specified in the Contracted Anchor Requirements;</p>

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<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>	the Grid Code drawn up pursuant to the Transmission Licence as from time to time revised in accordance with the Transmission Licence (and references in these Service Terms to any specific provision or part of the Grid Code shall be construed as references to such provision or part as from time to time amended);
<b>“Grid Supply Point”</b>	has the meaning given to it in the Grid Code;
<b>“Guarantor”</b>	the provider of a parent company guarantee for the purposes of Acceptable Security;
<b>“Guarantor Minimum Credit Rating”</b>	in relation to the Guarantor and where applicable, the credit rating specified in Part 4 of the Contract Form;
<b>“Guarantor Minimum NAV”</b>	in relation to the Guarantor and where applicable, the net asset value specified in Part 4 of the Contract Form;
<b>“HVDC Converter Station”</b>	has the meaning given to it in the Grid Code;
<b>“HVDC System”</b>	(where applicable) the HVDC system identified in the Contracted Anchor Requirements;
<b>“Internal Costs”</b>	the costs incurred by the AR Contractor other than External Costs in the implementation of the Works more specifically detailed in Part 2 of the Contract Form;
<b>“Internal Costs Cap”</b>	the maximum amount reimbursable in respect of Internal Costs as specified in Part 2 of the Contract Form;
<b>“ITT”</b>	has the meaning given to it in the Contract Form;
<b>“LAD Cap”</b>	means a sum equal to the LAD Rate multiplied by 11 days;

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<b>“LAD Rate”</b>	means a daily rate equal to the sum of [ ] <sup>3</sup> multiplied by the number of Settlement Periods in the day;
<b>“Legal Requirement”</b>	means any order of a Competent Authority, Act of Parliament, Directive, regulations or licence, consent or similar provision issued by a Competent Authority;
<b>“Liability Cap”</b>	five million GB pounds (£5,000,000);
<b>“Licence”</b>	any one or more as appropriate of the Licences granted pursuant to section 6 of the Act;
<b>“Local Joint Restoration Plan”</b>	has the meaning given to that term in the Grid Code;
<b>“Mandatory Service Agreement”</b>	has the meaning given to it in the CUSC;
<b>“Minimum Availability”</b>	in relation to an Availability Assessment Period, means an Actual Availability of not less than [ ] per cent ([ ]%);
<b>“Month”</b>	means a calendar month;
<b>“Monthly Availability Payment”</b>	an amount calculated in accordance with Schedule 3, Part I;
<b>“Monthly Statement”</b>	has the meaning given to that term in Clause 12.1;
<b>“National Electricity Transmission System” or “NETS”</b>	has the meaning given to that term in the CUSC;
<b>“Network Constraint”</b>	means a Planned Outage, unavailability of the NETS for any other reason, or restrictions otherwise imposed on the operation of the Contracted Anchor Plant by the Transmission Owner which, in either case, prevents the Contracted Anchor Plant from providing Anchor Plant Capability;
<b>“NGESO”</b>	National Grid Electricity System Operator Limited, a company registered in England and Wales under company number 11014226;
<b>“Partial Shutdown”</b>	means the same as a Total Shutdown except that all generation has ceased in a separate part of the Total System and there is no electricity supply from External

<sup>3</sup> To be determined by reference to the cost of alternative actions that would need to be taken by NGESO.

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	Interconnections or other parts of the Total System to that part of the Total System and, therefore, that part of the Total System is shutdown, with the result that it is not possible for that part of the Total System to begin to function again without NGESO's direction relating to an Electricity System Restoration;
<b>"Parties"</b>	taken together, NGESO and the AR Contractor;
<b>"Planned Outage"</b>	an outage of part of the NETS coordinated by NGESO under OC2 of the Grid Code;
<b>"Power Island"</b>	means the independent operation of a whole network or part of a network that is isolated after being disconnected from the interconnected system, having at least one power-generating module or HVDC System supplying power to this network and controlling the frequency and voltage;
<b>"Project Plan"</b>	the plan setting out the Scheduled Commercial Operations Date and the associated milestones submitted by the AR Contractor in its Tender Submission as the same may be varied from time to time in accordance with Clause 3.2;
<b>"Rated Bank"</b>	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 long term rating);
<b>"Relevant Documents"</b>	has the meaning given to that term in Clause 34.1;
<b>"Remote Synchronisation Test" or "RST"</b>	the test more particularly described in Part 2 of Schedule 4;
<b>"Reproving Assessment"</b>	has the meaning given to it in Clause 7.4.2.2;
<b>"Restoration Instruction"</b>	has the meaning given to it in Clause <b>Error! Reference source not found.</b>
<b>"Sanctioned Country"</b>	means any country or territory that is the target of comprehensive, country or territory wide Sanctions;
<b>"Sanctioned Person"</b>	means any person (companies, entities or individuals) that is (i) listed on, or owned or controlled by a person listed on, or acting

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	on behalf of a person listed on, a Sanctions List; (ii) the government of a Sanctioned Country or a member of the government of a Sanctioned Country; (iii) resident in or incorporated under the laws of any Sanctioned Country; or (iv) to the best of the knowledge and belief of a party (having made due and careful enquiries), otherwise a target of Sanctions;
<b>“Sanctions”</b>	means economic or financial sanctions, trade embargoes or restrictive measures imposed, administered or enforced from time to time by any Sanctions Authority;
<b>“Sanctions Authority”</b>	means (i) United Kingdom government, (ii) the United Nations Security Council; (iii) the European Union; (iv) the United States government; (v) the sanctions local competent authority where the deal is executed or booked;
<b>“Sanctions List”</b>	means any of the lists of specifically designated nationals or designated persons or entities (or equivalent) held by any Sanctions Authority, including, without limitation, (i) the Consolidated United Nations Security Council Sanctions List; (ii) the "Specially Designated Nationals and Blocked Persons" list maintained by The Office of Foreign Assets Control ("OFAC"); (iii) the consolidated list of persons, groups or entities subject to European Union sanctions administered by the European External Action Service;
<b>“Scheduled Commercial Operations Date”</b>	the date specified in the AR Contractor's Tender Submission on which the Contracted Anchor Plant is scheduled to complete the Commissioning Assessment and enter into commercial operation;
<b>“Security Amount”</b>	means an amount equal to the maximum amount potentially payable in respect of the Works Contribution Refund Payment at the relevant date, including any value added tax payable on such amounts plus, in the period prior to the Commercial Operations Date, an amount equal to the maximum amount potentially payable in respect of LADs;

