

Flexibility Services Standard Agreement

THIS AGREEMENT is made on [●] 20[●]

BETWEEN:

- (1) **Electricity North West Limited** (company registered number: 2366949) whose registered office is at Borron Street, Portwood, Stockport, Cheshire 5K1 2JD (the “**Company**”); and
 - (2) **[●] LIMITED/PLC**, a company incorporated in [England and Wales] [Scotland] (registered number [●]) whose registered office is at [●] (the “**Provider**”),
- (together the “**Parties**” and each a “**Party**”).

RECITALS:

- (1) The Company, as owner and operator of the local Network, requires the provision of Flexibility Services (as hereinafter defined) to aid the management and operation of its Network. The Company wishes to contract with providers and/or operators of suitable assets for the provision of such Flexibility Services.
- (2) The Provider is the owner and/or operator of assets, or has entered into arrangements for rights in respect of third party owned assets that have the capability to provide Flexibility Services and wishes to make available each Accessible Site for the provision of such Flexibility Services, for example through aggregated or individual assets. The Company will pay the Provider for these Flexibility Services in accordance with this Agreement.
- (3) The Company wishes to appoint the Provider to provide the Flexibility Services and the Provider has agreed to provide the Flexibility Services to the Company, on and subject to the terms and conditions contained herein.

IT IS AGREED:

Glossary and Interpretation

1. Introduction

- 1.1 The Glossary and Rules of Interpretation shall apply to any document published or to be published by the Company which states (howsoever expressed) that it is governed by or subject to this Glossary and Rules of Interpretation (see definition of Associated Document).
- 1.2 Any capitalised term used in the Glossary and Rules of Interpretation shall have the meaning given to it (if any) in the Glossary and Service Glossary as applicable.
- 1.3 The Company may update any of the Glossary and Rules of Interpretation, General Terms and Conditions, Service Glossary, Service Terms, Annexes, Forms and Templates, and other Associated Documents from time to time by publication of an updated version of the relevant document on its website, and each such updated version shall be effective from the date shown on its front cover

provided always that, except with the consent of the Provider in writing (which shall include by approved electronic means to the extent permitted by the Service Terms), any updated version shall not apply to any Agreement already in force at the time of publication.

2. Rules of Interpretation

- 2.1 Unless the context otherwise requires:
- 2.1.1 the singular includes the plural and vice versa;
 - 2.1.2 reference to a gender includes the other gender and the neuter;
 - 2.1.3 references to an act of Parliament, statutory provision or statutory instrument include a reference to that act of Parliament, statutory provision or statutory instrument as amended, extended or re-enacted from time to time and to any regulations made under it;
 - 2.1.4 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; and
 - 2.1.5 references to a company shall include a corporation or other body corporate and body corporate shall have the meaning given in section 1173 of the Companies Act 2006.
- 2.2 A table of contents and headings are for convenience only and shall be ignored in construing the terms of the Agreement.
- 2.3 Any reference to the words “**including**”, “**include**”, “**in particular**” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 2.4 If a term or expression is defined within the Service Terms or Annexes relating to a particular service, the defined term or expression within the Service Terms or Annexes shall apply to the relevant service.
- 2.5 All references in an Associated Document, General Terms and Conditions, and Glossary to a particular paragraph or Annex shall be a reference to that paragraph or Annex in or to that Associated Document.
- Priority of documents*
- 2.6 If there is any conflict between the provisions of any of the documents comprising the Agreement, then the following order of priority between the documents shall apply:
- 2.6.1 Associated Documents; and
 - 2.6.2 General Terms and Conditions and Glossary.

