This is the legal text for CMP435 and anything highlighted in blue are additions introduced by CMP435 WACM 1

**CUSC - SECTION 18**

**GATED PROCESS FOR PROJECTS WITH EXISTING AGREEMENTS**

**CONTENTS**

|  |  |
| --- | --- |
| 18.1 - 18.4 | Introduction |
| 18.5 - 18.7 | Existing Agreements |
| 18.8 | EA Request Process |
| 18.9 | Gate 2 Criteria |
| 18.9a | Pause and Publication between Gated Assessment and EA Gated Design Process |
| 18.10 | Checking of the Readiness Declaration |
| 18.11 | EA Gated Design Process |
| 18.12 | Outcome of the Gated Process for Projects with Existing Agreements |
| 18.13 | Gate 1 ATV |
| 18.14 - 18.15 | Gate 2 Modification Offer |
| 18.16 | Additional clarity on approach on Existing Agreements for a Project which has been triggered by Embedded Power Stations |

**Introduction**

* 1. This Section introduces and sets out the process by which (reflecting the changes implemented under **CUSC CMP434** in respect of certain new types of applications) **Existing Agreements** for a **Project** will be given the status of **Gate 1 Existing Agreements** or **Gate 2 Existing Agreements** and amendedto align the **Existing Agreements** fora **Project** with theapproachapplied tocorrespondingagreements in the **Gated Application and Offer Process.**
  2. This **Gated Process for Projects with Existing Agreements** will apply from the **CMP435 Implementation Date**. The **Gated Process for Projects with Existing Agreements** is a one off exercise to address **Existing Agreements**. Once given the status of **Gate 1 Existing** **Agreements** or **Gate 2 Existing Agreements** and amended accordingly they will be treated as, as appropriate, **Gate 1 Agreements** or **Gate 2 Agreements** in terms of the ongoing processes, rights and obligations in **CUSC** (as modified on the implementation of **CMP434**).
  3. The elements of the **Gated Application and Offer Process** will apply during this **Gated Process for Projects with Existing Agreements** where and to the extent expressly referred to in this **Gated Process for Projects with Existing Agreements**.
  4. The **Gated Process for Projects with Existing Agreements** comprises of the following key activities:
* An **EA Request** **Window** for submitting an **EA Request** (including reduction in **Transmission Entry Capacity** or **Developer Capacity** and request for **Advancement**)
* **Existing Agreements** for a **Project** where a **Gate 1 Notification** is provided or an **EA Request** is not madewithin the **EA Request Window** will begiven the status of **Gate 1 Existing Agreements** and **Gate 1 ATVs** issued
* Assessment ofan **EA Request** (to establish it is **Effective**)
* **EA Gated Design Process** for those **Projects** who havesubmitted an **EA Request** which is **Effective** (such process will include checks of **Declarations**, assessment against **Gate 2 Criteria** and whether **Advancement** is available)
* **Existing Agreements** for a **Project** given status of **Gate 2 Existing Agreements** following the **EA Gated Design Process** and issue of **Gate 2 Modification Offers** (including **Advancement**)

The **EA Timetable** shall be published by **The Company** as soon as practicable and with prior notice of the start date of the **EA Request Window.**

* 1. **Existing Agreements**

Agreements of the following types entered into between **The Company** andthe **User** prior to **EA Cut Off Date** where the connection to and/or use of system or right for **Embedded Power Stations** to be **Energised** in each case provided for under these has not yet happened are **Existing Agreements** for the purposes of this Section 18.

