

# SHORT TERM OPERATING RESERVE STANDARD CONTRACT TERMS

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# **NATIONAL GRID ELECTRICITY SYSTEM OPERATOR LIMITED**

## **SHORT TERM OPERATING RESERVE** **STANDARD CONTRACT TERMS**

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## INTRODUCTION

### 1.1 CONTRACT FRAMEWORK

1.1.1 The structure of this **Document** and associated documentation is as follows:

(a) Overall Structure

This **Document** has been designed to create a straightforward and transparent contracting process.

(b) This **Document**

This **Document** contains the rules for submission of **STOR Tenders, Mandatory Bids** and **Optional Bids**, and the detailed service terms with respect to **STOR Contracts** formed in relation thereto. It is to be read and construed alongside the **Registration Procedure** and the **STOR Tender Procedure**.

(c) **Reserve Provider Registration**

(i) Any person wishing to provide **Short Term Operating Reserve** under this **Document** must be **Registered** as a **Reserve Provider**.

(ii) Confirmation from **NGESO** pursuant to the **Registration Procedure** that a person is **Registered** as a **Reserve Provider** (which may be by **NGESO** electing to enter into a **Framework Agreement** with that person) gives contractual effect to the relevant provisions of this **Document** as between **NGESO** and that **Reserve Provider**.

(iii) For the avoidance of doubt, neither the **Registration Procedure** nor this **Document** shall create any rights and/or obligations as between two or more **Reserve Providers**.

(d) **STOR Contract**

A **STOR Contract** is not a document, but is the terminology used to describe the legally binding contract between **NGESO** and a **Reserve Provider** created when **NGESO** accepts a **STOR Tender** or utilises an **Optional Bid**.

### 1.2 THIS DOCUMENT

1.2.1 This **Document** may be amended and re-issued by **NGESO** from time to time in accordance with its provisions, and any such amendment and re-issue shall generally supersede this **Document** and be incorporated into all existing **STOR Contract(s)** as between **NGESO** and that **Reserve Provider**.

### 1.3 STOR CONTRACTS

- 1.3.1 After receipt of a **STOR Tender** and following the appropriate assessment period **NGESO** shall either accept or reject that **STOR Tender**. The acceptance of a **STOR Tender** in accordance with this **Document** will constitute a legally binding contract between the **Reserve Provider** and **NGESO** for provision by the **Reserve Provider** of **Short Term Operating Reserve** whereby the **Reserve Provider** shall be required to submit **Mandatory Bids**.
- 1.3.2 The utilisation by **NGESO** of an **Optional Bid** in accordance with this **Document** will also constitute a legally binding contract between the **Reserve Provider** and **NGESO** for provision by the **Reserve Provider** of **Short Term Operating Reserve**.
- 1.4 **ELIGIBLE ASSETS, STOR UNITS, CONTRACTED STOR UNITS AND NON-CONTRACTED STOR UNITS**
- 1.4.1 Each **Eligible Asset** shall be identified and validated by **NGESO** as under the operational control of the relevant **Reserve Provider** in accordance with the **Registration Procedure**, and shall at all times be allocated by the **Reserve Provider** to a **STOR Unit** in accordance with the **STOR Unit Allocation Rules**.
- 1.4.2 The **Registration** details in relation to each **Eligible Asset** shall include its **Maximum Registered STOR Capacity**.
- 1.4.3 The **Registration** details in relation to each **Eligible Asset** may identify that **Eligible Asset** as comprising (in whole or part) **Plant and Apparatus** which is dependent on the carrying out of construction, modification or commissioning works in order to meet the requirements of sub-paragraph 2.2.2, in which case such **Registration** details shall include the **Works Programme**, specify a **Target Completion Date** and include such other information as shall be necessary for operation of the **Mandatory Works Provisions**.
- 1.4.4 A **STOR Unit** which is the subject of a subsisting **STOR Contract** for one or more **Seasons** formed upon acceptance of a **STOR Tender** is referred to in the **Document** as a **Contracted STOR Unit** in relation to such **Season(s)**.
- 1.4.5 A **STOR Unit** which is not a **Contracted STOR Unit** in relation to any **Season** is referred to in this **Document** as a **Non-Contracted STOR Unit** and may only provide **Reserve** under this **Document** in that **Season** if a **STOR Contract** is formed by **NGESO** by utilisation of an **Optional Bid**.
- 1.5 **REGISTRATION PROCEDURE**
- 1.5.1 The **Registration Procedure** shall stipulate the following minimum timescales for the prequalification process in relation to prospective **Reserve Providers** and **Eligible Assets**:-
- (a) within eight (8) weeks of a formal application, **NGESO** shall conform that the application is complete (from the perspective of information);
  - (b) if the application is incomplete, the applicant shall provide the missing evidence within four (4) weeks of a report from **NGESO** or it will be presumed that the application has been withdrawn; and

- (c) within three (3) months of confirming that all information has been provided, **NGESO** shall confirm if the applicant is **Registered** as a **Reserve Provider** or if the relevant **Plant** and **Apparatus** has been validated as an **Eligible Asset** (as the case may be).

## 1.6 **ELECTRICITY BALANCING GUIDELINES**

1.6.1 This **Document** contains provisions (identified for convenience in the Annex) which comprise part of the terms and conditions approved by the **Authority** pursuant to and for the purposes of Article 18 of the **Electricity Balancing Guidelines**, as more particularly described in Section 4.2B.5 of the **Connection and Use of System Code**.

1.6.2 As envisaged by the **Electricity Balancing Guidelines**, this **Document** facilitates the procurement by **NGESO** of balancing capacity pursuant to **STOR Contracts** formed in accordance with the **STOR Tender Procedure** whereby the **Reserve Provider** shall submit **Mandatory Bids** for utilisation by **NGESO** for procurement of balancing energy, and the additional procurement by **NGESO** of balancing energy pursuant to **STOR Contracts** formed upon utilisation of **Optional Bids**.

## SECTION 2 STOR TENDERS

### 2.1 INTRODUCTION

2.1.1 This Section 2 establishes the process by which NGENSO will procure **Short Term Operating Reserve** from **Reserve Providers** from STOR Tender as more particularly described in the **STOR Tender Procedure**. Where a **STOR Tender** submitted pursuant to this process is accepted by NGENSO, a **STOR Contract** shall be formed for the provision of and payment for **Short Term Operating Reserve** in relation to the **Contracted STOR Unit** in question upon the terms of Section 3 and the remainder of this **Document**.

### 2.2 STOR TENDER PARTICIPATION REQUIREMENTS

2.2.1 It shall be a pre-condition to participating in any tender process referred to in this Section 2 that, at the time of submission of a **STOR Tender** with respect to any **STOR Unit**, the **Reserve Provider** is **Registered**, and that such **Registration** includes one or more **Eligible Assets** which have been allocated to that **STOR Unit** in accordance with the **STOR Allocation Rules**.

2.2.2 Unless otherwise stipulated in the **STOR Tender Procedure**, NGENSO expects that, to be eligible to participate in any tender process, the **STOR Unit** will be capable of complying with each of the following mandatory requirements with respect to **Short Term Operating Reserve** (together with such other requirements as may from time to time be specified by NGENSO in the **Registration Procedure**), each to be demonstrable to NGENSO's reasonable satisfaction:-

- (a) the capability to provide **Reserve** of at least three (3) MW (or as may otherwise be advised by NGENSO from time to time);
- (b) the capability to provide **Reserve** within a **Response Time** of twenty (20) minutes;
- (c) the capability to maintain response for a **Minimum Utilisation Period** of one hundred and twenty (120) minutes; and
- (d) the capability to comply in all respects with the **Demand Response Services Code** (where applicable).

### 2.3 CONTENTS OF STOR TENDERS

2.3.1 Save to the extent otherwise stipulated in the prevailing **STOR Tender Procedure**, each **STOR Tender** shall specify:-

- (a) the identity of the **Reserve Provider**;
- (b) a unique identifier for the tendered **STOR Unit** and, in the case of a **STOR Unit** that is not **BM Participating**, the metering system identifiers associated with that **STOR Unit** (insofar as not included in the **Reserve Provider's Registration** details);

- (c) the tendered **Season(s)** and whether associated with one or more other **STOR Tenders** offered as an “all or nothing” group of **STOR Tenders** pursuant to sub-paragraph 2.3.3;
- (d) the **Contracted MW**, which shall not exceed the **Maximum Registered STOR Capacity** for the **Eligible Asset(s)** in question (or, where applicable, the aggregate **Maximum Registered STOR Capacity** of all such **Eligible Assets**);
- (e) whether the tendered **Availability Windows** are **Committed Windows** or, where permitted under sub-paragraph 2.3.4, **Flexible Windows**;
- (f) the **Technical Parameters**;
- (g) the **Availability Price**;
- (h) where applicable, the identity of the **Reserve Provider’s Agent** (save to the extent already specified in the **Reserve Provider’s Registration** details); and
- (i) such other data and information as may be specified from time to time in the prevailing **STOR Tender Procedure** or in the **Reserve Provider’s Registration** details,

together the “**Tendered Service Parameters**”.

2.3.2 In respect of any **STOR Unit**, a **Reserve Provider** may not submit more than one **STOR Tender** for the same **Season**.

2.3.3 In respect of any **STOR Unit**, the **Reserve Provider** may indicate in any **STOR Tender** if that **STOR Tender** is capable of being accepted by **NGESO** only in conjunction with the acceptance of any accompanying **STOR Tender(s)** in respect of the same **STOR Unit** but for different **Seasons**, and such association of **STOR Tenders** shall be referred to as an “all or nothing” group of **STOR Tenders**. In such case, **NGESO** shall be obliged to accept either all such **STOR Tenders** or none of them, but in the absence of such indication, **NGESO** shall not be so restricted.

2.3.4 A **STOR Tender** may only be submitted with **Flexible Windows** if the **STOR Unit** is not **BM Participating**.

2.3.5 All **STOR Tenders** must be submitted by the deadline specified in the relevant **STOR Tender Procedure**, and shall:-

- (a) be fully compliant (without any qualification) with the requirements of this **Document**;
- (b) not be accompanied by statements that could be construed by **NGESO** as rendering the **STOR Tender** equivocal and/or prevent its evaluation on an equal basis with other **STOR Tenders**; and
- (c) be submitted by the method(s) prescribed in the **STOR Tender Procedure**.

- 2.3.6 If there are any amendments and/or additions which **Reserve Providers** require to be made to Section 3 of this **Document** as a condition of **NGESO**'s acceptance of an **STOR Tender**, these shall be indicated either on a separate sheet or by annotation on a copy of this **Document** or as may otherwise be prescribed by the prevailing **STOR Tender Procedure**, and in each case shall accompany the **STOR Tender**, save that no amendments and/or additions to this **Document** may be indicated by a **Reserve Provider** if relating to or comprising **EBGL Article 18 Terms and Conditions**.
- 2.3.7 If any further information is required to assist with the preparation of an **STOR Tender**, the **Reserve Provider** should request this information from **NGESO**. **NGESO** may consider it necessary to copy any further information given in response to specific enquiries to all other **Reserve Providers**. No further information will be issued by **NGESO** after the deadline for submission of **STOR Tenders** specified in the relevant **STOR Tender Procedure**.
- 2.3.8 No costs or expenses incurred by **Reserve Providers** in the course of preparing and/or submitting any **STOR Tender** shall be paid by **NGESO**.
- 2.3.9 Save to the extent published by **NGESO** pursuant to paragraph 2.11, the contents of each **STOR Tender** shall be treated as private and confidential. **Reserve Providers** must not divulge or release details of the **STOR 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 **STOR Tender**.
- 2.4 **WITHDRAWAL AND DISQUALIFICATION OF STOR TENDERS**
- 2.4.1 A **Reserve Provider** may by notice to **NGESO** withdraw a **STOR Tender** provided that such notice of withdrawal is received by **NGESO** no later than 11.00 hours on the sixth **Business Day** which follows the deadline for submission of **STOR Tenders** specified in the relevant **STOR Tender Procedure**.
- 2.4.2 Such withdrawal shall only be effective where sent by first class prepaid post, e-mail or facsimile to **NGESO** at the address, facsimile number or e-mail address stated in the **Reserve Provider's Registration** details.
- 2.4.3 If, in the sole judgment of **NGESO**, a **Reserve Provider** has failed to submit a compliant **STOR Tender**, **NGESO** reserves the right to:-
- (a) accept that **STOR Tender**; or
  - (b) disqualify that **STOR Tender**; and/or
  - (c) take any other action as it deems appropriate in the circumstances including requesting the **Reserve Provider** to amend any information set out in the **STOR Tender** (but not the **Availability Price**) and resubmit a non-compliant **STOR Tender** so that it is made compliant.
- 2.4.4 **NGESO's** decision as to whether or not a **STOR Tender** is compliant shall be final, and the **Reserve Provider** may be notified of its decision without prior consultation or explanation.

2.5 **TENDER ASSESSMENT**

2.5.1 As soon as reasonably practicable following receipt of the **STOR Tender**, **NGESO** may request that the **Reserve Provider** provide (or, subject to paragraph 4.10, procure that the **Reserve Provider's Agent** provides) clarification with regard to any one or more items of information contained in the **STOR Tender** for the purpose of enabling **NGESO** to assess that **STOR Tender**, and the **Reserve Provider** shall provide such clarification in a timely manner.

2.5.2 When assessing **STOR Tenders**, **NGESO** shall take account (in no particular order) of the **STOR Tender Assessment Principles**.

2.6 **ACCEPTANCE AND REJECTION**

2.6.1 No later than the date specified for such purpose in the relevant **STOR Tender Procedure**, **NGESO** shall notify each **Reserve Provider** whose **STOR Tender(s)** has been accepted of its acceptance decision, which shall be final and binding.

2.6.2 Each acceptance by **NGESO** shall specifically state the **Season** or **Seasons** offered by the **Reserve Provider** in its **STOR Tender** which it wishes to accept.

2.6.3 Such acceptance shall only be effective where sent by first class prepaid post, e-mail or facsimile to the **Reserve Provider** at the postal address, e-mail address or facsimile number stated in the **Reserve Provider's Registration** details (or otherwise notified by the **Reserve Provider** to **NGESO** for such purpose), and for the avoidance of doubt publication by **NGESO** on its **Industry Information Website** of details of **STOR Tender** acceptances shall not constitute acceptance for the purposes of this sub-paragraph 2.6.3. Any **STOR Tenders** in respect of which the **Reserve Provider** is not so notified of acceptance by such date for acceptance referred to above shall be deemed to have been rejected.

2.6.4 Subject to sub-paragraph 2.6.7, acceptance by **NGESO** of each **STOR Tender** shall constitute formation of a **STOR Contract** in relation to each applicable tendered **STOR Unit**, which shall be personal to the **Reserve Provider** and may not be assigned or transferred otherwise than in accordance with paragraphs 3.16 or 4.6 without the consent of **NGESO** (not to be unreasonably withheld or delayed).

2.6.5 Upon notification by **NGESO** to the **Reserve Provider** of acceptance of the **STOR Tender**, and for the duration of the accepted **Season(s)**, the provisions of Section 3 and the remainder of this **Document** shall apply in respect of that **Contracted STOR Unit**.

2.6.6 For the avoidance of doubt, each **STOR Contract** formed as described in sub-paragraphs 2.6.4 and 2.6.5 shall relate only to the tendered **STOR Unit** and from which **Reserve** shall be made available and delivered in accordance with Section 3, except where **Reserve** is made available and delivered from a **STOR Unit Registered** to a **Secondary Reserve Provider** pursuant to the transfer of a **STOR Contract** in accordance with paragraph 3.16.

2.6.7 As a condition of accepting any **STOR Tender**, **NGESO** reserves the right at its sole discretion to require amendments and/or additions to any or all of Sections 3 or 4 of this **Document** including without

limitation where necessary and/or desirable to take account of or otherwise reflect the technical or other conditions or features of the tendered **STOR Unit** save that no amendments and/or additions to this **Document** may be required by **NGESO** if relating to or comprising **EBGL Article 18 Terms and Conditions**.

- 2.6.8 Amendments and/or additions to Sections 3 and 4 of this **Document** either indicated by a **Reserve Provider** pursuant to sub-paragraph 2.3.6 or required by **NGESO** pursuant to sub-paragraph 2.6.7, shall be incorporated into the relevant **STOR Contract(s)** by way of the inclusion of such amendments and/or additions as **Special Conditions** in the **Reserve Provider's Registration** details, and for the avoidance of doubt such amendments and/or additions shall have effect only with respect to the **STOR Tender** in question, and for the avoidance of doubt shall not thereby be incorporated into the **STOR Contract** between **NGESO** and any other **Reserve Provider**.
- 2.6.9 Where **NGESO** has accepted a **STOR Tender** in respect of a **STOR Unit** which is the subject of **Mandatory Works Provisions**, the provision of and payment for **Reserve** pursuant to the resulting **STOR Contract** shall be subject to and conditional upon successful commissioning of the relevant **Plant and Apparatus** in accordance with such **Mandatory Works Provisions**.
- 2.6.10 Where **NGESO** has accepted a **STOR Tender** in respect of which the **Reserve Provider** has specified an appointed agent pursuant to paragraph 4.10, such acceptance shall be conditional upon terms with respect thereof being agreed between the **Parties** and recorded in the **Reserve Provider's Registration** details.
- 2.6.11 Where **NGESO** has accepted a **STOR Tender** in respect of a **STOR Unit** which is not **BM Participating**, the **Reserve Provider** shall (to the extent not already provided in the **STOR Tender** or in the **Reserve Provider's Registration** details) provide to **NGESO** the metering system identifiers in respect of that **STOR Unit** as soon as reasonably practicable following **NGESO's** acceptance of the relevant **STOR Tender** and in any event by not later than twenty (20) **Business Days** prior to the date on which the relevant **STOR Contract** becomes operational.

## 2.7 **SUBSEQUENT YEAR TENDERS**

- 2.7.1 Save to the extent otherwise stipulated in the relevant **STOR Tender Procedure**, each **STOR Tender** shall relate to:
- (a) all **Availability Windows** in one or more **Seasons**; and
  - (b) **Season(s)** falling in either the **First Year** or (as the case may be) the **Subsequent Year**.
- 2.7.2 For the purposes of sub-paragraph 2.7.1, the **Availability Windows** and **Seasons** for the **First Year** and the **Subsequent Year** shall be specified by **NGESO** in the relevant **STOR Tender Procedure**.
- 2.7.3 Where a **STOR Contract** is formed in relation to a **Subsequent Year Tender**:-
- (a) the **Availability Windows** and **Seasons** in the **Subsequent Year** shall be subject to change pursuant to paragraphs 2.8 and 2.9 such that, for the **Subsequent Year**, the **Availability**

**Windows** and **Seasons** specified in the immediately preceding **STOR Tender Procedure** shall prevail; and

- (b) the **Availability Prices** (or, as the case may be, some of them) for **Availability Windows** in the **Subsequent Year** may be subject to adjustment as more particularly described in paragraph 2.9.2.

2.7.4 Where any one or more **Availability Window(s)** for a **Subsequent Year** are amended pursuant to paragraph 2.9, **NGESO** shall apply the **Availability Prices Adjustment Formula** to determine an increase (if any) to the **Availability Price(s)** for any such **Availability Windows** designated as **Committed Windows** in the relevant **STOR Contract**.

## 2.8 **CHANGES TO SEASONS**

2.8.1 **Seasons** in the **Subsequent Year** specified from time to time in a **STOR Tender Procedure** may be changed by **NGESO** in subsequent **STOR Tender Procedure** only in consequence of a **Legislative Clock Change** and to the extent in **NGESO**'s sole opinion necessary and/or desirable having regard to its rights and obligations in the **Transmission Licence** and the **Act**.

2.8.2 Where reasonably practicable prior to any **Legislative Clock Change** taking effect, **NGESO** shall prepare and submit to all **Reserve Providers** a methodology (including where applicable modifications, dis-applications and/or supplements to this **Document** by way of **Special Condition(s)**) to apply to all subsisting **STOR Contracts** affected by the **Legislative Clock Change**.

2.8.3 Such methodology shall be designed to ensure that, for the remainder of all subsisting **STOR Contracts** affected by the change in **Season(s)** consequent upon the **Legislative Clock Change**, with respect to the relevant **STOR Contract(s)** the **Reserve Provider** is in no more or less favourable position than would be the case if such change in **Season(s)** had not occurred.

2.8.4 **NGESO** and each **Reserve Provider** with subsisting **STOR Contract(s)** affected by any change in **Season(s)** shall negotiate in good faith amendments and/or additions to relevant provisions of this **Document** by way of **Special Condition(s)** in the **Reserve Provider's Registration** details as required by the methodology prepared and submitted by **NGESO** pursuant to sub-paragraph 2.8.2 so as to achieve the objective specified in sub-paragraph 2.8.3.

## 2.9 **CHANGES TO AVAILABILITY WINDOWS**

2.9.1 **Availability Windows** in any **Season** in the **Subsequent Year** specified from time to time in a **STOR Tender Procedure** may be changed by **NGESO** in subsequent **STOR Tender Procedure** only upon and subject to the following provisions:-

- (a) the start time of an **Availability Window** may be brought forward or put back but in either case by no more than two hours from the start time for that **Availability Window** specified in a previous **STOR Tender Procedure**; and

- (b) the end time of an **Availability Window** may be put back or brought forward but in either case by no more than two hours from the end time for that **Availability Window** specified in a previous **STOR Tender Procedure**.
- 2.9.2 Where a change is made pursuant to sub-paragraph 2.9.1 to any **Availability Window** designated in a **STOR Contract** as a **Committed Window** and falling in the **Subsequent Year**, then **NGESO** shall apply the formula in Part A of Section 6 of this **Document** to determine an increase (if any) to the **Availability Price(s)** therein for the **Season** in which such **Availability Window** falls as more particularly specified, with the intent that where the aggregate number of hours in all **Committed Windows** in the **Season** is thereby reduced, the **Reserve Provider** is compensated by a corresponding increase in the **Availability Price** for the **Committed Windows** for that **Season**.
- 2.9.3 Without prejudice to sub-paragraph 2.9.5, where any change referred to in sub-paragraph 2.9.1 brings forward the start time, or puts back the end time, of a **Committed Window** which has the effect of causing, or in the reasonable opinion of the **Reserve Provider** might have the effect of causing, the **Reserve Provider** to breach the undertaking in paragraph 3.13, then the **Reserve Provider** shall so notify **NGESO** in writing and, provided such notice meets the requirements of sub-paragraph 2.9.4:-
- (a) the **Reserve Provider** may submit **Declaration(s)** in respect of the affected part of such **Committed Window** confirming that **Reserve** is unavailable and shall provide a brief explanation thereof in accordance with sub-paragraph 3.13.2; and
- (b) such **Declaration(s)** shall not constitute an **Event of Default** for the purposes of this **Document** (notwithstanding that the unavailability is not for technical reasons).
- 2.9.4 Each notice from the **Reserve Provider** referred to in sub-paragraph 2.9.3 shall:-
- (a) be in writing and received by **NGESO** within 20 **Business Days** of the date on which the relevant **STOR Tender Procedure** has been published;
- (b) specify the relevant **Committed Window** and the affected part of parts; and
- (c) be accompanied by details of the agreement or arrangement which would cause, or in the reasonable opinion of the **Reserve Provider** might cause, the **Reserve Provider** to breach the undertaking in paragraph 3.13 as aforesaid.
- 2.9.5 Where any change referred to in sub-paragraph 2.9.1 brings forward the start time and/or puts back the end time of a **Committed Window** then **NGESO** may at its sole discretion notify the **Reserve Provider** in writing that:-
- (a) **Reserve** shall be deemed to be unavailable in respect of such extended part of such **Committed Window** provided always that for the avoidance of doubt such deemed unavailability shall not constitute an **Event of Default** for the purposes of this **Document**; and
- (b) it does not require the **Reserve Provider** to be available to provide **Reserve** during the affected part of such **Committed Window**.

For the avoidance of doubt, the **Reserve Provider's** compliance with any such notice shall not constitute an **Event of Default**.

## 2.10 **NEW OR REDUNDANT AVAILABILITY WINDOWS**

2.10.1 Without prejudice to paragraph 2.9, **NGESO** may from time to time introduce in a **STOR Tender Procedure** one or more new **Availability Windows** in any **Season**, and/or may remove one or more redundant **Availability Windows** in any **Season**, upon and subject to the following provisions:-

- (a) any such new **Availability Windows** may only be introduced in **Seasons** in the **Subsequent Year**; and
- (b) each such new **Availability Window** shall not overlap to any extent with any existing **Availability Window**; and
- (c) any such redundant **Availability Windows** may only be removed in **Seasons** in the **Subsequent Year**.

2.10.2 Where in accordance with sub-paragraph 2.10.1 one or more new **Availability Windows** are introduced in a **Season** in respect of which an existing **STOR Contract** applies, then although such new **Availability Window(s)** shall not automatically apply to such **STOR Contract**, the **Reserve Provider** may at its sole discretion elect, by notice in writing to **NGESO** by the date which shall be specified for such purpose in the **Tender Round**, to re-tender the **STOR Contract**, whereupon sub-paragraph 2.10.3 shall apply.

2.10.3 Where in accordance with sub-paragraph 2.10.2 the **Reserve Provider** elects to re-tender the **STOR Contract**, then it may submit a **STOR Tender** to apply to (inter alia) such new **Availability Window(s)**, and in respect thereof:-

- (a) if accepted by **NGESO**, the **STOR Contract** formed as a result shall replace the existing **STOR Contract** which (without prejudice to all and any accrued rights and obligations of **NGESO** and the **Reserve Provider**) shall automatically terminate with effect from the **Commencement Date** for such new **STOR Contract**; and
- (b) if rejected by **NGESO**, the existing **STOR Contract** shall continue unchanged (for the avoidance of doubt so as not to apply to such new **Availability Window(s)**).

2.10.4 Where a redundant **Availability Window** is removed pursuant to sub-paragraph 2.10.1, then **NGESO** shall apply the formula in Part A of Section 6 of this **Document** to determine an increase (if any) to the **Availability Price(s)** therein for the **Season** in the remaining **Availability Windows**, with the intent that where the aggregate number of hours in all **Committed Windows** in the **Season** is thereby reduced, the **Reserve Provider** is compensated by a corresponding increase in the **Availability Price** for the **Committed Windows** for that **Season**.

2.10.5 For the avoidance of doubt, a redundant **Availability Window** may be removed in conjunction with the extension of another **Availability Window** pursuant to sub-paragraph 2.9.1.

2.11 **MARKET INFORMATION**

2.11.1 To assist **Reserve Providers** in the tender process described in this Section 2, **NGESO** shall, but shall be under no obligation to do so, publish on its website such information as it reasonably considers to be relevant and helpful in the preparation of **STOR Tenders**.

*Post tender reports*

2.11.2 Pursuant to sub-paragraph 2.11.1, **NGESO** shall use reasonable endeavours to publish on its **Industry Information Website**, on the same day that it notifies **Reserve Providers** of acceptance or rejection of **STOR Tenders** pursuant to paragraph 2.6.1, a report of **STOR Tenders** received during the **Tender Round**, containing the following information:-

- (a) the identity of each tendered **STOR Unit** and whether or not **BM Participating**;
- (b) the name of each **Reserve Provider** for each tendered **STOR Unit**;
- (c) if applicable, an indication of the fuel type used by each tendered **STOR Unit**;
- (d) an indication of which such tendered **STOR Units** were the subject of an accepted **STOR Tender**, and in respect of such accepted **STOR Tenders** an indication of which **STOR Units** were the subject of **Mandatory Works Provisions**;
- (e) the tendered **Season(s)**;
- (f) an indication of whether the **STOR Tender** comprises **Committed Windows** or **Flexible Windows**;
- (g) the tendered **Availability Price**;
- (h) the tendered **Contracted MW**; and
- (i) an indication of which **STOR Tenders** in respect of a **STOR Unit** comprise **Seasons** offered as an “all or nothing” group of **STOR Tenders** as more particularly described in sub-paragraph 2.3.4.

2.12 **NON-COLLUSION**

2.12.1 By submitting a **STOR Tender**, each **Reserve Provider** hereby warrants and undertakes to **NGESO** 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 **Availability Prices** (other than in confidence 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, and each **Reserve Provider** indemnifies **NGESO** from and against any losses, liabilities, claims, expenses and **Demands** which **NGESO** might suffer as a result of the **Reserve Provider** being in breach of the warranty and undertaking set out in this paragraph 2.12.



## SECTION 3            STOR CONTRACT TERMS

### 3.1            INTRODUCTION

3.1.1        The provisions of this Section 3 shall apply with respect to a **Reserve Provider** who has submitted a **STOR Tender** in accordance with Section 2, which has been accepted (in whole or in part) by **NGESO** so as to form a **STOR Contract** for a **Contracted STOR Unit** (whether or not **BM Participating**) pursuant to which it shall be required to submit **Mandatory Bids**.

3.1.2        This provisions of this Section 3 shall also apply to any **Reserve Provider** who wishes to submit **Optional Bids** with respect to a **Non-Contracted STOR Unit** which is not **BM Participating**, the utilisation of which by **NGESO** will also form a **STOR Contract**.

3.1.3        **Reserve Providers** with **Non-Contracted STOR Units** which are **BM Participating** may contribute to **NGESO**'s requirement for **Short Term Operating Reserve** in a similar way to submission of **Optional Bids** by participating in the **Balancing Mechanism**, which shall not involve the formation of **STOR Contracts**.

### 3.2            SERVICE AVAILABILITY (CONTRACTED STOR UNITS ONLY)

#### *Committed Windows*

3.2.1        By 10.00 hours each Tuesday (or where not a **Business Day**, the immediately preceding **Business Day**), the **Reserve Provider** shall submit to **NGESO** a notice (a "**Declaration**") in relation to each **Contracted STOR Unit** and in respect of each **Committed Window** in the following **Week**, either:-

- (a)        confirming that **Reserve** is available; or
- (b)        indicating that, for reasons related to the technical capability of the **Contracted STOR Unit**, **Reserve** is unavailable.

Where the **Contracted STOR Unit** is **BM Participating**, a **Declaration** may be made by the submission of **Grid Code OC2** data in accordance with the provisions thereof or by facsimile unless otherwise agreed by **NGESO** in writing.

#### *Flexible Windows*

3.2.2        Where applicable, the **Declaration** shall indicate, in relation to each **Contracted STOR Unit** and in respect of each **Flexible Window** in the following **Week**:-

- (a)        whether or not **Reserve** is available; and
- (b)        where relevant, for each **Operational Day** in that **Week**, whether or not **Reserve** will be available during all **Optional Windows** in that **Operational Day**.

#### *Failure to submit Declarations*

3.2.3        Failure to submit a **Declaration** for any **Committed Window** or **Flexible Window** in accordance with sub-paragraphs 3.2.1 and 3.2.2 (as applicable) shall be deemed to be an indication of unavailability of **Reserve** in the following **Week** or relevant **Operational Day** in that **Week** (as the case may be), and in

respect thereof the **Reserve Provider** shall not be entitled to revise availability of **Reserve** in accordance with sub-paragraph 3.2.4. For the avoidance of doubt, a **Declaration** indicating in relation to a **Contracted STOR Unit** that 0 MW of **Reserve** is available in respect of each **Availability Window** in the following **Week** or relevant **Operational Day** in the following **Week** (as the case may be) shall constitute a valid **Declaration**.

*Flexible Windows – Revisions to Declarations*

3.2.4 The **Reserve Provider** may revise a **Declaration** in relation to a **Contracted STOR Unit** in respect of any **Flexible Window** in the following **Week**:-

- (a) at any time up to and including 10.00 hours on the Friday (or where not a **Business Day**, the immediately preceding **Business Day**) prior to the **Week** in question, the **Reserve Provider** may serve a notice on **NGESO** (a “**Redeclaration**”) either:-
  - (i) advising **NGESO** that **Reserve** will be available from that **Contracted STOR Unit** during that **Flexible Window**; or
  - (ii) advising **NGESO** that **Reserve** will not be available from that **Contracted STOR Unit** during that **Flexible Window**;
- (b) where, at 10.00 hours on the Friday (or where not a **Business Day**, the immediately preceding **Business Day**) prior to the **Week** in question, the **Declaration** or any subsequent **Redeclaration** made by the **Reserve Provider** in accordance with sub-paragraph 3.2.2 or 3.2.4(a)(ii) (as the case may be) indicates unavailability of **Reserve** during that **Flexible Window** the **Reserve Provider** may serve a **Redeclaration** at any time prior to **Gate Closure** (in respect of the first **Settlement Period** within the associated **Pre-Window Instruction Period**) advising **NGESO** that **Reserve** will be available from that **Contracted STOR Unit** during that **Flexible Window**;
- (c) where, at 10.00 hours on the Friday (or where not a **Business Day**, the immediately preceding **Business Day**) prior to the **Week** in question any **Declaration** or subsequent **Redeclaration** made by the **Reserve Provider** in accordance with sub-paragraph 3.2.2 or 3.2.4(a)(ii) (as the case may be) indicates availability of **Reserve** in **Flexible Window(s)** in the following **Week**, the **Reserve Provider** shall not be permitted to issue a **Redeclaration** to withdraw such availability, save:-
  - (i) as permitted by sub-paragraph 3.2.6(b) (following acceptance of such availability by **NGESO** and the relevant **Availability Window(s)** thereby being deemed to constitute **Committed Window(s)** in accordance with sub-paragraph 3.2.5); or
  - (ii) where **NGESO** has rejected such availability in accordance with sub-paragraph 3.2.5.

