
NATIONAL GRID ELECTRICITY SYSTEM OPERATOR LIMITED
STANDARD TERMS AND CONDITIONS FOR THE PROVISION
OF EC5 CONSTRAINT MANAGEMENT INTERTRIP AND DE-LOADING SERVICES

TABLE OF CONTENTS

1.	CONTRACT FRAMEWORK	1
2.	DEFINITIONS AND INTERPRETATION	1
3.	CMIS TENDERS	2
4.	SERVICE OBLIGATIONS	4
5.	PAYMENT	10
6.	LIMITATION OF LIABILITY	12
7.	METERING	14
8.	TERMINATION	14
9.	ASSIGNMENT	16
10.	CONFIDENTIALITY AND ANNOUNCEMENTS	17
11.	DISCLOSURE OF INFORMATION	19
12.	WAIVER	20
13.	NOTICES	20
14.	DISPUTE RESOLUTION	20
15.	JURISDICTION	21
16.	GOVERNING LAW	21
17.	SEVERANCE OF TERMS	21
18.	ENTIRE AGREEMENT	21
19.	RIGHTS OF THIRD PARTIES	22
20.	FORCE MAJEURE	22
21.	WARRANTIES AND INDEMNITIES	22
22.	ANTI-BRIBERY, SANCTIONS AND ESO KEY POLICIES.....	23
23.	EMR	24
24.	CHANGE IN LAW	25
	SCHEDULE 1 DEFINITIONS.....	26
	SCHEDULE 2 ABSVD METHODOLOGY	41
	SCHEDULE 3.....	43
	TRIP CONDITIONS	43
	SCHEDULE 4 ARMING PAYMENTS	44
	SCHEDULE 5 CHANGE CONTROL PROCEDURE	45
	SCHEDULE 6 FORMS.....	48
	SCHEDULE 7 SECURITY	49

1. **CONTRACT FRAMEWORK**

- 1.1 This document (these “**Standard Contract Terms**”) contains the rules for the submission of **CMIS Tenders** and is binding on a **Provider** and the **Company** under the terms of the **Framework Agreement**. These **Standard Contract Terms** together with the **Service Specification** contain detailed service terms with respect to a **CMIS Contract** formed upon acceptance by the **Company** of a **CMIS Tender** in accordance with the **CMIS Tender Procedure**.
- 1.2 The **Company** may from time to time, initiate a review of these **Standard Contract Terms** and their operation by notice published on the **Industry Information Website** inviting any suggestions for changes from any **Provider**. The **Company** shall initiate such a review upon receipt of any request from a **Provider** as provided in Paragraph 1.3.
- 1.3 Changes to these **Standard Contract Terms** may at any time be requested by a **Provider** to reflect any **Change in Law** or **Proposed Legal Requirement**.
- 1.4 The **Company** shall, as part of a review under Paragraph 1.2, and when requested under Paragraph 1.3, formulate and consult on **Change Proposals** in accordance with the procedure set out in Schedule 5 (*Change Control Procedure*).

2. **DEFINITIONS AND INTERPRETATION**

- 2.1 In these **Standard Contract Terms** unless the subject matter or context otherwise requires or is inconsistent therewith, or unless expressly defined herein, the definitions set out in Schedule 1 shall apply.
- 2.2 In these **Standard Contract Terms**:
- 2.2.1 except where the context otherwise requires, references to a particular Section, Paragraph, Appendix or Schedule shall be a reference to that section, paragraph, appendix or schedule in or to these **Standard Contract Terms**;
- 2.2.2 the table of contents and headings are inserted for convenience only and shall be ignored in construing these **Standard Contract Terms**;
- 2.2.3 references to the words “include” or “including” are to be construed without limitation;
- 2.2.4 references to a “Month” shall be construed as references to a calendar month;
- 2.2.5 except where the context otherwise requires, any reference to an Act of Parliament or any Part or Section or other provision of, or Schedule to, an Act of Parliament shall be construed, at the particular time, as including a reference to any modification, extension or re-enactment thereof then in force and to all instruments, orders or regulations then in force and made under or deriving validity from the relevant Act of Parliament;
- 2.2.6 references to the masculine shall include the feminine and references in the singular shall include references in the plural and vice versa; and
- 2.2.7 except where the context otherwise requires, any reference to a “person” includes any individual, partnership, firm, company, corporation, joint venture, trust,

association, organisation or other entity, in each case whether or not having separate legal personality.

3. **CMIS TENDERS**

- 3.1 The **Company** will procure **CMIS** through a **Tender** for **CMIS Contracts** in respect of each **CMIS Year**, provided always that the **Company** may (at its absolute discretion) elect not to run a **Tender** in respect of any **CMIS Year** if it considers that sufficient **Providers** have agreed to extend the terms of current **CMIS Contracts** in accordance with Paragraph 3.2.
- 3.2 The **Company** may, prior to the end of a **CMIS Year**, invite each **Provider** to extend the term of its **CMIS Contract** for the period of the next **CMIS Year** following the date of expiry of the **CMIS Contract** ("**Extension Period**") and (save where the **Provider's CMIS Contract** commenced after 1st April in the current **CMIS Year**, in which case the current **Arming Payment Rate, Tripping Charge and De-Loading Charge** would apply) to propose a new **Arming Payment Rate, Tripping Charge** and (if applicable) **De-Loading Charge** but otherwise on the basis that the same terms and conditions will apply. Any such invitation shall be notified by written notice to the **Provider** given not later than three (3) Months prior to the date of expiry of its **CMIS Contract**. If a **Provider** offers to extend the term of its **CMIS Contract**, the **Company** may by notice in writing to the **Provider**, accept the **Provider's** offer and the **CMIS Contract** shall be amended accordingly, provided always that, if in relation to the relevant **Contracted Unit** there is a **Co-Located Unit**, the relevant **Provider** has submitted a similar offer in respect of that **Co-Located Unit** which the **Company** also accepts.
- 3.3 Unless a **CMIS Contract** is further extended under Paragraph 3.2 for the subsequent **CMIS Year**, the **CMIS Contract** shall terminate automatically without notice on the expiry of the **Extension Period**.
- 3.4 As part of each **Tender** conducted in accordance with this Section 3, the **Company** shall issue a request for prequalification ("**RFPQ**"). Any **Provider** or third party meeting the eligibility requirements set out in **Service Specification** referred to in the **RFPQ** and having entered into a **Framework Agreement** shall be entitled to participate in the **Tender** and to submit a **CMIS Tender** in accordance with the **CMIS Tender Procedure** issued by the **Company**. The **Provider's** response to the **RFPQ** shall include its cost estimate for undertaking a **Feasibility Study** and preparing a **Feasibility Study Report**.
- 3.5 Each **CMIS Tender** must be submitted by the deadline specified in the relevant **CMIS Tender Procedure** and, save as otherwise provided in the **CMIS Tender Procedure**, must specify:
- 3.5.1 the identity of the **Provider**;
 - 3.5.2 the **Arming Payment Rate**;
 - 3.5.3 the **Tripping Charge**;
 - 3.5.4 (if the **Contracted Unit** is stated in the relevant **Framework Agreement** to be capable of a **De-Load** and at the option of the **Provider**) the **De-Loading Charge**;
 - 3.5.5 a **Feasibility Study Report**; and

- 3.5.6 (where relevant) an estimate of the cost of connecting the **Contracted Unit** to the **Operational Tripping Scheme** in such detail as required by the **CMIS Tender Procedure**, including any outage costs to the extent that the connection works cannot reasonably be undertaken at the time of other planned maintenance.
- 3.6 Subject to paragraph 3.9, no costs or expenses incurred by **Providers** in the course of preparing and/or submitting any **CMIS Tender** shall be payable by the **Company**. Save to the extent published by the **Company** pursuant to Paragraph 3.10, the contents of each **CMIS Tender** shall be treated as private and confidential. **Providers** must not divulge or release details of the **CMIS Tender** to any third party, other than on an “in confidence” basis to those parties having a legitimate need to know, or whom they need to consult for the purpose of preparing the **CMIS Tender**.
- 3.7 **CMIS Tenders** shall be assessed in accordance with the **CMIS Tender Assessment Principles**, and the **Company** shall notify by email each **Provider** whose **CMIS Tender** has been accepted of its acceptance decision.
- 3.8 Acceptance by the **Company** of each **CMIS Tender** (“**Acceptance**”) shall constitute formation of a **CMIS Contract** in relation to each applicable tendered **BM Unit**, which shall be personal to the **Provider** and may not be assigned or transferred otherwise than in accordance with Section 9 (*Assignment*) without the consent of the **Company** (not to be unreasonably withheld or delayed). If, at the time of **Acceptance** the relevant **BM Unit** is not connected to the **Operational Tripping Scheme**, or is subject to a **Relevant Requirement**, then:
- 3.8.1 the **CMIS Contract** shall be conditional in all respects on completion (including all necessary testing) of the connection of the **BM Unit** to the **Operational Tripping Scheme**, and (where applicable) on the **BM Unit** no longer being subject to the **Relevant Requirement** (the “**Condition Precedent**”);
- 3.8.2 the **Provider** shall use all reasonable endeavours (to the extent within its control) to ensure that the **Condition Precedent** is satisfied by not later than the commencement of the relevant **CMIS Year** or such later date as the **Company** may agree (the “**CP Date**”);
- 3.8.3 the **Provider** shall, by not later than ten (10) **Business Days** following the end of each calendar month (or more frequently on the **Company’s** request) until the **Condition Precedent** has been satisfied (or waived by the **Company**) or the **CP Date** has passed, provide to **NGESO** a report in writing setting out details of the progress toward connecting the **BM Unit** to the **Operational Tripping Scheme**; and
- 3.8.4 if the **Condition Precedent** has not been satisfied by the **Provider** or waived by the **Company** on or before the **CP Date**, the **CMIS Contract** shall (to the extent in force) cease to apply.
- 3.9 The **Provider** shall notify the **Company** when the **Condition Precedent** has been satisfied and the **Company** shall (subject to receiving evidence thereof, to its reasonable satisfaction) reimburse the **Provider** in accordance with Section 5 for the cost reasonably incurred by it in connecting the **Contracted Unit** to the **Operational Tripping Scheme**(the “**Works Contribution Payment**”) subject to receipt from the **Provider** of an invoice that:
- 3.9.1 itemises the costs incurred;
- 3.9.2 does not exceed the **Provider's** estimate submitted under paragraph 3.5.6; and

- 3.9.3 is supported by copy invoices from third party contractors or such other evidence of the costs having been incurred as the **Company** may reasonably require, provided always that the invoiced sum shall be limited to reasonable costs which have been reasonably incurred and which the **Provider** has used its reasonable endeavours to mitigate.
- 3.10 To assist **Providers** in a future tender process described in this Section 3, the **Company** may (at its discretion) publish on the **Industry Information Website** such information as it reasonably considers to be relevant and helpful in the preparation of **CMIS Tenders**, including:-
- 3.10.1 the identity of each tendered **BM Unit**;
- 3.10.2 the name of each **Provider** for each tendered **BM Unit**; and
- 3.10.3 the **Arming Payment Rates, De-Loading Charge** and/or **Tripping Charge** for each tendered **BM Unit**.
- 3.11 By submitting a **CMIS Tender**, each **Provider** hereby warrants and undertakes to the **Company** that it has neither fixed nor adjusted its prices or any of them under or in accordance with any agreement or arrangement with any other person, and that it has neither communicated to a person (other than its professional advisers) the amount or approximate amount of the tendered **Arming Payment Rate** or **Tripping Charge** (other than in confidence with another **Provider** with a **Co-Located Unit** or in order to obtain quotations necessary for insurance purposes), nor entered into any agreement or arrangement with any other person to restrain that other person from tendering or to fix or adjust the prices or any of them to be submitted by that other person. Each **Provider** indemnifies the **Company** from and against any losses, liabilities, claims, expenses and demands which the **Company** might suffer as a result of the **Provider** being in breach of the warranty and undertaking set out in this Paragraph.
- 3.12 If, in relation to a **Provider's Contracted Unit**, a **Co-Located Unit** is connected by the **Responsible TO** at any time after the deadline for submitting offers in a **CMIS Tender**, the **Company** may, subject to the prior written approval of the existing **Provider**, agree terms with the new **User** to provide the **CMIS** from its **Co-Located Unit** for the relevant **CMIS Year** or for that part of the relevant **CMIS Year** then remaining (as the case may be) on terms (including as to price) no more advantageous than those tendered by the existing **Provider** in respect of its **Contracted Unit**.
- 3.13 If no agreement is made between the **Company** and a new **User** in respect of a **Co-Located Unit** accordance with Paragraph 3.12, the relevant **Provider's CMIS Contract** shall terminate in accordance with Paragraph 8.1.4.

4. **SERVICE OBLIGATIONS**

4.1 **Introduction**

- 4.1.1 The provisions of this Section 4 shall apply with respect to a **Provider** who has submitted a **CMIS Tender** in accordance with Section 3, which has been accepted by the **Company** thereby forming a **CMIS Contract** for the relevant **BM Unit** or a new **User** who has agreed terms with the **Company** in respect of a **Co-Located Unit** in accordance with Paragraph 3.12.