* + 1. A **Bilateral Connection Agreement** and the associated **Construction Agreement** for a **New Connection Site** (including a **Grid Supply Point**) with a directly connected **User**. This includes a **Bilateral Connection Agreement** and the associated **Construction Agreement** for a **New Connection Site** by an owner/operator of a **Distribution System** where the application is triggered by **Embedded Power Stations** but not where the application is not triggered by **Embedded Power Stations**.
    2. A **Bilateral Embedded Generation Agreement** and the associated **Construction Agreement** regardless of the size of the **Embedded Power Station**.
    3. A **BELLA**
    4. A **Bilateral Connection Agreement** for an already connected/operational **Project** butwhere there is a variation to that **Bilateral Connection Agreement** and a **Construction Agreement** for a live/ongoing **Modification** (including in the case of **Grid Supply Points** any such **Modification** triggered by **Embedded Power Stations**).
    5. A **Bilateral Embedded Generation Agreement** for an already operational **Project** but where there is a variation to that **Bilateral Embedded Generation Agreement** and a **Construction Agreement** for a live/ongoing **Modification**.
    6. **A** **BELLA** for an already operational **Project** but where there is a variation to that **BELLA** for a live/ongoing **Modification**.
    7. For the avoidance of doubt, a **Bilateral Connection Agreement** (or **Modification** or variation to it) with an owner/operator of a **Distribution System** and any associated **Construction Agreement** are not **Existing Agreements** where such agreements are triggered by one or more **Embedded Power Stations**.
  1. In order for the **Existing Agreements** that relate to one or more **Projects** to apply for the status of **Gate 2 Existing Agreements** in respect of such **Projects** a **User** must submit an **EA** **Request** in respect of the **Existing Agreements** for the applicable **Project** which is **Effective** within the **EA Request Window**.
  2. Where an **EA Request** is not submitted within the **EA Request Window**, is not **Effective**,or a **User** sends a **Gate 1 Notification** during the **EA Request Window**, the **Existing Agreements** will be given the status of **Gate 1 Existing Agreements** and **The Company** will notify the **User** accordinglyas soon as reasonably practicable and in any event prior to the start of the **EA Gated Design Process** andunless the **User** decides to terminate the **Existing Agreements** for a **Project** (in which case the current provisions regarding **Cancellation Charge** or **Final Sums** will apply) the **Gate 1 ATV** process below will be followed.
  3. **EA Request Process**
     1. An **EA** **Request** can be submittedby a **User** in respect of a **Project** at any time within the **EA Request** **Window**. An **EA Request** can ask for **Advancement** but other than **Advancement** and as provided for at Paragraph 18.8.6 no other changes to the **Existing Agreements** can be requested through the **EA Request**.

* + 1. An **EA Request** (other than onewhich is seeking **Advancement** or which is in respect of **Transitional Agreements**)shall be deemed to bea **Modification Application** but neither a **Modification Application** nor a fee for a **Modification Application** is required.In this case, the **Readiness Declaration** and **Original Red Line Boundary** (including the **Installed Capacity**)will constitute the **EA Request**.
    2. An **EA Request** which is seeking **Advancement** or an **EA Request** in respect of **Transitional Agreements** will require both a **Modification Application** and a fee for the **Modification Application**. In this case, the **Modification Application**, the **Readiness Declaration** and **Original Red Line Boundary** (including the **Installed Capacity**)will constitute the **EA Request**.
    3. To be **Effective**, an **EA Request** for **Existing Agreements** for a **Project** which has a **BEGA** and associated **Construction Agreement** for a **Large Power Station** or **BELLA** will also require that the owner/operator of the **Distribution System** submits an **EA Request** within the **EA Request Window**. In such case the corresponding **EA Request** submitted by a **User** in the category of the owner/operator of a **Distribution System** shall take the form of an acknowledgement ofthe **EA Request** submitted by the **Embedded Power Station** (including the request for **Advancement** and in the case of **Advancement** will require a **Modification Application** and fee).
    4. An **EA** **Request** for **Existing Agreements** for a **Project** for a **Relevant Embedded Power Station** must be made by the owner/operator of the **Distribution System** to which the **Relevant** **Embedded Power Station** is to be connected. In such case, the **EA Request** will includethe **Readiness Declaration** and **Original Red Line Boundary** (including the **Installed Capacity**)provided to theowner/operator of the **Distribution System** by the **Relevant Embedded Power Station**.
    5. An **EA** **Request** can include notification ofa reduction in **Transmission Entry Capacity** or **Developer Capacity** and where it does so such reduction will trigger payment of a **Cancellation Charge** in accordance with **CUSC** Section 15 or **Final Sums**.
    6. Where the **Existing Agreements** for a **Project** provide for more than one stage of **User’s Works** within that overall **Project** or more than one technology type in the **User’s Works** within that overall **Project** or,in the case of new **Grid Supply Points** or **Grid Supply Points** which are the subject of a **Modification** triggered by **Embedded Power Stations**, the **Existing Agreements** refer to more than one **Relevant** **Embedded Power Station** and/or **Embedded** **Large Power Station** **Project**, the **EA Request** can be made in part by reference to the specific stage, technology or **Embedded Power Station Project** and the **Existing Agreements** amended as required to reflect this.
    7. **The Company** will confirm whether an **EA Request** is (but always subject to Paragraphs 18.9 and 18.10 below) **Effective** for the purposes of entering the **EA Gated Design Process** as soon as reasonably practicable after receipt of the **EA Request** and in any event prior to the start of the **EA Gated Design Process**.
  1. **Gate 2 Criteria**