3. Glossary

In the Agreement, unless superseded by additional terms placed within the Service Glossary or Annexes or the context otherwise requires, the following expressions shall have the meaning set out below:

“ Accessible Site ”	a Site that is not a domestic site;
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“Affiliate”	any holding company or subsidiary company of a Party, or any company which is a subsidiary of such holding company and “holding company” and “subsidiary” have the meanings given in section 1159 of the Companies Act 2006;
“Agreement”	the General Terms and Conditions, the Glossary, the Service Terms and Service Glossary, the Annexes, the Forms and Templates;
“Annexes”	the annexes appended to the General Terms and Conditions;
“Apparatus”	all equipment in which electrical conductors are used, supported or of which they may form a part;
“Applicable Law”	any applicable law, statute, by-law, regulation, order, regulatory policy, guidance or Industry Code, rule of court or directives or requirements of any regulatory body (including any health, safety and environmental legislation and approved codes of practice);
“Associated Document”	any document published or to be published by the Company which states (howsoever expressed) that it is governed by or subject to this Glossary and Rules of Interpretation in Part 2 above, which includes but is not limited to the Service Terms, Service Glossary, Annexes and Forms and Templates;
“Authority”	the Gas and Electricity Markets Authority;
“Availability” or “Available”	means that the Flexibility Services, in accordance with the Service Requirements and the Utilisation Instruction, and where applicable, are available to be delivered to the Company for the duration of the Service Window;
“Balancing Services Activity”	has the meaning attributed to it in the ESO’s Transmission Licence;
“BSC”	means the balancing and settlement code as administered by Elexon;
“Business Day”	any Day other than a Saturday or Sunday or a bank holiday, in England and Wales where the Company is located in England and Wales and in the City of Edinburgh where the Company is located in Scotland;
“Business Hours”	between 9:00 am and 5:00 pm on a Business Day;
“Change in Ownership”	means: a) any sale, transfer or disposal of any legal, beneficial or equitable interest in fifty per cent (50%) or more of the shares in the Provider (including the control over the exercise of voting rights conferred on those shares, control over the right to appoint or remove directors or the rights to dividends); and/or

	b) any other arrangements that have or may have or which result in the same effect as sub-clause a) above;
“Charge(s)”	the charge(s) set out in the Service Terms;
“CMZ”	constraint managed zone;
“Confidential Information”	any information, however it is conveyed, that relates to the business, affairs, developments, trade secrets, know-how, personnel, customers and/or suppliers of a Party (and/or any its Affiliates) together with all information derived from the above, and any other information clearly designated as being confidential (whether or not it is marked as “confidential”) or which ought reasonably to be considered to be confidential;
“Connection Agreement”	an agreement governing the terms of connection of any Plant or Apparatus to, and/or any agreement for the supply of electricity to the Plant or Apparatus or for the acceptance of electricity into, and its delivery from, the Company’s Distribution System or Transmission System (as the case may be);
“Connection and Use of System Code” or “CUSC”	the Connection and Use of System Code designated by the Secretary of State for Energy Security and Net Zero (DESNZ) as from time to time modified;
“Contract Data”	all data other than Performance Data associated with the Agreement;
“Data Protection Law”	any Applicable Law relating to the processing, privacy, and use of Personal Data, as applicable to the Company, the Provider and/or the Flexibility Services, including in the UK: (i) the Privacy and Electronic Communications (EC Directive) Regulations 2003 and any current laws or regulations implementing Council Directive 2002/58/EC; and/or (ii) the General Data Protection Regulation (EU) 2016/679 (“GDPR”) as retained in the laws of the United Kingdom by the European Union (Withdrawal) Act 2018, and/or any corresponding or equivalent national laws or regulations, once in force and applicable, including the Data Protection Act 2018, and includes any judicial or administrative interpretation of them, any guidance, guidelines, codes of practice, approved codes of conduct or approved certification mechanisms issued by any relevant supervisory authority;
“Day”	a calendar day;
“DCUSA”	means the Distribution Connection and Use of System Agreement entered into by the DCUSA Parties (which includes the Company) and DCUSA Limited;
“Defaulting Party”	has the meaning given in paragraph 7.1 of the General Terms and Conditions;