4.2 Availability of Service

4.2.1 The **Provider** shall, throughout the term of each **CMIS Contract**, operate, repair and maintain the **Contracted Units** with a view to making them available to be **Armed** in accordance with these **Standard Contract Terms**, and in accordance with the requirements of the **Service Specification**. The **Provider** shall not isolate its intertripping facility installed at the **Contracted Unit** unless otherwise agreed with the **Company**.

4.2.2 The **Company** may (at its absolute discretion) instruct the **Responsible TO** to **Arm** the **Operational Tripping Scheme** in respect of **Contracted Units** in accordance with and subject to these **Standard Contract Terms**:

4.2.2.1 at any time and from time to time when the **Contracted Units** are expected (as specified in the prevailing **PN**) to be exporting **Active Power** to the **National Electricity Transmission System** for the duration of the relevant **Fast Trip Condition**; and

4.2.2.2 provided that the **Contracted Units** are not subject to a **Relevant Contract** or a **Relevant Requirement** (in either such case the **Contracted Units** will be treated as unavailable for the **CMIS**).

4.2.3 If the **Provider** enters into a **Relevant Contract** in respect of a **Contracted Unit**, the **Provider** will declare the **Contracted Unit** unavailable for participation in the **CMIS** for the duration of any obligations to provide services from the **Contracted Unit** under the **Relevant Contract**.

4.2.4 Any declaration by the **Provider** referred to in paragraph 4.2.3 shall be accompanied by a brief explanation of the reason for such unavailability of the **Contracted Unit**.

4.2.5 For the avoidance of doubt, the **Provider** shall not be regarded as in breach of its obligations to provide **Mandatory Ancillary Services** from the **Contracted Unit** during any periods in which the **Contracted Unit** is de-energised or disconnected by reason of providing the **CMIS** in accordance with a **CMIS Contract**.

4.3 Instruction to Arm

4.3.1 Where the **Company** has a requirement for **Arming** (including for the purposes of testing) the **Operational Tripping Scheme**, then subject always to Paragraph 4.3.2, it will instruct the **Responsible TO** to **Arm** the **Operational Tripping Scheme** and to notify the **Provider** accordingly ("**Arming Instruction**") via **EDL** or by email to the email address set out in the **Framework Agreement**, specifying:

- (a) the selected **Fast Trip Conditions**;
- (b) the date and time from when the **Operational Tripping Scheme** will be **Armed**;
- (c) the specific **Contracted Units** and **Co-Located Contracted Units** in respect of which the **Operational Tripping Scheme** will be **Armed**; and
- (d) whether the **Contracted Units** and **Co-Located Contracted Units** will be required to **De-Load** or to **Fast Trip**.

4.3.2 The **Company** may not issue an **Arming Instruction** with respect to any **Contracted Unit** in relation to any period where:

- (a) that **Contracted Unit** is intended by the **Provider** (as shown by the prevailing **Physical Notification**) to be **Desynchronised** for whatever reason thereby rendering the **Operational Tripping Scheme** unavailable in respect of such **Contracted Unit**; or
- (b) the **Company** has been notified by the **Provider** in accordance with Paragraph 4.9 that the **Contracted Unit** is not available to the **Operational Tripping Scheme**.

4.4 **Arming**

4.4.1 On receipt of a signal from the **Operational Tripping Scheme** requiring the **De-Loading** of a **Contracted Unit** that has been **Armed**, the **Provider** shall ensure that the **Contracted Unit** completes **De-Loading** within ten (10) seconds.

4.4.2 The **Provider** acknowledges that:

- (a) the **Arming** of the **Operational Tripping Scheme** in respect of the **Contracted Units** may be instructed when the **Contracted Units** are exporting to the **National Electricity Transmission System**;
- (b) an **Arming Instruction** to **Fast Trip** may result in the **Contracted Units** being disconnected from the **National Electricity Transmission System** within 150-200ms from fault inception; and
- (c) if it does not **De-Load** a **Contracted Unit** in accordance with Paragraph 4.4.1, the relevant **Circuit Breakers** will be opened by the **Operational Tripping Scheme** automatically.

4.5 **Disarming**

4.5.1 The **Company** may instruct the **Responsible TO** to **Disarm** the **Operational Tripping Scheme** ("**Disarming Instruction**") in which event it shall notify the **Provider** accordingly.

4.5.2 Notwithstanding the above, for the purposes of this **Agreement** the **Operational Tripping Scheme** shall be deemed to be **Disarmed** with respect to any **Contracted Unit** where:

4.5.2.1 that **Contracted Unit** is **Desynchronised** for whatever reason;

4.5.2.2 that **Contracted Unit** is de-loaded or tripped for any reason, including in accordance with a signal from the **Operational Tripping Scheme**; or

4.5.2.3 the provisions of Paragraph 4.9.3 apply,

such **Disarming** to be deemed to be effective from the commencement of the **Settlement Period** in which such **Desynchronisation**, **De-Load** or **Fast Trip** occurred until the **Company** is notified of the restored availability of the **Contracted Unit** for participation in the **Operational Tripping Scheme** in accordance with Paragraph 4.9.1.

4.6 **De-Loading and Tripping**

4.6.1 Following each **De-Load** or **Trip**, and with respect to the relevant **Contracted Units** the **Operational Tripping Scheme** shall be deemed to be **Disarmed** until the end of the **Balancing Mechanism Window**.

- 4.6.2 Without prejudice to the **Provider's** obligations under **Grid Code OC7**, upon each incidence of **De-Loading** or **Tripping**, the **Provider** shall, as soon as reasonably practicable, notify the **Company** of the cessation of the export of **Active Power** from the **Contracted Units** by facsimile or email.
- 4.6.3 The **Provider** shall, following a **De-Load** or **Fast Trip** of a **Contracted Unit**:
- 4.6.3.1 resubmit the **MEL** for that **Contracted Unit** to reflect an **Output** of 0MW until the end of the **Balancing Mechanism Window** and in accordance with BC1 of the **Grid Code**;
- 4.6.3.2 maintain the **Output** of that **Contracted Unit** at 0MW until notified by the **Company** that it may **Resynchronise** the **Contracted Unit**; and
- 4.6.3.3 continue to submit the **Physical Notification** that would have been made had the **De-Load** or **Fast Trip** not occurred and **Bid-Offer Data** that would enable the **Company** to instruct **Output** of the **Contracted Unit** to 0MW, in each case, in accordance with BC1 of the **Grid Code**.
- 4.6.4 In the event that the **Contracted Units** de-load or trip otherwise than by operation of the **Operational Tripping Scheme**, the **Provider** shall continue to submit **MEL** to zero until the **Company** agrees otherwise.
- 4.6.5 The **Provider** acknowledges that it (and not the **Company**) is responsible for:
- 4.6.5.1 the **De-Loading** or **Tripping** of the **Contracted Units**, including the operation of any relevant **Offshore Circuit Breaker** or **Onshore Circuit Breaker**; and
- 4.6.5.2 the impact of the **De-Loading** or **Tripping** of the **Contracted Units** on the network of the relevant **Network Operator**.

4.7 **Charges**

- 4.7.1 In consideration of the **Provider** complying with its obligations, and subject to any notification under Paragraph **Error! Reference source not found.** or Paragraph 4.9.3, the **Company** shall, subject to Paragraph 4.7.7, pay to the **Provider** in accordance with Section 5 (*Payment*) an amount (the "**Arming Payment**") calculated for each relevant **Contracted Unit** in accordance with Schedule 4.
- 4.7.2 The **Company** shall (subject to Paragraph 4.7.3) pay to the **Provider** in accordance with Section 5 (*Payment*) either:
- 4.7.2.1 in respect of each **De-Load** of a **Contracted Unit**, an amount equal to the **De-Loading Charge** ("**De-Loading Payment**"); or
- 4.7.2.2 in respect of each **Fast Trip** of a **Contracted Unit**, an amount equal to the **Tripping Charge** ("**Tripping Payment**").
- 4.7.3 For the avoidance of doubt, the **Parties** agree that no **De-Loading Payment** or **Tripping Payment** shall be made where:
- (a) reduction in **Active Power Output** of a **Contracted Unit** occurred otherwise than in accordance with a signal from the **Operational Tripping Scheme** to that **Contracted Unit**; or

- (b) reduction in **Active Power Output** of a **Contracted Unit** occurred outside of an **Arming Period**; or
 - (c) reduction in **Active Power Output** of a **Contracted Unit** occurred following a withdrawal of availability in accordance with Paragraph **Error! Reference source not found.** and before the **Company** is first notified of the restored availability of the **Operational Tripping Scheme** pursuant to Paragraph 4.9.1; or
 - (d) reduction in the **Active Power Output** of a **Contracted Unit** occurred pursuant to a **Relevant Requirement**.
- 4.7.4 For the purposes of the **ABSVD Methodology Statement** the reduction in **Output of Active Power** following operation of the **Operational Tripping Scheme** resulting in disconnection of a **Contracted Unit** shall be determined in accordance with the provisions of Schedule 2.
- 4.7.5 If, following a **De-Load** or a **Fast Trip** resulting in disconnection of a **Contracted Unit**, a **Bid Offer Acceptance** has not been issued by the **Company** with effect from the end of the **Balancing Mechanism Window**, the **Company** shall pay compensation calculated by reference to the bid price and the **PN** prevailing for the **Contracted Unit** at the time of the **De-Load** or **Fast Trip** (as the context requires) for the period commencing at the end of the **Balancing Mechanism Window** and ending at the earlier of (i) the effective time of a **Bid Offer Acceptance** issued by the **Company** in respect of the **Contracted Unit** and (ii) the time of resynchronisation of the **Contracted Unit**.
- 4.7.6 The **Provider** acknowledges that;
- 4.7.6.1 if a **Contracted Unit** is **Tripped** by the **Operational Tripping Scheme** as described in Paragraph 4.4.2(c) following a failure to **De-Load**, it shall not be entitled to any payment in addition to the **De-Loading Payment**;
 - 4.7.6.2 if the **Contracted Unit** is **Tripped** by the **Operational Tripping Scheme** before or after the 10 seconds provided for in Paragraph 4.4.1 have elapsed while it is in the process of **De-Loading**, then the **Provider** will be entitled to a **Tripping Payment** but not a **De-Load Payment**; and
 - 4.7.6.3 if the **Contracted Unit** is tripped by the **Provider** in circumstance where it has been instructed to **De-Load**, it shall not be entitled to a **Tripping Payment**.
- 4.7.7 The **Provider** shall not be eligible for any **Arming Payment** where the **Contracted Unit** is armed in order to test the **Arming** and/or **Disarming** process.
- 4.8 **Grid Code**
- 4.8.1 The provision by the **Provider** of the **CMIS** shall not relieve it of any of its obligations (where applicable) set out in the **Grid Code**.
 - 4.8.2 In addition to the provisions of Paragraph 4.8.1, if during an **Arming Period** the **Operational Tripping Scheme** fails to operate in accordance with these **Standard Contract Terms** for whatever reason, the **Company** may instruct the **Provider** to **Fast Trip** the relevant **Contracted Units** by issuing an **Emergency Instruction** in accordance with the provisions of the **Grid Code** provided that if the **Company** issues a **Bid Offer Acceptance** (or such an instruction is treated as a **Bid Offer Acceptance**), or the **Provider** receives any other payments in accordance with the

provisions of the **Grid Code** and/or the **CUSC** and/or the **BSC** in respect of such **Emergency Instruction**, then the **Provider** shall pay to the **Company** the sum of any such payments received less any **De-Loading Payment** or **Tripping Payment** which the **Provider** would have received if the **Operational Tripping Scheme** had operated in accordance with these **Standard Contract Terms** (or where the **De-Loading Payment** or **Tripping Payment** is greater than the sum of any other such payments received, the **Company** shall pay to the **Provider** the difference). Such payments shall be made in accordance with Section 5 (*Payment*).

4.9 **Unavailability of the Service**

4.9.1 If a **Contracted Unit** becomes unavailable for participation in the **Operational Tripping Scheme** the **Provider** shall as soon as reasonably practicable notify the **Company** by facsimile or email in the form set out in Schedule 6 ("**Notification of Unavailability**"). Such notification shall include a brief explanation thereof, the time of commencement of unavailability and the expected duration thereof.

4.9.2 The **Provider** shall as soon as reasonably practicable notify the **Company** by facsimile or email in the form set out in Schedule 6 of the restored availability of the **Contracted Units** for participation in the **Operational Tripping Scheme** following resolution of the issues notified under Paragraph **Error! Reference source not found.** Such notification shall specify the time of restoration of the availability of the **Contracted Units** for participation in the **Operational Tripping Scheme** and shall specify the steps taken to resolve such problems.

4.9.3 A **Contracted Unit** shall be treated as unavailable for the **CMIS** if at any time a **Co-Located Contracted Unit** is notified by the relevant **Provider** as unavailable for the **CMIS** for any reason. The **Company** shall notify the **Provider** when a **Co-Located Contracted Unit** has become unavailable for the **CMIS** and shall further notify the **Provider** when the availability of the **Co-Located Contracted Unit** has been restored.

4.10 **Damage to Plant and Apparatus**

4.10.1 Each **Party** shall bear the risk of, and the other **Party** shall have no liability to that **Party** in respect of, loss or damage to that **Party's Plant** or **Apparatus** caused directly or indirectly by the occurrence (or failure to occur) of a **Fast Trip** with respect to the **Contracted Units** in the manner contemplated by these **Standard Contract Terms** (whether **Tripping** or failure to **Fast Trip** is caused by the other **Party's** default or the malfunction of its **Plant** and **Apparatus** or otherwise).