To be given the status of **Gate 2 Existing Agreements** the **EA Request** must meet the requirements of the **Gate 2 Criteria.**

The **Gate 2 Criteria**,the process of evidencing and confirming that readiness has been met (and what is required of a **User**) in respect of this is set out in the **Gate 2 Criteria Methodology**.

**18.9a Pause and Publication between Gated Assessment and EA Gated Design Process**

**18.9a.1** As soon as reasonably practicable after **The Company** has established which of the **EA Requests** (submitted directly to it or in the case of **Relevant Embedded Power Stations** by the owner/operator of the **Distribution System**) are **Effective** and which of the **Existing Agreements** for a **Project** will be given the status of **Gate 1 Agreements** and in any event at least 10 **Business Days** prior to the start of the **EA Gated Design Process** (such period being referred to as the “**Pause**”, this period to be taken into account in setting the  **Gated Timetable**) **The Company** will publish the **EA Information** on the **EA Register**.

**18.9a.2** During the **Pause** a party whose **EA Request** is **Effective** and who wishes to request **Advancement** can do so by updating and resubmitting its **EA Request** to that effect.

**18.9a.3** During the **Pause** if a **User** no longer wants to proceed with its **EA Request** it can withdraw its **EA Request** by written notice given to **The Company** prior to the start of the **EA Gated Design Process** and the **Existing Agreements** for that **Project** will be given the status of **Gate 1 Agreements** and the **User** offered a **Gate 1 ATV** in accordance with Paragraph18.13.

* 1. **Checking of the Readiness Declaration**

* + 1. Although an **EA Request** may be confirmed as **Effective** prior to the start of the **EA Gated Design Process**,during and as soon as reasonably practicable within the **EA Gated Design Process** further detailed checks of the readiness submissions will be undertaken as follows:

* + - 1. **The Company** shall use reasonable endeavours to undertake a more detailed check as set out in the **Gate 2 Criteria Methodology** on all the **Declarations** submitted in respect of **Existing Agreements** for a **Project** (other than where the **Readiness** **Declaration** is provided for a **Relevant Embedded Power Station** by the owner/operator of a **Distribution System** where it is expected that such owner/operator will use reasonable endeavours to undertake this detailed check).
      2. Within 15 **Business Days** of the end of the **EA Gated Design Process, The Company** will publish on the **Website** the percentage of detailed checks which have been undertaken under Paragraph 18.10.1.1 as a percentage of the total of **EA Requests** which were **Effective** for the purposes of entering that **EA Gated Design Process**. To facilitate and enable this, each owner/operator of a **Distribution System** shall within 10 **Business Days** of the end of the **EA Gated Design Process** provide to **The Company** the percentage of detailed checks it has undertaken for the purposes of Paragraph 18.10.1.1 as a percentage of the total of its **EA Requests** that entered the **EA Gated Design Process**.
      3. **The Company** shall check the evidence provided in all the **Readiness Declarations** submitted in respect of **Existing Agreements** for a **Project** for duplications and overlaps against any other **Readiness** **Declarations** submitted in respect of **Existing Agreements** for a **Project**. Where duplications or overlaps are identified in the **Original Red Line Boundaries**, **The Company** will contact the relevant parties concerned. In the event that duplications and/or overlaps are identified the process relating to this in the **Gate 2 Criteria Methodology** will be applied to establish whether in those circumstances any (and if so which) **Project** has not met the **Gate 2 Criteria**.
      4. The **Project** will be assessed against the **Gate 2 Criteria**.
    1. Following the above **The Company** will notify the **User** (and in the case where the **Project** is a **Large Power Station**, the owner/operator ofthe **Distribution System**)whether the **EA Request** has fully met the **Gate 2 Criteria** in respect of **Existing Agreements** for a **Project**. If the **Gate 2 Criteria** has been met **The Company** will confirm to the **User** that the **Existing Agreements** for a **Project** will be given the status of **Gate 2 Existing Agreements**. If the **Gate 2 Criteria** has not been met **The** **Company** will confirm to the **User** (providing substantiated reasons why) that the **Existing Agreements** for a **Project** will not be given the status of **Gate 2 Existing Agreements** and will be, as appropriate, given the status of **Gate 1 Existing Agreements**. Such notifications will be given by **The Company** to the **User** as soon as reasonably practicable. Where this is an **EA Request** by the owner/operator of a **Distribution System** relating to **Existing Agreements** relating to more than one **Relevant Embedded Power Station** the notificationwill confirm which (if any) of the **Relevant Embedded Power Stations** in the **Existing Agreements** have met the **Gate 2 Criteria** and only those will be given “Gate 2 Status”and the **Existing Agreements** processed on that basis.
  1. **EA Gated Design Process**

* + 1. Where a **User** has submitted an **EA Request** in respect of **Existing Agreements** for a **Project** and the **EA Request** meets the **Gate 2 Criteria** the **EA Request** will beprocessed in accordance with the **Connections Network Design Methodology** and the **Designation Methodology**.

* + 1. A **User** which has requested **Advancement** for a **Project** in their **EA Request** will be accommodated where practicable and the **User** notified whether this can be accommodated or not where reasonably practicable prior to the issue of the **Gate 2 Modification Offer**. The **Connections Network Design Methodology** sets out the process forthe management of requests for **Advancement**.
  1. **Outcome of the Gated Process for Projects with Existing Agreements** 
     1. The outcome of the **Gated Process** **for Projects with Existing Agreements** is that the **Existing Agreements** for a **Project** are given the status of **Gate 1 Existing Agreements** or **Gate 2 Existing Agreements** as appropriate and amended by a **Gate 1 ATV** or a **Gate 2 Modification Offer** to reflect this.

* + 1. Until given the status of **Gate 1 Existing Agreements** or **Gate 2 Existing Agreements** and, as appropriate, the **Gate 1 ATV** is entered intoor **Gate 2 Modification Offer** is accepted the **Existing Agreements** for a **Project** will continue in accordance with their terms provided that any obligations on **The Company** to progress the **Construction Works** (including seeking **Consents**)in any **Existing Agreements** for (and in respect of) a **Project** given the status of **Gate 1 Existing Agreements** are deemed to have been waived by the **User** with effect from, as appropriate, the **Gate 1 Notification** or notification by **The Company** to the **User** under Paragraphs 18.7 or 18.10.2.
    2. Once the **Gate 1 ATV** is entered into**:** 
       1. there will be no longer be anyliability forpayment of a **Cancellation Charge** or **Final Sums** under that **Existing Agreement** for that **Project**; and
       2. any obligation to provide security under that **Existing Agreement** for that **Project** will cease,

and as a consequence **The Company** shall as soon as reasonably practicable after and in any event within 6 weeks of the **Gate 1 ATV** being entered into, release and return any **Security Arrangement** held by **The Company** in respect of the same.