“Defect”	an issue that may arise with the DER equipment, metering or the communication interface between the Company and Provider which results in non-delivery of Flexibility Services or a misinformed delivery of Flexibility Services;
“Development Plan”	the defined schedule of design, build and commissioning in respect of a DER project in development;
“Distributed Energy Resources” or “DER”	the electricity generators, electricity storage or electrical loads, and other Site equipment, machinery, Apparatus, materials and other items used for the provision of the Flexibility Services as described in the Service Terms;
“Distribution Code”	the Distribution Code of Licensed Distribution Network Operators of Great Britain;
“Distribution Licence”	a licence issued under section 6(1)(c) of the Electricity Act 1989;
“Distribution Limit”	£200,000 (two hundred thousand pounds sterling) or such other amount as may be stated in the Service Terms;
“Distribution System”	a distribution network owned and/or operated by the holder of a Distribution Licence;
“ESO”	means National Grid Electricity System Operator Limited (company number: 11014226) (and any successor to its role);
“Expert”	an independent expert appointed for the purposes of expert determination;
“Flexibility Services”	means, and more particularly described in the Service Terms, the services to be provided by the Provider to the Company under and in accordance with this Agreement which give the Company the ability to manage the load at a specific point of the Network at certain points in time;
“Force Majeure Event”	any event or circumstance which is beyond either the Company’s or the Provider’s (as the case may be) reasonable control or its employees and which results in or causes its failure to perform any of its obligations under the Agreement, provided that: (a) lack of funds; or (b) any failure or fault in the DER, including insufficient fuel, shall not constitute a Force Majeure Event;
“Forms and Templates”	where applicable, the relevant forms and templates associated with the onboarding, procurement, contract award or operation of Flexibility Services;
“Fuel Security Code”	means the document of that title designated as such by the Secretary of State for Energy Security and Net Zero as may be amended from time to time;
“General Terms and Conditions”	the general terms and conditions applicable to the provision of Flexibility Services to be provided under the Agreement;

“Glossary”	this glossary of terms and interpretation, as applicable to the Agreement;
“Good Industry Practice”	the exercise of that degree of care, skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced operator engaged in the same type of undertaking and carrying out services of similar nature, scope and complexity as the Flexibility Services, under the same or similar circumstances or the standard which would reasonably and ordinarily be expected from systems used by a skilled and experienced operator engaged in the same type of undertaking and carrying out services of similar nature, scope and complexity as the Flexibility Services, under the same or similar circumstances;
“Grid Code”	the technical code for connection and development of the national electricity transmission system as amended from time to time (available at www.nationalgrid.com/uk/electricity/codes/grid-code/code-documents);
“GSP”	grid supply point;
“Industry Code”	the BSC, the CUSC, the Grid Code, Transmission Code, the Distribution Code, the DCUSA, the Smart Energy Code, the Retail Energy Code and the Fuel Security Code;
“Insolvency Event”	means any pre-insolvency, creditor protection, or insolvency related actions, events, processes or proceedings, whether in or out of court, including the following (and any proceedings or steps leading to any of the following): any form of bankruptcy, liquidation, administration, receivership, voluntary arrangement, scheme of arrangement, restructuring plan or other compromise or arrangement or scheme with creditors, moratorium, stay or limitation of creditors’ rights, interim or provisional supervision by a court or court appointee, winding up or striking off, or any distress, execution, commercial rent arrears recovery or other process levied or exercised; or any similar actions, events, processes or proceedings in any jurisdiction outside England and Wales where the Company is located in England and Wales or alternatively Scotland where the Company is located in Scotland;
“Intellectual Property Rights”	all intellectual property, including patents, trade marks, service marks, domain names, business and trading names, styles, logos and get-ups, rights in goodwill, database rights and rights in data, rights in designs, copyrights and topography rights (whether or not any of these rights are registered, and including applications and the right to apply for registration of any such rights) and all inventions, rights in know-how, trade secrets and Confidential Information lists and other proprietary knowledge and information and all rights under licences and consents in relation to any such rights and all rights and forms of protection of a similar nature or