*Flexible Windows – Acceptance and Rejection of Declarations*

3.2.5 By 16.00 hours each Friday (or where not a **Business Day**, the immediately preceding **Business Day**) **NGESO** shall notify to the **Reserve Provider** who has submitted a **Declaration** and/or **Redeclaration**

prior to 10.00 hours on that Friday indicating availability of the **Contracted STOR Unit** in respect of one or more **Flexible Windows** whether such availability as indicated in that **Declaration** and/or **Redeclaration** has been accepted or rejected. **NGESO's** decision shall be final and binding. Failing such notification by such time and day **NGESO** shall be deemed to have accepted the **Declaration** and/or **Redeclaration** concerned. If **NGESO** accepts a **Declaration** or **Redeclaration** relating to a **Flexible Window** then such **Flexible Window** shall automatically be deemed to constitute a **Committed Window** for the purposes of sub-paragraphs 3.2.6(b), 3.2.8 and 3.2.10 to 3.2.14 (inclusive). If either:

- (a) **NGESO** rejects a **Declaration** or **Redeclaration** in relation to a **Flexible Window**; or
- (b) the **Reserve Provider** submits a **Redeclaration** in accordance with sub-paragraph 3.2.4(b) in relation to a **Flexible Window** after 10.00 hours on a Friday,

then such **Flexible Window** shall constitute a **Deemed Optional Window** for the purposes of sub-paragraphs 3.2.9, 3.2.10, 3.2.11 and 3.2.13(b).

*Committed Windows - Revisions to Declarations pre Gate Closure*

3.2.6 Where, prior to **Gate Closure** in respect of the first **Settlement Period** within a **Pre-Window Instruction Period** associated with a **Committed Window**, the **Reserve Provider** becomes aware of changes in the technical capabilities of a **Contracted STOR Unit** previously the subject of a **Declaration**, it shall revise that **Declaration** forthwith by serving a notice on **NGESO** (a "**Redeclaration**") either:-

- (a) confirming that **Reserve** will be available during that **Committed Window**; or
- (b) indicating that, for reasons related to the technical capability of the **Contracted STOR Unit**, **Reserve** will not be available during that **Committed Window**,

provided always that, for a **Contracted STOR Unit** which is **BM Participating**, where the **Reserve Provider** issues a **Redeclaration** after 05.00 hours on the **Operational Day** immediately preceding the **Operational Day** in which the relevant **Availability Window** falls, the **Redeclaration** shall be made by way of an appropriate revision to the **Maximum Export Limit** of the relevant **Contracted STOR Unit** in accordance with the **Grid Code**.

*Optional Windows – Revisions to Declarations Day Ahead*

3.2.7 At any time up to ninety (90) minutes prior to the start of an **Operational Day**, the **Reserve Provider** may revise a **Declaration** in relation to any **Contracted STOR Unit** in respect of all **Optional Windows** on the following **Operational Day**, by serving a notice on **NGESO** (a "**Redeclaration**") either:-

- (i) advising **NGESO** that **Reserve** will be available from that **Contracted STOR Unit** during all of the **Optional Windows** on the following **Operational Day**; or
- (ii) advising **NGESO** that **Reserve** will not be available from that **Contracted STOR Unit** during all of the **Optional Windows** on the following **Operational Day**.

*Contracted Availability Windows*

3.2.8 A “**Contracted Availability Window**” in relation to any **Contracted STOR Unit** is a **Committed Window** (including a **Flexible Window** in a **Declaration** or **Redeclaration** which is accepted by NGESO pursuant to sub-paragraph 3.2.5) in respect of which the **Declaration** or **Redeclaration** current as at **Gate Closure** (immediately prior to the commencement of the first **Settlement Period** within the **Pre-Window Instruction Period**) indicates that **Reserve** will be available from that **Contracted STOR Unit** during that **Availability Window**.

*Contracted Optional Windows*

3.2.9 A “**Contracted Optional Window**” in relation to any **Contracted STOR Unit** is either:-

- (a) an **Optional Window** in an **Operational Day** in respect of which the **Declaration** or **Redeclaration** current, as at the time ninety (90) minutes prior to the start of that **Operational Day**, indicates that **Reserve** is available from that **Contracted STOR Unit** during all the **Optional Windows** in that **Operational Day**; or
- (b) a **Deemed Optional Window** in respect of which the **Declaration** or **Redeclaration** current as at **Gate Closure** (immediately prior to the commencement of the first **Settlement Period** within the **Pre-Window Instruction Period**) indicates that **Reserve** will be available from that **Contracted STOR Unit** during that **Deemed Optional Window**.

*Late Revisions to Declarations*

3.2.10 If:-

- (a) in respect of the **Contracted Availability Window**, at any time after **Gate Closure** with respect to the first **Settlement Period** of a **Pre-Window Instruction Period**; or
- (b) in respect of a **Contracted Optional Window** which is an **Optional Window**, at any time later than ninety (90) minutes prior to the start of the **Operational Day** preceding the **Operational Day** containing that **Contracted Optional Windows**; or
- (c) in respect of a **Contracted Optional Window** which is a **Deemed Optional Window**, at any time after commencement of the **Pre-Window Instruction Period**.

the **Reserve Provider** becomes aware of a change in the availability of **Reserve** such that, for reasons related to the technical capability of that **Contracted STOR Unit**, **Reserve** will be unavailable from that **Contracted STOR Unit** during all or any part of that **Contracted Availability Window** or **Contracted Optional Window** (as the case may be), it shall notify NGESO forthwith by way of a **Redeclaration** or, where the **Contracted STOR Unit** is **BM Participating**, by way of an appropriate revision to the **Maximum Export Limit** or relevant **Contracted STOR Unit** in accordance with the **Grid Code**.

*Deemed Unavailability*

3.2.11 **Reserve** shall be deemed to be unavailable from a **Contracted STOR Unit** from the time at which a **Redeclaration** is given by the **Reserve Provider** pursuant to sub-paragraph 3.2.10 until the commencement of the next **Window** in respect of which the **Reserve Provider** subsequently serves a

**Declaration or Redeclaration** indicating that **Reserve** will be available from that **Contracted STOR Unit**

*Reasons for Unavailability*

- 3.2.12 Each indication of unavailability by the **Reserve Provider** pursuant to this paragraph 3.2 shall, upon request from **NGESO** and as soon as reasonably practicable thereafter, be followed by an explanation in reasonable detail of the reasons for such unavailability.

*Event of Default*

- 3.2.13 In the event that:-
- (a) the **Reserve Provider** serves a **Redeclaration** in respect of any **Contracted Availability Window** pursuant to sub-paragraph 3.2.10(a); or
  - (b) the **Reserve Provider** fails to serve a notification in respect of any **Availability Window** or **Contracted Availability Window** pursuant to sub-paragraphs 3.2.6 or 3.2.10(a) or **Contracted Optional Window** pursuant to sub-paragraphs 3.2.10(b) or 3.2.10(c) forthwith upon becoming aware of its inability to provide **Reserve** for reasons related to the technical capability of that **Contracted STOR Unit**; or
  - (c) no explanation is given by the **Reserve Provider** as required by sub-paragraph 3.2.12 or **NGESO** has reasonable grounds for believing that such unavailability is unrelated to the technical capability of the **Contracted STOR Unit** concerned,

then paragraph 3.8 (**Events of Default and Consequences**) shall apply.

- 3.2.14 In the event that **Reserve** has been declared or redeclared (or deemed) unavailable pursuant to the provisions of this paragraph 3.2 in respect of an **Availability Window** and the **Reserve Provider** either provides **Active Power** or reduces **Demand** (as the case may be) from the relevant **Contracted STOR Unit** during such **Availability Window** in the circumstances where such **Availability Window** is, or is deemed in accordance with sub-paragraph 3.2.5 to constitute, a **Committed Window** then paragraph 3.8 (**Events of Default and Consequences**) shall apply.

*STOR Contract transfers*

- 3.2.15 Upon service of any valid **Transfer Notice** pursuant to paragraph 3.16, and in relation only to the relevant **Transfer Period**, the provisions of this paragraph 3.2 shall be varied as between **NGESO** and the **Primary Reserve Provider** in the manner set out in sub-paragraph 3.14.4(a).

3.3 **MANDATORY BIDS (CONTRACTED STOR UNITS ONLY)**

*Non-BM Participating*

- 3.3.1 With respect to any **Contracted STOR Unit** which is not **BM Participating**, **NGESO** may utilise **Reserve** made available by the **Reserve Provider** during **Contracted Availability Windows** and **Contracted Optional Windows** by the issue of one or more **Instructions** in accordance with paragraph 3.5.

3.3.2 To facilitate the issue by NGESO of an **Instruction**, the **Reserve Provider** shall confirm the technical and commercial parameters comprising its **STOR Contract** by submitting to NGESO, in respect of the relevant **Contracted STOR Unit**, and by no later than ninety (90) minutes prior to each relevant **Settlement Period**, a **Non-BM Data Submission** comprising, for each **Contracted Availability Window** or **Contracted Optional Window** (as the case may be) and associated **Pre-Window Instruction Period** and **Post-Window Ramping Period**:-

- (a) the **STOR Unit ID**;
- (b) the **Contracted MW**;
- (c) the start date and time, and end date and time, of the **STOR Window**; and
- (d) the **Energy Utilisation Price** or **Optional Energy Utilisation Price** (as the case may be).

3.3.3 In the event that the **Reserve Provider** has failed, in respect of any **Settlement Period** contained in a **Contracted Availability Window** and/or associated **Pre-Window Instruction Period** (including the **Pre-Window Ramping Period**) and/or associated **Post-Window Ramping Period**, to submit a compliant **Non-BM Data Submission** in respect of the relevant **Contracted STOR Unit** in accordance with sub-paragraph 3.3.2, then paragraph 3.8 (**Events of Default and Consequences**) shall apply unless the failure is in respect of:-

- (a) a **Settlement Period** contained in a **Recovery Period**; and/or
- (b) a **Contracted Availability Window** to which sub-paragraph 3.6.12 applies.

*BM Participating*

3.3.4 With respect to any **Contracted STOR Unit** which is **BM Participating**, NGESO may utilise **Reserve** made available by the **Reserve Provider** during **Contracted Availability Windows** and **Contracted Optional Windows** by the issue of one or more **Bid-Offer Acceptances** in accordance with the **Grid Code**.

3.3.5 To facilitate the issue by NGESO of a **Bid-Offer Acceptance** during **Contracted Availability Windows**, the **Reserve Provider** shall submit to NGESO, in respect of the relevant **Contracted STOR Unit** and in accordance with the **Grid Code**, **BM Unit Data** comprising:

- (a) for the duration of **Pre-Window Instruction Periods** and **Contracted Availability Windows**:-
  - (i) a **Physical Notification** as at **Gate Closure** of less than or equal to zero;
  - (ii) a **Maximum Export Limit** of no less than the **Contracted MW**; and
  - (iii) a **Stable Export Limit** of no greater than the lesser of the **Maximum Export Limit** and **Contracted MW**,

reflecting a physical position sufficient to enable submission of **Bid-Offer Data** in accordance with paragraph (b) below;

- (b) in respect of each **Settlement Period** comprised in **Pre-Window Ramping Periods**, **Contracted Availability Windows** and **Post-Window Ramping Periods**, **Bid-Offer Data** comprising a **Bid-Offer Pair No 1** with
    - a MW range from 0 MW to a MW level greater than or equal to the **Contracted MW**;and
  - (c) for the duration of **Pre-Window Instruction Periods**, **Contracted Availability Windows** and **Post-Window Ramping Periods**, associated **Dynamic Parameters** and other relevant **BM Unit Data** consistent with the **Technical Parameters**.
- 3.3.6 In the event that the **Reserve Provider** has failed, in respect of any **Settlement Period** contained in a **Contracted Availability Window** and/or associated **Pre-Window Instruction Period** (including the **Pre-Window Ramping Period**) and/or associated **Post-Window Ramping Period**, to submit **BM Unit Data** in respect of the relevant **Contracted STOR Unit** in accordance with sub-paragraph 3.3.5, then paragraph 3.8 (**Events of Default and Consequences**) shall apply unless the failure is in respect of:-
- (a) a **Settlement Period** contained in a **Recovery Period**; and/or
  - (b) a **Contracted Availability Window** to which sub-paragraph 3.6.12 applies.
- 3.3.7 Upon service of any valid **Transfer Notice** pursuant to paragraph 3.16, and in relation only to the relevant **Transfer Period**, the provisions of this paragraph 3.3 shall be varied as between **NGESO** and the **Primary Reserve Provider** in the manner set out in sub-paragraph 3.16.15(b).
- 3.4 **OPTIONAL BIDS (NON-CONTRACTED STOR UNITS AND NON-BM PARTICIPANTS ONLY)**
- 3.4.1 With respect to any **Non-Contracted STOR Unit** which is not **BM Participating**, a **Reserve Provider** may submit an **Optional Bid** in the form of a **Non-BM Data Submission** meeting the requirements of sub-paragraph 3.4.4, which **NGESO** may utilise by the issue of an **Instruction**.
- 3.4.2 An **Optional Bid** may not be submitted by a **Reserve Provider** in relation to any **Availability Window** or **Optional Window** in a **Season** where the **Non-Contracted STOR Unit** at the relevant time is the subject of a subsisting **STOR Contract** which includes one or more **Availability Windows** in that **Season**.
- 3.4.3 For the avoidance of doubt, the submission by a **Reserve Provider** of an **Optional Bid** shall not of itself constitute a **STOR Contract** or otherwise create any legally binding rights and obligations as between the **Parties** for the provision of **Short Term Operating Reserve** by the **Reserve Provider** from the relevant **Non-Contracted STOR Unit**.
- 3.4.4 Each **Non-BM Data Submission** shall be submitted by the **Reserve Provider** to **NGESO** no later than ninety (90) minutes prior to commencement of each relevant **Settlement Period**, and in respect of each

**Optional Bid Window** and associated **Pre-Window Instruction Period** and **Post-Window Ramping Period** shall comprise:-

- (a) the **STOR Unit ID**;
- (b) the **Optional Bid MW**;
- (c) the start date and time, and end date and time, of the **STOR Window**;
- (d) the **Technical Parameters** (subject as provided below); and
- (e) an **Energy Utilisation Price**,

provided always that, unless and until otherwise notified by **NGESO**, the **Technical Parameters** associated with a **Non-Contracted Unit** may, for the purposes of an **Optional Bid**, be notified to **NGESO** in advance, so as to apply thereafter unless and until updated by the **Reserve Provider**, in each case in the manner described in the **Registration Procedure**.

3.4.5 Where the **Reserve Provider** wishes to revise its **Optional Bid**, it shall do so by submitting a replacement **Non-BM Data Submission**, which in respect of the **STOR Window** in question shall supersede and replace all previously submitted **Non-BM Data Submissions**.

3.4.6 No costs or expenses incurred by **Reserve Providers** in the course of preparing and/or submitting an **Optional Bid** shall be paid by **NGESO**.

3.4.7 Where, in respect of any **Settlement Period**, any of the contents of a **Non-BM Data Submission** for an **Optional Bid** conflicts with those for a **Mandatory Bid**, the latter shall prevail.

*Non-Collusion*

3.4.8 By submitting an **Optional Bid**, each **Reserve Provider** hereby warrants and undertakes to **NGESO** 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 its prices (other than in confidence 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 submitting or to fix or adjust the prices or any of them to be submitted by that other person, and each **Reserve Provider** indemnifies **NGESO** from and against any losses, liabilities, claims, expenses and **Demands** which **NGESO** might suffer as a result of the **Reserve Provider** being in breach of the warranty and undertaking set out in this sub-paragraph 3.4.8.

3.5 **SERVICE INSTRUCTION (NON-BM PARTICIPATION ONLY)**

3.5.1 With respect to any **Contracted STOR Unit** or **Non-Contracted Unit** which is not **BM Participating**, **NGESO** may in any:-

- (a) **Contracted Availability Window**; or
- (b) **Optional Bid Window**; or
- (c) **Pre-Window Instruction Period**; or

(d) **Contracted Optional Window,**

serve the **Reserve Provider** with a notice requiring the **Reserve Provider** to provide **Reserve** from that **Contracted STOR Unit**.

3.5.2 Within two (2) minutes of receipt of any **Instruction** the **Reserve Provider** shall notify **NGESO** of acceptance or rejection of such **Instruction**, and an **Instruction** shall be deemed rejected if no such notification is received by **NGESO** by such time. The **Reserve Provider** may only reject an **Instruction** for safety reasons or reasons relating to the technical capability of the **Contracted STOR Unit** or **Non-Contracted STOR Unit** or where the **Instruction** is issued in either:-

(a) a **Recovery Period**; and/or

(b) a **Contracted Availability Window** or **Optional Bid Window** to which sub-paragraph 3.6.6 applies.

3.5.3 Paragraph 3.8 (**Events of Default and Consequences**) shall apply in respect of any failure by the **Reserve Provider** to comply with sub-paragraph 3.1.1.

3.5.4 **NGESO** may instruct the **Reserve Provider** to cease the provision of **Reserve** from a **Contracted STOR Unit** or **Non-Contracted STOR Unit** with effect from any time on or after expiry of the **Minimum Utilisation Period**.

3.5.5 The **Reserve Provider** shall acknowledge receipt of any instruction given by **NGESO** pursuant to sub-paragraph 3.5.4 within two (2) minutes of receipt.

3.5.6 Paragraph 3.8 (**Events of Default and Consequences**) shall apply in respect of any failure by the **Reserve Provider** to comply with sub-paragraph 3.5.5.

*STOR Contract transfers*

3.5.7 Upon service of any valid **Transfer Notice** pursuant to paragraph 3.16, and in relation only to the relevant **Transfer Period**, the provisions of this paragraph 3.3 shall be varied as between **NGESO** and the **Primary Reserve Provider** in the manner set out in sub-paragraph 3.16.15(c).

3.6 **SERVICE DELIVERY**

*Provision of Reserve – Non-BM Participating*

3.6.1 On receipt of an **Instruction** in respect of a **Contracted STOR Unit** or **Non-Contracted STOR Unit**, the **Reserve Provider** shall, commencing on or before the expiry of the **Response Time**, provide **Reserve** from that **Contracted STOR Unit** or **Non-Contracted STOR Unit** continuously until the earlier of:-

(a) the expiry of the **Maximum Utilisation Period**;

(b) the time specified by **NGESO** in an instruction issued pursuant to sub-paragraph 3.5.4;

(c) in the case of a **Contracted STOR Unit**, the end of the relevant **Contracted Availability Window** (where applicable) unless immediately followed by a **Contracted Optional**

**Window** in respect of which the **Optional MW** is greater than or equal to the **Contracted MW**;

- (d) in the case of a **Contracted STOR Unit**, the end of the relevant **Optional Availability Window** (where applicable) unless immediately followed by a **Contracted Availability Window** in respect of which the **Contracted MW** is greater than or equal to the **Optional MW**); or
- (e) in the case of a **Non-Contracted STOR Unit**, the end of the relevant **Optional Bid Window** unless immediately followed by another **Optional Bid Window** (or by a **Contracted Availability Window** in the next **Season**) where the **Optional MW** of that other **Optional Bid Window** (or in respect of which the **Contracted MW** as the case may be) is greater than or equal to the **Optional MW**.

*Events of Default*

3.6.2 In the event that in respect of any such **Contracted STOR Unit** or **Non-Contracted STOR Unit**:-

- (a) the **Reserve Provider** fails to provide **Reserve** of a level at least ninety (90)% of the **Contracted MW** or **Optional MW** or **Optional Bid MW** (as the case may be) measured at the minute in which the **Response Time** (declared in the prevailing **Non-BM Data Submission**) ends;
- (b) the volume in **MWh of Reserve** provided by the **Reserve Provider** following receipt of an **Instruction** issued in accordance with sub-paragraph 3.5.1 is less than ninety (90)% of the **Contracted MW** or **Optional MW** or **Optional Bid MW** (as the case may be) multiplied by the number of hours (including parts thereof) comprised in the period from the expiry of the **Response Time** (declared in the prevailing **Non-BM Data Submission**) until the first to occur of the times described in sub-paragraphs 3.6.1(a), (b) and (c);
- (c) the **Reserve Provider** fails to provide **Reserve** continuously at a level of at least ninety (90)% of the **Contracted MW** or **Optional MW** or **Optional Bid MW** (as the case may be) until the first to occur of the times described in sub-paragraphs 3.6.1(a), (b) and (c); or
- (d) an **Instruction** is rejected by the **Reserve Provider** (whether for reasons of safety or reasons relating to the technical capability of the **Contracted STOR Unit** or **Non-Contracted STOR Unit**), except where the **Instruction** is issued in a **Recovery Period** or in a **Contracted Availability Window** or **Optional Bid MW** to which sub-paragraph 3.6.6 applies,

paragraph 3.8 (**Events of Default and Consequences**) shall apply in respect of any such failure, and in the case of a **Contracted STOR Unit** the **Reserve Provider** shall be deemed not to have made **Reserve** available from that **Contracted STOR Unit** in respect of subsequent **Contracted Availability Windows** unless and until availability is restored following a **Reproving Test** under and in accordance with sub-paragraph 3.15.3.

3.6.3 In the circumstances specified in sub-paragraphs 3.6.1(c) to (e) inclusive, the **Reserve Provider** shall continue to deliver **Reserve** at the instructed level.

3.6.4 Paragraph 3.8 (**Events of Default and Consequences**) shall apply in respect of any failure by the **Reserve Provider** to comply with sub-paragraph 3.6.3.

3.6.5 If in respect of a **Contracted STOR Unit** or **Non-Contracted STOR Unit** and any **Settlement Period** contained in a **Pre-Window Instruction Period**, **Contracted Availability Window**, **Optional Bid Window**, **Contracted Optional Window** and/or **Post Window Run Down Period**, **Active Power** is provided or the average **Demand** is less than the **Contracted MW** or **Optional Bid MW** (as the case may be) otherwise than pursuant to an **Instruction**, then paragraph 3.8 (**Events of Default and Consequences**) shall apply (and for the avoidance of doubt provision of **Active Power** or reduction of **Demand** in excess of the **Contracted MW** or **Optional Bid MW** (as the case may be) shall not be construed as an **Event of Default**).

*Recovery Periods*

3.6.6 In the case where the **Recovery Period** following the provision of **Reserve** by a **Contracted STOR Unit** overlaps with the **Pre-Window Instruction Period** for a subsequent **Contracted Availability Window**, then **Reserve** shall be deemed to be unavailable from that **Contracted STOR Unit** in respect of all **Settlement Periods** comprised in that subsequent **Contracted Availability Window**, and NGENSO shall be under no liability pursuant to sub-paragraph 3.7.1 to pay a **Reserve Availability Payment** in respect of the **Settlement Periods** comprised in the subsequent **Contracted Availability Window**.

3.6.7 Where sub-paragraph 3.6.6 applies in respect of a **Contracted STOR Unit** and a **Contracted Availability Window** and NGENSO issues an **Instruction** in that **Contracted Availability Window** which is not subsequently rejected by the **Reserve Provider** in accordance with sub-paragraph 3.5.2, then that **Contracted Availability Window** shall be deemed to be a **Contracted Optional Window** for the purposes of sub-paragraph 3.7.3.

*Provision of Reserve – BM Participating*

3.6.8 The **Reserve Provider** shall, commencing on or before the expiry of the **Response Time**, provide **Reserve** from a **Contracted STOR Unit** in a **Contracted Availability Window** or **Optional Bid Window** in accordance with **Bid-Offer Acceptance(s)** issued by NGENSO continuously until the earlier of:-

- (a) the expiry of the **Maximum Utilisation Period**;
- (b) the time implied in the **Bid-Offer Acceptance(s)** issued by NGENSO in respect of that **Contracted STOR Unit** or **Non-Contracted STOR Unit**; and
- (c) the end of the relevant **Contracted Availability Window** or **Optional Bid Window**,

provided that no such obligation shall arise in respect of any **Bid-Offer Acceptance** rejected by the **Reserve Provider** pursuant to **Grid Code BC2.7.3**.

*Events of Default*

3.6.9 In the event that in respect of any **Contracted STOR Unit** or **Non-Contracted STOR Unit**:-

- (a) the **Reserve Provider** fails to provide **Reserve** at a level at least ninety (90)% of the volume in MWh of energy instructed to be delivered in accordance with the relevant **Bid-Offer Acceptance** (shown as QMEij in paragraph 4 of Part B to Section 6) in the **Settlement Period** in which the **Response Time** ends;
- (b) the volume in MWh of **Reserve** provided by the **Reserve Provider** in accordance with one or a series of contiguous **Bid-Offer Acceptance(s)** issued in accordance with sub-paragraph 3.3.4 **Error! Reference source not found.** is less than ninety (90)% of the volume in MWh of energy instructed to be delivered in accordance with such **Bid-Offer Acceptance(s)** (shown as QMEij in paragraph 4 of Part B to Section 6);
- (c) the **Reserve Provider** fails to provide **Reserve** continuously at a level of at least ninety (90)% of the **Contracted MW** until the first to occur of the times described in sub-paragraphs 3.6.8(a), (b) and (c); or
- (d) a **Bid-Offer Acceptance** is rejected by the **Reserve Provider** (other than in accordance with **Grid Code BC2.7.3(b)** and whether for reasons of safety or otherwise),

paragraph 3.8 (**Events of Default and Consequences**) shall apply in respect of any such failure, and in the case of a **Contracted STOR Unit** the **Reserve Provider** shall be deemed not to have made **Reserve** available from that **Contracted STOR Unit** in respect of subsequent **Contracted Availability Windows** unless and until availability is restored following a **Reproving Test** under and in accordance with sub-paragraph 3.15.3.

3.6.10 In the event that **Reserve** has been declared or redeclared (or deemed) unavailable from a **Contracted STOR Unit** which is **BM Participating** and the **Reserve Provider** submits, in respect of that **Contracted STOR Unit**, a **Physical Notification** of greater than zero (0) MW in respect of any **Settlement Period** contained within any affected **Availability Window** and/or **Pre-Window Instruction Period**, then unless the **Physical Notification** reflects testing of that **Contracted STOR Unit** during a planned outage pursuant to sub-paragraph 3.6.13, paragraph 3.8 (**Events of Default and Consequences**) shall apply.

3.6.11 In the event that, in respect of any **Settlement Period** contained in a **Contracted Availability Window** or **Optional Bid Window** and/or associated **Pre-Window Instruction Period** and/or **Post-Window Ramping Period**, the **Reserve Provider** exports **Active Power** to the **Total System** from a **Contracted STOR Unit** or **Non-Contracted STOR Unit** which is **BM Participating** otherwise than pursuant to **Bid-Offer Acceptance(s)**, then paragraph 3.8 (**Events of Default and Consequences**) shall apply.

*Recovery Periods*

3.6.12 In the case where the issue of a **Bid-Offer Acceptance** (whether for **Reserve** or otherwise) is associated with a **Minimum Zero Time** which ends in the **Pre-Window Instruction Period** for a subsequent **Contracted Availability Window**, then:

- (a) **Reserve** shall be deemed to be unavailable from that **Contracted STOR Unit** in respect of all **Settlement Periods** comprised in that subsequent **Contracted Availability Window** and

NGESO shall be under no liability pursuant to sub-paragraph 3.7.1 to pay a **Reserve Availability Payment** in respect of the **Settlement Periods** comprised in the subsequent **Contracted Availability Window**; and

- (b) the **Reserve Provider** may, in relation to that **Contracted STOR Unit**, submit **BM Unit Data** in respect of any **Settlement Period** comprised in that subsequent **Contracted Availability Window** and associated **Pre-Window Instruction Period** and **Post-Window Ramping Period** which is not in accordance with sub-paragraph 3.3.5..

#### *Planned Outages*

3.6.13 Sub-paragraph 3.6.10 shall not apply where the **Generator** submits, in respect of any **Contracted STOR Unit**, a **Physical Notification** of greater than zero in respect of a **Settlement Period** comprised in a planned outage period relating to such **Contracted STOR Unit** which is notified in advance to **NGESO** in accordance with **Grid Code** OC 2 and where:-

- (a) the **Reserve Provider** provides evidence reasonably satisfactory to **NGESO** of its requirement for such planned outage and that it is reasonably necessary to test the operation of the **Contracted STOR Unit** during the planned outage period; and
- (b) **NGESO** agrees (in writing) to waive its right to enforce the provisions of sub-paragraph 3.6.10 and paragraph 3.8 (**Events of Default and Consequences**).

#### *STOR Contract transfers*

3.6.14 Upon service of any valid **Transfer Notice** pursuant to paragraph 3.16, and in relation only to the relevant **Transfer Period**, the provisions of this paragraph 3.6 shall be varied as between **NGESO** and the **Primary Reserve Provider** in the manner set out in sub-paragraph 3.14.4(d).

### 3.7 **PAYMENT**

#### *Reserve Availability Payment*

3.7.1 **NGESO** shall pay to the **Reserve Provider**, in accordance with paragraph 4.3, in respect of **Contracted Availability Windows** in each month, an amount (“the **Reserve Availability Payment**”) calculated in accordance with the formula set out in paragraph 1 of Parts B or C (as applicable) to Section 6. No **Reserve Availability Payment** shall be made with respect to **Optional Bid Windows**.

#### *Reserve Utilisation Payments*

3.7.2 Where a **Contracted STOR Unit** or **Non-Contracted STOR Unit** is not **BM Participating**, **NGESO** shall also pay to the **Reserve Provider** in accordance with paragraph 4.3, in respect of:-

- (a) the increase in **Generation** or reduction in **Demand** (as the case may be) during **Pre-Window Ramping Periods** and **Post-Window Ramping Periods** in each month; and
- (b) the provision of **Reserve** during **Contracted Availability Windows** and **Optional Bid Windows** in each month,

an amount (the “**Energy Utilisation Payment**”) calculated in accordance with the formula set out in paragraph 2 of Part C to Section 6.

3.7.3 Where a **Contracted STOR Unit** is not **BM Participating**, NGENSO shall also pay to the **Reserve Provider** in accordance with paragraph 4.3, in respect of the provision of **Reserve** during **Contracted Optional Windows** in each month an amount (the “**Optional Energy Utilisation Payment**”) calculated in accordance with the formula set out in paragraph 2 of Part C to Section 6.

3.7.4 Payments to be made by NGENSO to the **Reserve Provider** pursuant to sub-paragraphs 3.7.2 and 3.7.3 are hereafter referred to as the “**Reserve Utilisation Payments**”, and shall be calculated by reference to prevailing **Energy Utilisation Prices** and **Optional Energy Utilisation Prices**.

3.7.5 For a **Contracted STOR Unit** or **Non-Contracted STOR Unit** which is **BM Participating**, payments to the **Reserve Provider** with respect to the provision of **Reserve** shall be made in respect of each **Bid-Over Acceptance** in accordance with the **Balancing and Settlement Code**.

3.7.6 [For the purposes of this paragraph 3.7 utilisation prices for **Contracted STOR Units** shall be derived as follows:

(i) for a **Contracted STOR Unit** that is **BM Participating**, the **Energy Utilisation Price** shall be the **Bid-Offer Price** for **Bid-Offer Pair No 1** prevailing for that **Contracted STOR Unit** and the relevant **Settlement Period(s)** at the time of issue of the **Bid-Offer Acceptance**; and

(ii)

for any other **Contracted STOR Unit**, the **Energy Utilisation Price** and (where applicable) **Optional Energy Utilisation Price** shall be as specified in the **Non-BM Data Submission** prevailing for that **Contracted STOR Unit** and the relevant **Settlement Period(s)** at the time of issue of the **Instruction**.

*Impact of STOR Contract transfers on payments to Reserve Provider*

3.7.7 With respect to any **Transfer Period**:-

(a) for the purposes of sub-paragraphs 3.7.1 to 3.7.6 inclusive, the availability and provision of **Reserve** pursuant to the relevant **STOR Contract** shall be assessed by reference to the **STOR Unit(s) Registered** to the **Secondary Reserve Provider** and not to the **Primary Reserve Provider’s Contracted STOR Unit**;

(b) all and any **Reserve Availability Payments** accruing due pursuant to this paragraph 3.7 shall be payable to the **Primary Reserve Provider** and nothing in this **Document** shall create any liability or obligation on the part of NGENSO to make any such payments to the **Secondary Reserve Provider**; and

(c) all and any **Reserve Utilisation Payments** accruing due pursuant to this paragraph 3.7 shall be payable to the **Primary Reserve Provider**, but for the avoidance of doubt, where the relevant **STOR Unit** of the **Secondary Reserve Provider** is **BM Participating** utilisation payments pursuant to **Bid-Offer Acceptances** shall be made in accordance with the **BSC** to the **Secondary Reserve Provider** and not to the **Primary Reserve Provider** but subject thereto nothing in this **Document** shall create any liability or obligation on the part of NGENSO to make any such payments to the **Secondary Reserve Provider**.