* 1. **Gate 1 ATV**

* + 1. Where an **EA Request** was not submitted by a **User** within the **EA Request Window** or it was not **Effective**, a **Gate 1 ATV** for the **Existing Agreements** for that **Project** shall be issued by **The Company** as soon as reasonably practicable after the closure of the **EA Request Window** and in any event prior to the end of the **EA Gated Design Process**.

* + 1. Where a **Gate 1 Notification** has been provided by a **User**,a **Gate 1 ATV** for the **Existing Agreements** for that **Project** shall be issued by **The Company** as soon as reasonably practicable after receipt of the **Gate 1 Notification** and in any event prior to the end of the **EA Gated Design Process**.
    2. Where an **EA** **Request** was submitted by a **User** in respect of the **Existing Agreements** for a **Project** but the **Gate 2 Criteria** has not been met, a **Gate 1 ATV** for the **Existing Agreements** for that **Project** shall be issued by **The Company** as soon as reasonably practicable and in any event prior to the end of the **EA Gated Design Process**.
    3. Where **The Company** is considering **Reservation** in respect of the **Existing Agreements** for a **Project**, **The Company** willadvise the **User** as soon as reasonably practicable and in any event prior to the start of the **EA Gated Design Process** of this and that as a consequence the **Gate 1 ATV** may be provided later in the **EA Gated Design Process**, given the design process involved to confirm the **Reservation**. If the **User** is not interested in **Reservation** being considered it can advise **The Company** accordingly at this point otherwise the **Gate 1 ATV** will be progressed on the basis of **Reservation**. **Reservation** will only be provided for in a **Gate 1 ATV** where the **User** has been notified that **The Company** is considering **Reservation** and the **User** has confirmed it is interested in **Reservation**.
    4. A **Gate 1 ATV** shall amend the **Existing Agreements** for a **Project** as required to align with the form and content of a **CMP434** **Gate 1 Agreement** under the **Gated Application and Offer Process** being to (as appropriate) amongst other things:
       1. include the **Gate 1 Conditional Clause**, the effect of which is to make all the rights and obligations under the **Existing Agreements** conditional until a **Gate 2 Offer** is accepted.
       2. delete the content of all Appendices in the **Existing Agreements** other than to include a new or (where it already exists) a replacement Appendix in the **Construction Agreement** containing the **User Data/Developer Data**, and the indicative or **Reserved** connection date and location.
       3. the connection location and date provided for in the **Existing Agreements** for a **Project** will remain as they currently are in the **Existing Agreements** but are now only provided (unless **Reservation** is applied) on an indicative basis and the connection date and location will only be confirmed (with all the other details) in any subsequent **Gate 2 Offer** following a **Gate 2 Application** under a **Gated Application and Offer Process Run**.
       4. where **Reservation** is included, whilst the rights and obligations remain conditional, the connection date and connection location of, as appropriate, the **Connection Site** or **Transmission Interface Site** or site of Connection may be provided and identified in the **Gate 1 ATV** and any **Gate 2 Offer** will be made on the basis of these subject to a **Gate 2 Offer** being accepted by the **Applicant** in the timescales specified in the **Gate 1 ATV**.
       5. the particular approach for **Existing Agreements** for a **Project** with owner/operators of **Distribution Systems** where triggered by **Embedded Power Stations** is addressed at Paragraph 18.16 below.
       6. in the case of **Existing Agreements** for a **Project** where the **User’s Works** are staged or the **Existing Agreements** provide for more than one technology type in the **User’s Works**, and the **EA Request** is not submitted in respect of all of these and/or not all stages or technology types meet the **Gate 2 Criteria** the **Existing Agreements** for a **Project** will be adapted to reflect and achieve the intent of the **Gate 1 Conditional Clause** by reference to those stages/technology types that do not meet the **Gate 2 Criteria** and to provide the equivalent of a **Gate 2 Agreement** for those that do.
       7. introduction of **Original Red Line Boundary Reduction Clause.**
    5. The **Variations Clause** in the **Existing Agreements** requires **The Company** and the **User** to effect any amendment required to the **Existing Agreements** by the **Authority** as a result of a change in the **CUSC.** The changes proposed in the **Gate 1 ATV** are to implement the changes to **Existing Agreements** as a consequence of and to align with the implementation of **CMP435**.
    6. The **Gate 1 ATV** should be signed and returned to **The Company** within the period as notified by **The Company** being not less than 4 weeks from issue or such later period as may be agreed between **The Company** and the **User** and if not signed and returned in this time period **The Company** will as provided for in the **Variations Clause** (and having first engaged with the **User**) sign on the **User’s** behalf.
    7. **Existing Agreements** given the status of **Gate 1 Existing** **Agreements** do not have toprovide a **Letter of Authority** or **Letter of Acknowledgement.**
  1. **Gate 2 Modification Offer**