	having equivalent or similar effect to any of these that may subsist anywhere in the world for their full term, including any renewals and extensions;
“Material Adverse Effect”	any event or circumstance which, in the opinion of the Company: a) is likely to materially and adversely affect the Provider’s ability to perform or otherwise comply with all or any of its obligations under this Agreement; or b) is likely to materially and adversely affect the business, operations, property, condition (financial or otherwise) or prospects of the Company;
“MPAN”	meter point administration number;
“MSID”	metering system identifier;
“Network”	the electricity network operated by the Company to which the DER is connected;
“Non-Terminating Party”	has the meaning given in paragraph 7.4 of the General Terms and Conditions;
“Party”	each of the Company and the Provider, together the “Parties” ;
“Performance Data”	such data relating to the performance of the Plant, Apparatus and related infrastructure as may be notified by the Company to the Provider or by the Provider to the Company from time to time;
“Personal Data”	has the meaning given to it in Data Protection Law;
“Plant”	fixed and movable items used in the generation and/or supply and/or transmission and/or distribution of electricity other than Apparatus;
“Primacy Rules”	means the primacy rules defined by the Energy Networks Association (as may be updated from time to time);
“Retail Energy Code”	the retail energy code administered by the Retail Energy Code Company Ltd;
“Rules of Interpretation”	the rules of interpretation detailed at paragraph 2 above;
“Service Failure”	as defined in the Service Terms;
“Service Glossary”	any glossary of terms within the Service Terms as applicable to a particular Flexibility Service;
“Service Requirements”	the specification that the Flexibility Services must be capable of meeting, as defined in the Service Terms;
“Service Period”	as defined in the Service Terms;
“Service Terms”	the service terms applicable to the provision of Flexibility Services which form part of the Agreement;

“Service Window”	the time periods during the Service Period during which the Provider agrees to make Available, and provide in accordance with the Agreement, the Flexibility Services to the Company, as defined in the Service Terms (if applicable);
“Site”	sites which are detailed in the Service Terms;
“Smart Energy Code”	the smart energy code administered by the Smart Energy Administrator and Secretariat;
“Statutory Requirements”	the requirements placed on the Company and/or the Provider or affecting or governing the provision and/or use of the Flexibility Services by Applicable Law and/or the applicable Distribution Licence or Transmission Licence and/or a regulator and/or any relevant codes of practice issued by any government agency or body including in relation to health, safety and environmental matters;
“TCM”	transmission constraint management;
“Term”	the duration of the Agreement as specified by the Company in the Service Terms;
“Terminating Party”	has the meaning given in paragraph 7.1 of the General Terms and Conditions;
“Termination Notice”	has the meaning given in paragraph 7.4 of the General Terms and Conditions;
“Transmission Code”	the System Operator Transmission Owner Code as required by Transmission Licences granted under the Electricity Act 1989;
“Transmission Licence”	a licence issued under section 6(1)(b) of the Electricity Act 1989;
“Transmission Limit”	£500,000 (five hundred thousand pounds sterling) save as provided in the Service Terms;
“Transmission System”	the electricity transmission system, as defined in the Connection and Use of System Code;
“Unavailability” (or “Unavailable”)	the Flexibility Services, in accordance with the Service Requirements, are not Available to be delivered to the Company; and
“Utilisation Instruction”	an instruction by the Company to the Provider to deliver Flexibility Services.

General Terms and Conditions

October 2023

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1. Introduction

- 1.1 These General Terms and Conditions shall apply to the provision of Flexibility Services by the Provider to the Company.
- 1.2 References to the “Agreement” in these General Terms and Conditions mean these General Terms and Conditions, the Glossary, the Service Terms and Service Glossary, the Annexes and where applicable, the Forms and Templates.

2. Scope of Flexibility Services

- 2.1 The Flexibility Services shall be performed in accordance with the Service Terms, these General Terms and Conditions and any other applicable Associated Documents.

3. Provider’s Obligations

- 3.1 The Provider will:
 - 3.1.1 ensure or procure the Availability of the DER and perform the Flexibility Services in compliance with the terms of the Agreement and all Applicable Laws, Statutory Requirements and Good Industry Practice;
 - 3.1.2 ensure that all technical, communication and data provision requirements set out in the Service Terms and Annexes are complied with at all times;
 - 3.1.3 act diligently and in good faith in all of its dealings with the Company;
 - 3.1.4 ensure that it is available on reasonable notice to provide such assistance or information as the Company may reasonably require in connection with the Flexibility Services;
 - 3.1.5 at the request of the Company, make available to the Company information in relation to the metering equipment at the DER;
 - 3.1.6 upon reasonable notice and within Business Hours, permit and grant (or secure) rights of access to an Accessible Site for the benefit of the Company and/or its agents or sub-contractors as the Company may reasonably require in order to inspect and test the DER, or to install, maintain, replace or remove communication equipment belonging to the Company in relation to the provision of Flexibility Services in accordance with the Agreement;
 - 3.1.7 use reasonable endeavours to secure rights of access to a Site that is not an Accessible Site for the benefit of the Company and/or its agents or sub-contractors as the Company may reasonably require in order to inspect and test the DER, or to install, maintain, replace or remove communication equipment belonging to the Company in relation to the provision of Flexibility Services in accordance with the Agreement;
 - 3.1.8 remedy any Defect of the Flexibility Services in accordance with Good Industry Practice and to the satisfaction of the Company; and