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<b>“Service Term”</b>	has the meaning given to that term in Clause 5.1;
<b>“Service Terms &amp; Conditions”</b>	has the meaning given to that term in clause 1.1;
<b>“Settlement Period”</b>	a period of 30 minutes ending on the hour or half hour in each hour during a day;
<b>“Shutdown”</b>	means, in relation to a Generating Unit, the condition of a Generating Unit where the generator rotor is at rest or (where applicable) on barring; or, in relation to a HVDC System, the DC circuit is open;
<b>“Start-up”</b>	means: in relation to a Generating Unit, the action of bringing the Generating Unit from Shutdown to Synchronous Speed; or, in the case of a HVDC System, the action of closing the DC circuit;
<b>“Synchronised”</b>	the condition where an incoming Generating Unit or System is connected to the busbars of another System so that the Frequencies and phase relationships of the Generating Unit or the System, as the case may be, and the System to which it is connected are identical; <b>“Synchronise”</b> , <b>“Synchronisation”</b> , <b>“Desynchronise”</b> and <b>“Desynchronisation”</b> shall be construed accordingly;
<b>“Synchronous Speed”</b>	that speed required by a Generating Unit to enable it to be Synchronised to a System;
<b>“Target Availability”</b>	means, in relation to a Contracted Anchor Plant and an Availability Assessment Period, the target Availability (expressed as a percentage) as specified in the table set out in Part 7 of the Contract Form;
<b>“Tender”</b>	means the competitive procurement process for Electricity System Restoration Services, undertaken pursuant to the ITT;
<b>“Tender Submission”</b>	means a submission made in response to the ITT;
<b>“Test”</b>	means a Commissioning Assessment, Capability Assessment, Remote Synchronisation Test, Dead Line Charge Test or a Repeating Assessment;

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<b>“Test Parameters and Procedures”</b>	has the meaning given to it in Clause 13.2;
<b>“Test Period”</b>	the period between the start time and the end time of a Test;
<b>“Time to Connect”</b>	has the meaning given to it in the Contracted Anchor Requirements;
<b>“Top Up Restoration Plant”</b>	has the meaning given to that term in the Grid Code;
<b>“Total Shutdown”</b>	means the situation existing when all generation has ceased and there is no electricity supply from External Interconnections and, therefore, the Total System has shutdown with the result that it is not possible for the Total System to begin to function again without NGESO’s directions relating to an Electricity System Restoration;
<b>“Total System”</b>	the National Electricity Transmission System and all User Systems in Great Britain;
<b>“Transmission Licence”</b>	the licence granted to NGESO 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>“Transmission Owner”</b>	means the owner of that part of the NETS in which the Grid Supply Point associated with the Contracted Anchor Plant is located;
<b>“User System”</b>	has the meaning given to that term in the Grid Code;
<b>“Voltage Control Mode”</b>	means the automatic voltage regulator selected to auto and being off is the automatic voltage regulator selected to manual;
<b>“Works”</b>	works described in Part 3 of the Contract Form;
<b>“Works Contribution Payment”</b>	has the meaning given to it in Clause 4.1;
<b>“Works Contribution Period”</b>	has the meaning given to it in Part 3 of the Contract Form;
<b>“Works Contribution Refund Payment”</b>	an amount calculated in accordance with Schedule 3, Part III.



**SCHEDULE 2**

**Events of Default and Consequences**

1. <b>Event of Default – Notification of Unavailability</b>	<b>Consequences</b>
<p>Save in respect of a planned maintenance or inspection period agreed pursuant to the Grid Code, failure by the AR Contractor to notify NGESO that the Contracted Anchor Plant is not or will not be Available in the manner referred to in Clause 6.2 (whether evidenced by a Remote Synchronisation Test, Capability Assessment, Grid Code test or otherwise).</p>	<p>(1) The Contracted Anchor Plant shall be deemed to be Unavailable; and</p> <p>(2) Upon the first and each successive Event of Default an Availability Rebate shall become payable by the AR Contractor to NGESO, being an amount calculated in accordance with Schedule 3, Part I; and</p> <p>(3) Upon the third and each successive Event of Default within each Availability Assessment Period (reduced pro rata for any Availability Assessment Period shorter than twelve (12) months), in addition to (2) above, NGESO shall have the right to terminate this Agreement by notice in writing to the AR Contractor to be served not later than twenty eight (28) days following such third or successive Event of Default.</p>
2. <b>Event of Default - Planned Maintenance Periods</b>	<b>Consequences</b>
<p>In respect of a planned maintenance or inspection period agreed pursuant to the Grid Code, failure by the AR Contractor to notify NGESO that the Contracted Anchor Plant is not or will not be Available.</p>	<p>The Contracted Anchor Plant shall be deemed to be Unavailable during, and there shall be taken into account in the calculation of Monthly Availability Payments those Settlement Periods comprised in, the period commencing at 00.00 on the first day of the planned maintenance or inspection period agreed pursuant to the Grid Code and ending at 24.00 hours on the last day of such planned maintenance or inspection period.</p>
3. <b>Events of Default Failure to comply with Restoration Instruction</b>	<b>Consequences</b>

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<p>Save during a period the subject of a prior notification from the AR Contractor to NGESO in which the Contracted Anchor Plant is Unavailable, the failure by the AR Contractor to comply with NGESO's instruction for the initiation and implementation of the LJRP save to the extent:-</p> <p>(a) compliance with the instruction would mean the Contracted Anchor Plant could not keep within its safe operating parameters;</p> <p>(b) (where applicable) the failure was wholly and directly caused by the unavailability of or constraint on the National Gas Transmission System such that the AR Contractor was unable to offtake gas in sufficient quantities at that part of the National Gas Transmission System to which the Contracted Anchor Plant is connected; or</p> <p>(c) the failure was wholly and directly caused by an event or circumstance of Force Majeure.</p>	<p>(1) The Contracted Anchor Plant shall be deemed to be Unavailable; and</p> <p>(2) An Availability Rebate shall become payable by the AR Contractor to NGESO, being an amount calculated in accordance with Schedule 3, Part I; and</p> <p>(3) In addition to (2) above, NGESO shall have the right to terminate this Agreement forthwith by notice in writing to the AR Contractor.</p>
<p><b>4. Events of Default - Failure of Capability Assessment or Reproving Assessment</b></p>	<p><b>Consequences</b></p>
<p>The failure by the Contracted Anchor Plant of a Reproving Assessment.</p>	<p>(1) The Contracted Anchor Plant shall be deemed to be Unavailable; and</p> <p>(2) an Availability Rebate shall become payable by the AR Contractor to NGESO, being an amount calculated in accordance with Schedule 3, Part I.</p>
<p>The failure by the Contracted Anchor Plant of any Reproving Assessment carried out following failure of both a Capability Assessment and a subsequent Reproving Assessment.</p>	<p>(1) The Contracted Anchor Plant shall be deemed to be Unavailable; and</p> <p>(2) An Availability Rebate shall become payable by the AR Contractor to NGESO, being an amount calculated in accordance with Schedule 3, Part I.</p>

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	<p>(3) Upon the first and each successive Event of Default, NGESO shall have the right to terminate this Agreement by notice in writing to the AR Contractor.</p> <p>(4) Without prejudice to (3) above, NGESO may (at its option) meet with the AR Contractor to discuss the reasons for failure of the Capability Assessment and the subsequent Repeating Assessment and, subject to the AR Contractor identifying the cause(s) for such failure and demonstrating to NGESO's reasonable satisfaction that it is able to remove or address such cause(s) before the Expiry Date, NGESO may (in its sole discretion) agree with the AR Contractor a period during which the AR Contractor shall (at its own cost) undertake additional works to ensure that the capability of the Contracted Anchor Plant is restored ("<b>Additional Works Period</b>"). Where NGESO agrees to an Additional Works Period, NGESO shall only be permitted to terminate this Agreement in accordance with (3) above, where either:-</p> <ol style="list-style-type: none"> <li>1. the AR Contractor advises that the additional works will not be completed within the Additional Works Period;</li> <li>2. following completion of the additional works, the AR Contractor fails a subsequent Repeating Assessment.</li> </ol>
<p><b>5. Events of Default – Public Announcement</b></p>	<p><b>Consequences</b></p>
<p>Any breach by the AR Contractor of its obligation contained in Clause 19 (<i>No Announcement</i>).</p>	<p>NGESO shall have the right to terminate this Agreement forthwith by notice in writing to the AR Contractor.</p>