4.11 **Allowed Interruption**

4.11.1 Any **De-Loading** or **Tripping** of any **Contracted Units** pursuant to these **Standard Contract Terms** shall constitute an **Allowed Interruption** for the purposes of paragraph 5.10 of section 5 of the **CUSC** and therefore no **Interruption Payment** shall become due or payable.

4.12 **Revisions to Arming Payment Rate**

4.12.1 Subject to Paragraph 4.12.2, the **Provider** may, in respect of a Month or such other reference period as the **Company** may notify to the **Provider** in accordance with Paragraph 4.12.2, revise the **Arming Payment Rate** applicable to a **CMIS Contract** to a level not exceeding the **Arming Payment Rate** specified in its **Tender Submission** or agreed with the **Company** as provided in Paragraph 3.2 or Paragraph 3.12, by notice in writing to the **Company** given not earlier than the

second **Business Day** in the preceding Month and not later than the eighth **Business Day** in the preceding Month. The **Company** shall acknowledge such notice in writing as soon as reasonably practicable following receipt.

4.12.2 The **Company** may from time to time and by not less than ten (10) **Business Days** notice in writing to the **Provider**, change the reference period and the notice periods specified in Paragraph 4.12.1 as it in its absolute discretion sees fit.

4.12.3 In the absence of a valid notice under Paragraph 4.12.1, the prevailing **Arming Payment Rate** shall apply in respect of a Month.

4.13 **Outages for OTS Upgrades**

4.13.1 Where the **Company** needs to disconnect any **Contracted Units** in order to connect a new **Provider**, the **Company** shall use reasonable efforts to liaise with the **Provider** and any relevant **Network Operators** to time such disconnections to coincide with the **Provider's** outage plan.

4.13.2 The **Company** shall not bear any responsibility for any loss suffered as a result of disconnections arising from this Paragraph 4.13.

5. **PAYMENT**

5.1 As soon as reasonably practicable and no later than eight (8) **Business Days** following the end of each Month in respect of which an **Arming Instruction** was issued, the **Company** shall send to the **Provider** a statement (the "**Monthly Statement**") setting out the amounts payable. In respect of each Month, the **Company** shall include in that statement:-

5.1.1 its calculation of the **Arming Payment** and any **De-Loading Payment** or **Tripping Payment** due to the **Provider** in respect of the previous Month;

5.1.2 if relevant, its calculation of the compensation payable in accordance with Paragraph 4.7.5;

5.1.3 if relevant, adjustments to be made (net of interest) in relation to disputes concerning **Arming Payments** or **De-Loading Payments** or **Tripping Payments** in respect of any month prior to the previous Month; and

5.1.4 if relevant, any **Works Contribution Payment** due by the **Company** in accordance with Paragraph 3.9.

5.2 If the **Provider** disagrees with any dates times facts or calculations set out in the **Monthly Statement**, it may notify the **Company** in writing, with the evidence on which it relies in support of such disagreement, no later than the date falling ten (10) **Business Days** after receipt thereof, but in the absence of any such notification by such date, the **Monthly Statement** shall be final and binding on the **Parties** subject only to Paragraph 5.3. The **Parties** shall discuss and endeavour to resolve the matter in good faith and any adjustments agreed shall be included in the **Monthly Statement** next following the date of resolution of the dispute. The dates, times, facts and calculations set out in the **Monthly Statement** shall be binding upon the **Parties** until such time as they are reversed or revised by agreement between the **Parties** or otherwise determined pursuant to Section 14 (*Dispute Resolution*).

- 5.3 Where, having regard to any **Settlement Run** or to the results of any other monitoring by the **Company** of service delivery, the **Company** or the **Provider** discovers that some or all of any calculations and/or amounts falling due shown in any **Monthly Statement** are incorrect, then it shall promptly notify the other in writing whereupon the **Company** shall, subject to verification by the **Company** revise the **Monthly Statement** and re-issue the same to the **Provider**, and the provisions of Paragraph 5.2 shall apply mutatis mutandis to such revised **Monthly Statement**.
- 5.4 In the absence of fraud, neither the **Company** nor the **Provider** may invoke the provisions of Paragraph 5.3 with respect to the contents of any **Monthly Statement** after the period of twelve (12) months has elapsed following submission of that **Monthly Statement** in which the calculations and/or amounts in question were first stated, after which date such calculations and/or amounts shown in the last **Monthly Statement** issued by the **Company** shall be final and conclusive.
- 5.5 No later than the eighteenth (18th) **Business Day** of each Month, the **Company** will issue a self-billing invoice (or credit note) reflecting the **Monthly Statement** issued pursuant to Paragraph 5.2, and no later than five (5) **Business Days** after such date of issue the **Company** shall pay to the **Provider** (or the **Provider** shall pay to the **Company**, as the case may be) the net amount shown as due from the **Company** to the **Provider** (or from the **Provider** to the **Company**, as the case may be) in that **Monthly Statement**.
- 5.6 If either **Party** (the "**Defaulting Party**") fails to pay any amount properly due under this **Agreement** on the due date, then the **Defaulting Party** shall pay to the other **Party** interest on such overdue amount at the **Base Rate** plus three per cent (3%) from the date on which such payment was properly due to (but excluding) the date of actual payment. Any interest shall accrue from day to day.
- 5.7 If it is agreed or otherwise determined under Paragraph 5.2 that the **Provider** was entitled to a further payment from the **Company**, the **Provider** shall be entitled to interest at the **Base Rate** on the amount of such further payment from the date on which that sum would have been payable had it been included in the **Monthly Statement** for each **Relevant Settlement Period** until the date of payment.
- 5.8 If it is agreed or otherwise determined under Paragraph 5.2 that the **Provider** was not entitled to any payment it has received, the **Company** shall be entitled to interest at the **Base Rate** on the amount so paid from the date of payment until the date of repayment or the date when the **Company** makes a payment to the **Provider** which takes such payment into account.
- 5.9 Notwithstanding any other provision of these **Standard Contract Terms**, the **Parties** shall not be limited in any way as to the evidence they may rely upon in any proceedings arising out of or in connection with payment for the **CMIS** under these **Standard Contract Terms** and the **Parties** agree that in the event and to the extent that either **Party** succeeds in proving in any such proceedings that the **Service** was or was not provided, the successful **Party** shall be entitled to repayment of the sums already paid or payment of sums not paid as the case may be in respect of the **CMIS**.
- 5.10 Save as otherwise expressly provided in these **Standard Contract Terms**, sums payable by one **Party** to the other pursuant to these **Standard Contract Terms** whether by way of charges, interest or otherwise shall (except to the extent otherwise required by law) be paid in full, free and clear of and without deduction, set-off or deferment in respect of any disputes or claims whatsoever save for sums

the subject of a final award or judgement (after exhaustion of all appeals if this opportunity is taken) or which by agreement between the **Company** and the **Provider** may be so deducted or set off.

- 5.11 All amounts payable in connection with a **CMIS Contract** shall be exclusive of any Value Added Tax or other similar tax and the **Company** shall pay to the **Provider** Value Added Tax at the rate for the time being and from time to time properly chargeable in respect of the making available and/or supply of the **CMIS** under these **Standard Contract Terms**.
- 5.12 All payments by the **Company** to the **Provider** in connection with a **CMIS Contract** will be made by payment to the bank account details of which are notified to the **Company** by the **Provider** from time to time.
- 5.13 The submission of all **Monthly Statements** and facts and other evidence in support thereof and any questions in connection therewith from the **Company** to the **Provider** and vice versa in accordance with this Section 5 must be made, in the absence of agreement to the contrary between the **Parties**, by 19.00 hours on the **Business Day** concerned.
- 5.14 Each **Provider** irrevocably consents to the operation of a self-billing system by the **Company** with regard to the payment for the **CMIS** and will at all times throughout the term of any **CMIS Contract** maintain such consent. The **Provider** hereby undertakes to do (at the **Company's** cost) all acts and things reasonably necessary to enable the **Company** to comply with the regulations of HM Revenue & Customs as regards the self-billing of the **CMIS**.
- 5.15 The provisions of this Section 5 shall survive termination of these **Standard Contract Terms**.

6. **LIMITATION OF LIABILITY**

- 6.1 Subject to Paragraph 6.2, save where any provision of these **Standard Contract Terms** provides for an indemnity, the **Parties** agree and acknowledge that neither **Party** (the "**Party Liable**") nor any of its officers, employees or agents shall be liable to the other **Party** for loss arising from any breach of these **Standard Contract Terms** other than for loss directly resulting from such breach and which at the date of these **Standard Contract Terms** was reasonably foreseeable as not unlikely to occur in the ordinary course of events from such breach in respect of:-
 - 6.1.1 physical damage to the property of the other **Party**, its officers, employees or agents; and/or
 - 6.1.2 the liability of such other **Party** to any other person for loss in respect of physical damage to the property of any person subject, for the avoidance of doubt, to the requirement that the amount of such liability claimed by such other party should be mitigated in accordance with general law,
 - 6.1.3 provided further that the liability of any **Party** in respect of all claims for such loss shall not exceed five million GB pounds (£5,000,000) per incident or series of related incidents.
- 6.2 Nothing in these **Standard Contract Terms** shall exclude or limit the liability of the **Party Liable** for death or personal injury resulting from the negligence of the **Party Liable** or any of its officers, employees or agents and the **Party Liable** shall indemnify and keep indemnified the other **Party**, its officers, employees or agents,

from and against all such and any loss or liability which such other **Party** may suffer or incur by reason of any claim on account of death or personal injury resulting from the negligence of the **Party Liable** or any of its officers, employees or agents.

- 6.3 Subject to Paragraph 6.2 and save where any provision of these **Standard Contract Terms** or any **Framework Agreement** provides for an indemnity neither the **Party Liable** nor any of its officers, employees or agents shall in any circumstances whatsoever be liable to the other **Party** for:-
- 6.3.1 any loss of profit, loss of revenue, loss of use, loss of contract or loss of goodwill; or
- 6.3.2 any indirect or consequential loss; or
- 6.3.3 loss resulting from the liability of the other **Party** to any other person howsoever and whensoever arising save as provided in Paragraph 6.1.2 and Paragraph 6.2.
- 6.4 Each **Party** acknowledges and agrees that the other **Party** holds the benefit of Paragraphs 6.1, 6.2 and 6.3 for itself and as trustee and agent for its officers, employees and agents.
- 6.5 The rights and remedies provided by these **Standard Contract Terms** or any **Framework Agreement** to the **Parties** are exclusive and not cumulative and exclude and are in place of all substantive (but not procedural) rights or remedies express or implied and provided by common law or statute in respect of the subject matter of these **Standard Contract Terms** or any **Framework Agreement**, including without limitation any rights either **Party** may possess in tort which shall include actions brought in negligence and/or nuisance. Accordingly, each of the **Parties** waives to the fullest extent possible all such rights and remedies provided by common law or statute and releases the other **Party**, its officers, employees and agents to the same extent from all duties, liabilities, responsibilities or obligations provided by common law or statute in respect of the matters dealt with in these **Standard Contract Terms, any Framework Agreement** or any **CMIS Contract** and undertakes not to enforce any of the same except as expressly provided herein.
- 6.6 For the avoidance of doubt, the **Parties** acknowledge and agree that nothing in these **Standard Contract Terms** shall exclude or restrict or otherwise prejudice or affect any of the rights, powers, privileges, remedies, duties and obligations of the **Secretary of State** or the **Authority** under the **Act**, any **Licence** or otherwise howsoever.
- 6.7 Each of Paragraphs 6.1, 6.2, 6.3 and 6.4 shall:-
- 6.7.1 be construed as a separate and severable contract term, and if one or more of such Paragraphs is held to be invalid, unlawful or otherwise unenforceable the other or others of such Paragraphs shall remain in full force and effect and shall continue to bind the **Parties**; and
- 6.7.2 survive termination of the **Framework Agreement** or **CMIS Contract** concerned.
- 6.8 For the avoidance of doubt, nothing in this Section 6 shall prevent or restrict any **Party** enforcing any obligation (including suing for a debt) owed to it under or pursuant to these **Standard Contract Terms, any Framework Agreement** or any **CMIS Contract**.

6.9 Each **Party** acknowledges and agrees that the provisions of this Section 6 have been the subject of discussion and negotiation and are fair and reasonable having regard to the circumstances as at the date of submission of the relevant **CMIS Tender**.

7. **METERING**

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

7.2 The relationship between the **Parties** with respect to **Operational Metering Equipment** shall be regulated by paragraph 6.7.3 of the **Connection and Use of System Code** and **Grid Code CC.6.4.4, CC.6.5.6 and ECC.6.5.6**.

8. **TERMINATION**

Automatic Termination

8.1 A **CMIS Contract** shall terminate automatically upon:-

8.1.1 the **Provider** ceasing to be a **BSC Party** solely as a result of the **Provider's** election or a material breach by the **Provider** of its obligations under such agreement; or

8.1.2 the revocation or withdrawal of the **Generation Licence** solely as a result of the **Provider's** election or a material breach by the **Provider** of its obligations under such licence; or

8.1.3 termination of the applicable **Bilateral Agreement** solely as a result of the **Provider's** election or a material breach by the **Provider** of its obligations under such agreement; or

8.1.4 the **Responsible TO** connecting a **Co-Located Unit** of a new User in circumstances where the **Existing Provider** refuses its consent under Paragraph 3.12 or the new **User** does not agree to participate in the **Operational Tripping Scheme** in accordance with Paragraph 3.12,

if the **Provider** cannot comply in all material respects with its obligations under these **Standard Contract Terms** or (in the case of paragraph 8.1.4) it is not possible for the **Provider's Contracted Unit** to **Fast Trip** in accordance with the **Operational Tripping Scheme** without causing the new **User's Co-Located Unit** to trip.