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- 3.1.9 disclose the existence of any agreement or arrangement the Provider may have in respect of the DER that provides Flexibility Services under the Agreement that could reasonably impact Availability of the DER or the ability of the Provider to perform its obligations under the Agreement.

4. Record and Audits

- 4.1 The Provider shall keep proper and accurate records of all matters relating to the performance of its obligations under the Agreement.
- 4.2 The records shall be maintained in a form suitable for audit purposes and shall be retained for any period required by any Applicable Law, and in any event, for the Term of the Agreement and for a period of no less than:
 - 4.2.1 seven (7) years after expiry or termination of the Agreement where such records contain or relate to financial data and/or Contract Data; or
 - 4.2.2 unless specified otherwise in the Annexes, four (4) years after expiry or termination of the Agreement where such records relate to Performance Data.
- 4.3 The Company, or a reputable independent third-party auditor nominated by it, may, on reasonable notice, and in any event on not less than five (5) Business Days' (or such other period as may be specified in the Service Terms) notice, to the Provider and during normal working hours, inspect and review the records for the purposes of verifying the Provider's compliance with its obligations under the Agreement and/or to meet any other audit or information requirement that may be required by Applicable Law and/or any regulatory body, including the Authority.
- 4.4 The Provider shall co-operate fully and promptly with any such audit and/or inspection conducted by the Company and provide such reasonable assistance as may be required by the Company in relation to any audit.
- 4.5 The Provider shall ensure that all paperwork issued by or on behalf of the Provider to the Company (including, without limitation, invoices, correspondence and delivery notes), is complete, accurate and clearly references any other appropriate and necessary information.

5. Representations and Warranties

- 5.1 Without prejudice to its other obligations under and/or pursuant to the Agreement, each Party warrants and undertakes to the other Party at all times that:
 - 5.1.1 it is a duly incorporated and company validly existing under the law of its jurisdiction of incorporation;
 - 5.1.2 it has the right, power, capacity and authority to enter into and perform its obligations under the Agreement;
 - 5.1.3 the entry into and performance by it of the Agreement does not and will not contravene or conflict with any Applicable Law or judicial or official order applicable to it;

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- 5.1.4 it will not be in material breach of any other agreement or arrangement of whatever nature with any person which could or may affect the performance of its obligations under the Agreement;
 - 5.1.5 all information it provides to the other Party will be complete and accurate save to the extent disclosed;
 - 5.1.6 no Insolvency Event is continuing or might reasonably be anticipated; and
 - 5.1.7 no litigation, arbitration or administrative proceedings are taking place, pending, or to the Party's knowledge threatened against it, any of its directors or any of its assets, which, if adversely determined might reasonably be expected to have a Material Adverse Effect.
- 5.2 Without prejudice to its other obligations under and/or pursuant to the Agreement and in addition to the foregoing, the Provider warrants and undertakes to the Company at all times that:
- 5.2.1 the DER contracted to provide the Flexibility Services has, as applicable, either:
 - (a) live connection(s) to the Company's Network, associated MPAN or MSID and Connection Agreement(s); or
 - (b) a connection offer(s) for a live connection and that the connection(s) can be completed and a Connection Agreement entered into in time to meet the Service Requirements as specified in the Service Terms;
 - 5.2.2 it has obtained and maintains in force for the Term, either directly or through agreement via its aggregated DER, all licences, permissions, authorisations, consents and permits needed to supply the Flexibility Services in accordance with the terms of the Agreement, including but not limited to any authorisation required pursuant to the regulations, codes, agreements and arrangements referenced in 5.2.11;
 - 5.2.3 it has neither fixed nor adjusted any Charge 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 any Charge in connection with the Agreement (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 entering into an agreement for provision of Flexibility Services with the Company;
 - 5.2.4 it shall disclose as soon as reasonably possible any change of circumstances which could affect the delivery of the Flexibility Services;
 - 5.2.5 where applicable, for each DER project in development, the Provider has (or has procured), and, if requested, will promptly provide to the Company a copy of the Development Plan in respect of each DER;
 - 5.2.6 where applicable, it shall take all reasonable steps to achieve, or procure, the commissioning of each DER project on time and in accordance with the relevant Development Plan;
 - 5.2.7 if, at any time during the Term, the provision of Flexibility Services would cause the Provider to be in breach or non-compliance as described in paragraphs 5.1.3 and 5.2.11, the Provider