### SCHEDULE 3

#### Availability Payments and Availability Rebates

#### PART I - AVAILABILITY PAYMENTS

##### 1. TOTAL MONTHLY PAYMENT

$$TMP_m = BSAP_m - RA_m$$

Where:

$TMP_m$  is the total monthly payment by NGESO to the AR Contractor pursuant to Clause 10 (*Service Fees and Rebates*);

$BSAP_m$  is defined in paragraph 0 below;

$RA_m = RAC_m + RABS_m$  as each is defined in paragraph 3 below,

and if  $TMP_m$  is negative, then the AR Contractor shall pay to NGESO such amount in accordance with Clause 10 (*Service Fees and Rebates*).

##### 2. MONTHLY AVAILABILITY PAYMENT

$$BSAP_m = \sum_{j=1}^{month} BSAP_j * BSAM_j$$

$BSAP_m$  is the aggregate Monthly Availability Payments payable in respect of calendar month m;

$\sum_{j=1}^{month}$  is the summation over all Settlement Periods j in calendar month m;

$BSAP_j$  is the Availability Price for all Settlement Periods j subject to indexation in accordance with Part IV; and

$BSAM_j$  is 0 in respect of each Settlement Period j in which the Contracted Anchor Plant is Unavailable (including by reason of an Event of Default), or is deemed to be Unavailable in accordance with the provisions of this Agreement, otherwise 1.

##### 3. AVAILABILITY REBATES

3.1 If the Event of Default specified in row 1 (*Notification of Unavailability*) or row 2 (*Planned Maintenance Periods*) of the table in Schedule 2 occurs in month m, an Availability Rebate ( $RAC_m$ ) shall be calculated as follows:

$$RAC_m = \sum_{EventofDefault} \min((BSAP_j * [ ]), \sum_{j=1}^{j=x} BSAP_j * BSAM_j)$$

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Where:

$\sum^{EventofDefault}$  Is the summation over each Event of Default referred to in row 1 or row 2 of the table in Schedule 2; and

$\sum_{j=1}^{j=x}$  is the summation over each Settlement Period j prior to the Event of Default beginning with the Settlement Period in which the Contracted Anchor Plant was last demonstrated to NGESO's reasonable satisfaction to be capable of providing Anchor Plant Capability in accordance with the Contracted Anchor Requirements.

- 3.2 If the Event of Default specified in row 3 (*failure to comply with a Restoration Instruction*) or 4 (*failure of Capability Assessment and Repeating Assessment*) of the table in Schedule 2 (occurs in month m, an Availability Rebate ( $RABS_m$ ) shall be calculated as follows:

$$RABS_m = \sum^{EventofDefault} \min((BSAP_j * [1]), \sum_{j=1}^{j=y} BSAP_j * BSAM_j)$$

Where:

$\sum^{EventofDefault}$  is the summation over each Event of Default referred to in row 3 or row 4 of the table in Schedule 2; and

$\sum_{j=1}^{j=y}$  is the summation over each Settlement Period j prior to the Event of Default beginning with the Commercial Operations Date or, if later, the last successful initiation and implementation of the LJRP in an Electricity System Restoration or Capability Assessment or Repeating Assessment.

## PART II

### ANNUAL AVAILABILITY SHORTFALL PAYMENT

- 1 The Annual Availability Shortfall Payment in respect of Availability Assessment Period  $y$  ( $AASP_y$ ) shall be calculated as follows:

$$AASP_y = (MR_y * RFA_y)$$

$AASP_y$  is the Annual Availability Shortfall Payment due to NGESO from the AR Contractor in respect of Availability Assessment Period  $y$ ;

$MR_y$  is calculated in accordance with paragraph 2 below; and

$RFA_y$  is calculated in accordance with paragraph 3 below.

- 2 The maximum amount repayable in respect of Availability Assessment Period  $y$  ( $MR_y$ ) is calculated as follows:

$$MR_y = (A * WCP + Id)$$

Where:

$A$  is a fraction, being the Availability Assessment Period  $y$  divided by the number of years in the Service Term);

$WCP$  is the amount of total Works Contribution Payments (if any);

$Id$  is interest at the Base Rate calculated on  $WCP$  accruing on a daily basis over the number of days in Availability Assessment Period  $y$ .

- 3 The relevant proportion of  $MR_y$  repayable in respect of Availability Assessment Period  $y$  ( $RFA_y$ ) shall be calculated as follows:

$$RFA_y = 0 \text{ if } AA_y \geq TA_y$$

Otherwise

$$RFA_y = (TA_y - AA_y) / TA_y$$

Where:

$TA_y$  is the Target Availability as specified in the table set out in Part 7 of the Contract Form;

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$AA_y$  is the Actual Availability and is the percentage of Settlement Periods over Availability Assessment Period y in which the Contracted Anchor Plant was Available (expressed as a fraction) as calculated below:

$$AA_y = \frac{\sum_{j=0}^{12months} (BSAMA_j)}{SP}$$

Where:

$\sum_{j=0}^{12months}$  is the summation overall Settlement Periods j in Availability Assessment Period y;

$BSAMA_j$  is 0 in respect of each Settlement Period j in which the Contracted Anchor Plant was Unavailable (excluding where due to events or circumstances of Force Majeure or where NGESO has approved a period of withdrawal of Anchor Plant Capability, otherwise 1; and

$SP$  is the number of Settlement Periods j in Availability Assessment Period y.

**Part III**  
**Works Contribution Refund Payment**

1. The Works Contribution Refund Payment ( $WCRP_t$ ) shall be calculated as follows:

$$WCRP_t = [(WCP_1 + I_1) * f_1] - \sum AASP_y$$

Where: -

$WCRP_t$  is the Works Contribution Refund Payment payable by the AR Contractor to NGESO;

$WCP_1$  is the aggregate amount of Works Contribution Payments (including VAT thereon) paid by NGESO to the AR Contractor;

$I_1$  is Interest at the Base Rate calculated on  $WCP_1$  accruing on a daily basis from the date of payment of  $WCP_1$  by NGESO until the date of repayment by the AR Contractor;

$f_1$  is a factor equal to either:  
prior to the date of successful completion of the Works, 1; or  
from and including the date of successful completion of the Works:

$$\frac{M_R}{M_T}$$

$M_R$  is the number of whole calendar months remaining until the Expiry Date as at the date of termination or (as the case may be) the date on which the event that triggers the Works Contribution Refund Payment occurs;

$M_T$  in respect of  $WCRP_t$ , is the total number of whole calendar months in the period from the date of successful completion of the Works until the Expiry Date; and

$AASP_y$  is the aggregate of all Annual Availability Shortfall Payments paid or payable by the AR Contractor to NGESO under this Agreement.