*Seasonal Delivery Reconciliation*

3.7.8 At the end of each **Season**, where in respect of any **Contracted STOR Unit** NGESO determines that the aggregate volume in MWh of **Reserve** provided from that **Contracted STOR Unit** (which for these purposes with respect to any **Transfer Period** shall include all and any **Transfer Volumes**) (shown as  $QM_{ij}$  in paragraph 4 of Part B to Section 6 and  $R_{sj}$  in paragraph 4 of Part C to Section 6, as applicable) in respect of all utilisations during that **Season** is less than 95% of the aggregate of:-

- (a) the aggregate volume in MWh of **Reserve** instructed to be delivered, plus
- (b) the aggregate **Deemed Rejected Instruction Volumes** (if any),

then the **Reserve Provider** to which that **Contracted STOR Unit** is **Registered** shall pay to NGESO in accordance with paragraph 4.3 an amount (if any) (“the **Seasonal Delivery Reconciliation Payment**”) calculated in accordance with the formula set out in paragraph 2 of Part B or paragraph 3 of Part C (as applicable) to Section 6.

*Committed Availability Reconciliation*

3.7.9 At the end of each **STOR Year** during the term of a **STOR Contract**, and in relation to each **Contracted STOR Unit**, the **Reserve Provider** to which that **Contracted STOR Unit** is **Registered** shall pay to NGESO in accordance with paragraph 4.3, an amount (if any) (“the **Committed Availability Reconciliation Payment**”) calculated:

- (a) in accordance with the formula set out in paragraph 3 of Part B to Section 6 or paragraph 4 of Part C to Section 6 (as applicable), in respect of those **Availability Windows** designated in the **STOR Contract** as **Committed Windows** during which the **Reserve Provider** failed to make **Reserve** available to NGESO from the **Contracted STOR Unit** during that **STOR Year**; and
- (b) if more than one **STOR Contract** was in force in relation to the same **Contracted STOR Unit** in that **STOR Year**, on an aggregated basis, taking into account all **Committed Windows** designated under all **STOR Contracts** relating to that **Contracted STOR Unit** in that **STOR Year**.

3.7.10 Where a **STOR Contract** is terminated pursuant to paragraph 3.8 or paragraph 4.5 or a **STOR Contract** expires during a **STOR Year** and there are no further **STOR Contracts** in force in relation to the same **Contracted STOR Unit** in that **STOR Year**, then for the purposes of sub-paragraph 3.7.9 the **Reserve Provider** to which that **Contracted STOR Unit** is **Registered** shall pay to NGESO in accordance with paragraph 4.3 the amount (if any) calculated in accordance with the formula set out in paragraph 3 of Part B to Section 6 or paragraph 4 of Part C to Section 6, in respect of **Contracted Availability Windows** during which the **Reserve Provider** failed to make **Reserve** available to NGESO from the **Contracted STOR Units** in respect of the period from either:-

- (a) the commencement of the **STOR Year** in which such termination occurs; or (if later)
  - (b) the **Commencement Date** of that **STOR Contract**,
- until the date of termination or expiry of that **STOR Contract**.

- 3.7.11 Where the **Commencement Date** of a **STOR Contract** does not coincide with the commencement of a **STOR Year** and there are no further **STOR Contracts** in force in relation to the same **Contracted STOR Unit** in that **STOR Year**, then for the purposes of sub-paragraph 3.7.9 the **Reserve Provider** to which that **Contracted STOR Unit** is **Registered** shall pay to **NGESO** in accordance with paragraph 4.3 the amount (if any) calculated in accordance with the formula set out in paragraph 3 of Part B to Section 6 or paragraph 4 of Part C to Section 6, in respect of **Contracted Availability Windows** during which the **Reserve Provider** failed to make **Reserve** available to **NGESO** from the **Contracted STOR Unit** in respect of the period from the **Commencement Date** of the **STOR Contract** until either:-
- (a) the end of the **STOR Year** in which the **Commencement Date** falls; or (if earlier)
  - (b) the date of termination of that **STOR Contract**.

*Flexible Availability Reconciliation*

- 3.7.12 At the end of each **STOR Year** during the term of a **STOR Contract**, the **Reserve Provider** to which that **Contracted STOR Unit** is **Registered** shall pay to **NGESO** in accordance with paragraph 4.2, an amount (if any) (“the **Flexible Availability Reconciliation Payment**”) calculated in accordance with the formula set out in paragraph 5 of Part B to Section 6, in respect of the **Flexible Windows** which are deemed to constitute **Committed Window(s)** in accordance with sub-paragraph 3.2.5 and during which the **Reserve Provider** failed to make **Reserve** available from any **Contracted Site** during that **STOR Year**.

*Impact of STOR Contract transfers on reconciliations*

- 3.7.13 For the avoidance of doubt, with respect to any **Transfer Period** and for the purposes of sub-paragraphs 3.7.9 to 3.5.12 inclusive:-
- (a) all and any periods of unavailability of the applicable **STOR Unit(s)** **Registered** to the **Secondary Reserve Provider** shall be treated as deemed unavailability of the **Contracted STOR Unit**; and
  - (b) all and any reconciliation payments accruing due shall be payable by the **Primary Reserve Provider** and nothing in this **Document** shall create any obligation on the part of the **Secondary Reserve Provider** to make any such payments to **NGESO**.

**3.8 EVENTS OF DEFAULT**

*Non-BM Participating*

- 3.8.1 For the purposes of this Section 3, the **Events of Default** applicable to a **Contracted STOR Unit** which is not **BM Participating** are set out in the table below (and references to individual **Events of Default** shall be construed accordingly):-

Event of Default – Redeclarations of Availability	Effect on Reserve Availability Payments
A. A <b>Redeclaration</b> in the circumstances specified in sub-paragraph 3.2.13(a).	The <b>Reserve Provider</b> shall not be entitled:- (a) where notice is given prior to commencement of a <b>Contracted Availability Window</b> , to receive a <b>Reserve Availability</b>

	<p><b>Payment</b> in relation to that <b>Contracted STOR Unit</b> in respect of the whole of the <b>Contracted Availability Window(s)</b> to which the notice relates or (as the case may be) in respect of that <b>Contracted Availability Window</b> and all subsequent <b>Contracted Availability Window(s)</b> until the next <b>Contracted Availability Window</b> in respect of which the <b>Reserve Provider</b> notifies availability of <b>Reserve</b> from that <b>Contracted STOR Unit</b>; and</p> <p>(b) where notice is given during a <b>Contracted Availability Window</b>, to receive a <b>Reserve Availability Payment</b> in relation to that <b>Contracted STOR Unit</b> in respect of the remainder of such <b>Contracted Availability Window</b> and any subsequent <b>Contracted Availability Window(s)</b> to which the notice relates or (as the case may be) in respect of all subsequent <b>Contracted Availability Window(s)</b> until the next <b>Contracted Availability Window</b> in respect of which the <b>Reserve Provider</b> notifies availability of <b>Reserve</b> from that <b>Contracted STOR Unit</b> .</p>
<p>B. Failure to serve a <b>Redeclaration</b> forthwith upon becoming aware of unavailability of <b>Reserve</b> in <b>Availability Window(s)</b> or <b>Contracted Availability Window(s)</b> as specified in sub-paragraph 3.2.13(b).</p> <p>C. Failure, upon request from <b>NGESO</b>, to provide an explanation in reasonable detail for unavailability or <b>NGESO</b> has reasonable grounds to believe that unavailability is unrelated to technical capability as specified in sub-paragraph 3.2.13(c).</p>	<p>The <b>Reserve Provider</b> shall not be entitled to receive a <b>Reserve Availability Payment</b> in respect of that <b>Contracted STOR Unit</b> in respect of the whole of the <b>Contracted Availability Window(s)</b> in relation to which such event of default occurred.</p>
<p>D. Failure to serve a <b>Redeclaration</b> forthwith upon becoming aware of unavailability of <b>Reserve</b> in <b>Contracted Optional Window(s)</b> as specified in sub-paragraph 3.2.13(b).</p>	<p>N/A</p>

<b>Event of Default – Utilisation of Reserve</b>	<b>Effect on Reserve Availability Payments</b>
<p>E. Any failure by the <b>Reserve Provider</b> to notify <b>NGESO</b> of acceptance or rejection of an <b>Instruction</b> within the period of time specified in sub-paragraph 3.5.2.</p> <p>F. Any failure to submit a <b>Non-BM Data Submission</b> in accordance with sub-paragraph 3.3.2 in the circumstances specified in sub-paragraph 3.3.3.</p> <p>G. Rejection of an <b>Instruction</b> by the <b>Reserve Provider</b> in the circumstances specified in sub-paragraph 3.6.2(d).</p>	<p>The <b>Reserve Provider</b> shall not be entitled to receive a <b>Reserve Availability Payment</b> in relation to that <b>Contracted STOR Unit</b> for the whole of the <b>Contracted Availability Window</b> in relation to which such failure occurred.</p> <p>The <b>Reserve Provider</b> shall not be entitled to receive an <b>Availability Payment</b> in relation to that <b>Contracted STOR Unit</b> in respect of: the whole of the <b>Contracted Availability Window</b> in relation to which such failure occurred..For the purposes of the <b>Seasonal Delivery Reconciliation Payment</b>, each such <b>Event of Default</b> shall attract a <b>Deemed Rejected Instruction Volume</b> calculated by reference to the period of 1 hour.</p>
<p>H. Any failure by the <b>Reserve Provider</b> to acknowledge receipt of any cease instruction given by <b>NGESO</b> pursuant to sub-paragraph 3.5.4 within the period of time specified in sub-paragraph 3.5.5.</p> <p>I. The provision of <b>Active Power</b> or shortfall in average <b>Demand</b> from a <b>Contracted STOR Unit</b> otherwise than pursuant to an <b>Instruction</b> in the circumstances specified in sub-paragraph 3.6.5.</p>	<p>The <b>Reserve Provider</b> shall not be entitled to receive a <b>Reserve Availability Payment</b> in relation to that <b>Contracted STOR Unit</b> for the whole of the <b>Contracted Availability Window</b> in relation to which such failure occurred.</p>

J. Failure to comply with sub-paragraph 3.6.1 in respect of the provision of <b>Contracted MW</b> in the circumstances specified in sub-paragraph 3.6.2(a).	The <b>Reserve Provider</b> shall not be entitled to receive a <b>Reserve Availability Payment</b> in relation to that <b>Contracted STOR Unit</b> in respect of each <b>Settlement Period</b> comprised (wholly or partly) in the period commencing on the expiry of the <b>Response Time</b> and ending at the time from which the <b>Reserve Provider</b> provides <b>Reserve</b> .
K. Failure to comply with sub-paragraph 3.6.1 in respect of the provision of <b>Contracted MW</b> in the circumstances specified in sub-paragraph 3.6.2(b). L. Failure to comply with sub-paragraph 3.6.1 in respect of the provision of <b>Contracted MW</b> in the circumstances specified in sub-paragraph 3.6.2(c). M. Failure to comply with sub-paragraph 3.6.3 in respect of the provision of <b>Contracted MW</b> in the circumstances specified in sub-paragraph 3.6.4.	The <b>Reserve Provider</b> shall not be entitled to receive a <b>Reserve Availability Payment</b> in relation to that <b>Contracted STOR Unit</b> in respect of the remainder of that <b>Contracted Availability Window</b> commencing at the time at which such <b>Event of Default</b> occurred.
N. Failure to comply with sub-paragraph 3.6.1 and/or 3.6.3 in respect of the provision of <b>Optional MW</b> as specified in sub-paragraph <b>Error! Reference source not found.</b> and/or 3.6.4.	N/A
<b>Event of Default – Miscellaneous</b>	<b>Effect on Reserve Availability Payments</b>
O. A failure by the <b>Reserve Provider</b> to comply with any other provision of Section 3 not the subject of <b>Events of Default A to M</b> above.	N/A

3.8.2 For the purposes of this Section 3, the **Events of Default** applicable to a **Contracted STOR Unit** which is **BM Participating** are set out in the table below (and references to individual **Events of Default** shall be construed accordingly):-

Events of Default – Redeclarations of Availability	Effect on Reserve Availability Payments
A. A <b>Redeclaration</b> in the circumstances specified in sub-paragraph 3.2.13(a).	The <b>Reserve Provider</b> shall not be entitled:-  (a) where notice is given prior to commencement of a <b>Contracted Availability Window</b> , to receive a <b>Reserve Availability Payment</b> in relation to that <b>Contracted STOR Unit</b> in respect of the whole of the <b>Contracted Availability Window(s)</b> to which the notice relates or (as the case may be) in respect of that <b>Contracted Availability Window</b> and all subsequent <b>Contracted Availability Window(s)</b> until the next <b>Contracted Availability Window</b> in respect of which the <b>Reserve Provider</b> notifies availability of <b>Reserve</b> from that <b>Contracted STOR Unit</b> ; and  (b) where notice is given during a <b>Contracted Availability Window</b> , to receive a <b>Reserve Availability Payment</b> in relation to that <b>Contracted STOR Unit</b> in respect of the remainder of such <b>Contracted Availability Window</b> and any subsequent <b>Contracted Availability Window(s)</b> to which the notice relates or (as the case may be) in respect of all subsequent <b>Contracted Availability Window(s)</b> until the next <b>Contracted Availability Window</b> in respect of which the <b>Reserve Provider</b> notifies availability of <b>Reserve</b> from that <b>Contracted STOR Unit</b> .

<p>B. Failure to serve a <b>Redeclaration</b> forthwith upon becoming aware of unavailability of <b>Reserve</b> as specified in sub-paragraph 3.2.13(b).</p> <p>C. Failure, upon request from <b>NGESO</b>, to provide an explanation in reasonable detail for unavailability or <b>NGESO</b> has reasonable grounds to believe that unavailability is unrelated to technical capability as specified in sub-paragraph 3.2.13(c).</p> <p>D. <b>Declaration</b> or <b>Redeclaration</b> of unavailability in the circumstances specified in sub-paragraph 3.6.10.</p> <p>E. The export of <b>Active Power</b> by the <b>Reserve Provider</b> otherwise than pursuant to <b>Bid-Offer Acceptance(s)</b> in the circumstances specified in sub-paragraph 3.6.11.</p>	<p>The <b>Reserve Provider</b> shall not be entitled to receive a <b>Reserve Availability Payment</b> in respect of that <b>Contracted STOR Unit</b> in relation to the whole of the <b>Contracted Availability Window</b> to which such <b>Event of Default</b> relates.</p>
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Event of Default – Utilisation of Reserve	Effect on Reserve Availability Payments
<p>F. Failure to submit <b>BM Unit Data</b> in accordance with sub-paragraph 3.3.5(a), sub-paragraph 3.3.5(b)(i), sub-paragraph 3.3.5(b)(ii) or sub-paragraph 3.3.5(c) in the circumstances specified in sub-paragraph 3.3.6.</p>	<p>The <b>Reserve Provider</b> shall not be entitled to receive an <b>Availability Payment</b> in relation to that <b>Contracted STOR Unit</b> in respect of:-</p> <p>(a) where such failure relates in whole or in part to the submission in respect of one or more <b>Settlement Periods</b> comprised in a <b>Pre-Window Instruction Period</b> or <b>Contracted Availability Window</b> of a <b>Physical Notification</b> of greater than zero, the whole of the <b>Contracted Availability Window</b> concerned or (where relevant) to which such <b>Pre-Window Instruction Period</b> relates; or</p> <p>(b) (in respect of all other items of <b>BM Unit Data</b> (with the exception of the <b>Maximum Export Limit</b> to which <b>Event of Default A</b> shall apply):</p> <p>(i) where such failure occurred in a <b>Settlement Period(s)</b> comprised in a <b>Contracted Availability Window</b> those <b>Settlement Periods</b> in which such failure occurred; and</p> <p>(ii) where such failure occurred in a <b>Settlement Period(s)</b> comprised in a <b>Pre-Window Instruction Period, Pre-Window Ramping Period</b> and/or <b>Post Window Ramping Period</b>, the number of <b>Settlement Periods</b> comprised in the related <b>Contracted Availability Window</b> which is equivalent to the number of <b>Settlement Periods</b> during which such failure occurred.</p>
<p>G: Failure to submit <b>BM Unit Data</b> in accordance with sub-paragraph 3.3.5(b) in the circumstances specified in sub-paragraph 3.3.6.</p>	<p>N/A</p>
<p>H. Failure to comply with sub-paragraph 3.6.8 in the circumstances specified in sub-paragraph 3.6.9(a).</p>	<p>The <b>Reserve Provider</b> shall not be entitled to receive a <b>Reserve Availability Payment</b> in relation to that <b>Contracted STOR Unit</b> in respect of: each <b>Settlement Period</b> comprised (wholly or partly) in the period commencing on the expiry of the <b>Response Time</b> and ending at the time from which the <b>Reserve Provider</b> provides <b>Reserve</b>.</p>
<p>I. Failure to comply with sub-paragraph 3.6.8 in the circumstances specified in sub-paragraph 3.6.9(b).</p> <p>J. Failure to comply with sub-paragraph 3.6.8 in the circumstances specified in sub-paragraph 3.6.9(c).</p>	<p>The <b>Reserve Provider</b> shall not be entitled to receive a <b>Reserve Availability Payment</b> in relation to that <b>Contracted STOR Unit</b> in respect of the remainder of that <b>Contracted Availability Window</b> commencing at the time at which such <b>Event of Default</b> occurred.</p>

<p>K. Any <b>Bid-Offer Acceptance</b> is rejected by the <b>Reserve Provider</b> (other than in accordance with <b>Grid Code BC2.7.3(b)</b> and whether for reasons of safety or otherwise) as referred to in sub-paragraph 3.6.9(d)</p>	<p>The <b>Reserve Provider</b> shall not be entitled to receive a <b>Reserve Availability Payment</b> in respect of that <b>Contracted STOR Unit</b> in respect of the whole of the <b>Contracted Availability Window</b> in relation to which such failure occurred.</p> <p>For the purposes of the <b>Seasonal Delivery Reconciliation Payment</b>, each such <b>Event of Default</b> shall attract a <b>Deemed Rejected Instruction Volume</b> calculated by reference to the period of 1 hour.</p>
<p style="text-align: center;"><b>Event of Default – Miscellaneous</b></p>	<p style="text-align: center;"><b>Effect on Reserve Availability Payments</b></p>
<p>L. A failure by the <b>Reserve Provider</b> to comply with any other provision of Section 3 not the subject of <b>Events of Default A to J</b> above.</p>	<p style="text-align: center;">N/A</p>

*Withholding of Reserve Availability Payments*

3.8.3 Upon each occurrence of the following Events of Default:-

Non-BM Participating: A, B, C, E, F, G, H, I, J, K, L, M

BM Participating: A, B, C, D, E, F, G, H, I, J, K

the **Reserve Availability Payment** otherwise payable by **NGESO** to the **Reserve Provider** shall be reduced as more particularly described in the respective column in the table in sub-paragraph 3.8.1 or 3.8.2 (if applicable).

*Reduction in Availability Prices*

3.8.4 Without prejudice to **NGESO's** rights pursuant to this paragraph 3.8, where at the end of a calendar month **NGESO** determines that in respect of one or more **Availability Window(s)** during that calendar month one or more of the following **Events of Default**:

Non-BM Participating: A, B, C, E, F, G, H, I, J

BM Participating: A, B, C, D, E, F, G, H, K

have occurred (otherwise than as a result of **Force Majeure**) in those **Availability Window(s)** or in any associated **Pre-Window Instruction Period(s)** or **Post Window Run Down Period(s)** in respect of any one **Contracted STOR Unit** (including any **STOR Unit Registered** to a **Secondary Reserve Provider** during a **Transfer Period**), then **NGESO** shall be entitled (at its sole discretion) to reduce the **Availability Price** in respect of the relevant **Contracted STOR Unit** in respect of that calendar month by one percent for each **Availability Window** in question, subject always to a maximum reduction of 30% of the **Availability Price**, provided always that **NGESO** shall use reasonable endeavours to notify the **Reserve Provider** of the relevant **Events of Default** and number of relevant **Availability Windows** prior to issuing the relevant **Monthly Statement** in which such reduction in **Availability Price** shall be applied.

*Termination of STOR Contract*

3.8.5 **NGESO** may in its absolute discretion terminate a **STOR Contract** forthwith by notice in writing to the **Reserve Provider** in the following circumstances:-

- (a) where the **Reserve Provider** persistently fails to make available and/or provide **Reserve** from the relevant **Contracted STOR Unit** (including any such failure attributable to a **STOR Unit Registered** to a **Secondary Reserve Provider** during a **Transfer Period**), and/or comply with the provisions of the **STOR Despatch Procedure** in respect thereof and such failure amounts to an intentional or reckless breach or disregard by the **Reserve Provider** of its obligations under this Section 3 and/or the **STOR Contract**; or
- (b) (without prejudice to **NGESO**'s rights under sub-paragraph 3.13.1) where, the **Reserve Provider** has breached the provisions of sub-paragraph 3.13.1 in respect of the **Contracted STOR Unit**; or
- (c) where the **Contracted STOR Unit** is **BM Participating**, where for the purposes of the **Balancing and Settlement Code** the **Reserve Provider** ceases to be the **Lead Party** in respect of the **Contracted STOR Unit** or **Substitute STOR Unit** (where applicable).

3.8.6 Where in respect of any one **Contracted STOR Unit** (including any **STOR Unit Registered** to a **Secondary Reserve Provider** during a **Transfer Period**), the number of **Windows** in respect of which one or more of the following **Events of Default**:-

Non-BM Participating: A, B, C, D, E, F, G, H, I, J, K, L, M, N, O

BM Participating: A, B, C, D, E, F, G, H, I, J, K, L

occurs exceeds either:-

- (a) three (3) in any **Season**; or
- (b) eight (8) within a twelve month period during the term of the **STOR Contract**,

**NGESO** may in its absolute discretion but subject always to sub-paragraphs 3.8.7 and 4.5.6 terminate a **STOR Contract** forthwith by notice in writing to the **Reserve Provider**.

3.8.7 **NGESO**'s rights pursuant to sub-paragraph 3.8.6 above shall, for the avoidance of doubt, arise upon the occurrence of the fourth (or the ninth, as the case may be) **Window** in respect of which one or more **Events of Default** occurs and each such successive **Window** thereafter, but with respect to each such occurrence shall only be capable of being exercised within a period of sixty (60) **Business Days** after the date upon which **NGESO** shall first become entitled to exercise such right to terminate (which, for the avoidance of doubt, shall not be before any period of suspension of the **STOR Contract**, pursuant to sub-paragraph 4.5.6).

3.8.8 Where the **Reserve Provider** has, in respect of a **Contracted STOR Unit**, failed two or more consecutive **Reproving Tests** conducted in accordance with sub-paragraph 3.15.3, **NGESO** may in its absolute discretion but subject always to sub-paragraph 4.5.6 terminate the **STOR Contract** in respect of the **Contracted STOR Unit** in question by notice in writing to the **Reserve Provider**.

3.8.9 Termination of any **STOR Contract** shall not affect any accrued rights or liability of either **Party** nor the coming into effect or continuance of any provision thereof which is expressly or by implication intended to come into force or effect after such termination.

3.8.10 For the purposes of this paragraph 3.8, it is acknowledged that the same occurrence or failure may constitute more than one **Event of Default**.

3.8.11 For the avoidance of doubt, the consequences of any **Event of Default** specified or referred to in this paragraph 3.8 shall not relieve the **Reserve Provider** from any of its obligations pursuant to the **Grid Code**, nor relieve either of the **Parties** from any of their obligations pursuant to the **Balancing and Settlement Code**.

### 3.9 **GRID CODE AND DISTRIBUTION CODE**

3.9.1 The provision by the **Reserve Provider** of **Reserve** shall not relieve it of any of its obligations or affect such obligations (where applicable) set out in the **Grid Code** (including without limitation its obligations (if any) to provide **Demand** control when instructed by NGENSO pursuant to **Grid Code** OC 6) or in the **Distribution Code** of its host **Public Distribution System Operator**.

3.9.2 Without limiting sub-paragraph 3.9.1, each **Reserve Provider** that is or becomes a **DRSC Liable User** shall, for the duration of each applicable **STOR Contract**, comply in all respects with the **Demand Response Services Code** as it relates to **Demand Response Active Power Control**.

### 3.10 **MAINTENANCE AND STATUS OF ELIGIBLE ASSETS AND STOR UNITS**

3.10.1 The **Reserve Provider** shall maintain all **Eligible Assets** to such a standard that the **Reserve Provider** can meet its obligations to provide **Reserve** in accordance with the terms of this **Document** and any **STOR Contract(s)**, and shall procure the same with respect to any **STOR Units Registered** to any **Secondary Reserve Provider** in relation to any **Transfer Periods**.

3.10.2 If any **Contracted STOR Unit** which was not specified as **BM Participating** in the relevant **STOR Tender** is or becomes registered as a **BM Unit** (or part of a **BM Unit**) in all or part of any **Season** comprised in the relevant **STOR Contract** and actively participates in the **Balancing Mechanism** during the term of the relevant **STOR Contract**, then NGENSO and the **Reserve Provider** shall agree in writing such amendments to the **STOR Contract** as shall be necessary to ensure the **Reserve Provider** continues provision of the **Reserve** upon terms no more or less favourable than was the case prior to the change.

### 3.11 **NOT USED**

### 3.12 **THIRD PARTY CLAIMS**

3.12.1 The **Reserve Provider** hereby undertakes to NGENSO that the entering into of a **STOR Contract** in respect of any **Contracted STOR Unit** or **Non-Contracted STOR Unit** and the provision by it (or any **STOR Unit Registered** to a **Secondary Reserve Provider** during a **Transfer Period**) of **Reserve** will not at any time throughout the term of such **STOR Contract** cause the **Reserve Provider** (or the **Secondary Reserve Provider**) to be in breach of:

- (a) its duties (if any) in Section 9 of the **Act**;
- (b) to be in breach of the Electricity Safety, Quality and Continuity Regulations 2002 (as amended from time to time) or of any regulations made under Section 29 of the **Act** or of any other

enactment relating to safety or standards applicable in respect of the business of such **Reserve Provider**;

- (c) to be in breach of any provisions of the **Grid Code** or (where applicable) the **Distribution Code** of its host **Public Distribution System Operator** or make its compliance with any provision of either of these **Codes** impossible;
- (d) or to otherwise be non-compliant with any **Connection Agreement** and/or any agreement for the supply of electricity or related services to or from that **STOR Unit** or any **Plant** and **Apparatus** associated with it;
- (e) to be in breach of any provision of its **Licence** (if any); or
- (f) to be in breach of any restrictions and conditions attaching to relevant authorisations of the **Environment Agency**.

3.12.2 Notwithstanding sub-paragraph 3.12.1, in the event that the **Reserve Provider** (including any **Secondary Reserve Provider** during a **Transfer Period**) makes available and/or provides **Reserve** to **NGESO** in consequences of which **NGESO** suffers or incurs any loss in respect of a claim brought by any third party related to any actual or alleged breach or non-compliance as described in sub-paragraph 3.12.1, then the **Reserve Provider** shall indemnify **NGESO** against all and any losses, liabilities, claims, expenses and demands suffered or incurred by **NGESO** in connection therewith. Such indemnity shall include any legal costs and expenses reasonably incurred in the contesting of such claims including court costs and reasonable attorney's fees and other professional advisors' fees. The **Parties** agree and accept that, for the purposes of sub-paragraph 4.4.3, all such legal costs and expenses expressed to be the subject of such indemnity shall be treated as direct losses.

3.12.3 In the event of any third party claim under sub-paragraph 3.12.2 being made against **NGESO**, **NGESO** shall as soon as reasonably practicable give notice of the claim together with all relevant supporting documentation to the **Reserve Provider**. The **Reserve Provider** shall be entitled, upon written notice to **NGESO** and subject to **NGESO** receiving from the **Reserve Provider** such reasonable undertakings as **NGESO** shall reasonably require to protect **NGESO** against damage to its name, to assume, at its own expense, sole conduct of all proceedings relating to such claim including the right to contest such claim in the name of **NGESO** and **NGESO** shall supply the **Reserve Provider** with all information, assistance and particulars reasonably required by the **Reserve Provider** in connection therewith. **NGESO** shall not accept, settle, pay or compromise any such claim without the prior written approval of the **Reserve Provider** (such approval not to be unreasonably withheld or delayed). The **Reserve Provider** shall reimburse **NGESO**'s reasonable expenses incurred in connection with the provision of any such information, assistance or particulars in the contesting of any such claim.

### 3.13 **PROVISION OF OTHER SERVICES**

3.13.1 The **Reserve Provider** hereby undertakes to **NGESO** that the availability and delivery of **Reserve** from any **Contracted STOR Unit** or **Non-Contracted STOR Unit** (or any **STOR Unit Registered** to a **Secondary Reserve Provider** during a **Transfer Period**) pursuant to and in accordance with this **Document** will not at any time throughout the term of the **STOR Contract** be impaired or otherwise

prejudiced by the **Reserve Provider**'s performance of any agreement with a third party relating to the **STOR Unit** or any associated **Plant** and **Apparatus**, including without limitation the making available and/or delivery of services to that third party by the **Reserve Provider** (whether by way of increases or reductions in **Generation** or **Demand** or stipulated running profiles or otherwise, and whether to assist in the management, operation or protection of a **User System** or pursuant to the **Capacity Market Rules**).

3.13.2 Notwithstanding sub-paragraph 3.13.1, in the event that the **Reserve Provider** (including any **Secondary Reserve Period** during a **Transfer Period**) is unable to provide **Reserve** (to any extent) in all or any part of any **Contracted Availability Window** for any reason described in sub-paragraph 3.13.1, then the **Reserve Provider** shall give a full explanation to **NGESO** in its notification of inability to provide **Reserve** from the **STOR Unit** pursuant to sub-paragraph 3.2.12, and **NGESO** may in its absolute discretion terminate the **STOR Contract** in question pursuant to sub-paragraph 3.8.5.

3.13.3 Subject always to sub-paragraph 3.13.4, and irrespective of whether or not **NGESO** elects to terminate the **STOR Contract**, the **Reserve Provider** hereby agrees to reimburse to **NGESO** all and any additional costs and expenses incurred by it as a result of such inability including **NGESO's** additional costs of alternative or replacement service provision.

3.13.4 The amount or amounts for which the **Reserve Provider** may be liable to **NGESO** in respect of any single **STOR Contract** pursuant to sub-paragraph 3.13.3 shall not exceed in aggregate the greater of (i) two hundred and fifty thousand pounds sterling (£250,000); and (ii) an amount equal to the aggregate **Availability Payments** calculated by reference to all **Availability Windows** in each **Season** the subject of the **STOR Contract**.

### 3.14 **COMMUNICATIONS**

3.14.1 Unless otherwise expressly provided in this Section 3, and subject always to sub-paragraphs 3.14.2 and 3.14.3, all communications between the **Parties** (or, subject to paragraph 4.10, between **NGESO** and the **Reserve Provider's Agent**) pursuant to this Section 3 (including without limitation **Declarations**, **Redeclarations**, **Non-BM Data Submissions** and **Instructions** as the case may be) shall be given:

- (a) in respect of any **Contracted STOR Unit** or **Non-Contracted Unit**, which is **BM Participating**, via **EDL**; or
- (b) in respect of any other **Contracted STOR Unit** or **Non-Contracted Unit**, by **STOR Despatch**.

3.14.2 If, for whatever reason, any method of communication to be used by the **Parties** in accordance with sub-paragraph 3.14.1 shall at any time become unavailable, then to that extent all **Declarations**, **Redeclarations**, **Non-BM Data Submissions**, **Instructions** and other communications of whatever nature which concern the availability and utilisation of **Reserve** shall be given by such other means as may be agreed between the **Parties**.

3.14.3 Where **STOR Despatch** is for whatever reason unavailable, **NGESO** may, in its sole discretion, agree in writing with the **Reserve Provider** an alternative method of communication provided always that

NGESO may at any time withdraw its agreement to the use of such alternative method of communication by serving notice in writing on the **Reserve Provider**.

3.14.4 Where **STOR Despatch** is for whatever reason unavailable and either:-

- (a) NGESO shall not have agreed pursuant to sub-paragraph 3.14.3 that communications between the **Parties** pursuant to this Section 3 (including without limitation **Declarations, Redeclarations, Non-BM Data Submissions** and **Instructions**) may be given otherwise than by **STOR Despatch**; or
- (b) NGESO shall have withdrawn its agreement to the use of an alternative method of communication in accordance with sub-paragraph 3.14.3,

then:-

- (c) no **Reserve Availability Payments** shall be paid to the **Reserve Provider** in respect of the period during which such communications are not being given either by **STOR Despatch** or (where relevant) an alternative means agreed by **NGESO** and the **Reserve Provider** pursuant to sub-paragraph 3.14.3, and sub-paragraph 3.7.1 shall be read and construed accordingly; and
- (d) the **Reserve Provider** shall use its best endeavours to install **STOR Despatch** within a timescale agreed by **NGESO** (acting reasonably).