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will not accept or comply with any Utilisation Instruction and will provide notification to the Company as required by the Annexes;

- 5.2.8 it is and remains responsible for ensuring (or if applicable, procuring) health and safety compliance at the Accessible Sites providing the Flexibility Services;
 - 5.2.9 it shall use best endeavours to access Sites that are not Accessible Sites and will use best endeavours to ensure health and safety compliance at the Sites that are not Accessible Sites providing the Flexibility Services;
 - 5.2.10 where any Accessible Site is occupied by an Affiliate of the Provider or any other third party, the Provider shall be responsible for ensuring that where any provision in the Agreement imposes an obligation on the Provider to do or refrain from doing a particular thing in relation to a Site or any DER at such Site, the relevant Affiliate or third party complies with that obligation as if it were the named "Provider" party to the Agreement; and
 - 5.2.11 the provision of Flexibility Services will not cause it or the DER to be in breach of the Electricity Safety, Quality and Continuity Regulations 2002 (as amended from time to time) (available from the Company on request) or any other enactment relating to safety or standards, the Grid Code, Distribution Code, any Connection Agreement, any agreement for the supply of electricity, any restrictions and conditions attaching to relevant authorisations of the Environment Agency or any other agreement or arrangement of whatever nature with any other person.
- 5.3 Without prejudice to any right or remedy, each Party will be entitled to claim damages from the other Party for any breach of representation or warranty set out in the Agreement which causes that Party to incur costs or losses.

6. Charges and Payments

- 6.1 All Charges and other sums payable under the Agreement shall be paid in accordance with the Service Terms.

7. Termination

- 7.1 Each of the Parties shall have the right, if it is not the Party in breach or in relation to which any of the events concerned occurs ("**Terminating Party**"), to immediately terminate the Agreement on giving written notice of termination to the other Party ("**Defaulting Party**") if at any time during the Term of the Agreement:
- 7.1.1 the Defaulting Party is in material and/or persistent breach of the Agreement;
 - 7.1.2 an Insolvency Event occurs in relation to the Defaulting Party; and/or
 - 7.1.3 paragraph 11.6 of these General Terms and Conditions applies.
- 7.2 Either Party shall have the right to immediately terminate the Agreement on giving written notice of termination to the other Party under paragraph 9.4 of these General Terms and Conditions.