* + 1. Where the **Existing Agreements for a Project** have been given the status of **Gate 2 Existing Agreements**, a **Gate 2 Modification Offer** shall be provided by **The Company** in respect of the **Existing Agreements** for a **Project** within the timescales specified for this in the **EA Timetable**.
    2. A **Gate 2 Modification Offer** shall amend the **Existing Agreements** for a **Project** as required to align with the form and content of a **CMP434** **Gate 2 Agreement** under the **Gated Application and Offer Process** being to amongst other things:
       1. provide for any changes to the **Existing Agreements** for a **Project** to reflect **Advancement** (including and notwithstanding **CUSC** Section 16 which does not provide for **User Progression Milestone** dates to be brought forward, any changes to advance the **User Progression Milestone** dates to reflect the **Advancement**);
       2. update AppendixQ (Queue Management Process - User Progression Milestones) to reflect the change in approach to the calculation of the **User Progress Milestone** date for M1 and add a new Appendix for User Data/Developer Data or update (if it exists) to include the **Installed Capacity** data;
       3. provide for any changes to the **Existing Agreements** for a **Project** including **Connection Site** or Site of Connection, **Construction Programme** and **Construction Works** and changes as a consequence of this to reflect the outcome of the **EA Gated Design Process**.
    3. A **Gate 2 Modification Offer** shall remain open for acceptancein accordance with **CUSC** Paragraph 6.9**.**
    4. If a **Gate 2 Modification Offer** is not accepted by a **User The Company** willnotify the **User** that the status given to the **Existing Agreements** for that **Project** has been changed to **Gate 1 Existing Agreements** and that a **Gate 1 ATV** will be issued by **The Company** to the **User** as soon as reasonably practicableand the provisions of Paragraph 18.13 above will apply.
  1. Any dispute between **The Company** and the **User** as to whether the **EA Request** is **Effective** and/or the **Gate 2 Criteria** has been met shall be treated as an **Other Dispute** in accordance with **CUSC** Section 7.
  2. **Additional clarity on approach on Existing Agreements for a Project which has been triggered by Embedded Power Stations**
     1. This section is intended to clarify the position on what is to happen with the **Existing Agreements** for a **Project** with the owner/operator of a **Distribution System** which are triggered by **Embedded Power Stations** and the **Existing Agreements** for a **Project** with the **Embedded Power Stations**:
        1. for **Relevant Embedded Power Stations** (where there is no **BEGA**) the **Existing Agreements** for a **Project** are only with the owner/operator of the **Distribution System** and the **Existing Agreements** can providefor one or more **Relevant Embedded Power Stations**;
        2. for **Embedded Power Stations** (where there is a **BEGA** or **BELLA**) there are two sets of **Existing Agreements** for a **Project**, one set withthe owner/operator of the **Distribution System** and one set with the owner/operator of the **Embedded Power Station** so the effect of this **Gated Process for Projects with Existing Agreements** on both sets of **Existing Agreements** has to be determined.

The effect on the **Existing Agreements for a Project** in the circumstances where: a **Gate 1 Notification** is submitted within the **EA Request Window** by a **Large Embedded Power Station**, an **EA Request** is not submitted within the **EA Request Window**, the **EA Request** is not **Effective** or the **Gate 2 Criteria** is not met (and in the case where the **Existing Agreements** provide for more than one **Embedded Power Station**) is not the same for all the **Embedded Power Stations**.