### 3.15 MONITORING, METERING AND TESTING

#### *Monitoring and Metering*

3.15.1 In respect of **Contracted STOR Units** and **Non-Contracted STOR Units** which are **BM Participating**:

- (a) The volume of **Reserve** delivered and the time of delivery of **Reserve** pursuant to **Bid-Offer Acceptance(s)** shall be monitored by **NGESO** from time to time.
- (b) The relationship between the **Parties** with respect to **Energy Metering Equipment** shall be regulated by Section L of the **Balancing and Settlement Code**.
- (c) 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**.
- (d) The availability of **Reserve** from a **Contracted STOR Unit** shall be verified by **NGESO** by (inter alia) monitoring certain **BM Unit Data** and the carrying out of certain checks as described in the table below:

<b>Service Criteria</b>	<b>Parameter(s)</b>
Availability of <b>Reserve</b> from <b>Contracted STOR Unit</b> or the <b>Secondary Provider's STOR Unit</b> during a <b>Transfer Period</b>	$MEL \geq \text{Contracted MW}$ $\text{Physical Notification} \leq \text{zero}$
<b>Response Time</b>	$NDZ + \frac{\text{Contracted MW}}{\text{Average Run Up Rate}} \leq \text{Response Time}$
<b>Bid-Offer Data</b>	(i) $\text{First Offer Price} \leq \text{Contracted Bid-Offer Price}$ , in respect of the range from zero MW to <b>Contracted MW</b> (ii) $\text{Bid Price} \geq \text{Offer Price}$

	<p>This check will be made in respect of <b>Settlement Periods</b> comprised in <b>Contracted Availability Windows, Pre-Window Ramping Periods</b> and <b>Post-Window Ramping Periods</b>.</p> <p>In each <b>Settlement Period</b> during the <b>Pre-Window Instruction Period</b>, NGESO shall monitor whether ramping is necessary to achieve the <b>Contracted MW</b> by the commencement of the <b>Contracted Availability Window</b>.</p> <p>Where:-</p> $\frac{ContractedMW}{AverageRunUpRate} \leq \text{time to Contracted Availability Window}$ <p>then the <b>Settlement Period</b> shall be determined to contain the <b>Pre-Window Ramping Period</b> NGESO shall, therefore, undertake the above <b>Bid-Offer Data</b> check.</p>
<b>Cease Time</b>	$NTO + \frac{ContractedMW}{AverageRunDownRate} \leq CeaseTime$
<b>Minimum Utilisation Period</b>	$MNZT \leq \text{Minimum Utilisation Period specified in STOR Contract}$
<b>Recovery Period</b>	$MZT \leq \text{Recovery Period specified in STOR Contract}$
<b>Stable Export Limit</b>	$SEL \leq \text{Min}(MEL, \text{Contracted MW})$

- (e) The delivery of **Reserve** from a **Contracted STOR Unit** or **Non-Contracted STOR Unit** shall be verified by NGESO by (inter alia) monitoring certain **BM Unit Data** and the carrying out of certain checks as described in the table below:

<b>Service Criteria</b>	<b>Check(s)</b>
Delivery of <b>Reserve</b> within the <b>Response Time</b>	Metering data for the <b>Settlement Period</b> in which the <b>Response Time</b> ends following an instruction to commence delivery of <b>Reserve</b> in accordance with a <b>Bid-Offer Acceptance</b> with respect to the <b>Contracted STOR Unit</b> or <b>Non-Contracted STOR Unit</b> or the <b>Secondary Reserve Provider's STOR Unit</b> during a <b>Transfer Period</b>
Total energy (volume) delivered as <b>Reserve</b> for each utilisation	Metering data for the <b>Contracted STOR Unit</b> or <b>Non-Contracted STOR Unit</b> or the <b>Secondary Reserve Provider's STOR Unit</b> during a <b>Transfer Period</b> in respect of the instructed period of delivery of <b>Reserve</b> in accordance with <b>Bid-Offer Acceptance(s)</b>

3.15.2 In respect of **Contracted STOR Units** and **Non-Contracted Units** which are not **BM Participating**:

- (a) The **Reserve Provider's** provision of **Reserve** and the amount of **Reserve** provided shall be monitored, metered and determined by reference to the metering data communicated by the **Reserve Provider** to **STOR Despatch** and for such purpose the **Reserve Provider** shall procure the provision to NGESO of accurate real time metering data at a frequency of not less than every 15 seconds.
- (b) Where **STOR Despatch** is unavailable for the purposes of monitoring and metering of the **Reserve Provider's** provision of **Reserve**, the **Reserve Provider** shall procure the provision of alternative metering data which is satisfactory to NGESO by not later than five calendar days after the day ("**Delivery Day**") on which **Reserve** was provided. NGESO may (where alternative metering data which is satisfactory to NGESO is not available) at its discretion withhold **Reserve Availability Payments** (where applicable) and/or **Reserve Utilisation Payments** in respect of the period during which **STOR Despatch** is unavailable for the purposes of such monitoring and metering.

- (c) The **Parties** hereby agree to be bound with respect to each other by the terms of the **STOR Despatch Procedure** as if the same were set out in full in this **Document**.
- (d) In the event of a conflict between the provisions of this **Document** and the provisions of the **STOR Despatch Procedure**, the provisions of this **Document** shall prevail.
- (e) **NGESO** shall for the purposes of complying with the **ABSVD Statement** determine the collared delivered volume for the **Contracted STOR Unit** or **Non-Contracted STOR Unit** and notify this to the **Reserve Provider** by not later than twenty (20) calendar days after the **Delivery Day**.
- (f) The **Reserve Provider** shall determine the collared delivered volume for the **Contracted STOR Unit** or **Non-Contracted STOR Unit** by reference to the **MSID Pairs** associated with the **Contracted STOR Unit** or **Non-Contracted STOR Unit** and notify that data to **NGESO** by not later than thirty-five (35) calendar days after the **Delivery Day**.
- (g) **NGESO** shall validate the data provided by the **Reserve Provider** under sub-paragraph (e) and submit it to the **SVAA** as part of the **MSID Pair Data** in accordance with Section Q of the **BSC** by not later than forty-two (42) calendar days after the **Delivery Day**.
- (h) For the purposes of this sub-paragraph 3.15.2, “collared delivered volume” means either:-
  - (i) during periods where the **Contracted STOR Unit** or **Non-Contracted STOR Unit** is ramping (as defined by the **Contracted MW** or **Optional Bid MW** and **Contracted Ramp Rates**) the volume of **Reserve** energy (MWh) delivered (being a volume not greater than the **Contracted MW** or the **Optional MW** or **Optional Bid MW** (as the case may be) multiplied by the number of hours comprised in this **Instruction** segment), by either the increase in **Generation** or reduction in **Demand** by the **Contracted STOR Unit** or **Non-Contracted STOR Unit** in the **Settlement Period** / part **Settlement Period**, in accordance with an **Instruction**, as determined by metering pursuant to sub-paragraph 3.15.2(a); or
  - (ii) otherwise, the volume of **Reserve** energy (MWh) delivered (being a volume not greater than the **Contracted MW** or the **Optional MW** or **Optional Bid MW** (as the case may be) multiplied by the number of hours comprised in this instruction segment), by either the increase in **Generation** or reduction in **Demand** by the **Contracted STOR Unit** or **Non-Contracted STOR Unit** in the **Settlement Period** / part **Settlement Period**, in accordance with an **Instruction**, as determined by metering pursuant to sub-paragraph 3.15.2(a).
- (h) The **Reserve Provider** shall, if it is party to a **STOR Contract** that continues in force after 1 April 2020, by not later than 1 March 2020 notify **NGESO** of the metering system identifiers for the relevant **Contracted STOR Unit** or **Non-Contracted STOR Unit** for the purposes of implementing the **ABSVD Statement**.

- (i) During any **Transfer Period** this sub-paragraph 3.12.2 shall apply to the **Secondary Reserve Provider** and its designated **STOR Unit(s)**.

*Reproving Tests – all Contracted STOR Units*

3.15.3 Where the **Reserve Provider** is determined by **NGESO** to have failed to provide **Reserve** from a **Contracted STOR Unit** in accordance with sub-paragraph 3.6.2 or 3.6.9 (as applicable), **NGESO** shall notify the **Reserve Provider** of such failure (hereinafter referred to as a “**Delivery Failure**”) as soon as reasonably practicable thereafter and, save as provided in sub-paragraph 3.15.4, the **Reserve Provider** shall, for the purposes of sub-paragraph 3.7.1, be deemed not to have made **Reserve** available from the **Contracted STOR Unit** with effect from the time at which the **Delivery Failure** occurred until such time as the **Reserve Provider** shall be deemed to have restored the availability of **Reserve** from the **Contracted STOR Unit** in accordance with the following provisions:-

- (a) The **Reserve Provider** shall, during the period commencing at the time of **NGESO**’s notification and ending either:-
  - (i) when a successful **Reproving Test** is carried out in accordance with this sub-paragraph 3.15.3; or
  - (ii) at the time of expiry of the **Permitted Test Period** if no **Reproving Test** is carried out by **NGESO**,

continue, in respect of the relevant **Contracted STOR Unit**, to comply with its obligation to make **Declarations** and/or **Redeclarations** in accordance with paragraph 3.2 and (where appropriate) to comply with the requirements of sub-paragraph 3.3.5.

- (b) At any time during the period of fourteen **Operational Days** after the time of notification by **NGESO** referred to in sub-paragraph 3.15.3(a) (“the **Permitted Test Period**”), **NGESO** may in any **Contracted Availability Window** issue an **Instruction** or **Bid-Offer Acceptance(s)** (as applicable) in respect of the **Contracted STOR Unit** (“a **Reproving Test**”) in order to verify the availability of **Reserve** from the **Contracted STOR Unit**.

- (c) If either:-
  - (i) **NGESO** fails to carry out a **Reproving Test** during the **Permitted Test Period** in accordance with sub-paragraph 3.15.3(b); or
  - (ii) the **Reserve Provider** passes a **Reproving Test** carried out during the **Permitted Test Period** in accordance with sub-paragraph 3.15.3(b),

then for the purposes of sub-paragraph 3.7.1 the availability of **Reserve** from the **Contracted STOR Unit** shall be deemed to have been restored with effect from the commencement of the first **Contracted Availability Window** or **Contracted Optional Window** (as the case may be) after the **Contracted Availability Window** in which the **Delivery Failure** occurred.

- (d) If the **Reserve Provider** fails a **Reproving Test** carried out during the **Permitted Test Period** in accordance with sub-paragraph 3.15.3(b), then:-
- (i) **NGESO** shall notify the **Reserve Provider** thereof as soon as reasonably practicable thereafter; and
  - (ii) sub-paragraphs 3.15.3(a) to (c) (inclusive) shall apply (except that, for the purposes of sub-paragraph 3.15.3(b) above, the **Permitted Test Period** shall constitute the period of fourteen **Operational Days** after the date of the failed **Reproving Test** and for the purposes of sub-paragraph 3.15.3(c) above availability of **Reserve** shall be deemed to have been restored with effect from the commencement of the first **Contracted Availability Window** after the **Contracted Availability Window** or **Contracted Optional Window** (as the case may be) in which the failed **Reproving Test** took place); and
  - (iii) sub-paragraph 3.8.8 shall apply.
- (e) For the purposes of sub-paragraphs 3.15.3(b), (c) and (d) above, the **Permitted Test Period** shall be extended by an **Operational Day** for each **Operational Day** falling within the **Permitted Test Period**, in respect of which the **Reserve Provider** fails (in respect of all or part of one or more **Availability Windows** falling within that **Operational Day**) to confirm that **Reserve** is available from the relevant **Contracted STOR Unit** in accordance with sub-paragraphs 3.2.1, 3.2.2, 3.2.4 and 3.2.6 (as applicable) save that, with respect to any such **Operational Day**, the **Permitted Test Period** may not be so extended where the **Reserve Provider** has confirmed that **Reserve** is available from the relevant **Contracted STOR Unit** during the whole of at least one **Flexible Window** (where applicable).
- (f) For the purposes of this sub-paragraph 3.15.3, a **Reproving Test** shall be passed if, in respect of the relevant **Contracted STOR Unit**, the **Reserve Provider** complies in all respects with sub-paragraphs 3.6.1, 3.6.3 and 3.6.8 and failure of a **Reproving Test** shall be construed accordingly.
- (g) For the purposes of paragraph **Error! Reference source not found.**, where **NGESO** issues one or a series of contiguous **Bid-Offer Acceptance(s)** or an **Instruction** in respect of a **Contracted STOR Unit** during a **Contracted Availability Window** or **Contracted Optional Window** by way of a **Reproving Test** pursuant to sub-paragraph 3.15.3(b) above, then this shall not constitute a relevant **Utilisation**.

3.15.4 Notwithstanding sub-paragraph 3.15.3, where in respect of a **Delivery Failure** the first **Reproving Test** is failed and the number of **Operational Days** in the period between the **Operational Day** when that **Delivery Failure** occurred and the **Operational Day** when the first **Reproving Test** is conducted exceeds fourteen **Operational Days**, **NGESO** may, in respect of such period, only withhold the **Reserve Availability Payment** in respect of:-

- (a) the **Contracted Availability Window** in which the **Delivery Failure** occurs; and

- (b) all subsequent **Contracted Availability Windows** on the same **Operational Day** on which the and in the immediately following fourteen **Operational Days**,

provided always that the period of fourteen **Operational Days** described in sub-paragraph 3.15.4(b) above shall be extended by an **Operational Day** for each **Operational Day** falling within such period, in respect of which the **Reserve Provider** fails (in respect of all or part of one or more **Availability Windows** falling within that **Operational Day**) to confirm that **Reserve** is available from the relevant **Contracted STOR Unit** in accordance with sub-paragraph 3.2.1, 3.2.2, 3.2.4 and 3.2.6 (as applicable) or to comply with its obligations pursuant to sub-paragraph 3.3.5 in respect of the relevant **Contracted STOR Unit**.

*Testing and Inspection*

- 3.15.5 Sub-paragraphs 3.15.6 to 3.15.10 (inclusive) apply only in respect of any **Contracted STOR Units** which are not **BM Participating**.
- 3.15.6 Notwithstanding sub-paragraph 3.15.3 above, **NGESO** may at its sole discretion, upon 48 hours written notice to the **Reserve Provider**, conduct such inspections and tests of a **Contracted STOR Unit** as it deems necessary during any **Availability Window** in respect of which the **Reserve Provider** has indicated in the relevant **Declaration** that **Reserve** is available.
- 3.15.7 In conducting a test pursuant to sub-paragraph 3.15.6 **NGESO** may issue an **Instruction** in accordance with sub-paragraph 3.5.1.
- 3.15.8 **NGESO** may carry out an inspection and test of the **Contracted STOR Unit** at the request of the **Reserve Provider**, provided that the **Reserve Provider**:-
- (a) gives **NGESO** reasonable notice in writing of the date on which the inspection and test is to be conducted;
  - (b) notifies **NGESO** in writing of the reason for such request; and
  - (c) pays all **NGESO**'s reasonable costs incurred in connection with such inspection and test.
- 3.15.9 No **Reserve Utilisation Payment**, nor any part thereof, shall be paid by **NGESO** in respect of any **Reserve** provided by the **Reserve Provider** during a test conducted pursuant to sub-paragraph 3.15.8.
- 3.15.10 **NGESO** shall ensure that during any inspection carried out pursuant to sub-paragraphs 3.15.6 and 3.15.8 its employees, agents, suppliers, contractors and sub-contractors are aware of the **Reserve Provider**'s site and general corporate rules and procedures in relation to health, safety and working standards (insofar as the same have been made known by the **Reserve Provider** to **NGESO** in writing in advance) and shall use its reasonable endeavours to ensure that during such inspection all such persons comply with such rules and procedures. Further, **NGESO** shall use all reasonable endeavours to ensure that all such persons carrying out such tests and inspections on its behalf are provided with all protective and safety clothing, tools and equipment reasonably necessary for their protection.
- 3.16 **STOR CONTRACT TRANSFERS**

*General*

- 3.16.1 At any time during the subsistence of a **STOR Contract** with respect to a **Contracted STOR Unit**, and in accordance with the provisions of this paragraph 3.16, a **Reserve Provider** (“the **Primary Reserve Provider**”) may nominate another **Reserve Provider** (“the **Secondary Reserve Provider**”) to discharge its obligations to **NGESO** with respect to the delivery of **Reserve** in **Contracted Availability Windows** pursuant to that **STOR Contract**.
- 3.16.2 The effect of any such nomination, once validated by **NGESO** pursuant to this paragraph 3.16, is to treat the delivery of **Reserve** from one or more **STOR Unit(s) Registered** to the **Secondary Reserve Provider** as if delivered by the **Primary Reserve Provider** from its **Contracted STOR Unit** for the purposes of this Section 3.
- 3.16.3 No nomination shall be valid unless:
- (a) both entities are **Reserve Providers**;
  - (b) the **Secondary Reserve Provider** has **Eligible Assets** which are **Registered** to it and allocated to one or more **STOR Units** pursuant to the **STOR Allocation Rules** with sufficient aggregate **Maximum Registered STOR Capacity** and **Technical Parameters** to enable the **STOR Contract** to be discharged during the applicable **Contracted Availability Window(s)**;
  - (c) the specified **Transfer Period** during which the nomination is to be effective is a period which comprises one or more consecutive whole **Contracted Availability Windows** created by a subsisting **STOR Contract** to which the **Primary Reserve Provider** is a party; and
  - (d) the nomination is validly notified to **NGESO** pursuant to sub-paragraphs 3.16.4 and 3.16.5.

*Transfer Notices*

- 3.16.4 Any nomination shall be notified to **NGESO** by the **Primary Reserve Provider** by no later than 23.00 hours on the calendar day prior to the calendar day in which the relevant **Contracted Availability Window** commences (“**Transfer Notice**”).
- 3.16.5 Unless otherwise stipulated in the **Registration Procedure**, each **Transfer Notice** shall specify:-
- (a) the identity of the **Primary Reserve Provider** and **Contracted STOR Unit**;
  - (b) the identity of the **Secondary Reserve Provider**; and
  - (c) the start and end time of the **Transfer Period**.
- 3.16.6 Each nomination shall comprise the entire **Contracted MW** associated with the **STOR Contract** during the relevant **Transfer Period**, and for the avoidance of doubt the **Contracted MW** shall not be capable of being split amongst two or more **Reserve Providers**.
- 3.16.7 **NGESO** shall use all reasonable endeavours to notify the **Primary Reserve Provider** no later than one hundred and twenty (120) minutes following receipt of the **Transfer Notice** whether or not the **Transfer Notice** has been validated. Where validated **NGESO** shall simultaneously notify the **Secondary Reserve Provider** with a request that it confirms to **NGESO**, within ninety (90) minutes, of its acceptance of the nomination together with the identity of the **STOR Unit(s)** and allocated **Eligible Assets** which will discharge the **STOR Contract** during the **Transfer Period**. In the absence of any notification by

NGESO of validation of the **Transfer Notice** by commencement of the **Transfer Period**, the **Transfer Notice** shall be deemed not to have been validated.

- 3.16.8 Where the **Secondary Reserve Provider** either indicates that the nomination is not accepted or fails by the required time to indicate whether or not it accepts the nomination and if so the identity of the **STOR Unit(s)** and allocated **Eligible Assets**, then **NGESO** shall so notify the **Primary Reserve Provider** whereupon the **Transfer Notice** shall be deemed withdrawn.
- 3.16.9 Where the **Secondary Reserve Provider** indicates by the required time of its acceptance of the nomination and the identity of the relevant **STOR Unit(s)** and allocated **Eligible Assets**, then unless sub-paragraphs 3.16.10 and/or 3.16.11 apply **NGESO** shall notify both **Reserve Providers** that the nomination is valid.
- 3.16.10 Where in **NGESO**'s reasonable opinion the delivery of **Reserve** pursuant to the **STOR Contract** during the **Transfer Period** by the **Secondary Reserve Provider**'s designated **STOR Unit(s)** would or might endanger operational security within the meaning of the **System Operator Guidelines**, then **NGESO** shall so notify both **Reserve Providers** whereupon the **Transfer Notice** shall be deemed withdrawn.
- 3.16.11 A **Transfer Notice** shall be invalid if the **Secondary Reserve Provider**'s designated **STOR Unit(s)** or any **Eligible Asset** allocated to it is the subject of a **STOR Contract** comprising **Contracted Availability Windows** which overlap to any extent with the **Transfer Period**, in which case **NGESO** shall so notify both **Reserve Providers** whereupon the **Transfer Notice** shall be deemed withdrawn.
- 3.16.12 Where a **STOR Contract** with respect to the **Secondary Reserve Provider**'s designated **STOR Unit(s)** is created after the validation of a **Transfer Notice** and comprises **Contracted Availability Windows** which overlap to any extent with the **Transfer Period**, then if the **Transfer Period** has not by then expired it shall come to an end with effect from the time when such **Contracted Availability Window(s)** and the **Transfer Period** first overlap.

#### *Cancellation Notices*

- 3.16.13 A **Transfer Notice** may be cancelled by the **Primary Reserve Provider** (but not under any circumstances by the **Secondary Reserve Provider**) by notification by **NGESO** in writing ("**Cancellation Notice**"), specifying the date and time from which the cancellation is to be effective.

#### *Effect of Transfer Notices*

- 3.16.14 For the duration of each **Transfer Period** (or any earlier period where the **Transfer Period** comes to an end pursuant to the foregoing provisions), and subject always to sub-paragraph 3.16.15, **NGESO** consents to the **Primary Reserve Provider**'s obligations with respect to the relevant **STOR Contract** pursuant to paragraphs 3.2, 3.3 and 3.6 being discharged on its behalf by the **Secondary Reserve Provider** from its **STOR Unit(s)** nominated pursuant to sub-paragraph 3.16.9.
- 3.16.15 The **Parties** further acknowledge and agree that, for the duration of each **Transfer Period**:-
- (a) paragraph 3.2 (**Service Availability – Contracted STOR Units Only**) shall be varied as follows:-

the **Secondary Reserve Provider** shall observe and perform all obligations of the **Primary Reserve Provider** contained therein as if references to **Reserve Provider** and **Contracted STOR Unit** were to the **Secondary Reserve Provider** and the **STOR Unit(s)** designated by it pursuant to sub-paragraph 3.16.9, and for the purposes of the relevant **STOR Contract** the **Primary Reserve Provider** shall **Declare** or **Redeclare** the **Contracted STOR Unit** with zero availability;

(b) paragraph 3.3 (**Mandatory Bids - Contracted STOR Units Only**) shall be varied as follows:

all **Non-BM Data Submissions** and **BM Unit Data** shall be submitted by the **Secondary Reserve Provider** with respect to the **STOR Unit(s)** designated by it pursuant to sub-paragraph 3.14.9, and the **Secondary Reserve Provider** shall observe and perform all obligations of the **Primary Reserve Provider** contained therein as if references to **Reserve Provider** and **Contracted STOR Unit** were to the **Secondary Reserve Provider** and such **STOR Unit(s)**;

(c) paragraph 3.5 (**Service Instruction – Non-BM Participation Only**) shall be varied as follows:-

all and any **Instructions** shall be issued by **NGESO** to the **Secondary Reserve Provider**, and the **Secondary Reserve Provider** shall observe and perform all obligations of the **Primary Reserve Provider** contained therein as if references to **Reserve Provider** and **Contracted STOR Unit** were to the **Secondary Reserve Provider** and the **STOR Unit(s)** designated by it pursuant to sub-paragraph 3.14.9;

(d) paragraph 3.6 (**Service Delivery**) shall be varied as follows:-

the **Secondary Reserve Provider** shall observe and perform all obligations of the **Reserve Provider** contained therein as if references to the **Reserve Provider** and the **Contracted STOR Unit** were to the **Secondary Reserve Provider** and the **STOR Unit(s)** designated by it pursuant to sub-paragraph 3.14.9; and

(e) all references to the **Reserve Provider** and **Contracted STOR Unit** in the first column of each table in paragraph 3.8 shall be read and construed as a reference to the **Secondary Reserve Provider** and its designated **STOR Unit(s)**, and shall in the circumstances specified therein cause or contribute towards **Events of Default** in relation to the **Primary Reserve Provider**.

*Form of notifications*

3.16.16 All **Transfer Notices** and **Cancellation Notices** and other notifications related thereto between the **Parties** referred to in this paragraph 3.16 shall be made using the method of communication specified from time to time by **NGESO** in the **Registration Procedure**.

## SECTION 4 GENERAL PROVISIONS

### 4.1 INTRODUCTION

4.1.1 This General Provisions Section contains those provisions which are generic, but which do not relate directly to the specific areas dealt with in other Sections.

### 4.2 CHANGES TO THIS DOCUMENT

#### *Change Proposals*

4.2.1 This **Document** shall be reviewed by **NGESO** from time to time, and (without prejudice to sub-paragraph 4.2.25) where at any time **NGESO** wishes to propose one or more amendments to this **Document** then it may at its sole discretion (but subject always to sub-paragraph 4.2.2) do so by formulating a **Change Proposal**.

4.2.2 If requested by the **Authority** in relation to any proposed **EBGL Article 18 Change** **NGESO** shall be obliged to formulate a **Change Proposal** on its behalf.

4.2.3 The contents of a **Change Proposal** shall include without limitation:-

- (a) an explanation of, and the rationale for, the amendment(s), 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(s)**;
- (d) where reasonable to do so having regard to the nature of the amendment(s), a copy of this **Document** (or an extract thereof) clearly identifying the proposed new or revised legal text; and
- (e) whether such amendments or any of them constitute an **EBGL Article 18 Change**.

4.2.4 Each **Change Proposal** shall be notified by **NGESO** to all **Reserve Providers**, save that any **EBGL Article 18 Change** shall also be notified to the **Authority** and other relevant stakeholders, and for these purposes notification may be by publication on the **Industry Information Website**.

#### *Consultation*

4.2.5 **NGESO** 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 **NGESO** with written comments on each **Change Proposal**.

#### *Withdrawal, Modification and Implementation of Change Proposals*

4.2.6 Not earlier than the date for receipt of comments from **CP Consultees** specified in sub-paragraph 4.2.5, and having regard to such comments received, **NGESO** 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 **NGESO** shall proceed to formulation of a **Final Change Decision** pursuant to sub-paragraph 4.2.7, provided always that where **NGESO** 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.

*Final Change Decisions*

- 4.2.7 If **NGESO** decides to implement a **Change Proposal**, then it shall formulate a **Final Change Decision**. Each **Final Change Decision** shall specify one or more **Implementation Date(s)** and shall incorporate a copy of this **Document** identifying clearly the new or revised legal text.
- 4.2.8 Subject always to sub-paragraph 4.2.9, each **Final Change Decision** shall be notified by **NGESO** to all **CP Consultees** (which may be by publication on the **Industry Information Website**) as soon as reasonably practicable and, except in the case of a **Final Change Decision** required as a result of a **Proposed Legal Requirement** or a **Change in Law**, ordinarily either alongside or within twenty (20) **Business Days** after the notification by **NGESO** of its implementation decision pursuant to sub-paragraph 4.2.6(b) and no later than the date of issue of the **STOR Tender Procedure** which immediately precedes the relevant **Implementation Date**.
- 4.2.9 **NGESO**'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 sub-paragraph 4.2.5 (save to the extent marked as confidential) together with **NGESO**'s justification for addressing or not any such comments in the **Final Change Decision**, and where applicable shall also be accompanied by a request to the **Authority** to approve any **EBGL Article 18 Changes**.
- 4.2.10 Amendments to this **Document** set out in a **Final Change Decision** notified by **NGESO** pursuant to sub-paragraph 4.2.8 shall become effective from the applicable **Implementation Date(s)** specified in the **Final Change Decision**, save that any **EBGL Article 18 Changes** shall be conditional upon approval by the **Authority** and shall become effective from the later of the applicable **Implementation Date** specified by **NGESO** or the date of publication of the **Authority**'s approval or such other date for implementation as may be specified by the **Authority** in its approval.
- 4.2.11 Upon the amendments set out in a **Final Change Decision** becoming effective, this **Document** as so amended shall apply with effect from the relevant **Final Implementation Date** to all subsequent **STOR Tenders** and **Optional Bids** and to all **STOR Contracts** then subsisting, subject always to:-
- (a) all and any accrued rights and liabilities of **NGESO** and **Reserve 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) sub-paragraphs 4.2.16, 4.2.18 and 4.2.24.
- 4.2.12 On each occasion that this **Document** is amended in accordance with the foregoing provisions, **NGESO** shall on or before the **Final Implementation Date** publish this **Document** as so amended on the **Industry Information Website** and shall identify the same by issue number and date of publication.

*Affected Reserve Providers*

4.2.13 With respect to a **Final Change Decision**, each and any **Affected Reserve Provider** may, no later than fifteen (15) **Business Days** after notification by **NGESO** of that **Final Change Decision**, elect by notice in writing to **NGESO**, and subject always to sub-paragraph 4.2.14, to either:-

- (a) where it is of the reasonable opinion that such amendments materially prejudice its ability to provide **Short Term Operating Reserve** and/or comply with any **Affected STOR Contract**, reject the application of such amendments to each of such **Affected STOR Contract** provided that such rejection is accompanied by a statement of the reason why, in the reasonable opinion of the **Affected Reserve Provider**, such rejection is being made; or
- (b) where it is of the reasonable opinion that it is in a less favourable position providing **Short Term Operating Reserve** and/or complying with any **Affected STOR Contract** than would be the case if such amendments had not occurred, seek an increase to the **Availability Price** in respect of each of such **Affected STOR Contract**.

4.2.14 To the extent that any **Final Change Decision** includes one or more **EBGL Article 18 Changes** or amendments required as a result of a **Proposed Legal Requirement** or a **Change in Law**, the **Affected Reserve Provider**:-

- (a) may not make an election pursuant to sub-paragraph 4.2.13(a); and
- (b) may only make an election pursuant to sub-paragraph 4.2.13 (b) if and to the extent the **Final Change Decision** includes one or more **EBGL Article 18 Changes** or amendments required as a result of a **Qualifying Change in Law**,

provided always that where the **Affected Reserve Provider** disputes that a **Final Change Decision** includes one or more **EBGL Article 18 Changes** or 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 sub-paragraph 4.2.13, refer the matter to **Expert Determination**.

4.2.15 Each notice of election by an **Affected Reserve Provider** pursuant to sub-paragraphs 4.2.13(a) or (b) shall be accompanied by a full and detailed justification.

*Rejection of Certain Final Change Decisions to Subsisting STOR Contracts*

4.2.16 Within twenty (20) **Business Days** of receipt by **NGESO** of the **Affected Reserve Provider**'s notice pursuant to sub-paragraph 4.2.13(a) of its election to reject the application of amendments to this **Document** to the **Affected STOR Contract(s)**, **NGESO** and the **Affected Reserve Provider** shall negotiate in good faith **Special Condition(s)** in order to negate the impact of the amendments set out in the **Final Change Decision** with respect to each **Affected STOR Contract(s)**, such that the **Affected Reserve Provider** is in no better and no worse position after the coming into effect of the **Final Change Decision** than it would have been in had such **Final Change Decision** not come into effect

4.2.17 If by the expiry of such period of twenty (20) **Business Days** **NGESO** and the **Affected Reserve Provider** have been unable to reach agreement as to the **Special Condition(s)** contemplated in sub-

paragraph 4.2.16, then either of them may, with the written consent of the other, refer the matter or matters in dispute to **Expert Determination**.

- 4.2.18 Until such time as such **Special Condition(s)** are agreed or determined (as the case may be), and notwithstanding sub-paragraph 4.2.11, unless otherwise agreed between **NGESO** and the **Affected Reserve Provider**, the amendments set out in the relevant **Final Change Decision** shall not apply to the **Affected STOR Contract(s)**.

*Increase in Availability Price*

- 4.2.19 Within twenty (20) **Business Days** of receipt by **NGESO** of the **Affected Reserve Provider's** notice pursuant to sub-paragraph 4.2.13(b) of its intention to seek an increase to the **Availability Price**, **NGESO** and the **Affected Reserve Provider** shall negotiate in good faith an increase to the **Availability Price** in respect of each **Affected STOR Contract** so as to put the **Reserve Provider** in no better or worse position, after such amendments, than would have been the case if such amendments had not occurred, and taking into account sub-paragraphs 4.2.20 and 4.2.21 (and for such purpose the **Reserve Provider** shall provide to **NGESO** all such evidence as it may reasonably require).

- 4.2.20 The **Affected Reserve Provider** shall take all reasonable steps to minimise any increase in costs or reduction in revenues arising from such **Final Change Decision**.

- 4.2.21 The **Availability Price** as agreed or determined to be increased pursuant to sub-paragraphs 4.2.19 and 4.2.22 (as the case may be) shall only be effective from the **Final Implementation Date** of the **Final Change Decision**.

- 4.2.22 If by the expiry of the period of twenty (20) **Business Days** referred to in sub-paragraph 4.2.19 **NGESO** and the **Affected Reserve Provider** have been unable to agree an increase to the **Availability Price** contemplated by sub-paragraph 4.2.19, then the **Reserve Provider** may either:-

- (a) following not less than five (5) **Business Days'** notice in writing to **NGESO**, refer the matter or matters in dispute to **Expert Determination**; or
- (b) where such **Final Change Decision** does not include any **EBGL Article 18 Changes** or amendments required as a result of a **Qualifying Change in Law**, reject the application of such amendments to this **Document** to the **Affected STOR Contract(s)** by written notice to **NGESO** whereupon the provisions of sub-paragraphs 4.2.16, 4.2.17 and 4.2.18 shall apply mutatis mutandis.

- 4.2.23 **NGESO** 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:-

- (a) 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 **NGESO's** attention; and
- (b) insofar as the **Reserve Provider** notified **NGESO** pursuant to sub-paragraph 4.2.13(b) of its election to seek an increase to the **Availability Price**, the **Reserve Provider** shall have a

further opportunity to do so, provided always that such notice is received by **NGESO** no later than five (5) **Business Days** after notification by **NGESO** of the modified **Final Change Decision**.