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- 7.3 For the purposes of paragraph 7.1.1, and without limitation, the following shall be deemed to be a material breach by a Party of the Agreement:
- 7.3.1 the Defaulting Party fails to pay (other than by inadvertent error in funds transmission which is discovered by Terminating Party, notified to the Defaulting Party and corrected within thirty (30) Business Days following such notification) any amount properly due or owing from it pursuant to paragraph 6, and such non-payment continues unremedied and not disputed in good faith and upon reasonable grounds at the expiry of thirty (30) Business Days immediately following receipt by the Defaulting Party of written notice from the Terminating Party of such non-payment;
 - 7.3.2 paragraphs 8.3 or 15.10 of these General Terms and Conditions apply; or
 - 7.3.3 any other material breach by the Defaulting Party of any of its obligations under the Agreement which, if capable of remedy, the Defaulting Party fails to remedy within ten (10) Business Days after service of a written notice from the Terminating Party specifying the breach and requiring it to be remedied.
- 7.4 Either Party may at any time on providing no less than ninety (90) Business Days prior written notice (“**Termination Notice**”) to the other Party (the “**Non-Terminating Party**”) terminate the Agreement. Where the Non-Terminating Party fails to respond to a Termination Notice in accordance with this paragraph 7.4, the Non-Terminating Party shall be deemed to have accepted the Termination Notice.
- Accrued liabilities*
- 7.5 On termination, the rights and liabilities of the Parties that have accrued before termination shall subsist.
- Surviving provisions*
- 7.6 This paragraph and the following provisions of the Agreement shall survive termination or expiry, without limit of time:
- 7.6.1 paragraph 4 (*Records and Audit*);
 - 7.6.2 paragraph 6 (*Charges and Payment*);
 - 7.6.3 paragraph 7 (*Termination*);
 - 7.6.4 paragraph 8 (*Service Failure*);
 - 7.6.5 paragraph 10 (*Liability, Indemnity and Insurance*);
 - 7.6.6 paragraph 12 (*Confidentiality*);
 - 7.6.7 paragraph 13 (*Intellectual Property Rights*);
 - 7.6.8 paragraph 14 (*Data Protection*);
 - 7.6.9 paragraph 17 (*Dispute Resolution*);
 - 7.6.10 paragraph 21 (*Waiver*);
 - 7.6.11 paragraph 24 (*Governing Law and Jurisdiction*);
 - 7.6.12 the Glossary; and

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7.6.13 any other provision of the Agreement that expressly or by implication is intended to come into, or continue in force, on or after termination or expiry of the Agreement.

Consequences of termination or expiry

7.7 Where requested by the other Party, on termination or expiry of the Agreement each Party shall delete or return Confidential Information provided by the other Party for the purpose of the Agreement.

7.8 Following termination or expiry of the Agreement, the Provider shall promptly at the Provider's cost:

7.8.1 deliver to the Company for approval a final invoice detailing all monies due to it under the Agreement; and

7.8.2 submit to the Company within thirty (30) Business Days all invoices with supporting documents for payment of all outstanding sums in connection with the provision of the Flexibility Services.

7.9 Where the Company terminates the Agreement as a result of a material and/or persistent breach by the Provider pursuant to paragraph 7.1.1, the Company may recover from the Provider any and all costs, losses and expenses reasonably incurred by the Company as a result of such termination, including where relevant such costs, losses and expenses associated with appointing a replacement Provider. Such costs, losses and expenses shall be payable by the Provider to the Company provided that the liability of the Provider in respect of this paragraph 7.9 shall not exceed (as applicable):

7.9.1 the Transmission Limit where such costs, losses and expenses are in connection with, or relate to, DER connected to the Transmission System; or

7.9.2 the Distribution Limit where such costs, losses and expenses are in connection with, or relate to, DER connected to the Distribution System.

7.10 The Parties agree that any costs, losses and expenses incurred by the Company pursuant to paragraph 7.9 shall be deemed direct losses and costs of the Company and accordingly not be subject to paragraph 10.3.

8. Service Failure

8.1 Notwithstanding its obligations under paragraph 8.2, the Provider shall notify the Company as soon as reasonably practicable upon becoming aware of the inability of the Provider to provide the Flexibility Services in all or any part of any contracted Service Window (if applicable) as set out in the Service Terms.

8.2 In the event of a Service Failure by the Provider, the Company may require the Provider to:

8.2.1 provide the Company with a written explanation as to the cause of the failure of service delivery;

8.2.2 implement a rectification plan for improving performance and/or reducing the number of occurrences of Unavailability, which may include at the Company's discretion, a repeat of any commissioning tests undertaken on initial installation and commissioning of the DER;

8.2.3 propose a variation to the Service Requirements as specified in the Service Terms; or

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8.2.4 take any other action that may be agreed with the Company in order to alleviate a Service Failure (as reasonably required in the circumstances).