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**Part IV  
Indexation**

The Availability Price specified in Part 6 (*Availability Price*) of the Contract Form will be adjusted annually commencing on [ ] to take account of general price inflation. The index used will be the Consumer Prices Index (CPI) with 2015 = 100 base.

The source of the CPI index is to be the monthly Office for National Statistics Statistical bulletin.

The Availability Price will therefore be increased (or reduced as appropriate) for the period to by the following factor:-

$$\frac{CPI_2}{CPI_1}$$

Where

$CPI_2$  is the CPI for the month of [ ]

$CPI_1$  is the CPI for the month of [ ]

The Availability Price will then be increased (or reduced as appropriate) for the period [ ] to [ ] by the following factor:-

$$\frac{CPI_3}{CPI_1}$$

Where

$CPI_3$  is the CPI for the month of [ ]

$CPI_1$  is the CPI for the month of [ ]

In subsequent years indexation will continue in accordance with the above, with always the numerator of the factor representing the CPI of the year under consideration and the denominator of the factor being CPI for

In the event that CPI ceases to be published or is not published in respect of any relevant month or it is not practicable to use CPI because of a change in the method of compilation or some other reason, indexation for the purpose of this **Error! Reference source not found.** shall be calculated by NGESO using an index agreed by the Parties with a view to determining the relevant price after indexation that would be closest to the relevant price after indexation if CPI had continued to be available.

## **SCHEDULE 4**

### **Part 1 - Commissioning Assessment - Summary Procedure<sup>4</sup>**

#### **1. Scope**

The precise technical specification for a Commissioning Assessment will be comprehensively set out in a detailed specification to be agreed between the Parties no later than three (3) months prior to the completion of the Works (such agreement not to be unreasonably withheld or delayed) or otherwise determined by the Independent Expert.

#### **2. Purpose**

The Commissioning Assessment will aim to demonstrate that with and without external power supplies to all or part of the Power Station the Auxiliary Unit can be independently started and in turn allow the reliable start-up of the main Gas Turbine Units and Steam Unit in the manner (including without limitation within the timescales) required by the Contracted Anchor Requirements.

#### **3. Specification**

- a) A full range of commissioning and Plant performance test will be carried out by the AR Contractor to prove that the Auxiliary Unit performs correctly without detriment to the operation of the existing Gensets. The Commissioning Assessment may form part of these tests however they will be considered to be independent from them.
- b) The Commissioning Assessment shall be deemed to be passed when the Power Station has demonstrated that it has performed adequately in all the required tests such that all Parties can have confidence that the Anchor Plant Capability could be provided if the situation arose to include installation and commissioning of all communications links to enable the AR Contractor to receive Instructions). It should be noted that performance tests of various types may be conducted after the Commissioning Assessment but these will not affect the ability of the Power Station to carry out an Instruction.

## **PART 2 – RST SUMMARY PROCEDURE**

1. The precise technical requirements for a RST will be comprehensively set out in the 'RST procedure' as amended from time to time and to be agreed by the AR Contractor prior to the test (such agreement not be unreasonably withheld or delayed).
2. A RST will require the Contracted Anchor Plant to energise from dead a local busbar, a circuit(s), a transformer(s) and a remote busbar and then Synchronise onto a live busbar that is already Synchronised to the National Electricity Transmission System.

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<sup>4</sup> Note: this Part has been developed to cover the installation and commissioning of an auxiliary generating unit. It may need to be adapted in the case of a HVDC System or Power Park Module and the changes required will be dependent on the specific works required.

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3. At the start of the energisation process, the Contracted Anchor Plant circuit breaker will be closed to energise the test part of the system. The energisation process may require, when the relevant circuit breaker is closed the voltage level to be gradually increased to meet a target HV voltage level.
4. The Contracted Anchor Plant may be required to operate for up to one hour at no load at Synchronous Speed while the Genset's/HVDC System's ability to control voltage and Frequency on the test system is verified. If forced cooling of the Genset is required to enable such operation to be permissible, then the cost of such cooling should be the sole responsibility of the AR Contractor.
5. All reasonable care will be undertaken in preparing the RST procedure such that neither the energisation process nor the Remote Synchronisation process will cause damage to Plant or equipment owned by the AR Contractor or NGESO, however all risks of damage to a Party's Plant or equipment shall be borne by that Party.
6. The AR Contractor will be required to provide substation indications to enable the test to be co-ordinated from the AR Contractor's control room.

**PART 3 – DEAD LINE CHARGE TEST SUMMARY PROCEDURE**

1. A Dead Line Charge Test will be carried out in the same manner as a Remote Synchronisation Test with the exception that the Contracted Anchor Plant is not synchronised to the National Electricity Transmission System at the remote busbar. This test confirms the ability of the Contracted Anchor Plant to charge a dead part of the network and its ability to control parameters at the remote end.

**SCHEDULE 5<sup>5</sup>**

**Security**

**Part 1: Mandatory Background Checking Requirements**

**1 Definitions**

In this Schedule the following words and expressions have the following meanings:

**Assurance Procedure** means the Client's assurance process named "UKPS8: UK Contractor Background Checking Procedure" (as updated from time to time) relating to the Background Checking Requirements

**Background Checking Requirements** means together the Standard Requirements Check, Minimum Requirements Check and the NSV Check

**Minimum Requirements Check** means a verification check on the Supplier Personnel's identity, and confirmation of their right to work in the United Kingdom (or any other territory in which they are engaged to provide services to the Client) using either:

- (a) the Nominated Provider (unless otherwise agreed in writing by the Client); or
- (b) where paragraph 0 of this Part 1 applies, the Assurance Procedure

**Third Party Provider** means a or such other company as determined by the Client from time to time

**NSV Check** means national security vetting conducted by the UK Government on Supplier Personnel performing NSV Designated Roles

**NSV Designated Role** means a role as notified by the Client to the Supplier from time to time which require frequent and uncontrolled access to critical national infrastructure sites and/ systems directly or indirectly supporting critical national infrastructure or for other reason (as determined by the Client at its sole discretion) require national security vetting

**Standard Requirements Check** means the Minimum Requirements Check plus a check on the Supplier Personnel's employment history for the period of three years prior to their engagement, a verification check of home address throughout the three years prior to commencement of their engagement, a "basic disclosure" of unspent criminal convictions provided by Disclosure Scotland or the Disclosure and Barring

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<sup>5</sup> Please note this is a standard schedule and may require reviewing and updating.

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Service or equivalent which is satisfactory to the Customer, and an international fraud and sanctions check or global watch check using either:

- (a) the Nominated Provider (unless otherwise agreed in writing by the Client); or
- (b) where paragraph 0 of this Part 1 applies, the Assurance Procedure.