4.2.24 Without prejudice to any provision of this paragraph 4.2, **NGESO** may, at its sole discretion and at any time prior to the latter of (i) the relevant **Final Implementation Date** or, (ii) where sub-paragraphs 4.2.13, 4.2.17 or 4.2.18 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 **Reserve Provider**, whereupon the same shall be of no effect and:-

- (a) the **Registration** details of each **Affected Reserve Provider** shall be updated so as to remove any **Special Condition(s)** agreed between the Parties pursuant to sub-paragraph 4.2.15 in respect of such **Final Change Decision**; or
- (b) any increase in **Availability Price** agreed or determined pursuant to sub-paragraphs 4.2.19 and 4.2.22 (as the case may be) shall be of no effect and the **Availability Price** stated in the **Affected STOR Contracts** shall continue to apply.

4.2.25 Save with respect of **EBGL Article 18 Changes**, nothing in this paragraph 4.2 shall preclude **NGESO** and all other **Parties** at the relevant time from agreeing changes to this **Document** at any time and from time to time otherwise than in accordance with this paragraph 4.2.

### 4.3 **PAYMENTS**

4.3.1 On the eighteenth **Business Day** of each calendar month **NGESO** shall send to the **Reserve Provider** (or, subject to paragraph 4.10, to the **Reserve Provider's Agent**) a statement ("the **Monthly Statement**") setting out details of the following (to the extent applicable) in respect of the preceding calendar month:-

- (a) the **Contracted Availability Windows, Optional Bid Windows and Contracted Optional Windows**;
- (b) the hours of provision of **Reserve** for each **Contracted STOR Unit**;
- (c) the **Reserve Availability Payments and Reserve Utilisation Payments**; and
- (d) each occurrence of an event of default specified in paragraph 3.8 (**Events of Default and Consequences**) (as the case may be).

4.3.2 **NGESO** shall set out the details of the reconciliation payment(s) (if any) due from the **Reserve Provider** (or, subject to paragraph 4.10, from the **Reserve Provider's Agent**) to **NGESO** pursuant to sub-paragraphs 3.7.2 to 3.7.5 (inclusive) in **Monthly Statements** as follows:-

- (a) where at the end of a **Season** a **Seasonal Delivery Reconciliation Payment** shall fall due from the **Reserve Provider** (or, subject to paragraph 4.10, from the **Reserve Provider's Agent**) to **NGESO** in accordance with sub-paragraph 3.7.2 then details of such payment shall be included in either the first practicable **Monthly Statement** issued thereafter or where the **Reserve Provider** has a **STOR Contract** in respect of the next following **Season**, the first practicable **Monthly Statement** issued after the end of such subsequent **Season**, save that in

respect of the final **Season** of the term of a **STOR Contract**, **NGESO** shall include an estimate of the **Seasonal Delivery Reconciliation Payment** due from the **Reserve Provider** (or, subject to paragraph 4.10, from the **Reserve Provider's Agent**) to **NGESO** in the **Monthly Statement** in respect of the calendar month in which such **Season** ends and shall in the first practicable **Monthly Statement** thereafter include details of:-

- (i) its determination of the final **Seasonal Delivery Reconciliation Payment**; and
- (ii) the adjustment (if any) to be made to the account between the **Reserve Provider** (or, subject to paragraph 4.10, the **Reserve Provider's Agent**) and **NGESO** in relation to any difference between the estimated and final **Seasonal Delivery Reconciliation Payments**; and

(b) where at the end of a **STOR Year** during the term of a **STOR Contract** or where either a **STOR Contract** expires or is terminated and a **Committed Availability Reconciliation Payment** and/or a **Flexible Availability Reconciliation Payment** shall fall due from the **Reserve Provider** (or, subject to paragraph 4.10, from the **Reserve Provider's Agent**) to **NGESO** in accordance with sub-paragraphs 3.7.9 to 3.7.11 (inclusive) then:-

- (i) where any such payment(s) falls due at the end of a **STOR Year** during the term of a **STOR Contract** in accordance with any of sub-paragraphs 3.7.9, 3.7.11 or 3.7.12 then details of such payments shall be included in the first practicable **Monthly Statement** issued thereafter; or
- (ii) where any such payment(s) falls due upon the expiry or termination of a **STOR Contract**, **NGESO** shall include an estimate of the **Committed Availability Reconciliation Payment** and/or **Flexible Availability Reconciliation Payment** in the **Monthly Statement** in respect of the calendar month in which such **STOR Contract** expires or is terminated and shall in the first practicable **Monthly Statement** thereafter include details of:-

- (A) its determination of the final **Committed Availability Reconciliation Payment** and/or **Flexible Availability Reconciliation Payment**; and
- (B) any adjustment to be made to the account between the **Reserve Provider** (or, subject to paragraph 4.10, the **Reserve Provider's Agent**) and **NGESO** in relation to any difference between the estimated and final **Committed Availability Reconciliation Payment** and/or **Flexible Availability Reconciliation Payment**.

4.3.3 If the **Reserve Provider** disagrees with any dates, times, facts or calculations set out in the **Monthly Statement**, subject to sub-paragraph 4.3.18, it shall produce (or, subject to paragraph 4.10, procure that the **Reserve Provider's Agent** produces) to **NGESO** the evidence upon which it relies in support of such disagreement. The **Reserve Provider** (or, subject to paragraph 4.10, the **Reserve Provider's Agent**, to the exclusion of the **Reserve Provider**) and **NGESO** shall discuss and endeavour to resolve the matter and any revisions to the **Monthly Statement** agreed as a result thereof shall appear 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 **Reserve Provider** (or, subject to paragraph 4.10, the **Reserve Provider's Agent**) and **NGESO** or by an arbitrator appointed pursuant to paragraph 4.11.

4.3.4 Where:-

- (a) **NGESO** discovers that any previous **Monthly Statement** contains an arithmetic error or omission; or
- (b) **NGESO** becomes aware of any facts (other than facts falling within sub-paragraph 4.3.4(a)) which show that the **Reserve Provider** (or, subject to paragraph 4.10, the **Reserve Provider's Agent**) was not entitled to receive a payment already made (including, for the avoidance of doubt, where sub-paragraph 3.8.8 applies),

subject to sub-paragraph 4.3.18, **NGESO** shall adjust the account between itself and the **Reserve Provider** (or, subject to paragraph 4.10, the **Reserve Provider's Agent**) accordingly in the next **Monthly Statement** which it issues, setting out the reason why the adjustment has been made, and the provisions of sub-paragraph 4.3.3 shall apply mutatis mutandis to such adjustments.

4.3.5 The due date of payment for the purposes of sub-paragraph 4.3.7 in respect of any disputed amount subsequently determined or agreed to be payable to the **Reserve Provider** (or, subject to paragraph 4.10, to the **Reserve Provider's Agent**) shall be the date for payment of the relevant **Monthly Statement** from which the dispute arises.

4.3.6 **NGESO** shall pay to the **Reserve Provider** (or, subject to paragraph 4.10, to the **Reserve Provider's Agent**) the amount shown as due from **NGESO** in a **Monthly Statement** within three (3) **Business Days** of the date on which the **Monthly Statement** is or should be received. The **Reserve Provider** shall pay to **NGESO** the amount shown as due from the **Reserve Provider** in a **Monthly Statement** within three **Business Days** of the date on which the **Monthly Statement** is issued.

4.3.7 If either **Party** ("**the Defaulting Party**") in good faith and/or with reasonable cause fails to pay under sub-paragraph 4.3.6 any amount properly due under this **Document**, such **Defaulting Party** shall pay to the other **Party** interest on such overdue amount from and including the due date of such payment to (but excluding) the date of actual payment (as well after as before judgement) at the **Base Rate** provided that should the **Defaulting Party** otherwise fail to pay any amount properly due under this **Document** on the due date then the **Defaulting Party** shall pay to the other **Party** interest on such overdue amount at the **Enhanced Rate** from the due date on which such payment was properly due to (but excluding) the date of actual payment. Interest shall accrue from day to day.

4.3.8 If, following a dispute or by virtue of sub-paragraphs 4.3.3 or 4.3.4, it is determined or agreed that the **Reserve Provider** was entitled to a further payment from **NGESO**, the **Reserve Provider** shall be entitled to interest at the **Base Rate** on the amount of such further payment from the due date calculated in accordance with sub-paragraph 4.3.5 until the date of actual payment.

- 4.3.9 If following a dispute or by virtue of the provisions of sub-paragraphs 4.3.3 or 4.3.4 it is determined or agreed that the **Reserve Provider** was not entitled to any payment it has received, **NGESO** 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 **NGESO** makes a payment to the **Reserve Provider** (or, subject to paragraph 4.10, to the **Reserve Provider's Agent**) which takes such payment into account.
- 4.3.10 Notwithstanding any other provision of this **Document**, the **Parties** shall not be limited in any way as to the evidence upon which they may rely in any proceedings arising out of or in connection with payment for making available or providing **Reserve** under this **Document** and/or any **Framework Agreement** and/or any **STOR Contract** and the **Parties** agree that, in the event and to the extent that either **Party** succeeds in proving in any such proceedings that **Reserve** was or was not made available or 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 **Reserve** or its availability. Where the **Reserve Provider** is entitled to a repayment under this sub-paragraph 4.3.10 and where the **Reserve Provider** has appointed an **Agent** under paragraph 4.10 such repayment shall be made by **NGESO** to the **Reserve Provider's Agent**.
- 4.3.11 Save as otherwise expressly provided in this **Document** or any **Framework Agreement**, sums payable by one **Party** to the other (or, subject to paragraph 4.10, by **NGESO** to the **Reserve Provider**) pursuant to this **Document** 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 provided that either **Party** shall be entitled to set off any payment due and payable by the other **Party** under this **Document** against any payment it makes to that **Party** (or to the **Reserve Provider's Agent** where applicable).
- 4.3.12 **NGESO** represents and warrants to the **Reserve Provider** that it submits to the **Registration Procedure** (including entering into any **Framework Agreement**) and will be a party to each and any **STOR Contract** as principal and not as agent for any other person.
- 4.3.13 All amounts specified in the **STOR Contract** shall be exclusive of any **Value Added Tax** or other similar tax and **NGESO** shall pay to the **Reserve Provider** (or, subject to paragraph 4.10, to the **Reserve Provider's Agent**) **Value Added Tax** at the rate for the time being and from time to time properly chargeable in respect of the making available and/or provision of **Reserve** under this **Document** and all **STOR Contracts**.
- 4.3.14 The **Reserve Provider** hereby warrants and represents to **NGESO** that it consents to the operation of a self-billing system by **NGESO** with regard to the payment for **Reserve** to be provided and made available pursuant to this **Document** and all **STOR Contracts** and will at all times whilst **Registered** maintain such consent. The **Reserve Provider** hereby undertakes to do (at **NGESO's** cost) all acts and things reasonably necessary to enable **NGESO** to comply with the regulations of HM Customs and Excise as regards such self-billing.
- 4.3.15 The submission of all **Monthly Statements** and facts and other evidence in support thereof and any questions in connection therewith from **NGESO** to the **Reserve Provider** (or, subject to paragraph 4.10, to the **Reserve Provider's Agent**) and vice versa in accordance with this paragraph 4.3 must be made,

in the absence of agreement to the contrary between the **Parties**, by 19.00 hours on the **Business Day** concerned.

4.3.16 All payments to be made by **NGESO** to the **Reserve Provider** (or, subject to paragraph 4.10, procure that the **Reserve Provider's Agent** makes) under this **Document** will be made by payment to the bank account notified by the **Reserve Provider** from time to time in accordance with paragraph 4.9.

4.3.17 Where the **Reserve Provider** has appointed an **Agent** in accordance with paragraph 4.10, the **Reserve Provider** hereby agrees that:

(a) the receipt by the **Reserve Provider's Agent** of any payments to be made by **NGESO** under this **Document** shall be effective as though made to the **Reserve Provider**, and that any entitlement by **NGESO** to withhold payments from the **Reserve Provider's Agent** under this **Document** shall not result in any entitlement on the part of the **Reserve Provider** to receive such withheld payment; and

(b) all payments to be made to the **Reserve Provider's Agent** by **NGESO** pursuant to the obligations contained in this paragraph 4.3 shall be made to the **Reserve Provider's Agent** as agent for an on behalf of the **Reserve Provider**. If the **Reserve Provider** wishes to appoint an alternative agent to act on its behalf or cease use of the **Reserve Provider's Agent**, then it shall be entitled to do by the service of not less than twenty-eight (28) days' notice in writing to **NGESO**. With effect from the expiry of such notice the **Reserve Provider's Agent's** details in the **STOR Contract** shall be deemed to have been amended or deleted (as the case may be).

4.3.18 In the absence of fraud, neither the **Reserve Provider** nor **NGESO** may invoke the provisions of (respectively) sub-paragraphs 4.3.3 or 4.3.4 with respect to the contents of any **Monthly Statement** after the period of twelve (12) months commencing at the start of the calendar month to which such **Monthly Statement** relates (or, in the case of **Seasonal Delivery Reconciliation Payments, Committed Availability Reconciliation Payments** and **Flexible Availability Reconciliation Payments**, after the period of twelve (12) months commencing on 1 April which next follows submission of that **Monthly Statement** containing details thereof), after which date such **Monthly Statement** shall be final and conclusive as to the amounts payable with respect thereto. For the avoidance of doubt, where a **Monthly Statement** reflects adjustments to a previous **Monthly Statement** in accordance with the foregoing provisions of this paragraph 4.3 then for the purposes of this sub-paragraph 4.3.16 the period of twelve (12) months shall commence at the start of the calendar month to which the original **Monthly Statement** relates.

4.3.19 The provisions of this paragraph 4.3 shall survive the termination of any **STOR Contract** and/or the **Reserve Provider's Registration**.

#### 4.4 **LIMITATION OF LIABILITY**

4.4.1 Subject to sub-paragraph 4.4.2, and save where any provision of this **Document**, any **Framework Agreement** or any **STOR Contract** (including where applicable the **Short Term Operating Reserve Despatch Procedure**) provides for an indemnity or the payment of liquidated damages, the Parties agree

and acknowledge that neither **Party** (the "**Party Liable**") nor any of its officers, employees or agents shall be liable to the other **Party** for loss arising from any breach of this **Document**, any **Framework Agreement** or the **STOR Contract** other than for loss directly resulting from such breach and which at the date of any **Framework Agreement** or the **STOR Contract** concerned was reasonably foreseeable as not unlikely to occur in the ordinary course of events from such breach in respect of:

- (a) physical damage to the property of the other **Party**, its officers, employees or agents; and/or
- (b) 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,

provided further that the liability of any **Party** in respect of all claims for such loss shall not exceed five million pounds sterling (£5,000,000) per incident or series of related incidents.

4.4.2 Nothing in this **Document** or in any **Framework Agreement** or any **STOR Contract** 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.

4.4.3 Subject to sub-paragraph 4.4.2, and save where any provision of this **Document**, any **Framework Agreement** or any **STOR Contract** provides for an indemnity or the payment of liquidated damages, neither the **Party Liable** nor any of its officers, employees or agents shall in any circumstances whatsoever be liable to the other **Party** for:-

- (a) any loss of profit, loss of revenue, loss of use, loss of contract or loss of goodwill; or
- (b) any indirect or consequential loss; or
- (c) loss resulting from the liability of the other **Party** to any other person howsoever and whensoever arising save as provided in sub-paragraph 4.4.1(b) and sub-paragraph 4.4.2.

4.4.4 Each **Party** acknowledges and agrees that the other **Party** holds the benefit of sub-paragraphs 4.4.1, 4.4.2 and 4.4.3 for itself and as trustee and agent for its officers, employees and agents.

4.4.5 The rights and remedies provided by this **Document**, any **Framework Agreement** and any **STOR Contract** 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 this **Document**, any **Framework Agreement** and any **STOR Contract**, 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** hereby waives to the fullest extent possible 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 this **Document**, any **Framework Agreement** and any **STOR Contract** and undertakes not to enforce any of the same except as expressly provided herein.

4.4.6 For the avoidance of doubt, the **Parties** acknowledge and agree that nothing in this **Document** or in any **Framework Agreement** or any **STOR Contract** 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.

4.4.7 Each of sub-paragraphs 4.4.1, 4.4.2, 4.4.3 and 4.4.4 shall:-

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

(b) survive termination of the **Reserve Provider's Registration** (including termination of any **Framework Agreement**) or termination of the **STOR Contract** concerned.

4.4.8 For the avoidance of doubt, nothing in this paragraph 4.4 shall prevent or restrict any **Party** enforcing any obligation (including suing for a debt) owed to it under or pursuant to this **Document**, any **Framework Agreement** or any **STOR Contract**.

4.4.9 Each **Party** acknowledges and agrees that the provisions of this paragraph 4.4 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 **STOR Tender**.

4.4.10 Save as otherwise expressly provided in this **Document**, this paragraph 4.4 insofar as it excludes or limits liability shall override any other provision of this **Document** provided that nothing in this paragraph 4.4 shall exclude or restrict or otherwise prejudice or affect any of:-

(a) the rights, powers, duties and obligations of **NGESO** or any **Reserve Provider** which are conferred or created by the **Act** or the **Transmission Licence**; or

(b) the rights, powers, duties and obligations of the **Authority** or the **Secretary of State** under the **Act** or any **Licence** or otherwise howsoever.

#### 4.5 **TERMINATION**

##### *Termination by the **Reserve Provider***

4.5.1 In the event that:-

(a) **NGESO** shall fail to pay (other than by inadvertent error in funds transmission which is discovered by the **Reserve Provider**, notified to **NGESO** and corrected within five **Business Days** following such notification) any amount properly due or owing from it pursuant to this **Document**, any **Framework Agreement** or any **STOR Contract** according to its terms, and such non-payment continues unremedied and not disputed in good faith and upon reasonable

grounds at the expiry of seven **Business Days** immediately following receipt by **NGESO** of written notice from the **Reserve Provider** of such non-payment; or

(b) in respect of **NGESO**:-

- (i) an order of the High Court is made or an effective resolution passed for its insolvent winding-up or dissolution; or
- (ii) a receiver (which expression shall include (where relevant) 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
- (iii) an administration order under Section 8 of the Insolvency Act 1986 is made or any other steps are taken to appoint an administrator or a voluntary arrangement is proposed under Section 1 of that Act; or
- (iv) 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
- (v) it 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 (£750.00) there was inserted two hundred and fifty thousand pounds sterling (£250,000) (and **NGESO** 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 of the cases specified in this sub-paragraph 4.5.1(b), 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 **Reserve Provider** a guarantee of future performance by **NGESO** of its obligations under this **Document** and all **STOR Contracts** in such form and amount as the **Reserve Provider** may reasonably require; or

(c) a **Final Change Decision** is implemented as a result of a **Proposed Legal Requirement** or a **Change in Law** (not being a **Qualifying Change in Law**) in respect of which the **Reserve Provider** is not entitled (as a result of the application of sub-paragraph 4.2.14) either to elect to reject the amendments pursuant to sub-paragraph 4.2.13(a) or to elect to seek an increase to the **Availability Price** pursuant to sub-paragraph 4.2.13(b), and where the impact of the **Final Change Decision** has a significant detrimental effect on the business of the **Reserve Provider**,

the **Reserve Provider** may declare by notice in writing to **NGESO** that such event or events has become a termination event. Once the **Reserve Provider** has given notice of a termination event, the **STOR Contract(s)** shall terminate but for the avoidance of doubt in the case of sub-paragraph 4.5.1(c) on the basis that no payment shall be due from **NGESO** to the **Reserve Provider** as a consequence of such termination save as expressly provided in this **Document**.

*Termination by NGESO*

4.5.2 In the event that the **Reserve Provider** at any time ceases to be a party to an agreement for connection to and (where required) use of a **System** in respect of any **Contracted STOR Unit**, **NGESO** may in its absolute discretion terminate the **STOR Contract** related to such **Contracted STOR Unit** by notice in writing to the **Reserve Provider** provided always that such right of termination shall not arise where the **Reserve Provider** shall have assigned or transferred the benefit or burden of the **STOR Contract** concerned in accordance with sub-paragraph 4.6.1.

4.5.3 In the event that:-

(a) the **Reserve Provider** shall fail to pay (other than by inadvertent error in funds transmission which is discovered by **NGESO**, notified to the **Reserve Provider** and corrected within five **Business Days** thereafter) any amount properly due or owing from the **Reserve Provider** to **NGESO** pursuant to this **Document**, any **Framework Agreement** or any **STOR Contract** according to its terms, and such non-payment continues unremedied and not disputed in good faith and upon reasonable grounds at the expiry of seven (7) **Business Days** immediately following receipt by the **Reserve Provider** of written notice from **NGESO** of such non-payment; or

(b) in respect of the **Reserve Provider**:-

(i) an order of the High Court is made or an effective resolution passed for its insolvent winding up or dissolution; or

(ii) a receiver (which expression shall include (where relevant) 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

(iii) an administration order under Section 8 of the Insolvency Act 1986 is made or any other steps are taken to appoint an administrator or a voluntary arrangement is proposed under Section 1 of that Act; or

(iv) it enters into any scheme of arrangement (other than for the purpose of a reconstruction or amalgamation upon terms and within such period as may previously have been approved in writing by the Authority); or

(v) it is unable to pay its debts (within the meaning of Section 123(1) or (2) of the Insolvency Act 1986 save that such sections shall have effect as if for seven hundred and fifty pounds sterling (£750.00) there was inserted two hundred and fifty thousand pounds sterling (£250,000) and the **Reserve Provider** shall not be deemed to be unable to pay its debts if any demand for payment is being contested in good faith by the **Reserve Provider** with recourse to all appropriate measures and procedures),

and, in any of the cases specified in this sub-paragraph 4.5.3(b), 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 **NGESO** a guarantee of future performance by the **Reserve Provider** of its obligations under this **Document** and all **STOR Contracts** in such form and amount as **NGESO** may reasonably require,

**NGESO** may declare by notice in writing to the **Reserve Provider** that such event or events in this sub-paragraph 4.5.3 has become a termination event in respect of the **STOR Contract(s)** and (in **NGESO**'s discretion) the **Reserve Provider**'s **Registration**. Once **NGESO** has given notice of a termination event the **STOR Contract(s)** and (where applicable) the **Reserve Provider**'s **Registration** shall terminate.

4.5.4 Without prejudice to sub-paragraphs 4.5.1 to 4.5.3 inclusive:-

- (a) a **STOR Contract** shall also terminate in the circumstances specified in Section 3 of this **Document**;
- (b) a **STOR Contract** shall also terminate forthwith where the **Reserve Provider**'s **Registration** terminates pursuant to this **Document** or the **Registration Procedure**; and
- (c) the **Reserve Provider**'s **Registration** and all and any subsisting **STOR Contracts** shall also terminate in the circumstances specified in sub-paragraphs 4.14.6 and 4.18.2.

4.5.5 Termination of the **Reserve Provider**'s **Registration** and of any **STOR Contract** shall be without prejudice to the rights and remedies to which a **Party** may be entitled thereunder and shall not affect any accrued rights or liabilities of either **Party** nor the coming into or continuance in force of any provision thereof which is expressly or by implication intended to come into force on or after such termination.

*Suspension of STOR Contracts*

4.5.6 Where **NGESO** has a subsisting right to terminate a **STOR Contract** pursuant to sub-paragraphs 3.8.6, 3.8.8 or 4.14.6 (as the case may be) (the "**Relevant Termination Provisions**"), before exercising that right **NGESO** shall notify the **Reserve Provider** in writing of its intention to do so, and the following provisions shall apply:-

- (a) Such notice shall specify the circumstances entitling it to do so and any supporting evidence;
- (b) No later than twenty (20) **Business Days** following **NGESO**'s notice, the **Reserve Provider** may prepare (at its own cost) and submit to **NGESO** a plan (the "**Remedial Plan**") setting out the steps it proposes to take in order to avoid a repetition of the circumstances entitling **NGESO** to terminate, including the **Reserve Provider**'s timetable for implementation, and **NGESO** shall at the **Reserve Provider**'s written request meet with the **Reserve Provider** during such period of twenty (20) **Business Days** to help identify such proposed steps;
- (c) No later than fifteen (15) **Business Days** following receipt of a **Remedial Plan** from the **Reserve Provider** pursuant to sub-paragraph 4.5.6(b), **NGESO** (acting reasonably) shall notify the **Reserve Provider** in writing either:-
  - (i) of its rejection of the **Remedial Plan** on grounds that it does not believe the **Remedial Plan** is reasonable in all the circumstances, and shall give reasons for its

belief to a reasonable level of detail, whereupon sub-paragraph 4.5.6(d) shall apply;  
or

(ii) of its acceptance of the **Remedial Plan**.

If **NGESO** shall fail to make any such notification by such date then it shall be deemed to have accepted the **Remedial Plan**.

(d) If **NGESO** rejects the **Remedial Plan** in accordance with sub-paragraph 4.5.6(c)(i), then:-

(i) no later than five (5) **Business Days** after receipt of such notice of rejection the **Reserve Provider** may dispute the same and notify **NGESO** in writing of its intention to refer the matter to **Expert Determination**;

(ii) the **Parties** shall thereupon endeavour to resolve their disagreement but the **Reserve Provider** may refer the matter to **Expert Determination** at any time no later than the date fifteen (15) **Business Days** after receipt of **NGESO's** notice of rejection; and

(iii) for the purposes of this sub-paragraph 4.5.6(d) the **Expert** shall be requested to consider the reasonableness of the **Reserve Provider's Remedial Plan** having regard to (inter alia):-

(A) **NGESO's** stated objections thereto;

(B) the circumstances entitling **NGESO** to terminate; and

(C) the steps and time reasonably necessary for the **Reserve Provider** to overcome such circumstances,

and where an **Expert** considers such **Remedial Plan** to be unreasonable in any respect, then he shall be requested to specify an alternative **Remedial Plan** that he considers to be reasonable in all the circumstances (including a date by which such **Remedial Plan** shall be completed).

(e) With effect from the date of **NGESO's** notice of its intention to exercise its right to **terminate** under any of the **Relevant Termination Provisions** referred to above, and with effect from any other relevant date where this sub-paragraph 4.5.6(e) is otherwise expressed in this **Document** to apply, the Parties' respective rights and obligations under the **STOR Contract** (including as to future payment but without prejudice to any payments then due and owing by a **Party** relating to any period prior to the date of suspension or accrued in respect of such period) shall be suspended as more particularly provided in sub-paragraph (f), and such suspension shall continue until the first to occur of:-

(i) failure by the **Reserve Provider** to prepare and submit to **NGESO** a **Remedial Plan** by the date specified in sub-paragraph 4.5.6(b);

(ii) rejection by **NGESO** (acting reasonably) of the **Reserve Provider's Remedial Plan** pursuant to sub-paragraph 4.5.6(c) where the **Reserve Provider** fails to refer

a dispute to **Expert Determination** by the date specified in sub-paragraph 4.5.6(d);  
or

- (iii) completion of the **Remedial Plan** to **NGESO**'s reasonable satisfaction;
  - (iv) the date on which **NGESO** serves notice on the **Reserve Provider** pursuant to sub-paragraph 4.5.6(g);
  - (v) the date being six (6) months after the date when the suspension occurred (or, if later, such latest date for completion of the Remedial Plan as may be specified therein).
- (f) With respect to each period of suspension of the **STOR Contract** pursuant to sub-paragraph 4.5.6(e):-
- (i) **Reserve** shall be deemed unavailable from the relevant **Contracted STOR Unit(s)** or **Contracted STOR Unit(s)**, and no **Availability Fees** shall accrue due to the **Reserve Provider**; and
  - (ii) where the **Relevant Termination Provision** is sub-paragraph 4.14.6 (but not otherwise), such period of suspension shall be excluded from the period of assessment for the purposes of the **Committed Availability Reconciliation Payment**.
- (g) If at any time during the suspension of the **STOR Contract** pursuant to sub-paragraph 4.5.6(e) **NGESO** is of the reasonable opinion that the **Reserve Provider** is failing to diligently carry out the **Remedial Plan** and is consequently not going to be able to fully implement the **Remedial Plan** in all material respects within the timetable set out in the **Remedial Plan**, then it may so notify the **Reserve Provider** in writing giving reasons for its view and any supporting evidence whereupon the **STOR Contract** shall cease to be suspended as provided in sub-paragraph 4.5.6(e).
- (h) If the **STOR Contract** ceases to be suspended otherwise than by reason of completion of the **Remedial Plan** to **NGESO**'s reasonable satisfaction, then with effect from such applicable date (being the date specified in sub-paragraphs 4.5.6(b) or 4.5.6(d) or the date on which the **STOR Contract** ceases to be suspended) **NGESO** may terminate the **STOR Contract** forthwith pursuant to the applicable **Relevant Termination Provision** giving reasons for its view and any supporting evidence.
- (i) All and any reasonable costs properly incurred by **NGESO** in connection with the matters described in this sub-paragraph 4.5.6 shall be reimbursed by the **Reserve Provider**.

4.5.7 A **STOR Contract** may also be suspended:

- (a) in the circumstances specified in, and in accordance with the provisions of, any **Framework Agreement**; or

- (b) for a fixed period of time anywhere between one (1) to twelve (12) months on not less than thirty (30) day's written notice from the **Reserve Provider** in circumstances where the **Reserve Provider** has submitted a tender for the **Firm Frequency Response** service or has submitted a tender for the **Fast Reserve** service, provided always that:
- (i) the **Reserve Provider's** applicable tender is accepted by **NGESO**;
  - (ii) **NGESO** confirms that there is sufficient time before the conclusion of the next scheduled tender round for **Short Term Operating Reserve** as then published on the **NGESO** website to procure replacement capacity (from either the **Firm Frequency Response** service or the **Fast Reserve Service**, as the case may be) for the **Contracted MW** to which the **STOR Contract** applies; and
  - (iii) **NGESO** has given effect to this sub-paragraph 4.5.7(b) by giving not less than thirty (30) days' notice to **Reserve Providers**.

#### 4.6 **ASSIGNMENT**

4.6.1 The **Reserve Provider** shall not assign or transfer nor purport to assign or transfer the benefit or burden of its **Registration** and/or any **STOR Contract** save in the following circumstances:-

- (a) in the circumstances described in paragraph 3.16;
- (b) the **Reserve Provider** may assign or charge its benefit under this **Document** and/or a **STOR Contract** in whole or in part by way of security;
- (c) upon the disposal of the whole or any part of the **Reserve Provider's** business or undertaking of which a **Contracted STOR Unit** forms part, the **Reserve Provider** may transfer all or some of its rights and obligations under any relevant **STOR Contract** to another **Reserve Provider** with the prior written consent of **NGESO** (which shall not be unreasonably withheld or delayed), and all subsisting **STOR Contracts** with respect to that **Contracted STOR Unit** forms part, shall thereupon be deemed to be transferred to such purchaser;
- (d) upon such terms as may be agreed by the **Parties** in writing including pursuant to any **Direct Agreement**.

4.6.2 **NGESO** shall not assign or transfer nor purport to assign or transfer the benefit or burden of any **STOR Contract** save that each **Reserve Provider** consents to the assignment or transfer by **NGESO** of its rights and obligations under all **STOR Contracts** to a person required by a licence granted under Section 6(1)(b) of the **Act** to contract for **Balancing Services**.

#### 4.7 **CONFIDENTIALITY AND ANNOUNCEMENTS**

##### *General Restrictions*

4.7.1 Subject to the exceptions provided in sub-paragraphs 4.7.2 and 4.7.4, and to the extent otherwise expressly permitted by this **Document**, any **Framework Agreement** and/or any **STOR Contract** (including the **Short Term Operating Reserve Despatch Procedure**), neither **Party** shall, at any time, whether before or after the termination of the **Reserve Provider's Registration** and/or any **STOR**

**Contract**, without the prior consent of the other **Party** in writing, divulge or suffer or permit its officers, employees, agents or contractors to divulge to any person or permit use by any person (other than disclosure to or use by any of its or their respective officers or employees to the extent that such disclosure and use is required to enable such persons properly to carry out their duties in connection with the **Reserve Provider's Registration** and/or any **STOR Contract**) of:-

- (a) any details of the **Reserve Provider's Registration** or any **STOR Tender** (or any acceptance or rejection thereof);
- (b) any commercially confidential information relating to the negotiations concerning the **Reserve Provider's Registration**;
- (c) any commercially confidential information which may come to a **Party's** knowledge in the course of such negotiations; or
- (d) any commercially confidential information concerning the operations, contracts, commercial or financial arrangements or affairs of the other **Party**.

4.7.2 Each **Party** undertakes to use information referred to in sub-paragraph 4.7.1 and disclosed to it by the other **Party** solely for the purposes of the **Reserve Provider's Registration** and/or any **STOR Contract** and shall not use it for any other purpose or for the purposes of any third party.