* + 1. As a consequence in the circumstances referred to in Paragraph 18.16.1:
       1. in the case of **Existing Agreements** for a **Project** of the type at Paragraph 18.16.1.1 and save for **Existing Agreements** as provided for in Paragraph 18.7.2.3, the **Existing Agreements** for that **Project** will be treated, as agreed between **The Company** and the **User** as having either been terminated by the **User** or changed to be the equivalent of a **Gate 1 Agreement**. The termination or change to being the equivalent of a **Gate 1 Agreement** will be effective on, as appropriate, the day after (a) the closure of the **EA Request Window** or (b) notification that the **Gate 2 Criteria** has not been met under Paragraph 18.10.2. Such termination of or change in the **Existing Agreements** will not trigger payment of a **Cancellation Charge** in accordance with **CUSC** Section 15**;**
       2. in the case of **Existing Agreements** for a **Project** of the type at Paragraph 18.16.1.2 but where the **Relevant Embedded Power Station** has a **BEGA**,the **BEGA** will also be treated, as agreed between **The Company** and the **User**, as having either been terminated by the **User** or changed to be the equivalent of a **Gate 1 Agreement** in the same circumstances and on the same basis as at Paragraph 18.16.2.1 above;
       3. in the case of **Existing Agreements** for a **Project** of the type at Paragraph 18.16.1.1 where the **Existing Agreements** for a **Project** provide for more than one **Relevant** **Embedded Power Station** and/or **Embedded Large Power Station** but not all meet the **Gate 2 Criteria**,the **Existing Agreements** for a **Project** will be amended as required through the **Gate 2 Modification Offer** so as to remove any reference to any **Relevant Embedded Power Station** and/or **Embedded Large Power Station** for which an **EA Request** has not been made, an **EA** **Request** is not **Effective** or which do not meet the **Gate 2 Criteria**. Such amendmentwill not trigger payment of a **Cancellation Charge** in accordance with **CUSC** Section 15;
       4. in the case of **Existing Agreements** for a **Project** of the type at Paragraph 18.16.1.2 (where the **BEGA** is with a **Large Embedded Power Station**) (a) the **BEGA** or **BELLA** will be offered a **Gate 1 ATV** and (b) the **Existing Agreements** with the owner/operator of the **Distribution System** will be treated, as agreed between **The Company** and the **User**, as having either been terminated by the **User** or changed to be the equivalent of a **Gate 1 Agreement** in the same circumstances and on the same basis as at Paragraph 18.16.2.1.
    2. In the case of **Existing Agreements** for a **Project** of the type at Paragraph 18.16.1.2 in order to receive a **Gate 2 Modification Offer** and be given the status of **Gate 2 Existing Agreements**:
       1. where the **BEGA** is with a **Relevant Embedded Power Station**, both the **User** with the **BEGA** and the owner/operator of the **Distribution System** will be offered and must accept the respective **Gate 2 Modification Offer**. Unless both **Gate 2 Modification Offers** are accepted,Paragraph 18.16.2.1and 18.16.2will apply;
       2. where the **BEGA** is with a **Large Embedded Power** **Station** or there is a **BELLA**, (a) an **EA Request** must be made by both the party with the **BEGA** or **BELLA** and the owner/operator of the **Distribution System** (b) boththese **EA Requests** must be **Effective** and the **Project** must meet the **Gate 2 Criteria** and (c) both the **User** with the **BEGA** or **BELLA** and the owner/operator of the **Distribution System** must accept the respective **Gate 2 Modification Offer**. Unless both **Gate 2 Modification Offers** are accepted,Paragraph 18.16.2.4 will apply.
    3. A **Large Embedded Power Station** with a **BEGA** or **BELLA** should notify the owner/of the **Distribution System** as soon as reasonably practicable of its intention to make an **EA Request** and whether it is seeking **Advancement**.

END OF SECTION 18