Termination by Provider

8.2 The **Provider** may, by notice in writing to the **Company**, terminate the **CMIS Contract** in the event that:

8.2.1 the **Company** shall fail to pay (other than by inadvertent error in funds transmission which is discovered by the **Provider**, notified to the **Company** and corrected within five (5) **Business Days** following such notification) any sum properly due or owing from it in connection with a **CMIS Contract** according to its terms and such non-payment remains unremedied and not disputed in good faith and upon reasonable grounds at the expiry of fifteen (15) **Business Days** immediately following receipt by the **Company** of written notice from the **Provider** of such non-payment; or

8.2.2 the **Company** shall commit any material breach (other than a breach under Paragraph 8.2.1) of these **Standard Contract Terms** (or persistent breaches of

these **Standard Contract Terms** which taken as a whole are material), or shall commit a breach of any of the material obligations on its part to be observed under these **Standard Contract Terms**, and the **Provider** shall have served written notice on the **Company** requiring it to remedy such default (if it is capable of remedy) within thirty (30) days or such longer period as may be reasonably necessary to remedy the default and the **Company** shall have failed to remedy such default to the reasonable satisfaction of the **Provider** within the specified period; or

8.2.3 in respect of the **Company**:-

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

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

Termination by the **Company**

8.3 The **Company** may, by notice in writing to the **Provider**, terminate a **CMIS Contract** in the event that:-

8.3.1 without prejudice to Paragraph 8.1, the **Provider** shall commit any material breach (other than a breach under Paragraph 8.3.2) of these **Standard Contract Terms**, any **Framework Agreement** or any **CMIS Contract** (or persistent breaches of the same, which taken as a whole are material), or shall commit a breach of any of the material obligations on its part to be observed under these **Standard Contract Terms**, any **Framework Agreement** or any **CMIS Contract** and the **Company** shall have served written notice on the **Provider** requiring it to remedy such default (if it is capable of remedy) within thirty (30) days or such longer period as may be reasonably necessary to remedy the default and the **Provider** shall have failed to

remedy such default to the reasonable satisfaction of the **Company** within the specified period; or

8.3.2 the **Provider** shall fail to pay (other than by inadvertent error in funds transmission which is discovered by the **Company**, notified to the **Provider** and corrected within five (5) **Business Days** following such notification) any sum properly due or owing from it pursuant to these **Standard Contract Terms**, any **Framework Agreement** or any **CMIS Contract** according to its terms and such non-payment remains unremedied and not disputed in good faith and upon reasonable grounds at the expiry of fifteen (15) **Business Days** immediately following receipt by the **Provider** of written notice from the **Company** of such non-payment;

8.3.3 in respect of the **Provider**:-

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

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

Other termination rights

8.4 The provisions of this Section 8 are additional to any other rights of termination expressly provided. Termination of any **CMIS Contract** under this Section 8 or any other provision of these **Standard Contract Terms**, any **Framework Agreement** or any **CMIS Contract** shall be without prejudice to the rights and remedies to which a **Party** may be entitled hereunder and shall not affect any accrued rights obligations or liabilities of either **Party** nor the coming into or continuance in force of any provision hereof which is expressly or by implication intended to come into or continue in force on or after such termination.

9. **ASSIGNMENT**

9.1 The **Provider** shall not assign or transfer nor purport to assign or transfer the benefit or burden of any **CMIS Contract** save in the following circumstances:-

9.1.1 the **Provider** may assign or charge its benefit under a **CMIS Contract** in whole or in part by way of security;

9.1.2 upon the disposal of the whole of the **Provider's** business or undertaking, the **Provider** may transfer its rights and obligations under the relevant **CMIS Contract** to the purchaser thereof provided that the transfer to the purchaser of all of its rights and obligations under the **Connection and Use of System Code**, all **Bilateral Agreements** (and associated **Construction Agreements**) and all **Mandatory Services Agreements** shall have taken place;

9.1.3 upon disposal of part of the **Provider's** business or undertaking comprising **Provider's Equipment** at one or more **Connection Sites**, the **Provider** may transfer its rights and obligations under any relevant **CMIS Contract** to the purchaser thereof provided that the transfer to the purchaser of all of its rights and obligations under those **Bilateral Agreements** (and associated **Construction Agreements**) and **Mandatory Services Agreements** relevant to the part of the business or undertaking to be transferred shall have taken place.

9.2 The **Company** shall not assign or transfer nor purport to assign or transfer the benefit or burden of any **CMIS Contract** save to the holder of a **Licence** with responsibility for carrying out the **Balancing Services Activity**.

10. **CONFIDENTIALITY AND ANNOUNCEMENTS**

10.1 Subject to the exceptions provided in Paragraph 10.3 and Section 11 (*Disclosure of Information*) (and to the extent otherwise expressly permitted by these **Standard Contract Terms**), neither **Party** shall, at any time, without the prior consent of the other **Party** in writing (such consent not to be unreasonably withheld or delayed), divulge or suffer or permit its officers, employees, agents or contractors to divulge to any person or permit use by any person (other than disclosure to or use by any of its or their respective officers or employees to the extent that such disclosure and use is required to enable such persons properly to carry out their duties in connection with any **CMIS Contract**):-

10.1.1 any of the contents of a **Framework Agreement** or a **CMIS Contract**;

10.1.2 any commercially confidential information relating to the negotiations concerning the entering into of a **Framework Agreement** or a **CMIS Contract**;

10.1.3 any commercially confidential information which may come to a **Party's** knowledge in the course of such negotiations; or

10.1.4 any commercially confidential information concerning the operations, contracts, commercial or financial arrangements or affairs of the other **Party**.

10.2 Each **Party** undertakes to use information referred to in Paragraph 10.1 and disclosed to it by the other **Party** solely for the purposes of performing a **CMIS Contract** and shall not use it for any other purpose or for the purposes of any third party.

- 10.3 The restrictions imposed by Paragraph 10.1 shall not apply to the disclosure of any information:
- 10.3.1 which now or hereafter comes into the public domain otherwise than as a result of a breach of a confidentiality obligation or which either **Party** can show was in its written records prior to the date of disclosure of the same by the other **Party**, under these **Standard Contract Terms** or which it receives from a third party independently entitled to disclose it;
- 10.3.2 which is required by law or pursuant to the rules of the Electricity Arbitration Association in England and Wales or pursuant to the rules or regulations of the Financial Services Authority to be disclosed to any person who is authorised by law or pursuant to the rules of the Electricity Arbitration Association in England and Wales or pursuant to the rules or regulations of the Financial Services Authority to receive the same;
- 10.3.3 which is required to be disclosed by the regulations of any recognised exchange upon which the share capital of the **Party** making the disclosure (or its parent undertaking) is or is proposed to be from time to time listed or dealt in, or is required to be disclosed by the Panel on Takeovers and Mergers;
- 10.3.4 to a court, arbitrator or administrative tribunal in the course of proceedings before it to which the disclosing **Party** is a party;
- 10.3.5 pursuant to any **Licence** of the **Party** concerned;
- 10.3.6 to any consultants, banks, financiers, insurers or professional advisers retained by the disclosing **Party**;
- 10.3.7 by the **Provider** to a third party who is a party to a power purchase agreement in respect of the electricity generated by the **Power Station** and with whom all (or some of) the risks and benefits arising from a **CMIS Contract** will be shared provided such party is subject to confidentiality undertakings which are no less onerous than those to which the **Provider** is subject to under these **Standard Contract Terms**;
- 10.3.8 by either **Party** to any parent or any other company that directly or indirectly holds shares in that **Party**, or any subsidiary or fellow subsidiary undertaking, in each case, on a “need to know” basis only and provided that any such company is subject to confidentiality undertakings which are no less onerous than those to which the **Party** is subject under this **Agreement**;
- 10.3.9 required or expressly permitted to be disclosed under the terms of any agreement or arrangement to which both the **Parties** have agreed to be bound; or
- 10.3.10 which is disclosed to a third party in connection with an assignment or transfer permitted under Paragraph 9.1, provided that such third party is subject to confidentiality undertakings which are no less onerous than those to which the **Provider** is subject under these **Standard Contract Terms**.
- 10.4 In this Section 10, the words “parent undertaking”, “subsidiary undertaking” and “fellow subsidiary undertaking” shall have the meanings as provided in sections 1161 and 1162 of the Companies Act 2006.
- 10.5 Before either **Party** discloses any information in any of the circumstances described in Paragraphs 10.3.6 to 10.3.8 (other than to its authorised professional advisers),

it shall notify the other **Party** of its intention to make such disclosure and (in the case where the disclosing **Party** is the **Provider**) procure the execution and delivery to that **Party** of an undertaking executed by the person to whom the disclosure is proposed to be made being in the same terms mutatis mutandis as the undertakings contained in this Section 10.

- 10.6 No public announcement or statement regarding the signature, performance or termination of any **CMIS Contract** shall be issued or made by either **Party** unless:
 - 10.6.1 to the extent legally possible, before it is issued or made, both the **Parties** have been furnished with a copy of it and have approved it (such approval not to be unreasonably withheld or delayed); or
 - 10.6.2 it is necessary to do so in order to comply with any applicable law or the regulations of any recognised stock exchange upon which the share capital of such Party is from time to time listed or dealt in.
- 10.7 With respect to the information referred to in Paragraph 10.1 both **Parties** shall ensure, to the extent reasonably practicable, that:-
 - 10.7.1 such information is disseminated within their respective organisations on a “need to know” basis only;
 - 10.7.2 employees, directors, agents, consultants and professional advisers who are in receipt of such information are made fully aware of the **Party’s** obligations of confidence in relation thereto; and
 - 10.7.3 any copies of such information, whether in hard copy or computerised form, will clearly identify the information as confidential.
- 10.8 Notwithstanding any other provision of these **Standard Contract Terms**, the provisions of this Section 10 shall continue to bind a person after termination of any **CMIS Contract** for whatever reason.

11. **DISCLOSURE OF INFORMATION**

- 11.1 The **Provider** hereby consents to the disclosure and use by the **Company** in such manner or form and at such times as it thinks fit of:
 - 11.1.1 the rates for calculating **Arming Payments, De-Loading Payments and Tripping Payments** for each **Contracted Unit**;
 - 11.1.2 the periods for which **Arming** of the **Operational Tripping Scheme** in respect of the **Contracted Units** has been instructed;
 - 11.1.3 the aggregate cost of **Arming Payments**, the aggregate amount of **De-Loading Payments** and the aggregate amount of **Tripping Payments** made by the **Company** to the **Provider** and all other Providers participating in the **CMIS**; and
 - 11.1.4 any other data and other information relating to these **Standard Contract Terms** and the provision of the **CMIS** for the purposes of any or all of the statements published from time to time pursuant to **Standard Condition C16** of the **Transmission Licence**.
- 11.2 Where the **Company** intends disclosing and using any data or other information relating to these **Standard Contract Terms** other than that specified in Paragraph 11.1 it shall first consult with the **Provider** regarding the form and scope of the

intended disclosure documentation and, acting reasonably and in good faith, make such adjustments to the disclosure documentation as the **Provider** may reasonably request in order to protect its business interests.

12. **WAIVER**

No delay by or omission of any **Party** in exercising any right, power, privilege or remedy under these **Standard Contract Terms** shall operate to impair such right, power, privilege or remedy or be construed as a waiver thereof. Any single or partial exercise of any such right, power, privilege or remedy shall not preclude any other or further exercise thereof or the exercise of any other right, power, privilege or remedy.

13. **NOTICES**

13.1 Any notice or other communication (other than those to be given under Section **Error! Reference source not found.** (*Service Obligations*) or otherwise in respect of operational matters) (a "**Notice**") to be given by one **Party** to the other under, or in connection with the matters contemplated by, these **Standard Contract Terms**, any **Framework Agreement** or **CMIS Contract** shall be given by letter delivered by hand or sent by first class prepaid post (airmail if overseas) or facsimile or email, and sent to the address or facsimile number or email address of such other **Party** given in the **Framework Agreement** for the purpose and marked for the attention of the person so given or to such other address, email or facsimile number and/or marked for such other attention as such other **Party** may from time to time specify by notice given in accordance with this Section 13 to the **Party** giving the relevant notice or other communication to it.

13.2 A Notice shall be deemed to have been received:-

13.2.1 in the case of delivery by hand, when delivered; or

13.2.2 in the case of first class prepaid post, on the second day following the day of posting or (if sent airmail from overseas) on the fifth day following the day of posting; or

13.2.3 in the case of email, at the time of transmission or, if this time falls outside **Business Hours** in the place of receipt, when **Business Hours** resume; or

13.2.4 in the case of facsimile, on acknowledgement by the addressee's facsimile receiving equipment (where such acknowledgement occurs within **Business Hours**, on the day of acknowledgement) and in any other case on the day following the day of acknowledgement.