*Exceptions*

4.7.3 The restrictions imposed by sub-paragraph 4.7.1 shall not apply to the disclosure of any information:-

- (a) 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** or which it received from a third party independently entitled to disclose it;
- (b) which is required by law or pursuant to the rules of the **Electricity Supply Industry Arbitration Association** in Great Britain or pursuant to the rules or regulations of the Financial Conduct Authority to be disclosed to any person who is authorised by law or pursuant to the rules of the **Electricity Supply Industry Arbitration Association** in Great Britain or pursuant to the rules or regulations of the Financial Conduct Authority to receive the same;
- (c) 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;
- (d) to a court, arbitrator or administrative tribunal in the course of proceedings before it to which the disclosing **Party** is a party;
- (e) in accordance with the provisions of the **Balancing and Settlement Code** or pursuant to any **Licence** of the **Party** concerned;

- (f) to any parent, subsidiary or fellow subsidiary undertaking on a "need to know" basis only;
- (g) to any authorised consultants, banks, financiers, insurers, O&M contractors to any **Contracted STOR Unit**, potential purchasers of the **Reserve Provider** or of any **Contracted STOR Unit**, or professional advisers to the disclosing **Party**, in each case on a "need to know" basis only; and
- (h) required or expressly permitted to be disclosed under the terms of any agreement or arrangement (including this **Document**, the **Grid Code**, the **Connection and Use of System Code**, the **Distribution Code** and the **Fuel Security Code** (if any)) to which the **Parties** have agreed to be bound.

4.7.4 The restrictions imposed by sub-paragraph 4.7.1 shall also not apply to the disclosure by **NGESO** or the **Reserve Provider** (or, subject to paragraph 4.10, by the **Reserve Provider's Agent**) of the following information (or as may be otherwise agreed between **NGESO** and the **Reserve Provider** in writing) to the **Reserve Provider's** host **Public Distribution System Operator**:-

- (a) the metering system identifiers associated with the relevant **STOR Unit**; and
- (b) all operational data (including, without limitation, service type, volume and call-off instructions).

4.7.5 In this paragraph 4.7, the words "parent", "subsidiary" and "undertaking" shall have the meanings as provided in Sections 258 and 259 of the Companies Act 1985.

*Third parties*

4.7.6 Before:

- (a) either **Party** discloses any information in any of the circumstances described in sub-paragraphs 4.7.3(f) and 4.7.3(g);
- (b) **NGESO** discloses any of the information described in sub-paragraph 4.7.4 (other than to its authorised professional advisers); or
- (c) subject to paragraph 4.10, the **Reserve Provider** discloses any of the information described in sub-paragraph 4.7.4 to the **Reserve Provider's Agent** makes),

the relevant **Party** shall notify the other of its intention to make such disclosure and *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 paragraph 4.7.

*Public announcements*

4.7.7 Subject to sub-paragraph 4.7.4(b), no public announcement or statement regarding the **Reserve Provider's Registration** and/or **STOR Contract** or any termination thereof shall be issued or made unless 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).

4.7.8 Neither **Party** shall be prohibited from issuing or making any such public announcement or statement to the extent expressly permitted or otherwise contemplated by this **Document**, the **Registration Procedure** and/or any **STOR Contract** or if 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.

*Procedures*

4.7.9 With respect to the information referred to in sub-paragraph 4.7.1(a), both **Parties** shall ensure that:-

- (a) such information is disseminated within their respective organisations on a "need to know" basis only;
- (b) 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
- (c) any copies of such information, whether in hard copy or computerised form, will clearly identify the information as confidential.

*Termination*

4.7.10 Notwithstanding any other provision of this **Document**, any **Framework Agreement** and/or any **STOR Contract**, the provisions of this paragraph 4.7 shall continue to bind a person after termination of the **Reserve Provider's Registration** and/or any **STOR Contract**, in whole or in part, for whatever reason.

4.8 **WAIVER**

No delay by or omission of any **Party** in exercising any right, power, privilege or remedy under this **Document**, the **Registration Procedure** or any **STOR Contract** 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. Payment of any sum or the submission of any **Monthly Statement** by **NGESO** to the **Reserve Provider** under this **Document** or any **STOR Contract** shall not operate to impair or be construed as a waiver of any right, power, privilege or remedy **NGESO** may have against the **Reserve Provider** under this **Document** and/or any **STOR Contract** or otherwise whatsoever and howsoever arising or arisen.

4.9 **NOTICES**

4.9.1 Any notice or other communication to be given by one **Party** to the other under, or in connection with the matters contemplated by this **Document**, the **Registration Procedure** or any **STOR Contract**, shall unless otherwise expressly provided in this **Document**, be given:-

- (a) in the case of **NGESO** to:-

Contract Services

National Grid Electricity System Operator Limited

Faraday House

Gallows Hill

Warwick

CV34 6DA

with a copy by email to: commercialoperation@nationalgrideso.com

Marked for the attention of the Balancing and Revenue Services Manager;

- (b) in the case of the **Reserve Provider** to the address set out in the **Reserve Provider's Registration** details for the purpose and marked for the attention of the person so given,

or in either case to such other address(es) and/or marked for such other attention as such other **Party** may from time to time specify by notice given in accordance with this paragraph 4.9 to the **Party** giving the relevant notice or other communication to it.

4.9.2 Any notice or other communication to be given by one **Party** to the other **Party** under, or in connection with the matters contemplated by, this **Document**, the **Registration Procedure** or any **STOR Contract** shall unless otherwise expressly provided in this **Document** be in writing and shall be given by letter delivered by hand or sent by first class prepaid post (airmail if overseas), and shall be deemed to have been received:-

- (a) in the case of delivery by hand, when delivered; or
- (b) 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
- (c) in the case of email, upon transmission.

4.9.3 Any notice or other communication required to be given by **NGESO** in writing to all **Reserve Providers** under or in connection with matters contemplated by this **Document** may be sent to each recipient by email to any email address supplied by that recipient for such purposes from time to time.

4.9.4 Where the **Reserve Provider** has appointed an **Agent** in accordance with paragraph 4.10, **NGESO** agrees that in the event of its serving any notice or other communication on the **Reserve Provider** under or in connection with the matters contemplated by this **Document**, the **Registration Procedure** or any **STOR Contract**, it will contemporaneously with service of such notice or other communication on the **Reserve Provider**, serve a copy for information purposes on the **Reserve Provider's Agent**. Service of any such copy of a notice or other communication on the **Reserve Provider's Agent** shall not under any circumstances be deemed to constitute or satisfy any requirement for service of any notices or other communications on the **Reserve Provider** nor shall the non-service of any such copy of a notice or other communication on the **Reserve Provider's Agent** invalidate or otherwise affect any notice or other communication properly served on the **Reserve Provider**. Similarly, non-service of any copy of a notice or other communication by the **Reserve Provider** on the **Balancing and Revenue Services Manager** of **NGESO** shall not invalidate or otherwise affect any notice or other communication properly served on **NGESO** and marked for the attention of the Company Secretary.

#### 4.10 **RESERVE PROVIDER'S AGENT**

4.10.1 The **Reserve Provider** may nominate an agent (or subcontractor) to discharge the performance of some or all of its obligations under this **Document** with respect to the provision of **Short Term Operating Reserve** insofar as relating to:-

- (a) the submission of **STOR Tenders** and **Optional Bids**;
- (b) the submission of **Declarations** and **Redeclarations**;
- (c) the receipt of **Instructions**;
- (d) the receipt and processing of **Monthly Statements**; and
- (e) the receipt of payments.

4.10.2 Any such nomination shall be made in the **STOR Tender** (if not already reflected in the **Reserve Provider's Registration** details), and any **STOR Contract** formed in relation thereto shall be subject to and condition upon the inclusion in the **Reserve Provider's Registration** details of such terms as **NGESO** may reasonably require with respect thereto.

4.10.3 The nomination of an agent (or subcontractor) pursuant to this paragraph 4.10 shall not relieve the **Reserve Provider** of its obligations under this **Document** and the **Reserve Provider** accepts liability for the acts and omissions of such agent (or subcontractor) as if they were the acts and omissions of the **Reserve Provider**.

#### 4.11 **DISPUTE RESOLUTION**

4.11.1 Save where expressly stated in this **Document** or in any **Framework Agreement** or any **STOR Contract** to the contrary and subject to any contrary provision of the Act or any Licence, and subject always to sub-paragraph 4.11.3, any dispute or difference of whatever nature howsoever arising under, out of or in connection with this **Document**, the **Registration Procedure** or any **STOR Contract** between the **Parties** shall be and is hereby referred to arbitration pursuant to the arbitration rules of the **Electricity Supply Industry Arbitration Association** in force from time to time.

4.11.2 Whatever the nationality, residence or domicile of either **Party** and wherever the dispute or difference or any part thereof arose, the laws of England and Wales shall be the proper law of any reference to arbitration 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.

4.11.3 Where a provision of this **Document** expressly provides for the referral by **NGESO** or a **Reserve Provider** of any matter or matters in dispute to **Expert Determination**, the following provisions shall apply:-

- (a) the **Expert** shall act as an expert and not as an arbitrator and shall decide those matters referred to him using his skill, experience and knowledge, and with regard to all such other matters as he in his sole discretion considers appropriate;

- (b) if **NGESO** and the **Reserve Provider** cannot agree upon the selection of an **Expert**, the **Expert** shall be determined by the President for the time being of the Law Society of England and Wales;
- (c) all references to the **Expert** shall be made in writing by either **NGESO** or the **Reserve Provider** with notice to the other being given contemporaneously, and **NGESO** and the **Reserve Provider** shall promptly supply the **Expert** with such documents and information as he may request when considering any referral;
- (d) the **Expert** shall be requested to use his best endeavours to give his decision upon the question before him as soon as possible in writing following its referral to him, his decision shall, in the absence of fraud or manifest error, be final and binding upon **NGESO** and the **Reserve Provider**;
- (e) if the **Expert** wishes to obtain independent professional and/or technical advice in connection with the question before him:-
  - (i) he shall first provide **NGESO** and the **Reserve Provider** with details of the name, organisation and estimated fees of the professional or technical adviser; and
  - (ii) he may engage such advisor with the consent of **NGESO** and the **Reserve Provider** (which consent shall not be unreasonably withheld or delayed) for the purposes of obtaining such professional and/or technical advice as he may reasonably require;
- (f) the **Expert** shall not be held liable for any act or omission, and his written decision will be given without any liability on the **Expert's** part to either **NGESO** or the **Reserve Provider**, unless it shall be shown that he acted fraudulently or in bad faith;
- (g) save to the extent otherwise expressly provided herein pending the determination by the **Expert**, any subsisting **STOR Contract(s)** shall continue to the extent possible for **NGESO** and the **Reserve Provider** to perform their obligations under such **STOR Contract(s)**; and
- (h) the **Expert** shall at his discretion be entitled to order that the costs of the reference of a dispute to him shall be paid by **NGESO** and/or the **Reserve Provider** in whatever proportions he thinks fit.

#### 4.12 **JURISDICTION**

4.12.1 Subject to paragraph 4.11 and to sub-paragraph 4.12.4 both **Parties** irrevocably agree that the courts of England and Wales and the courts of Scotland are to have jurisdiction to settle any disputes which may arise out of or in connection with this **Document**, the **Registration Procedure** and/or any **STOR Contract** and that accordingly any suit, action or proceeding (together in this paragraph 4.12 referred to as "**Proceedings**") arising out of or in connection with this **Document**, the **Registration Procedure** and/or any **STOR Contract** may be brought to such courts.

4.12.2 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 paragraph 4.12 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 or the courts of Scotland shall be conclusive and binding upon such **Party** and may be enforced in the courts of any other jurisdiction.

4.12.3 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.

4.12.4 For the avoidance of doubt nothing contained in the foregoing provisions of this paragraph 4.12 shall be taken as permitting a party to commence **Proceedings** in the courts where this **Document**, the **Registration Procedure** or any **STOR Contract** otherwise provides for **Proceedings** to be referred to arbitration.

#### 4.13 **GOVERNING LAW**

This **Document**, the **Registration Procedure** and each **STOR Contract** shall be governed by and construed in all respects in accordance with English law.

#### 4.14 **FORCE MAJEURE**

4.14.1 In so far as either **Party** is prevented from performing any of its obligations under this **Document**, the **Registration Procedure** and/or any **STOR Contract** due to an event or circumstance of **Force Majeure**, then neither the **Reserve Provider** nor NGESO (as the case may be) shall be deemed to be in breach of such obligations for so long as the circumstance of **Force Majeure** continues to prevent such performance.

4.14.2 If NGESO is unable to accept the provision of **Reserve** and/or issue a **Bid-Offer Acceptance** or an **Instruction** (as the case may be) due to an event or circumstance of **Force Majeure**, it shall not be obliged to pay a **Reserve Availability Payment** and/or a **Reserve Utilisation Payment** (as the case may be) to the **Reserve Provider** pursuant to paragraph 3.7 in respect of the period during which the event or circumstance of **Force Majeure** continues to prevent such acceptance and/or ability to issue a **Bid-Offer Acceptance** or **Instruction**.

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

4.14.4 As soon as is reasonably practicable, following an event or circumstance of **Force Majeure**, the **Parties** shall meet to discuss how best to continue their respective obligations as set out in this **Document**, the **Registration Procedure** and the relevant **STOR Contract**.

4.14.5 For the avoidance of doubt the non-performance of either **Party's** obligations pursuant to this **Document**, the **Registration Procedure** and any **STOR 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**.

4.14.6 Either **Party** shall have a right to terminate the **Reserve Provider's** **Registration** and/or the relevant **STOR Contract** if a **Party** has been prevented from performing its obligations under this **Document**,

the **Registration Procedure** and such **STOR Contract** due to an event or circumstance of **Force Majeure** for a continuous period of six (6) calendar months, provided always that such right may not be exercised by **NGESO** except as provided in sub-paragraph 4.5.6.

#### 4.15 **SEVERANCE OF TERMS**

If any provision of this **Document**, the **Registration Procedure** or any **STOR Contract** 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 Commission of the European Communities or by order of the **Secretary of State**, such invalidity, unenforceability or illegality shall not prejudice or affect the remaining provisions of this **Document**, the **Registration Procedure** and such **STOR Contract** which shall continue in full force and effect notwithstanding such invalidity, unenforceability or illegality.

#### 4.16 **ENTIRE AGREEMENT**

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

#### 4.17 **THIRD PARTY RIGHTS**

Without prejudice to the rights of a funder under or pursuant to a **Direct Agreement**, the **Parties** 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 this **Document**, the **Registration Procedure** or any **STOR Contract** save as expressly provided in this **Document**, the **Registration Procedure** or such **STOR Contract**.

#### 4.18 **ANTI-BRIBERY**

##### 4.18.1 Each **Party** shall:

- (a) comply with all **Relevant Requirements**;
- (b) not engage in any activity, practice or conduct which would constitute an offence under sections 1, 2 or 6 of the Bribery Act 2010 if such activity, practice or conduct had been carried out in the United Kingdom;
- (c) have and shall maintain in place, throughout the duration of the **Reserve Provider's Registration**, its own policies and procedures, including **Adequate Procedures**, to ensure

compliance with the **Relevant Requirements** and this paragraph 4.18, and will enforce them where appropriate; and

- (d) procure and ensure that all of its **Associated Persons** and/or other persons who are performing services in connection with the **Reserve Provider's Registration** and this **Document** comply with this paragraph 4.18.

4.18.2 If either **Party** breaches this paragraph 4.18 then, without prejudice to any other rights or remedies, the other **Party** may immediately terminate the **Reserve Provider's Registration** and all and any subsisting **STOR Contract** on written notice to the **Party** in breach.

#### 4.19 **EMR**

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

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

## **SECTION 5 INTERPRETATION AND DEFINITIONS**

### **5.1 INTRODUCTION**

5.1.1 This Section sets out general rules to be applied in interpreting this **Document**, the **Registration Procedure** and **STOR Contracts**.

### **5.2 INTERPRETATION AND CONSTRUCTION**

5.2.1 In this **Document** and in the **Registration Procedure** and each **STOR Contract**:-

- (a) the interpretation rules in this paragraph 5.2; and
- (b) the words and expressions defined in paragraph 5.3,

shall, unless the subject matter or context otherwise requires or is inconsistent therewith, apply.

5.2.2 Save as otherwise expressly provided in this **Document**, in the event of any inconsistency between the provisions of the **Registration Procedure** or any **STOR Contract** (as the case may be) and this **Document**, the provisions of the **Registration Procedure** or **STOR Contract** (as the case may be) shall prevail in relation to the subject matter thereof.

5.2.3 In this **Document**:

- (a) unless the context otherwise requires, all references to a particular paragraph, Section, Schedule or Annex shall be a reference to that paragraph, Section, Schedule or Annex in or to this **Document**;
- (b) a table of contents and headings are inserted for convenience only and shall be ignored in construing this **Document** and the **Registration Procedure**;
- (c) references to the words “include” or “including” are to be construed without limitation to the generality of the preceding words;
- (d) unless the context otherwise requires any reference to an Act of Parliament or an EU Regulation or any part or section or other provision of or schedule to an Act of Parliament or EU Regulation shall be construed, at the particular time, as including a reference to any modification, extension or re-enactment thereof then in force (including, in the case of an EU Regulation, to the related Retained EU Law) and to all instruments, order or regulations then in force and made under or deriving validity from the relevant Act of Parliament or EU Regulation; and
- (e) references to the masculine shall include the feminine and references in the singular shall include the plural and vice versa and words denoting persons shall include any individual, partnership, firm, company, corporation, joint venture, trust, association, organisation or other entity, in each case whether or not having separate legal personality.

### 5.3 DEFINITIONS

5.3.1 The following terms shall have the following meanings:-

<b>“ABSVD Statement”</b>	means the Applicable Balancing Services Volume Data Methodology Statement published by <b>NGESO</b> from time to time pursuant to Standard Condition C16 of the <b>Transmission Licence</b> ;
<b>"Act"</b>	means the Electricity Act 1989;
<b>“Active Power”</b>	means 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;
<b>“Adequate Procedures”</b>	shall be determined in accordance with section 7(2) of the Bribery Act 2010 (and any guidance issued under section 9 of that Act);
<b>“Affected Reserve Provider”</b>	means, with respect to any <b>Detailed Change Proposal</b> , a <b>Reserve Provider</b> which is a party to one or more <b>Affected STOR Contracts</b> ;
<b>“Affected STOR Contract”</b>	means a subsisting <b>STOR Contract</b> in force at the date that <b>NGESO</b> submits a <b>Detailed Change Proposal</b> and whose term continues beyond the <b>Final Implementation Date</b> specified therein;
<b>“AF Rules”</b>	has the meaning given to “allocation framework” in section 13(2) of the Energy Act 2013;
<b>"Ancillary Services"</b>	means <b>System Ancillary Services</b> and/or <b>Commercial Ancillary Services</b> , as the case may be;

<b>“Annual Limit”</b>	means, in respect of any <b>STOR Contract</b> formed upon acceptance of a <b>STOR Tender</b> , the limit in relation to a <b>STOR Year</b> specified as such in that <b>STOR Tender</b> ;
<b>“Apparatus”</b>	means all equipment in which electrical conductors are used, supported or of which they may form a part;
<b>“Associated Person”</b>	has 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 <b>Reserve Provider</b> or <b>NGESO</b> as applicable in relation to the provision of the <b>Commercial Ancillary Services</b> ;
<b>“Authorised Electricity Operator”</b>	means any person (other than <b>NGESO</b> in its capacity as operator of the <b>National Electricity Transmission System</b> ) who is authorised under the <b>Act</b> to generate, transmit, distribute or supply electricity;
<b>“Authority”</b>	means the Gas and Electricity Markets Authority established by section 1 of the Utilities Act 2000;
<b>“Availability Price”</b>	in respect of each <b>Contracted STOR Unit</b> , means the price (£/MW/h) described as such in the applicable <b>STOR Tender</b> (as adjusted from time to time in accordance with this <b>Document</b> );
<b>"Availability Window"</b>	means (1) those periods specified as such (in respect of <b>Working Days</b> and <b>Non-Working Days</b> and in respect of each <b>Season</b> ) in the relevant <b>STOR Tender Procedure</b> , and (2) all and any new <b>Availability Windows</b> subsequently introduced by <b>NGESO</b> pursuant to paragraph 2.10 and in respect of which the <b>Reserve Provider’s</b> re-tender is accepted by <b>NGESO</b> pursuant to sub-paragraph 2.10.3(a), in each case as the same may be changed from time to time in accordance with sub- paragraph 2.9;
<b>“Balancing and Settlement Code (BSC)”</b>	the meaning attributed to it in the <b>Transmission Licence</b> ;

<b>“Balancing Mechanism”</b>	the meaning attributed to it in the <b>Transmission Licence</b> ;
<b>“Base Rate”</b>	in respect of any day, means the rate per annum which is equal to the base lending rate from time to time of Barclays Bank plc as at the close of business on the immediately preceding <b>Business Day</b> ;
<b>“Bid-Offer Acceptance”</b>	the meaning attributed to it in the <b>Grid Code</b> ;
<b>“Bid-Offer Data”</b>	the meaning attributed to it in the <b>BSC</b> ;
<b>“Bid-Offer Pair”</b>	the meaning attributed to it in the <b>BSC</b> ;
<b>“Bid-Offer Pair No 1”</b>	means a <b>Bid-Offer Pair</b> with the <b>Bid-Offer Pair Number n</b> of “1”;
<b>“Bid Offer Pair Number n”</b>	the meaning attributed to it in the <b>BSC</b> ;
<b>“Bid Price”</b>	the meaning attributed to it in the <b>BSC</b> ;
<b>“BM Participating”</b>	means, in respect of a <b>Contracted STOR Unit</b> or <b>Non-Contracted STOR Unit</b> , that for the duration of the relevant <b>STOR Contract</b> , it is or will be registered as a <b>BM Unit</b> ;
<b>“BM Unit”</b>	the meaning attributed to it in the <b>BSC</b> , except for the purposes of this <b>Document</b> the reference to “a Party” in the <b>BSC</b> shall be a reference to the <b>Reserve Provider</b> ;
<b>“BM Unit Data”</b>	the meaning attributed to it in the <b>Grid Code</b> ;
<b>“Bribery Act”</b>	means the Bribery Act 2010;
<b>“Business Day”</b>	means a week-day other than a Saturday on which banks are open for domestic business in the City of London;
<b>“Capacity Market Rules”</b>	means the rules made under section 34 of the Energy Act 2013 as modified from time to time in accordance with

that section and The Electricity Capacity Regulations 2014;

“Cease Time”

means:-

(1) for a **Contracted STOR Unit or Non-Contracted STOR Unit** which is **BM Participating**, the period (in minutes) which corresponds to the time required for it to reduce **Generation** from the **Contracted MW** to zero following the provision of **Reserve**; or

(2) otherwise, the period (rounded up to the nearest minute) calculated as:-

$$\left( \frac{\text{ContractedMW}}{\text{ContractedRunDownTime}} \right)$$

which corresponds to the time required for the **Contracted STOR Unit or Non-Contracted STOR Unit** to either reduce **Generation** from the **Contracted MW or Optional Bid MW** to zero (or pre-agreed base load level) or (as the case may be) increase **Demand** from zero (or pre-agreed base load level) to the **Contracted MW or Optional Bid MW**, in each case following the provision of **Reserve**;

“Change in Law”

means the coming into effect of :-

- (1) a **Legal Requirement**; or
- (2) any applicable judgement of a relevant court of law which materially changes a binding precedent;

“Change Proposal”

means a proposal for amendments to this **Document** prepared by **NGESO** in accordance with paragraph 4.2;

“Combined Cycle Gas Turbine Module” or “CCGT Module”

means 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 system 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**;

**“Combined Cycle Gas Turbine Unit” or “CCGT Unit”**

means a **Generating Unit** within a **CCGT Module**;

**“Commencement Date”**

means the date specified in a **STOR Tender** acceptance from which the **STOR Contract** shall come into effect;

**“Commercial Ancillary Services”**

means **Ancillary Services** other than **System Ancillary Services**;

**“Committed Availability Reconciliation Payment”**

the meaning attributed to it in sub-paragraph 3.7.9;

**“Committed Window”**

means either:-

- (i) a **Working Day Availability Window** or a **Non-Working Day Availability Window** designated as such in the relevant **STOR Contract**, during which the **Reserve Provider** shall be obliged to notify availability of **Reserve** from the **Contracted STOR Unit** unless for reasons related to the technical capability of the **Contracted STOR** is unavailable; or (where relevant)
- (ii) a **Flexible Window** which, in accordance with sub-paragraph 3.2.5, is deemed to be a **Committed Window**;

**“Competent Authority”**

means the Gas and Electricity Markets 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) or the member states of the European Union which have jurisdiction over **NGESO** or the subject matter of this **Document**;

**"Connection Agreement"**

means any agreement in respect of the connection (including the maintenance and modification of that connection) of **Plant** and **Apparatus** to a **System**;

**"Connection and Use of System Code (CUSC)"**

means the Connection and Use of System Code designated by the **Secretary of State** as from time to time modified;

**"Contracted Availability Window"**

the meaning attributed to it in sub-paragraph 3.2.8;

**"Contracted MW"**

in relation to any **Season**, means the level of MW described as such in the **STOR Tender** and applicable to the relevant **STOR Contract**;

**"Contracted Optional Window"**

the meaning attributed to it in sub-paragraph 3.2.9;

**"Contracted STOR Unit"**

means a **STOR Unit** that is, at the relevant time, subject to a subsisting **STOR Contract** formed upon acceptance by **NGESO** of a **STOR Tender**;

**"CP Consultees"**

the meaning attributed to it in sub-paragraph 4.2.5;

**"CUSC Framework Agreement"**

the meaning attributed to it in the **Transmission Licence**;

**"Customer"**

means a person to whom electrical power is provided (whether or not he is the same person as the person who provides the electrical power);

**"Declaration"**

the meaning attributed to it in sub-paragraph 3.2.1;

**"Deemed Optional Window"**

means any **Flexible Window** either:-

- (i) rejected by **NGESO** pursuant to sub-paragraph 3.2.5; or
- (ii) the subject of a **Redeclaration** indicating availability of the **Contracted STOR Unit** during such **Flexible Window** and issued by the **Reserve Provider** after 10.00 hours on a Friday pursuant to sub-paragraph 3.2.4(b);

<b>“Deemed Rejected Instruction Volume”</b>	means, for the purposes of the calculation of the <b>Seasonal Delivery Reconciliation Payment</b> , a volume (in MWh) of energy derived by multiplying the <b>Contracted MW</b> by the number of hours for each relevant <b>Event of Default</b> specified in paragraph 3.8
<b>“Defaulting Party”</b>	the meaning attributed to it in sub-paragraph 4.3.7;
<b>“Delivery Failure”</b>	the meaning attributed to it in sub-paragraph 3.15.3;
<b>"Demand"</b>	the demand of MW and Mvar of <b>Electricity</b> ;
<b>“Demand Response Active Power Control”</b>	has the meaning attributed to it in the <b>Grid Code</b> ;
<b>“Demand Response Provider”</b>	has the meaning attributed to it in the <b>Grid Code</b> ;
<b>“Demand Response Services Code”</b>	has the meaning attributed to it in the <b>Grid Code</b> ;
<b>“Direct Agreement”</b>	means any agreement entered into between <b>NGESO</b> , the <b>Reserve Provider</b> and one or more funders of the <b>Reserve Provider</b> as more particularly referred to in the <b>Reserve Provider’s Registration</b> details;
<b>“Directive”</b>	means any present or future directive, request, requirement, instruction, code of practice, direction or rule of any <b>Competent Authority</b> and any modification, extension or replacement thereof;
<b>"Distribution Code(s)"</b>	means the <b>Distribution Code(s)</b> drawn up by <b>Public Distribution System Operators</b> pursuant to the terms

of their respective **Licence(s)** as from time to time revised in accordance with those **Licences**;

**“Distribution System”**

means the system consisting (wholly or mainly) of electric lines owned or operated by any **Authorised Electricity Operator** and used for the distribution of electricity from **Grid Supply Points** or generation sets or other entry points to the point of delivery to **Customers** or **Authorised Electricity Operators**, and includes any **Remote Transmission Assets** operated by such **Authorised Electricity Operator** and any electrical plant and meters owned or operated by the **Authorised Electricity Operator** in connection with the distribution of electricity, but shall not include any part of the **National Electricity Transmission System**;

**“Document”**

means this issue of the **Short-Term Operating Reserve** Standard Contract Terms as varied and/or reissued from time to time in accordance with paragraph 4.2;

**“DRSC Liable User”**

means any **Reserve Provider** party to a **STOR Contract** which pursuant to the **Grid Code** renders it a **Demand Response Provider** by virtue of the relevant **STOR Unit** comprising a source of controllable **Demand**;

**“Dynamic Parameters”**

the meaning attributed to it in the **Grid Code**;

**“EDL/EDT”**

means the electronic despatch logging and data transfer mechanisms by which **NGESO** communicates with the **Reserve Provider** and the **Reserve Provider** communicates with **NGESO** in respect of **Contracted STOR Units** and **Non-Contracted STOR Units** which are **BM Participating** for the purposes of operation of the **Balancing Mechanism** and the utilisation of **Ancillary Services**;

<p><b>“EBGL Article 18 Change”</b></p>	<p>means any amendment to this <b>Document</b> which constitutes an amendment to one or more of the <b>EBGL Article 18 Terms and Conditions</b> or which introduces into this <b>Document</b> a provision which in accordance with the <b>Electricity Balancing Guidelines</b> comprises a part of the <b>Article 18 Terms and Conditions</b>;</p>
<p><b>“EBGL Article 18 Terms and Conditions”</b></p>	<p>means those sections or parts of this <b>Document</b> (which are identified for convenience in the Annex) constituting terms and conditions approved by the <b>Authority</b> as the terms and conditions related to balancing pursuant to Article 18 of the <b>Electricity Balancing Guidelines</b>, as amended from time to time;</p>
<p><b>“Electricity Balancing Guidelines”</b></p>	<p>means European Commission Regulation 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing;</p>
<p><b>“Electricity Supply Industry Arbitration Association”</b></p>	<p>the meaning attributed to it in the <b>Grid Code</b>;</p>
<p><b>“Eligible Asset”</b></p>	<p>means any item of <b>Plant and Apparatus</b> which has been validated by <b>NGESO</b> in accordance with the <b>Registration Procedure</b> as capable (either individually or in combination with one or more other <b>Eligible Assets</b>) of providing <b>Short Term Operating Reserve</b> in accordance with this <b>Document</b>;</p>
<p><b>“Embedded”</b></p>	<p>the meaning attributed to it in the <b>Grid Code</b>;</p>
<p><b>“EMR Document”</b></p>	<p>means The Energy Act 2013, The Electricity Capacity Regulations 2014, the Capacity Market Rules, The Contracts for Difference (Allocation) Regulations 2014, The Contracts for Difference (Definition of Eligible Generator) Regulations 2014, The Contracts for Difference (Electricity Supplier Obligations) Regulations 2014, The Electricity Market Reform (General) Regulations 2014, the AF Rules and any other regulations or instruments made under Chapter 2 (contracts for difference), Chapter 3 (capacity market)</p>

	or Chapter 4 (investment contracts) of Part 2 of the Energy Act 2013 which are in force from time to time;
<b>“EMR Functions”</b>	has the meaning given to “EMR functions” in Chapter 5 of Part 2 of the Energy Act 2013;
<b>“Energy Metering Equipment”</b>	the meaning attributed to the phrase “Metering Equipment” in the <b>Balancing and Settlement Code</b> ;
<b>“Energy Utilisation Payment”</b>	the meaning attributed to it in sub-paragraph 3.7.2;
<b>“Energy Utilisation Price”</b>	in respect of any <b>Contracted STOR Unit</b> , means the relevant utilisation price derived pursuant to sub-paragraph 3.7.6, and in respect of any <b>Non-Contracted STOR Unit</b> means the utilisation price described as such in the <b>Non-BM Data Submission</b> prevailing for the <b>Non-Contracted STOR Unit</b> at the relevant <b>Settlement Period(s)</b> at the time of issue of the <b>Instruction</b> ;
<b>“Enhanced Rate”</b>	in respect of any day, means the rate per annum which is 4% above the base lending rate from time to time of Barclays Bank plc as at the close of business on the immediately preceding <b>Business Day</b> ;
<b>“Event of Default”</b>	means an event of default as more particularly specified in sub-paragraph 3.8.1 or sub-paragraph 3.8.2 (as the case may be);
<b>“Expert”</b>	means an independent expert appointed for the purposes of <b>Expert Determination</b> ;
<b>“Expert Determination”</b>	means the process specified in sub-paragraph 4.11.3;
<b>“Expiry Date”</b>	means the date specified in a <b>STOR Tender Acceptance</b> from which the <b>STOR Contract</b> shall cease to have effect;

“ <b>Final Change Decision</b> ”	means <b>NGESO</b> ’s decision on implementation of a <b>Change Proposal</b> formulated pursuant to sub-paragraph 4.2.7;
“ <b>Final Implementation Date</b> ”	means the date from which amendments to this <b>Document</b> shall become effective as specified in sub-paragraph 4.2.10;
“ <b>First Year</b> ”	means, with respect to any <b>STOR Tender</b> either the <b>STOR Year</b> in which the <b>Tender Round</b> occurs or in the case of the last <b>Tender Round</b> in any <b>STOR Year</b> , the <b>STOR Year</b> which next follows;
“ <b>First Year Tender</b> ”	means a <b>STOR Tender</b> with respect to the <b>First Year</b> ;
“ <b>Flexible Availability Reconciliation Payment</b> ”	the meaning attributed to it in sub-paragraph 3.7.12;
"Flexible Window"	means a <b>Working Day Availability Window</b> or a <b>Non-Working Day Availability Window</b> which shall be designated as such in the relevant <b>STOR Contract</b> , in respect of which the <b>Reserve Provider</b> may indicate availability of the <b>Contracted STOR Unit</b> ;
"Force Majeure"	means, in relation to either <b>Party</b> , any event or circumstance which is beyond the reasonable control of such <b>Party</b> (not being, without limitation an event or circumstance caused by the negligence or lack of care and attention of that <b>Party</b> or its officers or employees) but subject thereto including act of God, 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**);