**Background Checking Procedure**

The Supplier shall comply with the Background Checking Requirements and ensure that all documents and records are obtained and/or verified in accordance with Applicable Law. If any Supplier Personnel are to be based outside the United Kingdom, the Supplier must obtain the Client's express written permission prior to engaging such Supplier Personnel and comply with all background checking requirements stipulated by the Client which shall as a minimum include the Minimum Requirements Check (as amended to comply with Applicable Law and any other laws or verification procedures which apply to the relevant jurisdiction).

The Supplier shall ensure that all Supplier Personnel prior to commencing any services or Deliverables of any kind to the Client:-

undergo the Standard Requirements Check if they:

- have or will have any level of unsupervised access to or control (whether local or remote) over the Client's (or any of the Client Parties') operational or office sites, financial information, commercial information (including Client Data), information systems, records, email system, security systems or personal employee information; or

- have or will have access directly to members of the public, domestic properties, or to any customers of the Client ("a Standard Requirements Role");

undergo the NSV Check if performing a NSV Designated Role; or

undergo the Minimum Requirements Check if they are not performing a Standard Requirements Role or a NSV Designated Role,

Where a Standard Requirements Check is required and it reveals that the Supplier Personnel has a criminal record, such record shall be disclosed to the Client if the Supplier wishes to assign the Supplier Personnel to this Agreement. The Client reserves the right in its absolute discretion to require that such Supplier Personnel is excluded from directly or indirectly providing any Services if in its opinion the relevant charge, caution or conviction renders them unsuitable for the work in question.

Without prejudice to paragraphs 0 to 0 of this Part 1, if the Supplier instructs the Nominated Provider to withhold access to the Client (or the Client is otherwise unable to use the Nominated Provider service) such that the Client is unable to verify whether the relevant checks have been completed then:

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the Supplier shall notify the Client as soon as reasonably practicable of such instruction to the Nominated Provider;

on receipt of such notification at paragraph 0 of this Part 1 (or following the Client otherwise becoming aware of the unavailability of the Nominated Provider service) the Client shall notify the Supplier of the applicable Assurance Procedure which the Supplier will be required to follow; and

the Supplier shall ensure that the Assurance Procedure is complied with within eight (8) Days of receipt of the same, and a failure by the Supplier to do so shall be a material breach of this Agreement.

The Client reserves the right to require that additional checking over and above the Background Checks be undertaken for particularly high-risk roles.

Where during the Term of this Agreement the Supplier becomes aware of any conviction of Supplier Personnel, or any falsification of information by Supplier Personnel, this information shall be forwarded to the Client for determination in its absolute discretion as to whether the Supplier Personnel should be allowed to continue working for or providing any services or Deliverables to the Client.

Without prejudice to [ ] the Supplier shall retain, manage, store and secure accurate and complete records of all checks made in accordance with the Background Checking Requirements, in accordance with the Data Protection Act 2018 (as amended) , and in such a manner that the Client can, on reasonable notice, request access in order to conduct an audit in respect of Supplier Personnel in accordance with the terms of this Agreement.

The Supplier acknowledges and accepts that the Nominated Provider will provide the Client with access to the Background Check Records to enable the Client to conduct audits in respect of compliance with the Background Checking Requirements.

## Part 2: Mandatory Information Security Requirements

The Supplier shall be required to comply with the following requirements in this Part 2:-

### 1. INTRODUCTION & BACKGROUND

Client 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 outsourced by Client to its supply-chain. These supply-chain partners, contractors, service providers, and suppliers (collectively called 'Suppliers') upon whom Client relies, play a key role in the achievement of these goals.

Client and its Suppliers shall acknowledge that security risks are shared between the parties and that any compromise represents an unacceptable risk to Client, requiring immediate communication and co-operation between the parties.

### 2. PURPOSE

The purpose of this schedule is to define the security requirements that need to be met by Client's supply-chain during the delivery of products and services. Security requirements contained within this schedule align to Client's IT Control Set, which are based on NIST 800-53.

### 3. RELATED CLIENT STANDARDS

This schedule shall be used in conjunction with all associated contract documentation and Client's 'Supplier Code of Conduct' with which the Supplier shall comply. A copy of the Supplier Code of Conduct can be found on the Client 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. MANDATORY AND NON-MANDATORY REQUIREMENTS

Within this document:

**Shall:** Indicates a mandatory requirement.

**Should:** Indicates best practice and is the preferred option. If an alternative method is used then a suitable and sufficient risk assessment must be completed to show that the alternative method delivers the same, or better, level of protection.

## **6. ASSURANCE REQUIREMENTS**

Client 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 Client data and systems.

Therefore, Client, acting by itself or through its agents, shall have the right to undertake the assurance and audit activities detailed below during the term of this agreement, and, for a period of eighteen (18) months thereafter, in line with country, federal and state statute of limitations.

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

Client 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 includes pre-, post-, and end of contract assurance assessments and periodic reporting requirements.

This assurance activity may include:

- Completion of Client security questionnaire;
- Details of controls and provision of supporting evidence; and
- Periodic submission of independent assurance certification and/or compliance attestations.

**Note:** in accordance with Client's risk-based approach, the level of assurance activity may be subject to change based the availability of evidence and the ongoing performance of the Supplier.

Upon agreement with NG Security, evidence of compliance may be provided in different formats and methods and the assessment may be performed remotely, or onsite at the Supplier's location. For any onsite assessment at the Supplier's location, Client will aim to provide at least fifteen (15) business days' advance notice to the Supplier.

### **6.2. FOR-CAUSE AUDIT**

In the event of an actual or suspected security breach (Paragraph 7.23 refers), or non-compliance with this agreement and/or applicable law, Client may invoke its right to audit, as provided under this agreement, with 24 hours' notice to the Supplier in order to investigate and review related documentation, facilities, and processes.

### **6.3. 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 Client, including any activities or processes performed by Client's supply-chain.

In these circumstances, Client agrees to provide evidence of such a Regulatory Body investigation to the Supplier, and the Supplier shall promptly cooperate and support Client and the Regulatory Bodies in order to fulfil such obligations.



#### **6.4. CONDUCT AND ARRANGEMENTS**

The Supplier (and applicable sub-tier supplier and /or sub-contractors) shall provide all reasonable co-operation and assistance in support of these assurance and audit activities, via the timely provision of:

- (a) Relevant information and supporting evidence requested by Client, and its representatives; and
- (b) Reasonable access to any sites, facilities and employees involved (whether exclusively or non-exclusively) in the performance of the services.

This includes any third-party representative that Client employs to conduct the audit on its behalf. The decision to use a third party shall be communicated to the Supplier and shall be mutually acceptable to both NG and the Supplier.

In return, Client and its representatives shall use all reasonable efforts to ensure that they do not unreasonably cause disruption or delay the provision of products or services. Additionally, during any onsite visit to the Supplier's location, Client and its representatives agree to comply with the Supplier's security and safety protocols, and any relevant site or facility operating procedures (as is applicable and reasonable).

All assessment and audit activities shall be subject to existing confidentially arrangements between Client and the Supplier.

#### **6.5. COSTS AND EXPENSES**

Client and the Supplier shall bear their own respective costs and expenses incurred as part of the above assurance or audit activities unless a material default is identified, in which case the Supplier shall reimburse Client for all reasonable costs incurred.