14. **DISPUTE RESOLUTION**

14.1 Save where expressly stated in these **Standard Contract Terms** to the contrary and subject to any contrary provision of the **Act** or any **Licence** or the rights, powers, duties and obligations of the **Authority** or the **Secretary of State** under the **Act**, any **Licence** or otherwise howsoever, any dispute or difference of whatever nature howsoever arising under out of or in connection with a **Framework Agreement** or a **CMIS Contract** between the **Parties** shall be and is hereby referred to arbitration pursuant to the rules of the **Electricity Arbitration Association** in force from time to time.

14.2 Whatever the nationality, residence or domicile of either **Party** and wherever the dispute or difference or any part thereof arose, the law of England shall be the proper law of any reference to arbitration hereunder and in particular (but not so as

to derogate from the generality of the foregoing) the provisions of the Arbitration Act 1996 (notwithstanding anything in section 108 thereof) shall apply to any such arbitration wherever the same or any part of it shall be conducted.

15. **JURISDICTION**

15.1 Subject and without prejudice to Section 14 and to Paragraph 15.4, both **Parties** irrevocably agree that the courts of England and Wales are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the **Framework Agreement** or any **CMIS Contract** and that accordingly any suit, action or proceeding (together in this Section 15 referred to as "**Proceedings**") arising out of or in connection with these **Standard Contract Terms** may be brought to such courts.

15.2 Each **Party** irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any **Proceedings** in any such court as is referred to in this Section 15 and any claim that any such **Proceedings** have been brought in an inconvenient forum and further irrevocably agrees that judgment in any proceedings brought in the courts of England and Wales shall be conclusive and binding upon such **Party** and may be enforced in the courts of any other jurisdiction.

15.3 Each **Party** which is not incorporated in any part of Great Britain 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, a person in Great Britain to accept service of process on its behalf in any **Proceedings** in Great Britain.

15.4 For the avoidance of doubt nothing contained in the foregoing provisions of this Section 15 shall be taken as permitting a party to commence **Proceedings** in the courts where these **Standard Contract Terms** otherwise provide for **Proceedings** to be referred to arbitration.

16. **GOVERNING LAW**

These **Standard Contract Terms**, any **Framework Agreement** and any **CMIS Contract** shall be governed by and construed in all respects in accordance with the laws of England and Wales.

17. **SEVERANCE OF TERMS**

If any provision of these **Standard Contract Terms** is or becomes or is declared invalid, unenforceable or illegal by the courts of any jurisdiction to which it is subject or by order of the **Secretary of State**, such invalidity, unenforceability or illegality shall not prejudice or affect the remaining provisions of these **Standard Contract Terms** which shall continue in full force and effect notwithstanding such invalidity, unenforceability or illegality.

18. **ENTIRE AGREEMENT**

These **Standard Contract Terms**, the **Framework Agreement** and any **CMIS Contract** contain or expressly refer to the entire agreement between the **Parties** with respect to the subject matter hereof, and expressly exclude any warranty, condition or other undertaking implied at law or by custom, and supersede all previous agreements and understandings between the **Parties** with respect thereto. Each of the **Parties** acknowledges and confirms that it is not aware of any representation, warranty or other undertaking not fully reflected in the terms of these **Standard Contract Terms** or the **Framework Agreement** upon which it has relied in entering into any **CMIS Contract**.

To the extent that any such representation, warranty or other undertaking exists, each **Party** irrevocably and unconditionally waives any right it may have to claim damages for breach of warranty and/or to rescind any **CMIS Contract** unless such warranty or misrepresentation was made or given fraudulently.

19. **RIGHTS OF THIRD PARTIES**

19.1 The **Parties** hereby acknowledge and agree for the purposes of the Contracts (Rights of Third Parties) Act 1999 that no rights, powers or benefits are or shall be conferred on any person pursuant to any **Framework Agreement** or **CMIS Contract** save as expressly provided in these **Standard Contract Terms**.

20. **FORCE MAJEURE**

20.1 In so far as either **Party** is prevented from performing any of its obligations under the **Framework Agreement** or any **CMIS Contract** due to an event or circumstance of **Force Majeure**, then the rights and obligations of the **Parties** shall be suspended for as long as and to the extent that the circumstance of **Force Majeure** prevents such performance. For the avoidance of doubt:

20.1.1 the **Provider** shall not be entitled to any **Arming Payment** to the extent that the **Power Station** is unavailable by reason of **Force Majeure**;

20.1.2 the **Parties** agree that they shall not be relieved from their obligations under the **Framework Agreement** or any **CMIS Contract** by reason of events or circumstances commencing prior to the last date specified in the **Tender for Tender Submissions** and continuing as at that date including restrictions introduced by any **Competent Authority** in relation to **Coronavirus** and the **Coronavirus Disease**; and

20.1.3 the **Parties** further agree that they shall be relieved from their obligations under the **Framework Agreement** or any **CMIS Contract** to the extent that they are unable to perform them by reason of any further restrictions or guidance introduced by any **Competent Authority** in relation to **Coronavirus** and the **Coronavirus Disease** on or after the date on which the **Provider** submitted its **Tender Submission**.

20.2 The **Party** affected by the **Force Majeure** shall notify the other **Party** in writing immediately upon becoming aware of an event or circumstance of **Force Majeure**, an explanation of the **Force Majeure** event (including, without limitation, the nature of the occurrence and its expected duration) and the obligations which it is prevented from performing and shall continue to furnish regular reports with respect thereto to the other **Party** during the period of **Force Majeure**.

20.3 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 under the **Framework Agreement** or any **CMIS Contract**.

20.4 For the avoidance of doubt the non-performance of either **Party's** obligations under the **Framework Agreement** or any **CMIS Contract** arising prior to the event or circumstance of **Force Majeure**, shall not be excused as a result of the event or circumstance of **Force Majeure**.

20.5 Either **Party** shall have a right to terminate any **CMIS Contract** if a **Party** has been prevented from performing its obligations due to an event of **Force Majeure** for a continuous period of two (2) Months.

21. **WARRANTIES AND INDEMNITIES**

21.1 The **Provider** hereby warrants and represents to the **Company** that on each occasion on which a **CMIS Contract** comes into existence:

21.1.1 the availability and delivery of the **CMIS** from the **Power Station** pursuant to and in accordance with these **Standard Contract Terms** does not cause it to be in breach of, or to otherwise be non-compliant with, any **Legal Requirement** and/or any agreement with any person;

21.1.2 it will not do anything in connection with these **Standard Contract Terms** that will cause it to be in breach of, or to otherwise be non-compliant with, any **Legal Requirement** and/or any agreement with any person; and

21.1.3 save where the **Provider** has sought and been granted written consent by the **Company** (such consent to be at the **Company's** sole discretion), it is not a party to an agreement or arrangement other than a **Relevant Contract** with the **Company** or any **DNO** or electricity supplier or other person to provide **Stability Compensation Services, Active Network Management** or any other service from the **Power Station** which may impair the ability of the **Provider** to provide the **CMIS** and/or perform its obligations under these **Standard Contract Terms**,

and the **Provider** repeats this warranty and representation on acknowledgement of each **Arming Instruction**.

21.2 If, notwithstanding Paragraph 21.1, the **Company** receives a claim by a third party related to any actual or alleged breach or non-compliance by the **Provider** as described in Paragraph 21.1 ("**Third Party Claim**"), the **Company** shall:

21.2.1 as soon as reasonably practicable, give written notice to the **Provider**, specifying in reasonable detail the nature of the **Third Party Claim**;

21.2.2 keep the **Provider** reasonably informed of the progress of the **Third Party Claim**;

21.2.3 if requested by the **Provider**, supply (at the **Provider's** expense) copies of any material correspondence or other documents relating to the **Third Party Claim** (subject to legal professional privilege and any obligations of confidence that are binding on the **Company**); and

21.2.4 use reasonable endeavours to consult with the **Provider** regarding the conduct of the **Third Party Claim**,

and the **Provider** shall indemnify the **Company** against all and any losses, liabilities, claims and expenses that may be suffered or incurred by the **Company** in connection therewith. Such indemnity shall include any legal costs and expenses reasonably incurred in the contesting of such claim, including the court costs and the reasonable fees of lawyers and other professional advisers.

22. **ANTI-BRIBERY, SANCTIONS AND ESO KEY POLICIES**

22.1 Each Party shall:

22.1.1 comply with all Anti-Bribery Laws;

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

- 22.1.3 have and shall maintain in place throughout the term of each **CMIS Contract** its own policies and procedures, including **Adequate Procedures** to ensure compliance with the **Anti-Bribery Laws**, and this Paragraph 22.1, and will enforce them where appropriate;
- 22.1.4 procure and ensure that all of its **Associated Persons** and/or other persons who are performing services and/or providing goods in connection with any **CMIS Contract** comply with this Section 22.
- 22.2 Without prejudice to any other rights or remedies either Party may terminate the Framework Agreement and any subsisting **CMIS Contract** on written notice to the other **Party** specifying the date on which these **Standard Contract Terms** will terminate in the event of a breach of Paragraph 22.1.
- 22.3 The **Provider** shall take all reasonable steps in accordance with **Good Industry Practice** to procure that no aspect of its performance of any **CMIS Contract**:
 - 22.3.1 involves a **Sanctioned Person**; or
 - 22.3.2 any breach of the **ESO Key Policies**.
- 22.4 The **Provider** shall comply with the provisions of Schedule 7 (*Security*) in relation to the services, systems and personnel used by the **Provider** to perform any **CMIS Contract**, provided always that, references in Schedule 7 to “Deliverables” are not applicable to any **CMIS Contract**.

23. **EMR**

- 23.1 Notwithstanding any confidentiality obligations and any restriction on the use or disclosure of information set out in these **Standard Contract Terms**, the **Provider** consents to the **Company** and each of its subsidiaries using all and any information or data supplied to or acquired by it in any year under or in connection with any **CMIS Contract** for the purpose of carrying out its **EMR Functions**.
- 23.2 The provisions relating to the resolution of disputes set out in these **Standard Contract Terms** are subject to any contrary provision of an **EMR Document**.
- 23.3 Where for the purposes of this provision only:

“**AF Rules**” has the meaning given to “allocation framework” in section 13(2) of the Energy Act 2013;

“**Capacity Market Rules**” means the rules made under section 34 of the Energy Act 2013 as modified from time to time in accordance with that section and The Electricity Capacity Regulations 2014;

- “EMR Document”** means The Energy Act 2013, The Electricity Capacity Regulations 2014, the Capacity Market Rules, The Contracts for Difference (Allocation) Regulations 2014, The Contracts for Difference (Definition of Eligible Provider) Regulations 2014, The Contracts for Difference (Electricity Supplier Obligations) Regulations 2014, The Electricity Market Reform (General) Regulations 2014, the AF Rules and any other regulations or instruments made under Chapter 2 (contracts for difference), Chapter 3 (capacity market) or Chapter 4 (investment contracts) of Part 2 of the Energy Act 2013 which are in force from time to time; and
- “EMR Functions”** has the meaning given to “EMR functions” in Chapter 5 of Part 2 of the Energy Act 2013.

24. **CHANGE IN LAW**

24.1 If a **Relevant Change in Law** occurs that:

24.1.1 requires a change in the **Provider’s** policies or practices in operating the **Contracted Units** for the purposes of the **CMIS**; or

24.1.2 materially increases or decreases the **Provider’s** costs of performing any **CMIS Contract**,

either **Party** may, by not less than ten (10) **Business Days** notice to the other **Party**, seek in good faith to agree in accordance with the change management procedure detailed in Schedule 5 any changes in operating practice and/or any changes which should be made to these **Standard Contract Terms** as are necessary to achieve (insofar as possible) the same balance of benefits, liabilities, risk and reward between the **Parties** in respect of the subject matter of any **CMIS Contract** as applied immediately prior to the **Relevant Change in Law**.