**“Framework Agreement”**

means any agreement to which **NGESO** and the **Reserve Provider** are parties which is entered into as part of the **Registration Procedure**;

**“Fuel Security Code”**

means the document of that title designated as such by the **Secretary of State** as from time to time amended;

**“Gas Turbine Unit”**

means a **Generating Unit** driven by a gas turbine, (for instance by an aero-engine);

**“Gate Closure”**

means, in relation to a **Settlement Period**, the spot time one hour before the spot time at the start of that **Settlement Period**, or otherwise as may be defined from time to time in the **BSC**;

**“Gate Closure Period”**

means the period between **Gate Closure** and the spot time at the start of the associated **Settlement Period**;

**“Generating Unit”**

unless otherwise provided in any **STOR Contract**, means any **Apparatus** which produces electricity including for the avoidance of doubt a **CCGT Unit**;

**“Generation”**

means the electrical output (in MW) of a **Generating Unit**;

**“Great Britain”**

the meaning attributed to it in Schedule 1 of the **Transmission Licence**;

**“Grid Code”**

means 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 this **Document**, the **Framework Agreement** or any **STOR Contract** 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 BC”	means the Balancing Codes of the <b>Grid Code</b> ;
“Grid Code CC”	means the Connection Conditions of the <b>Grid Code</b> ;
“Grid Code DRC”	means the Data Registration Code of the <b>Grid Code</b> ;
“Grid Code OC”	means the Operating Codes of the <b>Grid Code</b> ;
“Grid Code PC”	means the Planning Code of the <b>Grid Code</b> ;
“Grid Entry Point”	means a point at which a <b>Generating Unit</b> or a <b>CCGT Module</b> or a <b>CCGT Unit</b> , as the case may be, which is directly connected to the <b>National Electricity Transmission System</b> , connects to the <b>National Electricity Transmission System</b> ;
“Grid Supply Point”	means a point of supply from the <b>National Electricity Transmission System</b> to a <b>Distribution System</b> or a <b>Non-Embedded Customer</b> ;
“Implementation Date”	means the date specified by <b>NGESO</b> in the <b>Final Change Decision</b> for the coming into effect of amendments to this <b>Document</b> ;
“Industry Information Website”	means the web page listed under the <b>NGESO</b> website for the publication of information for the use by <b>Reserve Providers</b> and other interested persons;
"Instruction"	means a notice issued by <b>NGESO</b> pursuant to subparagraph 3.5.1;
“Lead Party”	the meaning attributed to it in the <b>BSC</b> ;
“Legal Requirement”	means any Act of Parliament, regulation, licence or <b>Directive</b> of a <b>Competent Authority</b> , including for the avoidance of doubt any <b>Retained EU Law</b> ;
“Legislative Clock Change”	means any change by Act of Parliament or regulation or other <b>Legal Requirement</b> to the start and/or end dates of summer time in the United Kingdom or any part thereof

and/or any change to the United Kingdom's time zone relative to Central European Time;

**"Licence"**

means any one or more as appropriate of the **Licences** granted pursuant to section 6 of the **Act**;

**"Mandatory Bid"**

means, with respect to any **Contracted STOR Unit**, **BM Unit Data** or a **Non-BM Bid-Offer Submission** submitted by a **Reserve Provider** pursuant to a **STOR Contract** in the circumstances set out in paragraph 3.3;

**"Mandatory Works Provisions"**

means, with respect to all and any works required to be carried out to any item of **Plant** and **Apparatus** to enable the same to be validated as an **Eligible Asset**, the provisions relating to such works set out in Section 7 as supplemented by such of the following as may be required by **NGESO** (at its sole discretion) to be made subject to the **Registration** status of the relevant **Reserve Provider** with respect to such **Eligible Asset**:

- (1) a complete description of the programme of such works;
- (2) a suitable milestone schedule for the carrying out, completion and commissioning of such works, to commence upon formation of any **STOR Contract** and to complete no later than the **Commencement Date**; and
- (3) provisions for the conduct of testing (or sequence of testing) and independent witness testing thereof to validate such commissioning, including a technical specification for such testing (or sequence of testing) to enable validation of the **Technical Parameters**;

**"Maximum Export Limit" or  
"MEL"**

the meaning attributed to it in the **Grid Code** which, in the case of a **Non-BM Participating STOR Unit**, shall be read and construed accordingly;

<b>“Maximum Registered STOR Capacity”</b>	means, in relation to any <b>Eligible Asset</b> , the maximum amount of additional <b>Active Power</b> and/or reduction in <b>Demand</b> capable of being made available to <b>NGESO</b> as <b>Short Terms Operating Reserve</b> as shown in the relevant <b>Reserve Provider’s Registration</b> details;
<b>"Maximum Utilisation Period"</b>	means, in relation to any <b>Bid-Offer Acceptance</b> or <b>Instruction</b> , the period described as such in the relevant <b>STOR Tender</b> or (for any <b>Optional Bid</b> ) the <b>Non-BM Data Submission</b> , beginning at the time at which, in the case of a <b>Contracted STOR Unit</b> or <b>Non-Contracted STOR Unit</b> which is <b>BM Participating</b> , the output of that <b>STOR Unit</b> is greater than zero (0) MW or, in the case of any other <b>Contracted STOR Unit</b> or <b>Non-Contracted STOR Unit</b> , either the output of that <b>STOR Unit</b> is greater than zero (0) MW or the <b>Demand</b> of that <b>STOR Unit</b> is less than the <b>Contracted MW</b> or <b>Optional MW</b> or <b>Optional Bid MW</b> (as the case may be);
<b>“Minimum Non-Zero Time” or “MNZT”</b>	the meaning attributed to it in the <b>Grid Code</b> which, in the case of a <b>Non-BM Participating STOR Unit</b> , shall be read and construed accordingly ;
<b>“Minimum Zero Time” or “MZT”</b>	the meaning attributed to it in the <b>Grid Code</b> which, in the case of a <b>Non-BM Participating STOR Unit</b> , shall be read and construed accordingly;
<b>“MSID Pair”</b>	the meaning attributed to it in the <b>BSC</b> ;
<b>“MSID Pair Data”</b>	the meaning attributed to it in the <b>BSC</b> ;
<b>“MSID Pair Delivered Volume”</b>	the meaning attributed to it in the <b>BSC</b> ;
<b>“Monthly Statement”</b>	the meaning attributed to it in sub-paragraph 4.3.1;
<b>“National Electricity Transmission System”</b>	the meaning attributed to it in the <b>Grid Code</b> ;

“NGESO”	means National Grid Electricity System Operator Limited, a company registered with number 11014226 and whose registered office is situated at 1-3 Strand, London, WC2N 5EH, which expression shall include its permitted successors and/or assigns;
“Non-BM Data Submission”	means a notice submitted by a <b>Reserve Provider</b> by way of a <b>Mandatory Bid</b> meeting the requirements of sub-paragraph 3.3.2 or an <b>Optional Bid</b> meeting the requirements of sub-paragraph 3.4.4;
“Non-Contracted STOR Unit”	means a <b>STOR Unit</b> that is, at the relevant time, not subject to a subsisting <b>STOR Contract</b> ;
“Non-Embedded Customer”	means a <b>Customer</b> , except for a <b>Public Distribution System Operator</b> , receiving electricity directly from the <b>National Electricity System Operator Limited</b> irrespective of from whom it is supplied;
"Non-Working Day"	means an <b>Operational Day</b> commencing at 05.00 hours on a Sunday or each of the <b>Operational Days</b> commencing at 05.00 hours on statutory bank holidays in England and Wales;
“Offer Price”	the meaning attributed to it in the <b>BSC</b> ;
“Operational Day”	means the period from 05.00 hours on one day to 05.00 hours on the following day;
“Operational Metering Equipment”	means 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 <b>Grid Code CC6.5.6</b> and the corresponding provision of the relevant <b>Distribution Code</b> ;
“Optional Bid”	means, with respect to any <b>Non-Contracted STOR Unit</b> which is not <b>BM Participating</b> , the submission by

	the <b>Reserve Provider</b> of a <b>Non-BM Data Submission</b> in the circumstances specified in paragraph 3.4;
<b>“Optional Bid MW”</b>	means the level of MW offered as available from a <b>Non-Contracted STOR Unit</b> in an <b>Optional Bid</b> ;
<b>“Optional Bid Window”</b>	means, in respect of any <b>Non-Contracted STOR Unit</b> which is not <b>BM Participating</b> , any <b>Availability Window</b> or <b>Optional Window</b> the subject of an <b>Optional Bid</b> which at the relevant time has not been withdrawn;
<b>“Optional Energy Utilisation Payment”</b>	the meaning attributed to it in sub-paragraph 3.7.3;
<b>“Optional Energy Utilisation Price”</b>	in respect of any <b>Contracted STOR Unit</b> which is not <b>BM Participating</b> , means the relevant utilisation price derived pursuant to sub-paragraph 3.7.6;
<b>"Optional MW"</b>	means a level of MW equivalent to the <b>Contracted MW</b> set out in respect of that <b>Season</b> in the relevant <b>STOR Contract</b> ;
<b>"Optional Window"</b>	means, collectively, each of the periods during an <b>Operational Day</b> not being an <b>Availability Window</b> or an associated <b>Pre-Window Instruction Period</b> or <b>Post-Window Ramping Period</b> , and in respect of any <b>Operational Day</b> <b>“Optional Windows”</b> shall be construed as all such periods in that <b>Operational Day</b> ;
<b>“Part 1 System Ancillary Services”</b>	the meaning attributed to it in the <b>Grid Code</b> ;
<b>“Part 2 System Ancillary Services”</b>	the meaning attributed to it in the <b>Grid Code</b> ;
<b>"Party"</b>	means <b>NGESO</b> and a <b>Reserve Provider</b> , and any successor(s) in title to, or permitted assign(s) of, such person;
<b>“Party Liable”</b>	the meaning attributed to it in sub-paragraph 4.4.1;

<b>“Permitted Test Period”</b>	the meaning attributed to it in sub-paragraph 3.15.3(b);
<b>“Physical Notification”</b>	the meaning attributed to it in the <b>Grid Code</b> ;
<b>"Plant"</b>	means fixed and movable items used in the generation and/or supply and/or transmission and/or distribution of electricity other than <b>Apparatus</b> ;
<b>“Post-Window Ramping Period”</b>	means the period equal to the <b>Cease Time</b> commencing at the end of an <b>Availability Window</b> ;
<b>“Pre-Window Instruction Period</b>	means the period equal to the <b>Response Time</b> which ends at the commencement of an <b>Availability Window</b> ;
<b>“Pre-Window Ramping Period”</b>	means the period determined by reference to:- <ul style="list-style-type: none"> <li>(i) in the case of a <b>Contracted STOR Unit</b> which is <b>BM Participating</b>, the <b>Run-Up Rate(s)</b> submitted by the <b>Reserve Provider</b> in accordance with sub-paragraph 3.3.5(c); or</li> <li>(ii) in the case of any other <b>Contracted STOR Unit</b>, the run up rates and run down rates specified in the relevant <b>STOR Contract</b>,</li> </ul> <p>during which the <b>Contracted STOR Unit</b> either increases <b>Generation</b> or decreases <b>Demand</b> so as to provide <b>Reserve</b> on or shortly after the start of a <b>Contracted Availability Window</b> and within the <b>Response Time</b>;</p>
<b>“Primary Reserve Provider”</b>	the meaning attributed to it in sub-paragraph 3.16.1;
<b>“Proceedings”</b>	the meaning attributed to it in sub-paragraph 4.12.1;
<b>“Proposed Legal Requirement”</b>	means a <b>Legal Requirement</b> that has been proposed by a <b>Competent Authority</b> , 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 <b>Change in Law</b> ;

<b>“Public Distribution System Operator”</b>	the meaning attributed to it in the <b>CUSC</b> ;
<b>“Qualifying Change in Law”</b>	means a <b>Change in Law</b> which principally affects or principally relates to <b>NGESO</b> in its capacity as operator of the <b>National Electricity Transmission System</b> and/or the procurement of <b>Short Term Operating Reserve</b> or <b>Balancing Services</b> generally;
<b>“Recovery Period”</b>	means for the period specified in the <b>STOR Contract</b> which commences upon expiry of the <b>Cease Time</b> and for which the <b>Contracted STOR Unit</b> or <b>Non-Contracted STOR Unit</b> is not available to be despatched;
<b>“Redeclaration”</b>	means a notice served on <b>NGESO</b> pursuant to sub-paragraphs 3.2.4, 3.2.6, 3.2.7 or 3.2.10 (as the case may be);
<b>“Registered”</b>	means validly registered as a <b>Reserve Provider</b> pursuant to the <b>Registration Procedure</b> , and <b>“Registration”</b> shall be construed accordingly;
<b>“Registration Procedure”</b>	means the prevailing procedure meeting the requirements of paragraph 1.5 established by <b>NGESO</b> for registration of <b>Reserve Providers</b> and <b>Eligible Assets</b> and incorporating the <b>STOR Unit Allocation Rules</b> , which until the establishment of an online portal shall comprise the entering into of a <b>Framework Agreement</b> ;
<b>“Relevant Requirements”</b>	means 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;
<b>“Relevant Termination Provision”</b>	the meaning attributed to it in sub-paragraph 4.5.6;
<b>“Remedial Plan”</b>	means the plan defined as such in sub-paragraph 4.5.6(b) or any alternative plan specified by an <b>Expert</b>

in the circumstances provided in sub-paragraph 4.5.6(d);

**“Remote Transmission Assets”**

means any **Plant** and **Apparatus** or meters owned by **NGESO** which (a) are **Embedded** in a **Distribution System** or a **User System** and which are not directly connected by **Plant** and/or **Apparatus** owned by **NGESO** to a sub-station owned by **NGESO** and (b) are by agreement between **NGESO** and such **Public Distribution System Operator** or **User** under the direction and control of such **Public Distribution System Operator** or **User**;

**“Reproving Test”**

the meaning attributed to it in sub-paragraph 3.15.3(b);

**“Reserve”**

means the delivery of the **Contracted MW** or **Optional MW** (as the case may be) from the **Contracted STOR Unit(s)**, within a **Contracted Availability Window** or **Contracted Optional Window**, provided in the manner more particularly described in Section 3, which contributes towards **NGESO**’s requirement for **Short Term Operating Reserve** by increasing the net export of **Active Power** to, or reducing the net import of **Active Power** from (as the context requires), the **Distribution System** to which the **Contracted STOR Unit(s)** is connected;

**“Reserve Availability Payment”**

the meaning attributed to it in sub-paragraph 3.7.1;

**“Reserve Provider”**

means a person registered from time to time pursuant to the **Registration Procedure** as eligible to provide **Short Term Operating Reserve** and by virtue of which has become legally bound by the provisions of this **Document**, including any successor(s) in title to, or permitted assign(s) of, such person;

**“Reserve Provider’s Agent”**

means the person (if any) specified as such in the **STOR Tender** or in the **Reserve Provider’s Registration** details;

<b>“Reserve Utilisation Payment”</b>	the meaning attributed to it in sub-paragraph 3.7.4;
<b>"Response Time"</b>	means, in relation to any <b>Bid-Offer Acceptance</b> or <b>Instruction</b> , the period (in minutes), which corresponds to the time required following the issue of such <b>Bid-Offer Acceptance</b> or <b>Instruction</b> (for the avoidance of doubt whether or not issued using <b>STOR Despatch</b> ) for the <b>Contracted STOR Unit</b> or <b>Non-Contracted STOR Unit</b> to increase <b>Generation</b> from zero (0) MW to the <b>Contracted MW</b> or <b>Optional MW</b> or <b>Optional Bid MW</b> (as the case may be), or reduce <b>Demand</b> from the <b>Contracted MW</b> or <b>Optional MW</b> or <b>Optional Bid MW</b> (as the case may be) to zero (0) MW, described as such in and applicable to the relevant <b>STOR Contract</b> in respect of a <b>Contracted STOR Unit</b> or <b>Non-Contracted STOR Unit</b> ;
<b>“Retained EU Law”</b>	has the same meaning as that given by Section 6(7) of the European Union (Withdrawal) Act 2018;
<b>“Run-Down Date” or “RDR”</b>	the meaning attributed to it in the <b>Grid Code</b> which, in the case of a <b>Non-BM Participating STOR Unit</b> , shall be read and construed accordingly;
<b>“Run-Up Rate” or “RUR”</b>	the meaning attributed to it in the <b>Grid Code</b> which, in the case of a <b>Non-BM Participating STOR Unit</b> , shall be read and construed accordingly;
<b>"Season"</b>	in respect of each <b>Contracted STOR Unit</b> , means those periods specified as such and accepted in the relevant <b>STOR Tender</b> acceptance commencing at 05.00 hours on the first calendar day of such period and ending at 05.00 on the last calendar day of such period, as the same may be changed from time to time in accordance with paragraph 2.8;
<b>“Seasonal Delivery Reconciliation Payment”</b>	the meaning attributed to it in sub-paragraph 3.7.7;
<b>“Secondary Reserve Provider”</b>	the meaning attributed to it in sub-paragraph 3.16.1;

<b>“Secretary of State”</b>	the meaning attributed to it in the <b>Act</b> ;
<b>"Settlement Period"</b>	means a period of thirty (30) minutes ending on the hour or half hour in each hour during an <b>Operational Day</b> ;
<b>"Short Term Operating Reserve"</b>	means the additional <b>Active Power</b> and/or the reduction in <b>Demand</b> from non-synchronised generating plant or demand sites which must be capable of being provided within 240 minutes of instruction by <b>NGESO</b> and capable of being sustained for up to 2 hours for the purposes of balancing <b>Active Power</b> and <b>Demand</b> on the <b>National Electricity Transmission System</b> ;
<b>"Short Term Operating Reserve Despatch Procedure"</b>	means version 1.3 (prepared December 2008) of the document entitled “Short Term Operating Reserve Despatch Procedure “ <b>STOR Despatch Procedure</b> ” for Non-Balancing Mechanism Participants”, as published by <b>NGESO</b> as the same may be amended or replaced from time to time;
<b>“Special Conditions”</b>	means such special conditions as may from time to time be described as such and specified in a <b>Reserve Provider’s Registration</b> details;
<b>“Stable Export Limit” or “SEL”</b>	the meaning attributed to it in the <b>Grid Code</b> which, in the case of a <b>Non-BM Participating STOR Unit</b> , shall be read and construed accordingly;
<b>“Station Demand”</b>	the meaning attributed to it in the <b>CUSC</b> ;
<b>“Steam Unit”</b>	means a <b>Generating Unit</b> whose prime mover converts the heat-energy in steam to mechanical energy;
<b>“STOR Contract”</b>	each contract made between <b>NGESO</b> and the <b>Reserve Provider</b> for the provision by the <b>Reserve Provider</b> to <b>NGESO</b> of <b>Short Term Operating Reserve</b> , formed either upon acceptance by <b>NGESO</b> of a <b>STOR Tender</b> or upon utilisation by <b>NGESO</b> of an <b>Optional Bid</b> ;

<b>“STOR Despatch”</b>	means a series of inter-linked electronic equipment which, as a whole, is capable of relaying and storing instructions and confirmations between <b>NGESO</b> and the <b>Reserve Provider</b> and of providing an on-line monitoring capability of the <b>Reserve Provider’s</b> provision of <b>Reserve</b> including by minute by minute monitoring;
<b>“STOR Despatch Procedure”</b>	means the prevailing rules and requirements published by <b>NGESO</b> from time to time relating to <b>STOR Despatch</b> ;
<b>“STOR Tender”</b>	means a tender submitted by the <b>Reserve Provider</b> to <b>NGESO</b> for the provision by a <b>STOR Unit</b> of <b>Short Term Operating Reserve</b> in the form set out in the <b>STOR Tender Procedure</b> , being either a <b>First Year Tender</b> or a <b>Subsequent Year Tender</b> ;
<b>“STOR Tender Assessment Principles”</b>	means the tender assessment principles published by <b>NGESO</b> from time to time;
<b>“STOR Tender Procedure”</b>	means the procedure established from time to time by <b>NGESO</b> for the procurement of <b>STOR Contracts</b> , comprising the pack of documents entitled “Short Term Operating Reserve - Invitation to Tender” issued from time to time by <b>NGESO</b> which shall include, inter alia, the document entitled “Explanation and Tender Guidance Document” or any alternative web based platform;
<b>“STOR Unit”</b>	means a single or an aggregation of <b>Eligible Assets</b> located at a common connection point, or an aggregation of such <b>Eligible Assets</b> located at more than one common connection point, which together meet the requirements of sub-paragraphs 2.2.2 and;
<b>“STOR Unit Allocation Rules”</b>	means the rules established from time to time by <b>NGESO</b> for allocation of <b>Eligible Assets</b> to <b>STOR Units</b> and forming part of the <b>Registration Procedure</b> ;

<b>“STOR Year”</b>	means each twelve (12) month period commencing at 05.00 hours on 1st April and ending at 05.00 hours on the following 1st April;
<b>“Subsequent Year”</b>	means, with respect to any <b>STOR Tender</b> , the <b>STOR Year</b> which follows the <b>First Year</b> ;
<b>“Subsequent Year Tender”</b>	means a <b>STOR Tender</b> which includes one or more <b>Seasons</b> in a <b>Subsequent Year</b> ;
<b>“System”</b>	means any <b>User System</b> or the <b>National Electricity Transmission System</b> as the case may be;
<b>“System Ancillary Services”</b>	means <b>Part 1 System Ancillary Services</b> and <b>Part 2 System Ancillary Services</b> ;
<b>“System Operator Guidelines”</b>	means European Commission Regulation 2018/1485 of 2 August 2018 establishing a guideline on electricity transmission system operation;
<b>"Technical Parameters"</b>	means, in respect of any <b>STOR Unit</b> , each of the following parameters:- <ul style="list-style-type: none"> <li>(i) <b>Response Time</b> (RESP);</li> <li>(ii) <b>Recovery Period</b> (MZT);</li> <li>(iii) <b>Minimum Non-Zero Time</b> (MNZT);</li> <li>(iv) <b>Maximum Utilisation Period</b> (MUP);</li> <li>(v) <b>Run Up Rate</b> (RUR); and</li> <li>(vi) <b>Run Down Rate</b> (RDR),</li> </ul> <p>and/or such other parameters as may from time to time be specified by <b>NGESO</b> in the prevailing <b>STOR Tender Procedure</b>;</p>

<b>“Tender Round”</b>	means a procurement event for <b>STOR Contracts</b> in accordance with the <b>STOR Tender Procedure</b> ;
<b>“Total System”</b>	means the <b>National Electricity Transmission System</b> and all <b>User Systems</b> in <b>Great Britain</b> ;
<b>“Transfer Notice”</b>	the meaning attributed to it in sub-paragraph 3.16.4;
<b>“Transfer Period”</b>	means the period described as such in a <b>Transfer Notice</b> as may be shortened upon the cancellation or withdrawal of that <b>Transfer Notice</b> or otherwise in accordance with paragraph 3.16;
<b>“Transfer Volume”</b>	means, with respect to any <b>Contracted STOR Unit</b> and <b>STOR Contract</b> , the aggregate volume in MWh of <b>Reserve</b> provided during the relevant period by a transferee <b>Reserve Provider</b> from its own <b>STOR Unit(s)</b> pursuant to a <b>STOR Contract</b> transfer in accordance with paragraph 3.16;
<b>“Transmission Licence”</b>	means the licence granted to <b>NGESO</b> under section 6(1)(b) of the <b>Act</b> ;
<b>“User”</b>	means a person who is party to the <b>CUSC Framework Agreement</b> other than <b>NGESO</b> ;
<b>“User System”</b>	means any <b>System</b> owned or operated by a <b>User</b> comprising:- <ul style="list-style-type: none"> <li>(a) <b>Generating Units</b>; and/or</li> <li>(b) <b>Distribution Systems</b> (and/or other systems consisting (wholly or mainly) of electric lines which are owned or operated by a person other than a <b>Public Distribution System Operator</b>);</li> </ul> and <b>Plant</b> and/or <b>Apparatus</b> connecting: <ul style="list-style-type: none"> <li>(c) <b>Generating Units</b> and/or <b>Distribution Systems</b> (and/or other systems consisting (wholly or</li> </ul>

mainly) of electric lines which are owned or operated by a person other than a **Public Distribution System Operator**); or

(d) **Non-Embedded Customers**;

to the **National Electricity Transmission System** or to the relevant other **User System**, as the case may be, including 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**;

**"Utilisation"**

means, in respect of any **Contracted STOR Unit** or **Non-Contracted STOR Unit**, either (as applicable):-

- (i) a **Bid-Offer Acceptance** or series of contiguous **Bid-Offer Acceptances**; or
- (ii) an **Instruction**,

which is issued in respect of a **Contracted Availability Window** or **Contracted Optional Window** or **Optional Bid Window** and, in response to which, **Reserve** is provided continuously (in accordance with this **Document** and the relevant **STOR Contract**) until the earlier of (i) the issue of an instruction or deemed instruction to cease provision of **Reserve** pursuant to either of sub-paragraphs 3.6.8(b) or 3.5.4; (ii) the expiry of the **Maximum Utilisation Period**; or (iii) (where sub-paragraph 3.6.8(c) or 3.6.1(c) applies) the end of the **Contracted Availability Window** or **Optional Bid Window**;

**"Value Added Tax"**

means Value Added Tax as defined by the Value Added Tax Act 1994 and any modification or re-enactment thereof and any new tax of a similar nature;

<b>"Week"</b>	means a period of seven (7) <b>Operational Days</b> commencing at 05.00 hours on a Monday and terminating at 05.00 hours on the next following Monday;
<b>"Weekly Limit"</b>	means, in relation to any <b>Week</b> in any <b>Season</b> and in respect of any <b>Contracted STOR Unit</b> , the limit specified as the <b>Weekly Limit</b> in respect of that <b>Season</b> and that <b>Contracted STOR Unit</b> in the relevant <b>STOR Contract</b> ;
<b>"Window"</b>	means an <b>Optional Window</b> or an <b>Availability Window</b> (as the case may be); and
<b>"Working Day"</b>	means an <b>Operational Day</b> commencing at 05.00 hours on either a Monday, Tuesday, Wednesday, Thursday, Friday or Saturday but excluding statutory bank holidays (except Good Friday) in England and Wales.

**SECTION 6 FORMULAE**

**Part A**

**Availability Prices Adjustment Formula**

Where any one or more **Availability Window(s)** for a **Subsequent Year** are amended pursuant to paragraph 2.9 or removed pursuant to paragraph 2.10, then, with respect to each affected **Contracted STOR Unit**, NGENSO shall apply the formulae set out below to determine an increase (if any) to the **Availability Price(s)** for any **Availability Windows** in that **Subsequent Year** designated as **Committed Windows** (as so amended or remaining):-

$$RAP(S) = \max \left[ \left( \frac{AAW(S) \times TAP(S)}{H(S)} \right) \times X \times F, TAP(S) \right]$$

Where:

- RAP(S)* = the revised **Availability Price** for **Season S** in the **Subsequent Year** in question applicable to all **Committed Windows**
- AAW(S)* = the aggregate number of hours in all **Committed Windows** in **Season S** in the **Subsequent Year** in question as specified in the **STOR Contract**
- TAP(S)* = the **Availability Price** for **Season S** in the **Subsequent Year** in question as specified in the **STOR Contract** for the avoidance of doubt as adjusted from time to time in accordance with this **Document**
- H(S)* = the aggregate number of hours in all **Committed Windows** in **Season S** in the **Subsequent Year** in question as amended or remaining pursuant to paragraph 2.9 or paragraph 2.10
- X* = 1 where the aggregate number of hours in all **Committed Windows** in **Season S** in the **Subsequent Year** in question have been reduced as a result of the amendment pursuant to paragraph 2.9 or the removal pursuant to paragraph 2.10, otherwise 0
- F* = 1 where *RAI* < *OAI* , otherwise 0

where:

$$RAI = \sum_S H(S) \times TAP(S)$$

$$OAI = \sum_S AAW(S) \times TAP(S)$$

where:

- $\sum_S$  = summation over all **Seasons S** in the **Subsequent Year** in question in which there are **Committed Windows**
- Season S* = the **Season** in the **Subsequent Year** in question the subject of amendment pursuant to paragraph 2.9 or removal pursuant to paragraph 2.10

**Part B**

**Payment Calculations – BM Participation**

*Reserve Availability Payment*

1. The payment to be made by **NGESO** to the **Reserve Provider** referred to in sub-paragraph 2.4.1 in respect of the **Contracted Availability Windows** in calendar month *m* for **Unit i** ( $AF_{im}$ ) shall be calculated in accordance with the following formula (using notation as defined in Part IV of this Annexure):-

$$AF_{im} = \sum_{C \in M_m} \left( \text{Max} \left[ \begin{array}{l} \sum_{j \in C_m} (AP_{ij} \times 0.5 \times CM_{ij} \times FF_{ij} \times FM_{ij}) - \\ \sum_{j \in C(P)_m} (AP_{ij} \times 0.5 \times CM_{ij} \times (\text{Max}[XF_{ij}, XM_{ij}]), 0 \end{array} \right] \right)$$

*Seasonal Delivery Reconciliation Payment*

2. The payment to be made by the **Reserve Provider** to **NGESO** referred to in sub-paragraph 2.4.2 in respect of **Season n** for **Unit i** ( $SDR_{in}$ ) shall be calculated in accordance with the following formula (using notation as defined in Part IV of this Annexure):-

$$SDR_{in} = M \times \frac{\min(P_n, N_{in})}{P_n} \times (1 - ADMW_{in}) \times \sum_{C \in S_n} \left( \text{Max} \left[ \begin{array}{l} \sum_{j \in C_m} (AP_{ij} \times 0.5 \times CM_{ij} \times FF_{ij} \times FM_{ij}) - \\ \sum_{j \in C(P)_m} (AP_{ij} \times 0.5 \times CM_{ij} \times (\text{Max}[XF_{ij}, XM_{ij}]), 0 \end{array} \right] \right)$$

Where:

$M = 0$ , if  $ADMW_{in} \geq 0.95$

$M = 1$ , if  $ADMW_{in} < 0.95$

And

$$ADMW_{in} = \frac{\sum_{j \in B_{in}} QM_{ij}}{\sum_{j \in B_m} QME_{ij} + \sum_{R \in S_n} QMR_i}$$

*Committed Availability Reconciliation Payment*

3. The payment to be made by the **Reserve Provider** to **NGESO** referred to in sub-paragraph 3.7.9 in respect of **STOR Year**  $y$  for **Unit**  $i$  ( $ACAR_{iy}$ ), shall be calculated in accordance with the following formula (using notation as defined in Part IV of this Annexure):-

$$ACAR_{iy} = \max \left[ 0, 1 - \frac{\sum_{j \in C_y} CF_{ij}}{\sum_{j \in A_y} MA_{ij}} \right] \times \left( \sum_{m \in Y_y} AF_{im} - \sum_{n \in Y_y} SDR_{in} \right)$$

*Notation*

4. In paragraphs 1 to 3 inclusive of this Part B:-

$$\sum_{C \in M_m}$$

is the summation over all **Contracted Availability Windows** in month  $m$

$$\sum_{j \in C_m}$$

is the summation over all **Settlement Periods**  $j$ , in **Contracted Availability Window**  $C$ , in month  $m$

$$\sum_{j \in C(P)_m}$$

is the summation over all **Settlement Periods**  $j$ , in **Pre-Window Instruction Periods** and **Post-Window Instruction Periods** associated with **Contracted Availability Window**  $C$ , in month  $m$

$$\sum_{C \in S_n}$$

is the summation over all **Contracted Availability Windows** in **Season**  $n$

$\sum_{j \in C_y}$ 

is the summation over all **Settlement Periods**  $j$ , in the set  $C_y$  of **Settlement Periods** in **Contracted Availability Windows** in **STOR Year**  $y$

 $\sum_{j \in A_y}$ 

is the summation over all **Settlement Periods**  $j$ , in the set  $A_y$  of **Settlement Periods** in **Availability Windows** in **STOR Year**  $y$  but excluding (1) periods of suspension of the **STOR Contract** pursuant to sub-paragraph 4.4.6 in the circumstances specified in sub-paragraph 4.4.6.6(b), (2) periods of suspension of **STOR Contract** pursuant to the **STOR Framework Agreement** in the circumstances provided therein and (3) any other **Availability Windows** where sub-paragraph 4.12.2 (**Force Majeure**) applies

 $\sum_{m \in Y_y}$ 

is the summation over all months  $m$ , in **STOR Year**  $y$

 $\sum_{n \in Y_y}$ 

is the summation over all **Seasons**  $n$ , in **STOR Year**  $y$

 $AP_{ij}$ 

is the **Availability Price** in respect of **Unit**  $i$ , applicable in each **Settlement Period**  $j$

 $CM_{ij}$ 

is the **Contracted MW** in respect of **Unit**  $i$ , applicable in each **Settlement Period**  $j$