#### **6.6. AUDIT OUTCOMES**

All findings (positive and negative) shall be shared with the Supplier to obtain their factual concurrence and enable a right to respond or seek further clarification.

If a default is identified, a remediation plan shall be proposed by the Supplier for agreement with the Client Security team. The agreed remediation plan shall be completed to an agreed timescale and the Supplier shall agree to:

- (a) carry out the remediation plan at its own cost;
- (b) reasonably co-operate in the carrying out of the remediation plan, and comply with the applicable instructions from Client, its representatives or regulatory bodies (as applicable); and
- (c) furnish evidence of its compliance with its obligations under this Agreement following execution of the remediation plan in a manner which is reasonably satisfactory to the Client.

### **7. MINIMUM SECURITY REQUIREMENTS**

The requirements set out in this paragraph are the minimum-security controls that NG requires of all its Suppliers to have in place within their organisation in order to protect the ongoing confidentiality, integrity, and availability of NG information and/or systems.

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These controls shall be formally defined within the Supplier's organisation via the publication and management of documented processes, policies, standards and/or systems. The Supplier shall be able to demonstrate compliance with these controls, in accordance with the requirements detailed in Paragraph 6.

### 7.1. SECURITY MANAGEMENT SYSTEMS

The Supplier shall maintain an overarching organisational security policy and supporting security management systems, that ensures the products or services supplied to Client conform to the requirements within this schedule, and all relevant legislative requirements.

The Supplier shall demonstrate the compliance of their security management system via the provision of independently verified certification or audit reports (e.g. ISO 27001, SOC 1, SOC 2) that covers the scope of the products or services supplied to Client.

Note: in accordance with **Paragraph 6 - Assurance Requirements** above, Client may request additional evidence or reporting, and undertake further assurance assessments, to validate the Supplier's compliance with this agreement.

A list of all the Supplier's locations providing products or services to Client in support of this Agreement shall be provided to the Client by completing the table in **Part 3 of this Schedule**. Changes to this list requires pre-approval from Client.

### 7.2. RISK MANAGEMENT

The Supplier shall undertake and document formalised risk assessments to understand their key security risks. This shall include the likelihood and impact from unauthorised access, use, disclosure, modification, or destruction of assets and the information processed, stored, or transmitted.

The risk assessments shall be reviewed every 12 calendar months, or whenever there are significant changes. Identified improvement actions shall be agreed and tracked appropriately.

### 7.3. SUPPLY CHAIN MANAGEMENT

The Supplier shall implement processes and controls for the identification, assurance and management of sub-tier suppliers and sub-contractors (3<sup>rd</sup>, 4<sup>th</sup> parties, etc.).

Any sub-tier supplier or subcontractor who is given access to Client's Confidential Information, or to whom it provides Information created on behalf of Client, shall comply with the same restrictions and conditions set forth herein via a written contractual agreement (flow-down). The Supplier is responsible for enforcing and validating these requirements from sub-tier or outsourced organisations to demonstrate compliance.

**Note:** Client's data, may not be maintained, stored, or transmitted outside of the United States of America, United Kingdom, or the European Economic Area, except for entities that are legally affiliated or are wholly owned subsidiaries.

A list of sub-tier suppliers and subcontractors directly involved in the supply of products or services to Client shall be provided by completing the table in [REDACTED]. Changes to this list requires pre-approval from Client.

#### **7.4. ASSET MANAGEMENT**

The Supplier shall maintain an inventory of assets and equipment, which includes key status and identification information and enables traceability of its use/application.

When assets no longer serve a useful purpose, due to cessation of services or obsolete technology, they shall be repurposed or securely disposed of using methods that prevent the recovery of information. Prior to disposal, release, or reuse, the Supplier shall sanitise the media using defined sanitisation techniques and mechanisms commensurate with the security classification of the information.

Upon contract termination, Client assets and equipment shall be returned, or, if agreed with Client, disposed of in accordance with the above requirement.

#### **7.5. CONFIGURATION MANAGEMENT**

The Supplier shall maintain baseline configuration information of its assets and equipment. The information shall include key software and hardware details and their status.

Production environments shall be logically and/or physically segregated from Non-Production (e.g. development and test) environments.

#### **7.6. CHANGE MANAGEMENT**

The Supplier shall ensure that there are internal controls to identify, approve, validate, and implement changes in a safe and traceable manner. The impact and risks associated with the change, including any associated with the Client, shall be considered as part of the review.

Changes shall be implemented in a controlled manner and all documentation, records, or systems, impacted by the change (e.g. process flow diagrams, FMEAs, Control Plans, Operator Instructions, penetration testing, etc.), shall be reviewed and updated as part of the implementation plan.

The Supplier shall notify the Client contract manager of any changes that could impact delivery or fulfilment of the contracted requirements.

#### **7.7. AWARENESS AND TRAINING**

The Supplier is responsible for establishing and maintaining adequate resources and security competency requirements, in support of the delivery of any products or services to Client.

The Supplier shall provide security and data privacy awareness training to all employees, plus role-based security training for physical or information security personnel, third party stakeholders, and personnel with elevated or privileged access to Client facilities, systems, or information. These requirements should cover the following areas as a minimum:

- Data protection (privacy)
- Cyber and Physical security
- Acceptable use of devices

Records of individual training activities shall be recorded and retained in accordance with the Supplier's record retention policies and a minimum of 3 years.

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**7.8. PEOPLE SECURITY**

The Supplier shall have a process to ensure pre-employment screening checks are performed for all employees to manage 'insider risk.' The details are set out in Part 1 of this Schedule.

Additional background screening requirements may be required based on the specific level of physical and/or logical access to Client facilities, network, systems, or information. Upon termination of the engagement of any Supplier Personnel (or their involvement in providing the services or Deliverables) the Supplier shall remove all access privileges and recover all equipment and records held by the relevant Supplier Personnel.

**7.9. PHYSICAL SECURITY**

The Supplier shall ensure appropriate physical security controls, proportionate to risk and asset criticality, are in place to prevent unauthorised access. The approach taken should include as a minimum the following key principles:

- Access shall be controlled and subject to authorisation.
- Access events shall be recorded and monitored to identify any irregular or suspicious activity.
- Logs shall be retained for a minimum of 1 calendar year (12 months), or six calendar years for the US (United States) Jurisdiction.
- Visitors shall be escorted and monitored at all times.
- Limits shall also be set on the maximum number of visitors that can be escorted by an individual at one time.

Network hardware (firewalls, routers, switches, access point controllers, etc.) shall be kept in secured areas and protected against physical tampering and unauthorised connections.

**7.10. FACILITY SECURITY**

The Supplier shall ensure that server rooms, data centres, computer supply closets, and rooms containing documented critical systems include the following controls:

- Physical security (in accordance with **Paragraph PHYSICAL SECURITY7.9 - Physical Security**).
- Temperature and humidity monitoring.
- Emergency lighting.
- Back-up/emergency power supply systems.

These systems shall be maintained to ensure continued availability and integrity. Maintenance and removal of critical area equipment is approved and logged.

**7.11. IDENTIFICATION AND AUTHENTICATION**

The Suppliers information systems shall perform identity and authentication checks prior to establishing a connection.