SCHEDULE 1 DEFINITIONS

“ABSVD Methodology”	has the meaning given to it in the CUSC ; the Electricity Act 1989;
“Active Network Management”	a scheme operated by a Distribution Network Operator that monitors and acts on Distributed Energy Resources connected to its system;
“Active Power”	the product of voltage and the in-phase component of alternating current measured in units of Watts and standard multiples thereof i.e. 1000 Watts = 1kW 1000 kW = 1MW 1000 MW = 1GW 1000 GW = 1TW;
“Adequate Procedures”	shall be determined in accordance with section 7(2) of the Bribery Act (and any guidance issued under section 8 of that Act);
“Allowed Interruption”	the meaning attributed to it in the CUSC ;
“Anti-Bribery Laws”	shall mean all applicable laws, statutes, regulations, and codes of mandatory application relating to anti-bribery and anti-corruption including but not limited to the Bribery Act ;
“Apparatus”	all equipment in which electrical conductors are used, supported or of which they may form a part;
“Arm”	the switching in of the Operational Tripping Scheme in respect of a Contracted Unit so as to allow signals to pass from the Operational Tripping Scheme to the relevant Circuit Breakers , and “Armed” and “Arming” shall be construed accordingly;
“Arming Instruction”	the meaning attributed to it in Paragraph 4.3.1;
“Arming Payment”	the meaning attributed to it in Paragraph 4.7.1;
“Arming Payment Rate”	the payment rate specified in a CMIS Tender or agreed between the Parties under Paragraph 3.2 or Paragraph 3.11 for the purposes of calculating the Arming

	Payment , as the same may be revised from time to time in accordance with Paragraph 4.12.1;
“Arming Period”	the period in respect of which the Operational Tripping Scheme is Armed by the Company in relation to a Contracted Unit ;
“Associated Person”	shall have the meaning ascribed to it in section 8 of the Bribery Act and shall include but is not limited to any employees, agents and/or subcontractors of the Provider or the Company as applicable in relation to the provision of the CMIS ;
“Authority”	the Gas and Electricity Markets Authority established by section 1 of the Utilities Act 2000;
“Balancing and Settlement Code (BSC)”	the meaning attributed to it in the Transmission Licence ;
“Balancing Mechanism”	the meaning attributed to it in the Transmission Licence ;
“Balancing Mechanism Window”	In relation to a particular time, means the period from that time to the end of the Settlement Period for which Gate Closure has most recently occurred at that time and having a duration of between 1 and 1½ hours.;
“Balancing Services Activity”	the meaning attributed to it in the Transmission Licence ;
“Base Rate”	means the Bank of England Official Rate from time to time provided that, if at any time the Bank of England Official Rate is a negative rate, then zero per cent (0%);
“BESS”	a battery energy storage system;
“Bid-Offer Acceptance”	the meaning attributed to it in the Grid Code ;
“Bilateral Connection Agreement”	the Bilateral Connection Agreement (as that term is defined in the CUSC) relating to the Contracted Unit ;
“BM Unit”	the meaning attributed to it in the BSC , except for the purposes of these Standard Contract Terms the reference to “a Party ” in the BSC shall be a reference to the Provider ;
“BM Unit Metered Volume”	the meaning attributed to it in the BSC ;

“Business Day”	a week-day other than a Saturday on which banks are open for domestic business in the City of London;
“Business Hours”	means 9.00am to 5.00pm Monday to Friday on a day that is not a public holiday in the place of receipt;
“Change in Law”	means the occurrence of any of the following events after the date of the relevant CMIS Contract : <ul style="list-style-type: none"> (a) the coming into effect of any Law or Directive that is not in effect as at the date of the relevant CMIS Contract; (b) the repeal, replacement or amendment of any Law or Directive; or (c) a change in the interpretation by any Competent Authority of any Law or Directive;
“Circuit Breaker”	a mechanical switching device, capable of making carrying and breaking currents under normal circuit conditions and also of making, carrying for a specified time and breaking currents under specific abnormal circuit conditions, such as those of short circuit;
“CMIS Contract”	each contract made between the Company and a Provider for the provision of the CMIS during a CMIS Year , formed upon acceptance by the Company of a CMIS Tender or upon agreement between the Company and a User with a Co-Located Unit in accordance with Paragraph 3.12;
“CMIS Tender”	a tender submitted by a Provider to the Company for the provision from a Contracted Unit of the CMIS in the form set out in the CMIS Tender Procedure ;
“CMIS Tender Assessment Principles”	the tender assessment principles published by the Company for the purposes of the CMIS from time to time;
“CMIS Tender Procedure”	the documentation published from time to time by the Company setting out the procedure to be followed for the procurement of CMIS Contracts ;

“ CMIS Year ”	each period of twelve (12) Months commencing at 00:00 hours on 1 April and ending at 23:59 hours on the following 31 March;
“ Co-Located Contracted Unit ”	a Co-Located Unit that is subject to a CMIS Contract ;
“ Co-Located Unit ”	a Generating Unit or BESS that is connected behind the same Circuit Breaker as that Contracted Unit ;
“ Combined Cycle Gas Turbine Module ” or “ CCGT Unit ”	a collection of Generating Units (registered as a CCGT Module under the Grid Code PC) comprising one or more Gas Turbine Units (or other gas based engine units) and one or more Steam Units where, in normal operation, the waste heat from the Gas Turbine Units is passed to the water/steam of the associated Steam Unit or Steam Units and where the component units within the CCGT Module are directly connected by steam or hot gas lines which enable those units to contribute to the efficiency of the combined cycle operation of the CCGT Module ;
“ Competent Authority ”	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 the Company or the subject matter of any CMIS Contract ;
“ Connection and Use of System Code ” or “ CUSC ”	the Connection and Use of System Code designed by the Secretary of State as from time to time modified;
“ Connection Site ”	each location more particularly described in the relevant Bilateral Agreement at which the Provider’s Equipment and Transmission Connection Assets required to connect the Provider to the National Electricity Transmission System are situated or at which the Provider’s Equipment is connected to a User System ;
“ Constraint Management Intertrip Service ” or “ CMIS ”	a service whereby one or more Generating Units Fast Trip and/or De-Load in accordance with a signal from the Operational Tripping Scheme ;
“ Construction Agreement ”	as defined in the CUSC ;

“ Contracted Unit ”	each BM Unit at the Provider’s Power Station specified in Schedule 1, Part 1 of the Framework Agreement , together referred to as the Contracted Units ;
“ Coronavirus ”	has the meaning given to it in the Coronavirus Act 2020, as at the date hereof;
“ Coronavirus Disease ”	has the meaning given to it in the Coronavirus Act 2020, as at the date hereof;
“ CUSC Framework Agreement ”	the meaning attributed to it in the Transmission Licence ;
“ Customer ”	a person to whom electrical power is provided (whether or not he is the same person as the person who provides the electrical power) other than power to meet Station Demand of that person;
“ De-Load ”	where, in response to a signal from the Operational Tripping Scheme (but not otherwise) the Provider ramps down a Contracted Unit’s output to zero MW within ten (10) seconds, measured from the fault occurrence to the zero MW output, during any Arming Period and “ De-Loaded ” and “ De-Loading ” shall be construed accordingly;
“ De-Loading Charge ”	the amount specified as such in a CMIS Tender ;
“ De-Loading Payment ”	has the meaning given to it in Paragraph 4.7.2.1;
“ Demand ”	the demand of MW and Mvar of Electricity ;
“ Desynchronisation ”	the act of taking a Generating Unit off a System to which it has been Synchronised by opening any connecting Circuit Breaker and “ Desynchronised ” shall be construed accordingly;
“ Disarm ”	the switching out of the Operational Tripping Scheme in respect of the Contracted Units so as to prevent the applicable signals passing from the Operational Tripping Scheme to the relevant Circuit Breakers , and “ Disarmed ” and “ Disarming ” shall be construed accordingly;
“ Disarming Instruction ”	the meaning attributed to it in Paragraph 4.5.1;
“ Disconnect ”	permanent physical disconnection of the Provider’s Equipment at any given Connection Site and “ Disconnection ” shall be construed accordingly;

“Distribution Licence”	a licence issued under section 6(1)(c) of the Act ;
“Distribution Network Operator”	a holder of a Distribution Licence who was the holder of, or is a successor to a company which was the holder of a Public Electricity Supply Licence , relating to distribution activities in Great Britain;
“EDL”	means the electronic despatch logging mechanism by which the Company notifies the Provider in respect of its Contracted Units of the arming and disarming of the Operational Tripping Scheme ;
“Electricity”	Active Energy and Reactive Energy ;
“Electricity Arbitration Association”	the meaning attributed to it in the Grid Code ;
“Emergency Instruction”	the meaning attributed to it in the Grid Code ;
“Energy” or “Active Energy”	the electrical energy produced, flowing or supplied by an electric circuit during a time interval, being the integral with respect to time of the instantaneous power, measured in units of Watt-hours or standard multiples thereof i.e. 1000 Wh = 1kWh 1000 kWh = 1MWh 1000 MWh = 1GWh 1000 GWh = 1TWh
“Energy Metering Equipment”	the meaning attributed to the phrase “Metering Equipment” in the Balancing and Settlement Code ;
“ESO Key Policies”	the published ESO policies, available online as may be amended from time to time, relating to: <ul style="list-style-type: none"> • Supplier Code of Conduct; • Code of Ethics; • Anti-Financial Crimes Policy; • Environmental Policy; • Occupational Safety Policy; • Process Safety Policy; and • Wellbeing and Health Policy.
“Expert”	an independent expert appointed for the purposes of Expert determination;

“Externally Interconnected System Operator”	the meaning attributed to it in the Grid Code ;
“Fast Trip”	in relation to a Contracted Unit , the opening of any one or more Relevant Circuit Breakers in response to a signal from the Operational Tripping Scheme (and not otherwise) during any Arming Period and within 150ms - 200ms, measured from the fault occurrence, to opening of any one or more Relevant Circuit Breakers, so that the Contracted Unit has an Output of zero MW input at the grid connection point thereafter and “Fast Tripped” and “Fast Tripping” shall be construed accordingly;
“Feasibility Study”	a feasibility study procured by the Provider of the means by which each of its Contracted Units would be connected to the Operational Tripping Scheme ;
“Feasibility Study Report”	a report submitted by the Provider as part of its CMIS Tender setting out the findings of the Feasibility Study ;
“Final Change Decision”	means the Company’s decision on implementation of a Change Proposal formulated pursuant to Schedule 5 sub-paragraph 5(b);
“Force Majeure”	for the purposes of Section 20 in relation to either Party to this Agreement any event or circumstance which is beyond the reasonable control of such Party (not being, without limitation an event or circumstance caused by the negligence or lack of care and attention of that Party or its officers or employees, agents, contractors, and subcontractors or a failure to maintain such Plant in accordance with Good Industry Practice) but subject thereto including act of God, epidemic or pandemic, strike, lockout or other industrial disturbance, act of the public enemy, war declared or undeclared, threat of war, terrorist act, blockade, revolution, riot, insurrection, civil commotion, public demonstration, sabotage, act of vandalism, lightning, fire, storm, flood, earthquake, accumulation of snow or ice, lack of water arising from weather or environmental problems, explosion, governmental restraint, Act of Parliament, other legislation, bye law and Directive (not being any order, regulation or direction under Section 32, 33, 34 and 35 of the Act) provided always that lack of funds shall not be interpreted as a cause beyond the reasonable control of that Party ;

“Framework Agreement”	an agreement titled “CMIS Framework Agreement” entered into between the Company and a Provider giving contractual effect to these Standard Terms and Conditions ;
“Gate Closure”	means, in relation to a Settlement Period , the spot time 1 hour before the spot time at the start of that Settlement Period ;
“Generating Unit”	any Apparatus which produces electricity;
“Generation Licence”	the licence granted to the Provider pursuant to section 6(1)(a) of the Act ;
“Good Industry Practice”	the exercise of that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced operator engaged in the same type of undertaking under the same or similar circumstances;
“Grid Code”	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 Standard Contract 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);
“Grid Code CC”	the Connection Conditions of Grid Code ;
“Grid Code OC”	the Operating Codes of the Grid Code ;
“Grid Code PC”	the Planning Code of the Grid Code ;
“Grid Supply Point”	a point of supply from the National Electricity Transmission System to Network Operators or Non-Embedded Customers ;
“Group”	means, in respect of a Party , that Party’s parent undertakings, subsidiary undertakings and any subsidiary undertakings of any such parent undertaking (where the terms “ parent ”, “ subsidiary ” and “ undertaking ” shall have the meanings as provided in sections 1159, 1161 and 1162 of the Companies Act 2006);
“Industry Document”	means a multilateral code or agreement created and maintained pursuant to a Licence ;

“Industry Information Website”	means the web page on the Company’s website for the publication of information regarding the CMIS for the use of Providers ;
“Interruption Payment”	the meaning attributed to it in the CUSC ;
“Law or Directive”	means: <ul style="list-style-type: none"> (a) any law (including the common law); (b) any statute, statutory instrument, regulation, instruction, direction, rule or requirement of any Competent Authority; (c) any condition or other requirement of any Licence or other required authorisation, licence, consent, permit or approval (or of any exemption from the requirement to have the same); and (d) any provision of any Industry Document;
“Legal Requirement”	has the meaning given to it in the BSC ;
“Licence”	any one or more as appropriate of the Licences granted pursuant to section 6 of the Act ;
“Local TO”	means the owner of that part of the NETS to which the Contracted Units are connected;
“Mandatory Ancillary Service”	has the meaning attributed to it in the CUSC ;
“Mandatory Services Agreement”	has the meaning attributed to it in the CUSC ;
“Maximum Export Limit” (MEL)	has the meaning attributed to the term in Appendix 1 of Grid Code BC1
“National Electricity Transmission System” or “NETS”	has the meaning attributed to it in the CUSC ;
“Network Operator”	a person with a User System directly connected to the National Electricity Transmission System to which Customers and/or Power Stations (not forming part of a User System) are connected, acting in its capacity as operator of the User System , but shall not include a person acting in the capacity of Externally Interconnected System Operator ;