 $FF_{ij}$ 

is 0 in respect of each **Settlement Period**  $j$ , contained in a **Contracted Availability Window** where **Reserve** is declared or redeclared unavailable or deemed unavailable from **Unit**  $i$  or where Annexure 2 to Section 2 provides that, in respect of **Settlement Period**  $j$  and **Unit**  $i$ , the **Reserve Provider** will not be entitled to receive a **Reserve Availability Payment**, otherwise 1

 $FM_{ij}$ 

is 0 in respect of each **Settlement Period**  $j$ , contained in a **Contracted Availability Window** where sub-paragraph 4.12.2 (**Force Majeure**) applies in respect of **Unit**  $i$ , otherwise 1

 $XF_{ij}$ 

is 1 in respect of each **Settlement Period**  $j$ , contained in either a **Pre-Window Instruction Period** or **Post-Window Instruction Period** associated with a **Contracted Availability Window** where the **Reserve Provider** has failed to comply in any respect with sub-paragraph 2.3.1 in respect of **Unit**  $i$ , otherwise 0

 $XM_{ij}$ 

is 1 in respect of each **Settlement Period**  $j$ , contained in either a **Pre-Window Instruction Period** or **Post-Window Instruction Period** associated with a

**Contracted Availability Window** where sub-paragraph 4.12.2 (**Force Majeure**) applies in respect of **Unit i**, otherwise 0

$QM_{ij}$  is the volume of energy (MWh) delivered from **Unit i**, in **Settlement Period j**, in accordance with **Bid-Offer Acceptance(s)** issued by **NGESO** pursuant to sub-paragraph 2.3.5 (being a volume not greater than the volume implied in such **Bid-Offer Acceptance(s)**), as determined by metering pursuant to paragraph 2.12

$QME_{ij}$  is the volume of energy (MWh) instructed to be delivered from **Unit i**, in **Settlement Period j**, in accordance with **Bid-Offer Acceptance(s)** issued by **NGESO** pursuant to sub-paragraph 2.3.5

$QMR_i$  is the **Deemed Rejected Instruction Volume** in respect of **Unit i**, being a volume (in MWh) of energy derived by multiplying the **Contracted MW** by the period of 1 hour

$\sum_{R \in S_n}$  is the summation of the number of rejected **Bid-Offer Acceptances** in **Season n**

$\sum_{j \in B_{in}}$  is the summation over all **Settlement Periods j**, in the set  $B_{in}$  of **Settlement Periods** in **Season n** in respect of which **Bid-Offer Acceptance(s)** have been issued by **NGESO** pursuant to sub-paragraph 2.3.5 in respect of **Unit i**

$CF_{ij}$  is 0 in respect of each **Settlement Period j**, contained in a **Contracted Availability Window** where **Reserve** is declared or redeclared unavailable or (save in the case of sub-paragraph 2.3.8) deemed unavailable from **Unit i** or where Annexure 2 to Section 2 provides that, in respect of **Settlement Period j** and **Unit i**, the **Reserve Provider** will not be entitled to receive a **Reserve Availability Payment**, otherwise 1

$MA_{ij}$  is the required minimum availability, taking a value of 0.85, in respect of **Settlement Period j** and **Unit i**

Unit i or i is the relevant **Contracted STOR Unit** (or, as applicable, the designated **STOR Unit(s) Registered to the Secondary Reserve Provider**)

STOR Year y or y is either:-

- (i) the relevant **STOR Year**; or

- (ii) (where sub-paragraph 2.4.4 applies) the period from either the commencement of the relevant **STOR Year** or (if later) the **Commencement Date** of the **STOR Contract** until the date of termination or expiry of the **STOR Contract**; or
- (iii) (where sub-paragraph 2.4.5 applies) the period from the **Commencement Date** of the **STOR Contract** until either the end of the relevant **STOR Year** in which the **Commencement Date** falls or (if earlier) the date of termination of the **STOR Contract**

Season  $n$  or  $n$  is the relevant **Season**

Contracted Availability Window  $C$  or  $C$  is the relevant **Contracted Availability Window**

$N_{in}$  is the number of occasions in **Season  $n$**  where **Unit  $i$**  is instructed to provide **Reserve** in **Contracted Availability Windows** in accordance with sub-paragraph 2.3.5

$P_n$  is the threshold for **Season  $n$**  as determined in accordance with the table below:-

<b>Length of Season <math>n</math></b>	<b>Threshold, <math>P_n</math></b>
< 4 weeks	3
4 - 10 weeks	4
> 10 weeks	5

## Part C

### Payment Calculations – Non-BM Participation

#### *Reserve Availability Payment (Contracted Availability*

*Windows only - there is no availability payment for Contracted Optional Windows)*

1. The payment to be made by **NGESO** to the **Reserve Provider** referred to in sub-paragraph 3.7.1 in respect of the **Contracted Availability Windows** in calendar month *m*, for **Site s** ( $AF_{sm}$ ) shall be calculated in accordance with the following formula (using notation as defined in Part VI of this Annexure):-

$$AF_{sm} = \sum_{j \in M_m} (AP_{sj} \times 0.5 \times CM_{sj} \times FF_{sj} \times FM_{sj})$$

#### *Reserve Utilisation Payment*

2. The payments to be made by **NGESO** to the **Reserve Provider** referred to in sub-paragraphs 3.7.2 and 3.7.3 for the provision of **Reserve** energy from **Site s** in **Contracted Availability Windows** and/or **Contracted Optional Windows** and/or **Optional Bid Windows** in calendar month *m* ( $UF_{sm}$ ) shall be calculated in accordance with the following formula (using notation as defined in Part VI of this Annexure):-

$$UF_{sm} = \sum_{j \in M_m} (R_{sj} \times EP_{sj})$$

#### *Seasonal Delivery Reconciliation Payment*

3. The payment to be made by the **Reserve Provider** to **NGESO** referred to in sub-paragraph 3.4.5 in respect of **Season n** for **Site s** ( $SDR_{sn}$ ) shall be calculated in accordance with the following formula (using notation as defined in Part VI of this Annexure):-

$$SDR_{sn} = M \times \frac{\min(P_n, N_{sn})}{P_n} \times (1 - ADMW_{sn}) \times \sum_{j \in C_n} (AP_{sj} \times 0.5 \times CM_{sj} \times FF_{sj} \times FM_{sj})$$

Where:

$M = 0$ , if  $ADMW_{sn} \geq 0.95$

$M = 1$ , if  $ADMW_{sn} < 0.95$

And

$$ADMW_{sn} = \frac{\sum_{j \in C_n} R_{sj}}{CM_{sj} \times \sum_{j \in C_n} T_{sj} + \sum_{R \in S_n} RJ_s}$$

*Committed Availability Reconciliation Payment*

4. The payment to be made by the **Reserve Provider** to **NGESO** referred to in sub-paragraph 3.7.9 in respect of **STOR Year**  $y$  for **Site**  $s$  ( $ACAR_{sy}$ ) shall be calculated in accordance with the following formula (using notation as defined in Part VI of this Annexure):-

$$ACAR_{sy} = \max \left[ 0, 1 - \frac{\sum_{j \in C_y} CF_{sj}}{\sum_{j \in A_y} MA_{sj}} \right] \times \left( \sum_{m \in Yy} AF_{sm} - \sum_{n \in Yy} SDR_{sn} \right)$$

*Flexible Availability Reconciliation Payment*

5. The payment to be made by the **Reserve Provider** to **NGESO** referred to in sub-paragraph 3.4.7 in respect of **STOR Year**  $y$  for **Site**  $s$  ( $AFAR_{sy}$ ) shall be calculated in accordance with the following formula (using notation as defined in Part VI of this Annexure):-

$$AFAR_{sy} = \max \left[ 0, 1 - \frac{\sum_{j \in C_y} FA_{sj}}{0.85 \sum_{j \in A_y} FW_{sj}} \right] \times \left( \sum_{m \in Yy} AF_{sm} - \sum_{n \in Yy} SDR_{sn} \right)$$

*Notation*

6. In paragraphs 1 to 5 inclusive of this Part C:-

$$\sum_{j \in M_m}$$

is the summation over all **Settlement Periods**  $j$ , in the set  $M_m$  of **Settlement Periods** in:-

- (i) for the purposes of Part I, **Contracted Availability Windows**; and
- (ii) for the purposes of Part II, **Contracted Availability Windows, Pre-Window Instruction Periods, Post-Window Ramping Periods** and (where relevant) **Contracted Optional Windows** in month  $m$

$$\sum_{m \in Y_y}$$

is the summation over all months  $m$ , in **STOR Year**  $y$

$$\sum_{n \in Y_y}$$

is the summation over all **Seasons**  $n$ , in **STOR Year**  $y$

$$AP_{sj}$$

is the **Availability Price** in respect of **Site**  $s$ , applicable in each **Settlement Period**  $j$

$$CM_{sj}$$

is the **Contracted MW** in respect of **Site**  $s$ , applicable in each **Settlement Period**  $j$

$$FF_{sj}$$

is 0 in respect of each **Settlement Period**  $j$ , contained in a **Contracted Availability Window** where **Reserve** is declared or redeclared unavailable or deemed unavailable from **Site**  $s$  or where Annexure 2 to Section 3 provides that, in respect of **Settlement Period**  $j$  and **Site**  $s$  the **Reserve Provider** will not be entitled to receive a **Reserve Availability Payment**, otherwise 1

$$FM_{sj}$$

is 0 in respect of each **Settlement Period**  $j$ , contained in a **Contracted Availability Window** where sub-paragraph 4.12.2 (**Force Majeure**) applies in respect of **Site**  $s$ , otherwise 1

$$RJ_s$$

is the **Deemed Rejected Instruction Volume** in respect of **Site**  $s$ , being a volume (in MWh) of energy derived by multiplying the **Contracted MW** by the period of 1 hour

$$R_{sj}$$

is either:-

- (1) during periods where the **Contracted STOR Unit** or **Non-Contracted STOR Unit** is ramping (as defined by the **Contracted**

**MW or Optional Bid MW and Contracted Ramp Rates**) the volume of **Reserve energy** (MWh) delivered (being a volume not greater than the **Contracted MW or Optional Bid MW or Optional MW** (as the case may be) multiplied by the number of hours comprised in this **Instruction** segment), by either the increase in **Generation** or reduction in **Demand** by **Site s** in the **Settlement Period / part Settlement Period j**, in accordance with an **Instruction**, as determined by metering pursuant to sub-paragraph 3.13.2(a); or

- (2) otherwise, the volume of **Reserve energy** (MWh) delivered (being a volume not greater than the **Contracted MW or Optional Bid MW or Optional MW** (as the case may be) multiplied by the number of hours comprised in this instruction segment), by either the increase in **Generation** or reduction in **Demand** by **Site s** in the **Settlement Period / part Settlement Period j**, in accordance with an **Instruction** as determined by metering pursuant to sub-paragraph 3.13.2(a).

For the avoidance of doubt the **Instruction** will be segmented and **Reserve** delivery MWh capped at the volume instructed for:-

- (1) each **Settlement Period**; and
- (2) each sub-**Settlement Period** where the **Contracted STOR Unit** or **Non-Contracted STOR Unit** transitions from a contracted ramping to a non-ramping period or vice versa, and between **Contracted Availability Windows**, **Contracted Optional Windows** and **Optional Bid Windows**

$EP_{sj}$  is the **Energy Utilisation Price** or **Optional Energy Utilisation Price** (£/MWh), applicable in **Settlement Period j**, for **Site s**

$\sum_{j \in C_n}$  is the summation over all **Settlement Periods j**, in the set  $C_n$  of **Settlement Periods in Contracted Availability Windows in Season n**

$\sum_{R \in S_n}$  is the summation of the number of rejected **Instructions** in **Season n**

$T_{sj}$

is the period in hours of provision of **Reserve** energy for **Site**  $s$  following the issue of an **Instruction** during **Settlement Period**  $j$  commencing at the time of expiry of the **Response Time** and ending on the earlier of:-

- (i) the expiry of the **Maximum Utilisation Period**;
- (ii) the time specified by **NGESO** in an instruction issued pursuant to sub-paragraph 3.3.4; and
- (iii) (where the **Instruction** relates to the provision of **Reserve** during a **Contracted Availability Window** and such **Contracted Availability Window** is not immediately followed by a **Contracted Optional Window**) the end of the relevant **Contracted Availability Window** in which **Reserve** is being provided

$\sum_{j \in C_t}$

is the summation over all **Settlement Periods**  $j$ , in the set  $C_t$  of **Settlement Periods in Contracted Availability Windows** (being **Committed Windows**) in **STOR Year**  $y$

$\sum_{j \in A_y}$

is the summation over all **Settlement Periods**  $j$ , in the set  $A_y$  of **Settlement Periods in Availability Windows** (being **Committed Windows**) in **STOR Year**  $y$  but excluding (1) periods of suspension of the **STOR Contract** pursuant to sub-paragraph 4.4.6 in the circumstances specified in sub-paragraph 4.4.6.6(b), (2) periods of suspension of the **STOR Contract** pursuant to the **STOR Framework Agreement** in the circumstances provided therein, and (3) any other **Availability Windows** (being **Committed Windows**) where sub-paragraph 4.12.2 (**Force Majeure**) applies

$CF_{sj}$

is 0 in respect of each **Settlement Period**  $j$ , contained in a **Contracted Availability Window** where **Reserve** is declared or redeclared unavailable or (save in the case of sub-paragraph 3.3.12) deemed unavailable from **Site**  $s$  or where Annexure 2 to Section 3 provides that, in respect of **Settlement Period**  $j$  and **Site**  $s$  the **Reserve Provider** will not be entitled to receive a **Reserve Availability Payment**, otherwise 1

$MA_{sj}$

is the required minimum availability, taking a value of 0.85, in respect of **Settlement Period**  $j$  and **Site**  $s$

FA <sub>sj</sub>	is 1 in respect of each <b>Settlement Period <i>j</i></b> , contained in an <b>Availability Window</b> designated a <b>Flexible Window</b> in the relevant <b>STOR Contract</b> which is declared available at 10.00 hours on the Friday preceding the <b>Week</b> in which such <b>Flexible Window</b> falls and during which <b>Reserve</b> is made available from <b>Site <i>s</i></b> or deemed unavailable in accordance with sub-paragraph 3.3.12, otherwise 0
FW <sub>sj</sub>	is 0 in respect of each <b>Settlement Period <i>j</i></b> , contained in an <b>Availability Window</b> designated a <b>Flexible Window</b> in the relevant <b>STOR Contract</b> where by 10.00 hours on the Friday preceding the <b>Week</b> in which such <b>Flexible Window</b> falls <b>Reserve</b> is declared or redeclared unavailable or deemed unavailable from <b>Site <i>s</i></b> , otherwise 1
Site <i>s</i> or <i>s</i>	is the relevant <b>Contracted STOR Unit</b> (or, as applicable, the designated <b>STOR Unit(s) Registered</b> to the <b>Secondary Reserve Provider</b> )
STOR Year <i>y</i> or <i>y</i>	is either:- <ul style="list-style-type: none"> <li>(i) the relevant <b>STOR Year</b>; or</li> <li>(ii) (where sub-paragraph 3.4.8 applies) the period from either the commencement of the relevant <b>STOR Year</b> or (if later) the <b>Commencement Date</b> of the <b>STOR Contract</b> until the date of termination or expiry of the <b>STOR Contract</b>; or</li> <li>(iii) (where sub-paragraph 3.4.9 applies) the period from the <b>Commencement Date</b> of the <b>STOR Contract</b> until the end of the relevant <b>STOR Year</b> in which the <b>Commencement Date</b> falls or (if earlier) the date of termination of the <b>STOR Contract</b></li> </ul>
Season <i>n</i> or <i>n</i>	is the relevant <b>Season</b>
N <sub>sn</sub>	is the number of occasions in <b>Season <i>n</i></b> where <b>Site <i>s</i></b> is instructed to provide <b>Reserve</b> in <b>Contracted Availability Windows</b> in accordance with sub-paragraph 3.3.1
P <sub>n</sub>	is the threshold for <b>Season <i>n</i></b> as determined in accordance with the table below:-

<b>Length of Season s</b>	<b>Threshold, P<sub>n</sub></b>
< 4 weeks	3
4 - 10 weeks	4
> 10 weeks	5

## SECTION 7 MANDATORY WORKS PROVISIONS

### 7.1 INTRODUCTION

7.1.1 This Section 7 sets out the **Mandatory Works Provisions** to operate in the circumstances described in this **Document** with respect to **Plant** and **Apparatus** which is dependent on the carrying out of construction, modification or commissioning works in order to meet the requirements of sub-paragraph 2.2.2, and **NGESO** and the **Reserve Provider** shall comply with their respective obligations hereunder.

### 7.2 TARGET COMPLETION DATE

7.2.1 The **Reserve Provider** shall use its reasonable endeavours to procure that the relevant **Eligible Asset** satisfies the **Mandatory Capability Requirements** by the conduct of a successful **End-To-End Test** in accordance with sub-paragraph 7.5.1 by no later than the applicable **Target Completion Date** (or any applicable **Revised Target Completion Date**).

### 7.3 WORKS PROGRAMME

7.3.1 The **Parties** agree that the **Works Programme** represents an indicative schedule of progress of the **Works** and shall include without limitation an indicative date upon which an **End-To-End Test** shall be carried out for the purposes of ascertaining whether the **Mandatory Capability Requirements** have been satisfied in respect of the **Eligible Asset**.

7.3.2 The **Reserve Provider** shall provide to **NGESO** on a monthly basis (or at such lesser frequency as **NGESO** may agree in writing) reports of how the **Works** are progressing which shall, inter alia, identify any delay or anticipated delay in completing the **Works** and how the **Reserve Provider** shall, if so requested by **NGESO**, give to **NGESO** such evidence as it shall reasonably require and, if necessary, allow **NGESO's** representative all reasonable access to the **Power Station** or **Site** (as the case may be) and to the **Eligible Asset**, to enable **NGESO** to ascertain how the **Works** are progressing and that the **Works** are proceeding in accordance with the **Works Programme**.

### 7.4 DELAYS

7.4.1 If at any time after acceptance by **NGESO** of the relevant **STOR Tender** either **Party** has reason to believe that the **Mandatory Capability Requirements** in respect of the relevant **Eligible Asset** will not be satisfied in accordance with sub-paragraph 7.5.1 by the applicable **Target Completion Date** (or, where applicable, by any **Revised Target Completion Date** agreed by the **Parties** or determined as reasonable by **Expert Determination**), then that **Party** shall promptly so notify the other in writing giving reasons for its belief to a reasonable level of detail.

7.4.2 Where either **Party** has served notice on the other pursuant to sub-paragraph 7.4.1, the **Reserve Provider** shall as soon as reasonably practicable after such notice but in any event (where such notice is served no later than 40 **Business Days** prior to the **Target Completion Date**) no later than thirty (30) **Business Days** prior to the **Target Completion Date**, prepare at its own cost and submit to **NGESO** a plan (a

“**Cure Plan**”) using the “NGESO STOR Cure Plan” template on **NGESO**’s website from time to time setting out the steps it proposes to take to either:-

- (a) remedy any delay in any aspect of the **Works Programme**; or, where this is not reasonably practicable,
- (b) procure that the **Mandatory Capability Requirements** are satisfied in accordance with sub-paragraph 7.5.1 as soon as reasonably practicable after the applicable **Target Completion Date**,

and in the case of sub-paragraph 7.4.2(b) the **Reserve Provider** shall specify in the **Cure Plan** a reasonable extension to such **Target Completion Date** (or, as the case may be, to any existing **Revised Target Completion Date** agreed by the **Parties** or determined as reasonable by **Expert Determination**) (the “**Revised Target Completion Date**”).

7.4.3 No later than twenty (20) **Business days** following receipt of a **Cure Plan** from the **Reserve Provider**, **NGESO** shall notify the **Reserve Provider** in writing either:-

- (a) of its rejection of the **Cure Plan** on grounds that it does not believe the **Cure Plan** is reasonable in all the circumstances, and shall give reasons for its belief to a reasonable level of detail, whereupon sub-paragraph 7.4.4 shall apply; or
- (b) of its acceptance of the **Cure Plan** whereupon, where pursuant thereto the **Mandatory Capability Requirements** are to be satisfied after the **Target Completion Date**, paragraph 7.9 shall apply.

If **NGESO** shall fail to make any such notification by such dates then it shall be deemed to have accepted the **Cure Plan**, and where pursuant thereto the **Mandatory Capability Requirements** are to be satisfied after the **Target Completion Date**, sub-paragraph 7.4.4 shall apply.

7.4.4 If **NGESO** rejects the **Cure Plan** in accordance with sub-paragraph 7.4.3(a), then:-

- (a) no later than five (5) **Business Days** after receipt of such notice of rejection the **Reserve Provider** may dispute the same and notify **NGESO** in writing of its intention to refer the matter to **Expert Determination**;
- (b) the **Parties** shall thereupon endeavour to resolve their disagreement but the **Reserve Provider** may refer the matter to **Expert Determination** at any time before expiry of the period of fifteen (15) **Business Days** after the **Reserve Provider**’s notice pursuant to this sub-paragraph 7.4.4 whereupon, where pursuant to the **Cure Plan** the **Mandatory Capability**

**Requirements** are to be satisfied after the **Target Completion Date**, sub-paragraph 7.4.5 shall apply; and

- (c) for the purposes of this sub-paragraph 7.4.4, the **Expert** shall be requested to consider the reasonableness of the **Reserve Provider's Cure Plan** (including any **Revised Target Completion Date** stated therein) having regard to (inter alia):-
- (i) **NGESO's** stated objections thereto;
  - (ii) the **Reserve Provider's** obligation pursuant to sub-paragraph 7.4.2 to procure that the **Mandatory Capability Requirements** are satisfied as soon as reasonably practicable;
  - (iii) the circumstances giving rise to the anticipated delay in the **Works**; and
  - (iv) the steps and time reasonably necessary for the **Reserve Provider** to procure satisfaction of the **Mandatory Capability Requirements**,

and where the **Expert** considers such proposed **Revised Target Completion Date** to be unreasonable in any respect then he shall be requested to specify an alternative **Cure Plan** (including where applicable an alternative **Revised Target Completion Date**) that he considers to be reasonable in all the circumstances.

7.4.5 Where this sub-paragraph 7.4.5 applies, with effect from the applicable **Target Completion Date** and until the first to occur of:-

- (a) the date on which the **Mandatory Capability Requirements** with respect to the relevant **Eligible Asset** are satisfied in accordance with sub-paragraph 7.4.9;
- (b) the date on which **NGESO** serves notice on the **Reserve Provider** pursuant to sub-paragraph 7.4.7;
- (c) the **Revised Target Completion Date** agreed by the **Parties** or determined as reasonable by **Expert Determination**;
- (d) the date being either:-
  - (i) unless sub-paragraph 7.4.5(d)(ii) applies, six (6) months after such **Target Completion Date**; or
  - (ii) where delay is due to an event or circumstance of **Force Majeure**, twelve (12) months after such **Target Completion Date**;

or, in each case, if later, the **Revised Target Completion Date** agreed by the **Parties** or determined as reasonable by **Expert Determination**, the **Parties'** respective rights and obligations under the **STOR Contract** (including as to payment) shall be suspended as more particularly provided in sub-paragraph 7.4.6 provided always that sub-paragraph 7.4.5(d) shall not apply where any delay in the **Works** is wholly or mainly caused by a **NGESO Default**.

7.4.6 In respect of the period of suspension of a **STOR Contract** pursuant to sub-paragraph 7.4.5 and with respect to the **STOR Contract** in question:-

- (a) **Reserve** shall be deemed unavailable from the relevant **STOR Unit**, and no **Availability Fees** shall accrue due to the **Reserve Provider**; and
- (b) where the delay is caused by a **NGESO Default** or an event or circumstance of **Force Majeure**, such period of suspension shall be excluded from the period of assessment for the purposes of the **Committed Availability Reconciliation Payment**.

7.4.7 If at any time during the suspension of a **STOR Contract** pursuant to sub-paragraph 7.4.4, **NGESO** is of the reasonable opinion that the **Reserve Provider** is failing to diligently carry out the relevant **Cure Plan** and is consequently not going to be able to fully implement such **Cure Plan** in all material respects within the timetable set out in such **Cure Plan** and/or satisfy the **Mandatory Capability Requirements** with respect to the relevant **Eligible Asset** in accordance with sub-paragraph 7.5.1 by any **Revised Target Completion Date** agreed by the **Parties** or determined as reasonable by **Expert Determination**, then it may so notify the **Reserve Provider** in writing giving reasons for its view together with any supporting evidence whereupon such **STOR Contract** shall cease to be suspended as provided in sub-paragraph 7.4.8(c)

7.4.8 If either:-

- (a) the **Reserve Provider** fails to prepare and submit to **NGESO** a **Cure Plan** by the date specified in sub-paragraph 7.4.2; or
- (b) **NGESO** rejects the **Reserve Provider's Cure Plan** pursuant to sub-paragraph 7.4.3(a) and the **Reserve Provider** fails to refer the dispute to **Expert Determination** by the date specified in sub-paragraph 7.4.4; or
- (c) a **STOR Contract** ceases to be suspended otherwise than by reason of satisfaction of the **Mandatory Capability Requirements** in accordance with sub-paragraph 7.5.1;

then, with effect from such applicable date (being either the date specified in sub-paragraphs 7.4.2 or 7.4.4 or the date on which the relevant **STOR Contract** ceases to be suspended) and for so long as the

**Mandatory Capability Requirements** remain to be satisfied in accordance with sub-paragraph 7.5.1, **NGESO** may terminate the relevant **STOR Contract** forthwith by notice in writing to the **Reserve Provider**.

7.4.9 Where sub-paragraph 7.4.8 applies and until the earlier of:-

- (a) termination of a **STOR Contract** pursuant thereto; and
- (b) satisfaction of the **Mandatory Capability Requirements** with respect to the relevant **Eligible Asset** in accordance with sub-paragraph 7.5.1,

**Reserve** shall be deemed to be unavailable from the relevant **STOR Unit** for the purposes of this **Document**, and **NGESO's** rights and remedies with respect thereto shall be preserved.

## 7.5 COMPLETION OF WORKS

7.5.1 When the **Works** with respect to a **STOR Contract** are completed, the **Reserve Provider** shall so notify **NGESO** in writing whereupon the **Reserve Provider** shall demonstrate to **NGESO's** reasonable satisfaction that the **Mandatory Capability Requirements** with respect to the relevant **Eligible Asset** have been satisfied, by means of the performance of an **End-To-End Test**. The **Reserve Provider** shall also (on request) provide to **NGESO** any such additional evidence as **NGESO** may reasonably require for the purposes of verifying that such **Mandatory Capability Requirements** have been so satisfied.

7.5.2 Both **Parties** shall agree a date and time for the **End-To-End Test** to be carried out, which shall be within a reasonable period following the **Reserve Provider's** notice of completion of the **Works** pursuant to sub-paragraph 7.5.1) but in any event no later than the **Target Completion Date** (or, where applicable, any **Revised Target Completion Date** agreed by the **Parties** or determined as reasonable by **Expert Determination**). Each **Party** reserves the right by notice in writing to the other **Party** to cancel any **End-To-End Test** previously agreed to be carried out, in which case the **Parties** shall agree an alternative time and date when the **End-To-End Test** shall be carried out which shall be as soon as possible thereafter, and the **Party** cancelling the original **End-to-End Test** shall reimburse to the other **Party** that other **Party's** reasonable costs (if any) incurred in preparing for the **End-to-End** test on that date.

7.5.3 As soon as possible after the date on which the **End-To-End Test** has been completed, **NGESO** shall notify the **Reserve Provider** whether it reasonably considers that the relevant **Eligible Asset** has or has not satisfied the **Mandatory Capability Requirements**. Subject to the provisions of sub-paragraph 7.5.3, in the event that **NGESO** notifies the **Reserve Provider** that in **NGESO's** reasonable opinion (and giving reasons for that opinion) the **Mandatory Capability Requirements** have not been satisfied in respect of such **Eligible Asset**, the **Reserve Provider** shall as soon as possible respond to **NGESO**. The **Reserve Provider** shall address the reason for the non-compliance and shall subsequently notify

NGESO when the non-compliance has been addressed, whereupon the provisions of sub-paragraphs 7.5.1 and 7.5.2 shall apply.

7.5.4 Save as otherwise provided in sub-paragraph 7.5.2, each **Party** shall bear its own costs in relation to the first **End-To-End Test** in relation to any **STOR Contract**. In relation to the second and each subsequent **End-To-End Test** in relation to that **STOR Contract** the **Reserve Provider** shall be responsible not only for its own costs but also shall reimburse to **NGESO** all **NGESO's** reasonable costs reasonably incurred as a direct result of the second and each subsequent **End-To-End Test** (not to exceed in relation to all tests £50,000 in aggregate). For the avoidance of doubt, each **Party** shall bear the risk of, and the other **Party** shall have no liability to the **Party** in respect of, loss and damage to that **Party's Plant** or **Apparatus** caused during or as a result of any **End-To-End Test** (save to the extent that such loss or damage is caused by that other **Party's** breach of any its obligations under this Section 7 and the remainder of this **Document**, and in such case subject always to paragraph 4.4).

7.5.5 Where the **Reserve Provider** fails to pass a second successive **End-To-End Test** or any subsequent **End-To-End Test** in relation to any **STOR Contract** then unless **NGESO** otherwise elects to waive such requirement by notice in writing to the **Reserve Provider**, **NGESO** may terminate the **STOR Contract** by notice in writing to the **Reserve Provider**.

7.5.6 For the avoidance of doubt:-

- (a) any period of suspension of a **STOR Contract** pursuant to this Section 7 shall not have the effect of extending the **Expiry Date** with respect to any **STOR Contract**; and
- (b) paragraph 4.14 (*Force Majeure*) of this **Document** shall not apply with respect to any event or circumstance of **Force Majeure** which delays or prevents the progress of the **Works**.

## 7.6 **DEFINED TERMS**

7.6.1 In this Section 7, the following terms shall have the meanings set opposite each:

“**Cure Plan**” shall mean the plan defined as such in sub-paragraph 7.4.2 or any alternative plan specified by **Expert Determination** in the circumstances described in sub-paragraph 7.4.4;

“**End-To-End Test**” means the test specified by **NGESO** for the purposes of ascertaining whether the **Mandatory Capability Requirements** have been satisfied in respect of the **Eligible Asset**;

“**Mandatory Capability Requirements**” means, in respect of each **Eligible Asset**, that:

- (i) it is capable of providing **Short Term Operating**

**Reserve** in accordance with the **STOR Contract**; and

- (ii) the necessary communications and metering is installed and commissioned to provide metering data in accordance with paragraph 3.15 (*Monitoring, Metering and Testing*);

“**NGESO Default**” means a breach by **NGESO** of any of its obligations to the **Reserve Provider** under any contract (including this **Document**) or any negligent act or omission by **NGESO**;

“**Revised Target Completion Date**” has the meaning given to that term in sub-paragraph 7.4.2;

“**Site**” means the installation comprising one or more **Generating Units** and/or other **Plant** or **Apparatus** (even where separately sited) owned or controlled by the same **Reserve Provider** which may reasonably be considered as being managed as one **Site**;

“**Target Completion Date**” means with respect to any **STOR Unit**, such date specified by the **Reserve Provider** for commencement of provision of **Reserve** being the **Commencement Date** of the first **STOR Contract** to be entered into between **NGESO** and the **Reserve Provider** with respect to such **STOR Unit**;

“**Works**” means those works relating to the **Eligible Asset** more particularly described in the **Registration** details;

“**Works Programme**” means the programme for completion of the **Works** more particularly described in the **Reserve Provider’s Registration** details.



**ANNEX – EBGL Article 18  
Terms and Conditions**

<b>EBGL Article</b>	<b>Subject Matter</b>	<b>SCT paragraph(s)</b>
<u>Article 18.4a</u>	Define reasonable and justified requirements for the provision of balancing services	Paragraphs 2.2, 3.1, 3.2, 3.5, 3.6, 3.7, 3.8 and 3.15
<u>Article 18.5a</u>	Rules for the qualification process to become a balancing service provider pursuant to Article 16	Paragraphs 1.6 and 2.2
<u>Article 18.5b</u>	Rules, requirements and timescales for the procurement and transfer of balancing capacity pursuant to Articles 32, 33 and 34	Section 2
<u>Article 18.5d</u>	Requirements on data and information to be delivered to the connecting TSO and, where relevant, to the connecting DSO during the prequalification process and operation of the balancing market	Sub-Paragraphs 3.15.1, 3.15.2, and 4.7.4
<u>Article 18.5f</u>	Requirements on data and information to be delivered to the connecting TSO and, where relevant, to the connecting DSO to evaluate the provisions of balancing services pursuant to Article 154(1), Article 154(8), Article 158(1)(e), Article 158(4)(b), Article 161(1)(f) and Article 161(4)(b) of Regulation (EU) 2017/1485;	Paragraph 3.15
<u>Article 18.5i</u>	Rules for the settlement of balancing service providers defined pursuant to Chapters 2 and 5 of Title V	Paragraphs 3.1, 3.2, 3.5, 3.6, 3.7, 3.8, 3.15 and 4.3
<u>Article 18.5j</u>	Maximum period for the finalisation of the settlement of balancing energy with a balancing service provider in accordance with Article 45, for any given imbalance period	Paragraph 4.3
<u>Article 18.5k</u>	Consequences in the case of non-compliance with the terms and conditions applicable to balancing service providers	Paragraph 3.8