The Supplier shall ensure password and supporting management systems meet the following minimum requirements:

- The initial password issued by a systems security administrator shall only be valid for the user's first on-line session. Upon initial log-on to the system, the user shall be forced to change their password immediately.

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- Password length of at least 8 characters and a complexity that is at least a combination of 3 different types of characters (e.g., uppercase alphabetic (A-Z), lowercase alphabetic (a-z), non-alphabetic (numeric or special characters)).
- For systems using Passphrase authentication, the length should be at least 12 characters.
- All passwords shall expire within 90 days.
- Users shall be prevented from reusing the last 10 passwords

**Note:** Where there is a system limitation preventing achievement of the above length and complexity requirements, these shall be notified to Client Security for review of appropriate compensating controls.

### **7.12. ACCESS CONTROL**

The Supplier shall have access control policies, processes, and systems to prevent unauthorised access to information, systems, and networks. These shall at a minimum cover the management of the following:

- Approval of access.
- Segregation of duties
- Generic/shared accounts, including updates following any changes to personnel
- Privileged access accounts, including administrator and developer account restrictions
- Remote access, including usage restrictions.
- Authentication protocols, including Multi Factor Authentication
- Set a limit of consecutive invalid logon attempts by a user, with automatic locking of the account if limit breached
- Systems shall lock automatically after a defined period of session inactivity, requiring re-authentication to obtain access to the system
- Access monitoring, to detect unauthorised access attempts
- Periodic access reviews (minimum annual)
- Revocation of access from the Supplier's network within the following timeframes:
  - 24 hours in the event of a for-cause termination
  - 48 hours for standard termination
  - 7 days for all other system, data and application access.

### **7.13. NETWORK SECURITY**

The Supplier shall control communications at the external boundaries of systems, and at identified and documented key internal boundaries of systems, utilising recognised industry best practices, including but not limited to the following:

- Firewalls
- Domain Name System (DNS)
- Intrusion Protection Systems (IPS)
- Network access control (NAC),
- Security information and event management (SIEM)
- Antivirus and other malicious software prevention tools

#### **7.14. SYSTEM LOGGING**

The Supplier shall ensure traceability of information system events, with log records generated, retained and protected that capture:

- What type of event occurred.
- When the event occurred.
- Where the event occurred.
- The source of the event.
- The outcome of the event.
- The identity of any individuals or subjects associated with the event.

Log records shall be retained in accordance with record retention policies. Logs and logging tools shall be forensically sound, protected against damage, loss, or unauthorised modification.

#### **7.15. CONTINUOUS MONITORING**

The Supplier shall monitor communications on information systems and networks to detect potential attacks and unauthorised use by monitoring as a minimum:

- User activity
- Elevated privileges
- Hosts
- Remote connections

Alerts shall be generated and investigated for the following as a minimum:

- Detected unauthorized exfiltration of data
- Suspicious user behaviour and unauthorised actions on systems
- Detected malicious code
- System abnormalities
- Unauthorised network intrusion
- Detected failure of event logging

Confirmed security incidents involving NG information, system and networks shall be investigated within 24 hours and reported to NG in accordance with **Paragraph 7.23 - Security Incident MANAGEMENT**.

#### **7.16. THREAT AND VULNERABILITY MANAGEMENT**

The Supplier shall have threat and vulnerability management policies, processes, and systems and undertake vulnerability scans of 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 Paragraph 4.

Vulnerabilities should be classified, and remediated, in accordance with the below:

- **Critical** (CVSS score 9.0 – 10.0 AND Externally Facing) = provide corrective plan and prepare a Change Request within 24 hours, for implementation within 72 hours. The total elapsed time must not exceed 72 hours.

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- **High** (CVSS score 7.0 – 10 AND NOT Externally Facing ) = provide corrective plan and prepare a Change Request within 5 days, for implementation within 21 days. The total elapsed time must not exceed 21 calendar days.
- **Medium** (CVSS score 4.0 – 6.9) = provide corrective plan and prepare a Change Request within 30 days, for implementation within 60 days. The total elapsed time must not exceed 60 calendar days.
- **Low** (CVSS score 0.1 – 3.9) = Provide corrective plan and prepare a Change Request within 30 days, for implementation within 90 days. The total elapsed time must not exceed 90 calendar days. This is best practise but not compulsory.

In the event that the Supplier utilises an alternative classification scheme, the scoring and remediation timing shall be demonstrably equivalent to the above requirements and must be approved by the National Grid Vulnerability Management team. Prior to service commencement the Supplier shall have identified and remediated all vulnerabilities classified as Critical, High and Medium using the above or approved equivalent classification system as well as providing evidence that the system is free from these classifications of vulnerabilities. Any vulnerabilities that are unable to be remediated must be raised with National Grid Security in order to deem whether an exemption is appropriate before service commencement.

### 7.17. PENETRATION TESTING

The Supplier shall at least annually conduct a penetration test using an approved internal team or, at its own expense, an independent third party and provide Client with an executive overview of such testing and findings. The method of test scoring and issue ratings shall follow standard industry practice, such as the latest Common Vulnerability Scoring System (CVSS) published by the US National Institute of Standards and Technology (NIST). For any material findings (critical, high, or medium risk) defined using the scoring system in Paragraph 7.16, the supplier shall follow the same timeframes defined in this section. The supplier must produce a remediation plan detailing the actions and dates by when these security issues shall be fully resolved and provide a copy of this report to National Grid Security. Any remediations that will exceed the timeframes set out in Paragraph 7.16 must be communicated to National Grid Security along with a remediation plan that includes the expected timeframes for completion of work.

Prior to service commencement Supplier shall have tested and remediated any weaknesses or potential exploits classified as Medium, High or Critical either internally or using an independent third party at its own expense. Evidence of this must also be provided to Client before service commencement. Any weaknesses or exploits that are unable to be remediated must be raised with National Grid Security to deem whether an exemption is appropriate before service commencement.

### 7.18. PATCH MANAGEMENT

The Supplier 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.

The Supplier should maintain security patching in accordance with timings detailed above in **Paragraph 7.16 - Threat and Vulnerability Management.**

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**7.19. DATA SECURITY**

The Supplier shall maintain a data classification scheme and ensure that all information assets are identified with the defined classification level.

The Supplier shall protect the confidentiality, integrity, and availability of their information at rest, during transmission, and in-use, in accordance with the classification scheme to prevent unauthorized disclosure and modification.

Client information held by the Supplier shall be encrypted in accordance with:

- At rest and in-use = AES 256.
- Information in transit = minimum of TLS 1.2 (with no compromised cyphers)

Note: The Supplier should have a plan to transition to TLS 1.3 and the following are prohibited:

- TLS 1.1 and earlier versions of SSL.
- The use of Self-Signed Certificates.
- Wild Card certificates.

Cryptographic keys shall be reviewed every 12 calendar months as a minimum.

Upon contract termination, any Client data shall be returned, or, destroyed in line with Client requirements.

**7.20. BACKUPS**

The Supplier shall perform periodic data and system backups to enable timely, complete and accurate restoration of data processes. Backups shall be stored in offsite locations with appropriate cyber, environmental, and physical security controls, which are demonstrably equivalent to those at the primary site.