“Non-Embedded Customer”	a Customer except for a Network Operator acting in its capacity as such receiving electricity direct from the National Electricity Transmission System irrespective of from whom it is supplied;
“Offshore”	the meaning attributed to it in the Grid Code ;
“Offshore Grid Entry Point”	the meaning attributed to it in the Grid Code ;
“Offshore Transmission System”	the meaning attributed to it in the Grid Code ;
“Onshore”	the meaning attributed to it in the Grid Code ;
“Operational Metering Equipment”	meters, instrument transformers (both voltage and current), transducers metering protection equipment including alarms circuitry and their associated outstations as may be necessary for the purposes of the Grid Code CC6.5.6 and the corresponding provision of the relevant Distribution Code ;
“Operational Tripping Scheme”	the East Anglia Operational Intertripping Scheme owned, operated and maintained by the Responsible TO which incorporates (inter alia) the Fast Trip Conditions and which can issue a signal to Fast Trip one or more of the Contracted Units ;
“Output”	the actual Active Power or Reactive Power output achieved by a BM Unit ;
“Party”	the Company or a Provider and “Parties” shall be construed accordingly;
“Party Liable”	the meaning attributed to it in Paragraph 6.1;
“Physical Notification or PN”	the meaning attributed to it in the Grid Code ;
“Plant”	fixed and movable items used in the generation and/or supply and/or transmission of electricity other than Apparatus ;
“Power Station”	the installation comprising one or more Generating Units (even where separately sited) owned or controlled by the Provider which may reasonably be considered as being managed as one power station;
“Proceedings”	the meaning attributed to it in Paragraph 15.1;

“Proposed Legal Requirement”	means a Legal Requirement that has been proposed by a Competent Authority , including without limitation by means of a consultation, white paper, green paper or parliamentary bill, but which has not yet come into effect as a Change in Law ;
“Provider’s Equipment”	<p>the Plant and Apparatus owned by the Provider (ascertained in the absence of agreement to the contrary by reference to the principles of ownership set out in CUSC) which:</p> <p>(i) is connected to Transmission Connection Assets forming part of any particular Connection Site to which the Provider wishes so to connect; or</p> <p>(ii) is connected to a User System to which the Provider wishes so to connect;</p>
“Public Electricity Supply Licence”	a licence issued under section 6(1)(c) of the Act prior to the coming into force of section 30 of the Utilities Act 2000;
“Qualifying Change in Law”	means a Change in Law which principally affects or principally relates to the Company in its capacity as operator of the National Electricity Transmission System and/or the procurement of the CMIS or balancing services generally;
“Reactive Energy”	the integral with respect to time of Reactive Power ;
“Reactive Power”	<p>the product of voltage and current and the sine of the phase angle between them measured in units of voltamperes reactive and standard multiples thereof i.e.,</p> <p>1000 Var = 1kvar</p> <p>1000 kVar = 1Mvar</p>
“Related Contracted Unit”	has the meaning given to it in Paragraph 3.12;
“Relevant Change in Law”	<p>means a Change in Law that:</p> <p>(a) was not, acting in accordance with Good Industry Practice, reasonably foreseeable by the Provider as at the date of the relevant CMIS Contract; and</p> <p>(b) affects the provision of the Contract Management Service or other similar services but not one which</p>

	affects the operation of the Provider’s Contracted Units in general;
“Relevant Circuit Breaker”	means: <ul style="list-style-type: none"> (a) in relation to a Contracted Unit located Onshore, a Circuit Breaker on the transmission feeder circuit; or (b) in relation to a Contracted Unit located Offshore, a Circuit Breaker [at the Offshore Grid Entry Point]¹ that has been nominated as available to be Armed;
“Relevant Contract”	in relation to a Provider and its Contracted Unit , any contractual commitment to provide Short Term Operating Reserve or a similar reserve service or Dynamic Containment or a similar response service other than the Mandatory Ancillary Service of Frequency Response to the Company and such other services as the Company may from time to time notify to all Providers ;
“Relevant Requirement”	in relation to a Contracted Unit , any requirement in the Bilateral Connection Agreement that could affect the ability of the Contracted Unit to provide the CMIS ;
“Remote Transmission Assets”	any Plant and Apparatus or meters owned by the Company which (a) are embedded in a User System and which are not directly connected by Plant and/or Apparatus owned by the Company to a sub-station owned by the Company and (b) are by agreement between the Company and such User under the direction and control of such User ;
“Responsible TO”	National Grid Electricity Transmission Plc, being the owner and operator of the Operational Tripping Scheme ;
“Resynchronise”	the act of Synchronising a Generating Unit with a System by closure of the circuit breaker;
“Sanctioned Country”	means any country or territory that is the target of comprehensive, country or territory wide Sanctions ;
“Sanctioned Person”	means any person (companies, entities or individuals) that is (i) listed on, or owned or controlled by a person listed on, or acting on behalf of a person listed on, a

¹ Note: this may need to be updated depending on whether the Provider has the agreement of the OFTO to use the OFTO’s equipment, or to trip the OFTO at no cost to NGENSO.

	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 ;
“Sanctions”	means economic or financial sanctions, trade embargoes or restrictive measures imposed, administered or enforced from time to time by any Sanctions Authority ;
“Sanctions Authority”	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;
“Sanctions List”	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;
“Secretary of State”	the meaning attributed to it in the Act ;
“Service Specification”	the specification for the CMIS published from time to time on the Industry Information Website ;
“Settlement Period”	a period of 30 minutes ending on the hour or half hour in each hour during a day;
“Settlement Run”	has the meaning attributed to it in the BSC ;
“Special Conditions”	has the meaning given to that term in paragraph 14 of Schedule 5 (<i>Change Control Procedure</i>);
“Stability Compensation Services”	the services contracted by the Company under the Stability Pathfinder and similar services;

“Standard Contract Terms”	these terms (including the Schedules) as amended, extended, supplemented, novated or modified from time to time;
“Station Demand”	the meaning attributed to it in the CUSC ;
“Steam Unit”	a Generating Unit whose primes mover converts the heat-energy in steam to mechanical energy;
“Supplier”	for the purposes of Schedule 7 (<i>Security</i>), means any party other than the Company or any member of its Group ;
“Supplier Personnel”	for the purposes of Schedule 7 (<i>Security</i>), means any officer, servant or employee employed or engaged by any Supplier (including via an employment business or employment agency) who is involved in providing the CMIS ;
“System”	any User System or the National Electricity Transmission System as the case may be;
“System to Provider Operational Intertripping Scheme”	the meaning attributed to it in the Grid Code ;
“Tender”	means the procurement process for the provision of the CMIS undertaken pursuant to a CMIS Tender Procedure ;
“Tender Submission”	a submission made in response to a CMIS Tender Procedure ;
“Transmission Connection Assets”	the meaning attributed to it in the CUSC ;
“Transmission Licence”	the licence granted to the Company under section 6(1)(b) of the Act ;
“Trip Conditions”	the circuits for which the Operational Tripping Scheme can be Armed in relation to a Contracted Unit , as specified in Schedule 3;
“Tripping Charge”	the amount so specified in the relevant CMIS Tender ;
“Tripping Payment”	the meaning attributed to it in Paragraph 4.7.2.2;

“User”	a person who is party to the CUSC Framework Agreement other than the Company ;
“User System”	<p>any System owned or operated by a User comprising:-</p> <ol style="list-style-type: none"> a. Generating Units; and/or b. systems consisting (wholly or mainly) of electric lines used for the distribution of electricity from Grid Supply Points or Generating Units or other entry points to the point of delivery to Customers, or other Units; c. and Plant and/or Apparatus connecting; d. the System as described above; or e. Non-Embedded Customers equipment; <p>to the National Electricity Transmission System or to the relevant other User System, as the case may be. The User System includes any Remote Transmission Assets operated by such User or other person and any Plant and/or Apparatus and meters owned or operated by the User or other person in connection with the distribution of electricity but does not include any part of the National Electricity Transmission System; and</p>
“Works Contribution Payment”	has the meaning given to it in Paragraph 3.9.

SCHEDULE 2 ABSVD METHODOLOGY

For the purposes of the **ABSVD Methodology Statement**, the reduction in **Output of Active Power** following operation of the **Operational Tripping Scheme** resulting in the **De-Loading** or **Fast Tripping** of a **Contracted Unit** shall be determined as follows:

$$SE_{sj} = \int_0^{SPD} E_{sj}(t) dt \quad \text{between } t_0 \text{ and } t_1$$

Where:

SE_{sj} is as defined in the **ABSVD Methodology Statement**

$E_{sj}(t)$ is the required energy from the **CMIS** s at time t from the start of **Settlement Period** j. The required energy is determined with reference to Figure 1 (included for illustrative purposes only):

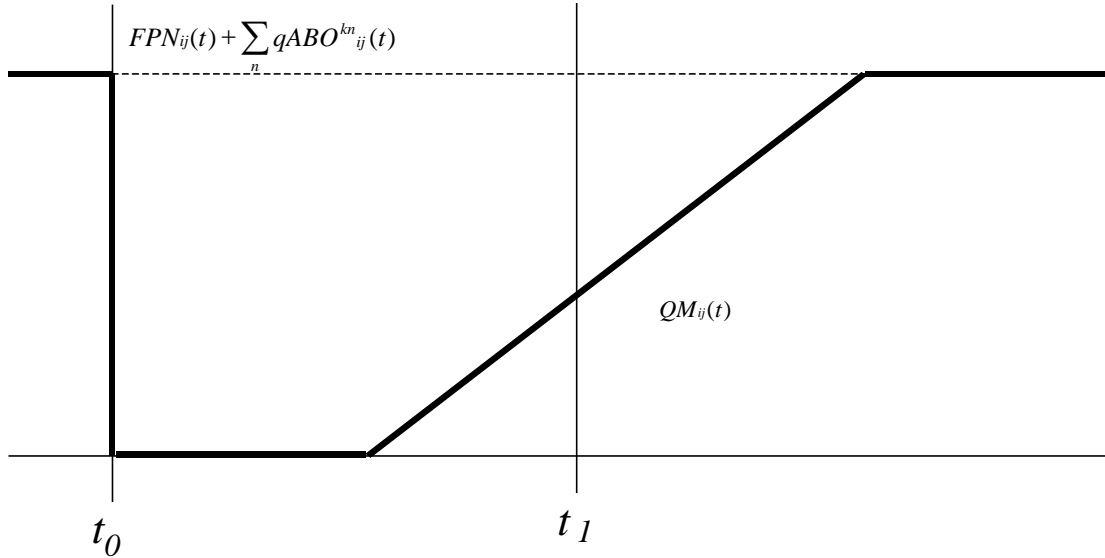


Figure 1

Where:

$$E_{sj}(t) = \left(FPN_{ij}(t) + \sum_n qABO^{kn}_{ij}(t) \right) - QM_{ij}(t)$$

$FPN_{ij}(t)$

has the meaning attributed to it in the **Balancing and Settlement Code**;

$\sum_n qABO^{kn}_{ij}(t)$

has the meaning attributed to it in the **Balancing and Settlement Code**;

$QM_{ij}(t)$

is the **BM Unit Metered Volume** (as defined in the **Balancing and Settlement Code**) at spot time t;

- t_0 is the time at which the **Fast Trip** or **De-Load** occurs;
- t_1 is the time at the end of the **Balancing Mechanism Window**.

SCHEDULE 3

TRIP CONDITIONS

FAULTED CIRCUITS

- Pelham – Burwell Main 1; Pelham – Burwell Main 2
- Burwell Main – Walpole 1; Burwell Main – Walpole 2
- Walpole – Necton – Norwich Main 1; Walpole – Necton – Norwich Main 2
- Bramford – Braintree – Rayleigh Main
- Bramford – Pelham
- Bramford – Sizewell 2; Bramford – Sizewell 3
- Sizewell – Leiston

The following are subject to extension work being undertaken by the relevant transmission owners as part of the extension of the East Anglia Operational Tripping Scheme. The **Company** shall notify the **Generator** once the extension work is complete.

- Pelham – Braintree – Rayleigh Main
- West Burton – Bicker Fen 1; West Burton – Bicker Fen 2
- Bicker Fen – Spalding North; Spalding North – Walpole;
Bicker Fen – Walpole
- Bulls Lodge – Rayleigh Main

SCHEDULE 4 ARMING PAYMENTS

The **Arming Payment** (AP_m) to be made by the **Company** to the **Provider** under Paragraph 4.7.1 for the aggregate duration of all **Arming Periods** in Month m that are not for the purposes of tests, shall be calculated in accordance with the following formula:

$$AP_m = \sum_m (APR_{ju} \times MV_{ju})$$

Where:

\sum_m is the summation for all **Settlement Periods** in Month m falling within an **Arming Period**;

APR_{ju} is the **Arming Payment Rate** (expressed in £/MWh) applicable in **Settlement Period** j , for **Contracted Unit** u ; and

MV_{ju} is the **BM Unit Metered Volume** (expressed in MWh) applicable in **Settlement Period** j , for **Contracted Unit** u .