Backups shall be periodically tested to verify the data is usable and compatible with current configurations by restoring a changing set of files that includes representative examples of:

- operating system files,
- application files
- business/end user data.

**7.21. BUSINESS CONTINUITY**

The Supplier 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.

**7.22. DISASTER RECOVERY**

The Supplier shall perform periodic disaster recovery tests at a frequency determined by criticality but minimum annually. Actual disaster recovery events arising from operational incidents are deemed equivalent to disaster recovery tests for periodic testing requirements. Tabletop/walkthrough disaster recovery tests are permissible only where operational tests are not viable.



**7.23. SECURITY INCIDENT MANAGEMENT AND DATA BREACH**

The Supplier shall maintain processes and incident response plans for the management of security incidents. This shall include the following elements as a minimum:

- The identification, classification and reporting of incidents, including definition of reportable incidents to Client, law enforcement or regulatory institutions.
- Defined roles and responsibilities, including incident handling activities involving the Suppliers supply chain.
- Establishment of containment and recovery actions.
- Incident investigation, including the identification of root cause(s).
- Incident resolution, including the implementation of corrective actions.

Client shall be notified promptly, but in no event later than 24 hours, following the confirmation of a security incident relevant to the products or services provided to Client. This includes, but is not limited to, an exploitation of security vulnerabilities by third parties that have resulted in loss, corruption, unauthorized modification, sale, rental, and/or otherwise damages to or materially alters the integrity of Client Data and shall work with Client to mitigate such vulnerabilities. ("Security Breach"). The Supplier shall cooperate with Client to resolve security issues and support Client with any notifications to governmental/administrative entities, as required by Law.

**Note:** all associated information security incidents and data breaches shall be reported to the Client Cyber-Response hotline:

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

A report containing details of the Security Breach, including root cause(s) and corrective action plans implemented (or in process of being implemented) to prevent a future recurrence thereof, plus an assessment of the impact and any known or reasonably suspected future impact on Client and known third parties, shall be provided, in writing, no later than three (3) business days after confirmation, unless an extension to this timeframe is agreed by the Client Incident Management team.

Incidents shall be documented and tracked against defined timeframes to ensure timely resolution and closure. Records of the incident shall be retained for at least 1 calendar years.

### **Part 3: Additional Information Security Requirements**

#### **1. Applicability of this Part 3**

This Part 3 applies if in providing the Services or Deliverables, the Supplier (or any of its sub-contractors) or any Supplier Personnel will be:-

- a. utilising technology which will or could be connected to any of the Client's information systems, including without limitation, intranet, email, document management systems, operational management systems, cloud hosting sites or any other systems processing information which is confidential to the Client ("Client Information System");
- b. where any Supplier Personnel will have access using a Client Information System to any financial, commercial or other confidential data or personal data, or technical drawings or specifications which are not publicly available (including all Client Data) ("Sensitive Client Data");
- c. where any Supplier Personnel will have access to any Sensitive Client Data which is collected, stored or processed in a system which is controlled by the Supplier (or any of its sub-contractors) which is not a Client Information System;
- d. where any Sensitive Client Data is being collected, stored or processed by a sub-contractor of the Supplier; or
- e. if any Sensitive Client Data is being collected, stored or processed by the Supplier (or any of its sub-contractors), or any Client Information System is being accessed by Supplier Personnel based outside the United Kingdom.

#### **2. Client Applicable Security Policies**

The Supplier shall ensure that it has in place equivalent security controls and practices in order to meet the requirements of the following Client security Policies, such Policies to be shared with Supplier through a signed non-disclosure agreement (and as varied from time to time).

<b>Policy Title</b>
<b>ACCEPTABLE USE OF DEVICES POLICY</b>
<b>GLOBAL PEOPLE SECURITY POLICY</b>
<b>GLOBAL PHYSICAL SECURITY POLICY</b>
<b>GLOBAL WORKING FROM ABROAD POLICY</b>

#### **3. Supplier Locations**

The Supplier shall provide a list of the primary locations within their organisation which are directly supporting the delivery of services or any Deliverables and therefore have any level of access to any Client Information System or Client Sensitive Data in accordance with the table below as soon as reasonably practicable after the Effective Date of this Agreement.

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*Table 1: Supplier sites and locations*

Name	Address	Country	Description of Products or Services

**Note: changes to this list requires pre-approval from the Client contract / relationship manager who will seek guidance and approval from Client Security Team.**

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**4. Sub-tier suppliers and sub-contractors table**

The Supplier shall provide details of their sub-tier suppliers and subcontractors that will have access to any Client Information Systems or Client Sensitive Data.

**Note: changes to this list requires pre-approval from the Client contract / relationship manager who will seek guidance and approval from Client Security.**

Name	Address	Country	Description of Products or Services

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**SCHEDULE 6**

**Notification Formats**

<b>Provider Name</b>	
<b>Station</b>	
<b>Unit(s)</b>	
<b>Telephone Number</b>	
<b>Date</b>	

**NOTIFICATION OF NON-CAPABILITY AND RESTORATION OF CAPABILITY FOR  
ELECTRICITY SYSTEM RESTORATION – ESR (BLACK START)**

	<b>TIME</b> (hrs:mins)	<b>DATE</b> (dd/mm/yy)
<b>COMMENCEMENT OF NON-CAPABILITY</b>		
<b>COMMENCEMENT OF PARTIAL AVAILABILITY</b>		
<b>*ESTIMATED TIME/DATE OF RESTORATION</b>		
<b>TIME/DATE OF RESTORATION</b>		

\* Indicate estimated time/date of restoration and re-notify actual time/date of restoration when known using table above.

**Please tick this box if the unavailability is a part of the stations scheduled  
maintenance days**

☐

**REASON FOR NON-CAPABILITY**

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**REQUEST TO REVISE CONTRACT DATA FOR ELECTRICITY SYSTEM RESTORATION  
– ESR (BLACK START)**

**REDECLARATION OF CONTRACT DATA**

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STATION CONTRACTED (MW)		*National Grid ESO ACCEPT ✓	National Grid ESO REJECT ✗
EXISTING	PROPOSED		
PROPOSED INTERIM POWER OUTPUT LEVELS			
1 [            ] MW WITHIN [            ] MINS			
2 [            ] MW WITHIN [            ] MINS			
3 [            ] MW WITHIN [            ] MINS			

PROPOSED REACTIVE POWER RANGE (Mvars) AT MIN OUTPUT/GEN STATOR TERMINALS	*National Grid ESO ACCEPT ✓	National Grid ESO REJECT ✗
[            ] LEADING TO [            ] LAGGING		

TIME TO CONNECTION EVENT (MINS)		*National Grid ESO ACCEPT ✓	National Grid ESO REJECT ✗
EXISTING	PROPOSED		

DETAILS OF ANY OTHER REVISION(S) TO THE ESR (BLACK START) CAPABILITY	*National Grid ESO ACCEPT ✓	National Grid ESO REJECT ✗

\*This agreement can be withdrawn at any time by the Company and the contract parameters reinstated.

**Please email the completed form to [ctr1.ccta@nationalgrid.com](mailto:ctr1.ccta@nationalgrid.com)**