**SCHEDULE 5
CHANGE CONTROL PROCEDURE**

1. The **Company** may propose amendments to these **Standard Contract Terms** in accordance with Paragraph 1.2 and may propose amendments requested by a **Provider** by formulating a written proposal ("**Change Proposal**").
2. The contents of a **Change Proposal** shall include without limitation:-
 - a. an explanation of, and the rationale for, each amendment, including the extent to which required as a result of a **Proposed Legal Requirement** or a **Change in Law**;
 - b. if applicable, details of the **Proposed Legal Requirement** or **Change in Law**;
 - c. the proposed implementation date; and
 - d. where reasonable to do so having regard to the nature of each amendment, a copy of these **Standard Contract Terms** (or an extract thereof) clearly identifying the proposed new or revised legal text.
3. Each **Change Proposal** shall be notified by the **Company** to the **Providers**, and for these purposes notification may be published on the **Industry Information Website**.
4. The **Company** shall give all recipients of the **Change Proposal** ("**CP Consultees**") a reasonable opportunity and, in any event, not less than thirty-one (31) calendar days, to review and provide the **Company** with written comments on each **Change Proposal**.
5. Not earlier than the date for receipt of comments from **CP Consultees** specified in Paragraph 4, and having regard to such comments received, the **Company** may, at its sole discretion, notify **CP Consultees** (which may be by publication on the **Industry Information Website**) its decision either to:-
 - a. withdraw the **Change Proposal**, which shall be effective upon written notice of the same to all **CP Consultees**; or
 - b. implement the **Change Proposal** (with or without modifications) whereupon the **Company** shall proceed to formulation of a **Final Change Decision** pursuant to paragraph 6,provided always that where the **Company** fails to take either of the steps outlined above by the date which is forty-five (45) **Business Days** after the date of notification of the **Change Proposal** then the same shall be deemed to have been withdrawn with immediate effect.
6. Each **Final Change Decision** shall specify one or more implementation dates and shall incorporate a copy of these **Standard Contract Terms** identifying clearly the new or revised legal text.
7. Each **Final Change Decision** shall be notified by the **Company** to all **CP Consultees** (which may be by publication on the **Industry Information Website**) as soon as reasonably practicable and, ordinarily either alongside or within twenty (20) **Business Days** after the notification by the **Company** of its implementation decision pursuant to paragraph 5(b).
8. The **Company's** notification of the **Final Change Decision** shall be accompanied by a summary of all written comments received in relation to the **Change Proposal** pursuant to Paragraph 4 (save to the extent marked as confidential) together with the **Company's** justification for addressing or not any such comments in the **Final Change Decision**.

9. Amendments to these **Standard Contract Terms** set out in a **Final Change Decision** notified by the **Company** pursuant to paragraph 7 shall become effective from the applicable implementation dates specified in the **Final Change Decision** ("**Final Implementation Dates**") which, for the avoidance of doubt, shall not be a date prior to the date fifteen (15) **Business Days** after notification by the proposing **Party** of the **Final Change Decision**.
10. Upon the amendments set out in a **Final Change Decision** becoming effective, these **Standard Contract Terms** as so amended shall apply with effect from the relevant **Final Implementation Date** to all **CMIS Contracts** then subsisting as well as future **CMIS Contracts**, subject always to:-
 - a. all and any accrued rights and liabilities of the **Company** and **Providers** hereunder and all and any rights and remedies they may have, in each case with respect to periods prior to the **Final Implementation Date**; and
 - b. paragraphs 15 and 17.
11. On each occasion that these **Standard Contract Terms** are amended in accordance with the foregoing provisions, the **Company** shall on or before the **Final Implementation Date** publish the **Standard Contract Terms** as so amended on the **Industry Information Website**.
12. With respect to a **Final Change Decision**, a **Provider** may, no later than fifteen (15) **Business Days** after notification by the **Company** of that **Final Change Decision**, elect by notice in writing to the **Company**, and subject always to paragraph 13, where it is of the reasonable opinion that such amendments materially prejudice its ability to provide the **CMIS** and/or comply with its **CMIS Contract**, to reject the application of such amendments to the **Standard Contract Terms** provided that such rejection is accompanied by a full and detailed justification for the rejection.
13. To the extent that any **Final Change Decision** includes amendments required as a result of a **Proposed Legal Requirement** or a **Change in Law**, no **Provider** may make an election to reject the application of such amendments pursuant to paragraph 12. Provided always that where a **Provider** disputes that a **Final Change Decision** includes amendments required as a result of a **Proposed Legal Requirement** or a **Change in Law** (including a **Qualifying Change in Law**) then it may, within the period of fifteen (15) **Business Days** specified in paragraph 12, refer that dispute for determination by an **Expert**.
14. Within twenty (20) **Business Days** of receipt by the **Company** of a **Provider's** notice pursuant to paragraph 12 to reject the application of amendments to the **Standard Contract Terms**, the **Company** and the **Provider** shall negotiate in good faith provisions the **Framework Agreement** ("**Special Conditions**") in order to negate the impact of the amendments set out in the **Final Change Decision** with respect to the **Standard Contract Terms**, such that the **Provider** is in no better and no worse position after the coming into effect of the **Final Change Decision** than it would have been had such **Final Change Decision** not come into effect.
15. If by the expiry of such period of twenty (20) **Business Days** the **Company** has been unable to reach agreement with the **Provider** as to the **Special Conditions** contemplated in paragraph 14, then either the **Company** or the **Provider** may, with the written consent of the other, refer the matter or matters in dispute for determination by an **Expert**.
16. Until such time as such **Special Conditions** are agreed or determined (as the case may be), and notwithstanding paragraph 10, unless otherwise agreed between the **Company**

and the **Provider**, the amendments set out in the relevant **Final Change Decision** shall not apply to the **Standard Contract Terms**.

17. The **Company** may at its sole discretion modify a **Final Change Decision** that is required as a result of a **Proposed Legal Requirement** at any time prior to the coming into effect of the **Change in Law**, provided that such **Final Change Decision** shall only be amended to the extent that and insofar as is necessary to give effect to any change to the **Proposed Legal Requirement** which comes to the **Company's** attention.
18. Without prejudice to any provision of this Schedule 5, the **Company** may, at its sole discretion and at any time prior to the later of (i) the relevant **Final Implementation Date** or, (ii) where paragraphs 13 or 15 apply, the date being five (5) **Business Days** after the date of the **Expert's** written decision, withdraw a **Final Change Decision** by notice in writing to the **Provider**, whereupon the same shall be of no effect and any **Special Conditions** agreed between the **Parties** pursuant to paragraph **Error! Reference source not found.** shall be removed in respect of such **Final Change Decision**.
19. Nothing in this Schedule shall preclude the **Company** and **Provider** at the relevant time from agreeing changes to these **Standard Contract Terms** at any time and from time to time otherwise than in accordance with this Schedule.

**SCHEDULE 6
FORMS**

(a) Availability / Unavailability of Operational Tripping Scheme

(Paragraph 4.9)

From:	Shift []	Group [Tel:]	Leader,
To:	Grid Operator, NGESO	Fax No. 08706024808 Back up Fax No. 08706024809	

[The **Operational Tripping Scheme** at [] [in respect of the following **Contracted Units** [will be]/[is] *[available]/[unavailable]*.]*

From:	[Time (Hrs/Min)] [date] / [immediately]
To:	[Time (Hrs/Min)] [date] / [further notice]

Reason for unavailability

Signed by	
Name	
Time	
Date	

Being authorised on behalf of the **Provider** to make this declaration.

Acknowledged by the **Company**

Signed by	
Name	
Time	
Date	

Being authorised on behalf of the **Company** to acknowledge this declaration.

SCHEDULE 7 Security

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 National Grid 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.
- Annual Background Checking Assurance Audit

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 7.233 refers), or non-compliance with this agreement and/or applicable law, Client may invoke its right to audit, as provided under this agreement, within no less than 48 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.

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 the Framework Agreement. 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 (3rd, 4th 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 is set out in the **Framework Agreement** in the table in Error! Reference source not found.. 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.

7.8. PEOPLE SECURITY

In this paragraph 7.8 the following definitions shall apply:-

Assurance Procedure means the Client's assurance process named "UKPS8: UK Contracted Service Provider Background Checking Assurance 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) a 3rd Party background checking provider; or
- (b) where paragraph 7.8.3 applies, the Assurance Procedure

3rd Party Background Checking Provider means the provider nominated by the Supplier (requires the completion of the Pre-qualification Background Checking Questions form)

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 Service or equivalent which is

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

- (c) a 3rd Party background checking provider; or
- (d) where paragraph 7.8.3 applies, the Assurance Procedure.

Visitors are Supplier's Personnel assessed by the Client's security department as exempt from the Background Checking Requirements as a result of their limited access to the Client's sites or systems.

7.8.1 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.

7.8.2 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 of (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, save that a Minimum Requirements Check will not be required for any Supplier Personnel who are Visitors.

7.8.3 Where a Standard Requirements Check is required and it reveals that the Supplier Personnel has an unspent criminal record, such record shall be disclosed to the Client if the Supplier wishes to assign the Supplier Personnel to provide services to the Client. 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.

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

7.8.6 Where during the Term of this Agreement the Supplier becomes aware of any conviction of Supplier Personnel, or any false, incomplete or misleading 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.

7.8.7 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.

7.8.8 The Supplier acknowledges and accepts that the Client will request and review Background Check Records to enable the Client to conduct audits in respect of compliance with the Background Checking Requirements.

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** In this paragraph 7.8 the following definitions shall apply:-

Assurance Procedure means the Client's assurance process named "UKPS8: UK Contracted Service Provider Background Checking Assurance 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:

- (e) a 3rd Party background checking provider; or
- (f) where paragraph 7.8.3 applies, the Assurance Procedure

3rd Party Background Checking Provider means the provider nominated by the Supplier (requires the completion of the Pre-qualification Background Checking Questions form)

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

- (g) a 3rd Party background checking provider; or
- (h) where paragraph 7.8.3 applies, the Assurance Procedure.

Visitors are Supplier's Personnel assessed by the Client's security department as exempt from the Background Checking Requirements as a result of their limited access to the Client's sites or systems.

7.8.1 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.

7.8.2 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 of (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, save that a Minimum Requirements Check will not be required for any Supplier Personnel who are Visitors.

7.8.3 Where a Standard Requirements Check is required and it reveals that the Supplier Personnel has an unspent criminal record, such record shall be disclosed to the Client if the Supplier

wishes to assign the Supplier Personnel to provide services to the Client. 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.

- 7.8.4 The Client reserves the right to require that additional screening over and above the Background Checks be undertaken for particularly high-risk roles.
- 7.8.6 Where during the Term of this Agreement the Supplier becomes aware of any conviction of Supplier Personnel, or any false, incomplete or misleading 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.
- 7.8.7 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.
- 7.8.8 The Supplier acknowledges and accepts that the Client will request and review Background Check Records to enable the Client to conduct audits in respect of compliance with the Background Checking Requirements.
- 7.9 **PHYSICAL SECURITY0** - In this paragraph 7.8 the following definitions shall apply:-
Assurance Procedure means the Client's assurance process named "UKPS8: UK Contracted Service Provider Background Checking Assurance 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:

- (i) a 3rd Party background checking provider; or
- (j) where paragraph 7.8.3 applies, the Assurance Procedure

3rd Party Background Checking Provider means the provider nominated by the Supplier (requires the completion of the Pre-qualification Background Checking Questions form)

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

- (k) a 3rd Party background checking provider; or
- (l) where paragraph 7.8.3 applies, the Assurance Procedure.

Visitors are Supplier's Personnel assessed by the Client's security department as exempt from the Background Checking Requirements as a result of their limited access to the Client's sites or systems.

7.8.1 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.

7.8.2 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 of (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, save that a Minimum Requirements Check will not be required for any Supplier Personnel who are Visitors.

7.8.3 Where a Standard Requirements Check is required and it reveals that the Supplier Personnel has an unspent criminal record, such record shall be disclosed to the Client if the Supplier wishes to assign the Supplier Personnel to provide services to the Client. 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.

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

7.8.6 Where during the Term of this Agreement the Supplier becomes aware of any conviction of Supplier Personnel, or any false, incomplete or misleading 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.

7.8.7 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.

7.8.8 The Supplier acknowledges and accepts that the Client will request and review Background Check Records to enable the Client to conduct audits in respect of compliance with the Background Checking Requirements.

- 7.9 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.
- A minimum of eight characters and a maximum length of at least 64 characters.
- The ability to use all special characters but no special requirements to use them.
- Restrict sequential and repetitive characters (e.g. 12345 or aaaaaa).
- Restrict context specific passwords (e.g. the name of the site, etc.).
- Restrict commonly used passwords (e.g. p@ssw0rd, etc.) and dictionary words.
- For systems using Passphrase authentication, the length should be at least 12 characters.
- Users shall be prevented from reusing the last 10 passwords
- Codes or links shall be provided via a separate device (e.g. a hard token or mobile phone), which is assigned to the user and linked to the user's account.
- All generated codes or links shall be suitably protected and automatically expire within a fixed timeframe

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.

Note: Where Supplier access authentication is determined through MFA or Biometric capabilities, the following shall apply;

- The user is given the option to consent or reject to biometric authentication.
- The biometric data collected is handled in accordance with applicable personal data protection laws and regulations.

- A backup authentication method is available and defaulted to if biometric authentication fails after a maximum of 3 attempts, which resets after successful login.

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 prioritised using industry standards, such as the Common Vulnerability Scoring System (CVSS) score, Exploit Prediction Scoring System (EPSS), Vulnerability Exploitability Exchange (VEX) and take into account variables, including:

- Risk exposure of the vulnerability,
- Value of the application or assets to National Grid,
- Sensitivity of data transmitted, hosted, or modified by the application/asset,
- Threat intelligence
- Available compensating controls

Supplier shall notify National Grid in accordance with **Paragraph 7.23 - Security INCIDENT MANAGEMENT** make all reasonable endeavours for the planning and implementation of remediations based on the following;

- Critical (External boundary with Enterprise) - Provide corrective remediation plan and enable implementation within no more than 72 hours.
- High - Provide corrective remediation plan and enable implementation within no more than 21 days.
- Medium - Provide corrective remediation plan and enable implementation within no more than 60 days.

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**.

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 1