8.3 In the event that:

8.3.1 the Provider fails to comply with the terms of paragraph 8.2;

8.3.2 the Provider's proposals are not accepted by the Company;

8.3.3 the Parties fail to reach agreement on any rectification actions; or

8.3.4 the Provider's performance in respect of the Service Failure notified by the Company does not significantly improve within thirty (30) Days of the date of the notice,

such failure will be deemed a material breach of the Agreement for the purposes of paragraph 7.1.1 of these General Terms and Conditions and paragraph 7.9 shall apply.

9. Force Majeure

9.1 A Party shall not be in breach or default of the Agreement to the extent that it is prevented from performing any of its obligations under the Agreement as a result of a Force Majeure Event, for so long as the Force Majeure Event continues to prevent such performance.

9.2 If a Force Majeure Event occurs, the following process will apply:

9.2.1 the affected Party will notify the other Party as soon as reasonably practicable of:

(a) the occurrence and description of the Force Majeure Event;

(b) the date on which the Force Majeure Event commenced and its likely duration (if known); and

(c) the effect of the Force Majeure Event on the Party's ability to perform its obligations under the Agreement;

9.2.2 as soon as is reasonably practicable following notification pursuant to paragraph 9.2.1, the Parties shall meet to discuss how best to continue their respective obligations under the Agreement; and

9.2.3 the affected Party will use reasonable endeavours to mitigate the impact of the Force Majeure Event on its ability to perform its obligations under the Agreement.

9.3 For the avoidance of doubt the non-performance of either Party's obligations under the Agreement arising prior to the Force Majeure Event, shall not be excused as a result of the Force Majeure Event.

9.4 If a Force Majeure Event prevents, hinders or delays a Party in performing its obligations under the Agreement for a continuous period of at least two (2) calendar months, either Party may terminate the Agreement with immediate effect.

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10. Liability, Indemnity and Insurance

10.1 Subject to paragraph 10.2, and save where any provision of the Agreement provides for an indemnity, the Parties acknowledge and agree that neither Party nor any of its officers, employees or agents shall be liable to the other Party for loss arising from any breach of the Agreement other than for loss directly resulting from such breach and which at the date of formation of the Agreement was reasonably foreseeable as not unlikely to occur in the ordinary course of events from such breach in respect of:

10.1.1 physical damage to the property of the other Party, its officers, employees or agents; and/or

10.1.2 any liability arising under paragraph 5.3; and/or

10.1.3 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,

and provided further that the liability of any Party in respect of all claims for the losses referred to in this paragraph 10.1 shall not exceed (i) the Transmission Limit where such claims are in connection with, or relate to, DER connected to the Transmission System or (ii) the Distribution Limit where such claims are in connection with, or relate to DER connected to the Distribution System, in each case per incident or series of related incidents.

10.2 Nothing in this Agreement shall exclude or limit the liability of either Party for death or personal injury resulting from the negligence of that Party or any of its officers, employees or agents, and each Party shall indemnify and keep indemnified the other Party, its officers, employees and agents from and against all such and any loss or liability which such other Party may suffer or incur by reason of any claim on account of death or personal injury resulting from the negligence of that Party or its officers, employees or agents.

10.3 Subject to paragraph 10.2, and save where any provision of the Agreement provides for an indemnity or otherwise, neither Party nor any of its officers, employees or agents shall in any circumstances whatsoever be liable to the other Party for:

10.3.1 any loss of profit, loss of revenue, loss of use, loss of data, loss of contract or loss of goodwill; or

10.3.2 any indirect or consequential loss; or

10.3.3 loss resulting from the liability of the other Party to any other person howsoever and whensoever arising save as provided in paragraphs 10.1.3 and 10.2.

10.4 The Provider shall procure (and on request provide evidence to the Company of) appropriate insurances as required by law and necessary for the safe and efficient performance of the Agreement to cover the liabilities set out in paragraph 10, with a reputable insurance company. Where reasonably practicable the Provider shall add the Company as a named party on its insurance policies.

10.5 If the Provider appoints a sub-contractor in connection with the provision of the Flexibility Services, the Provider shall ensure that the sub-contractor maintains appropriate insurance to the extent set out in paragraph 10. If the Provider acts as an aggregator in connection with the provision of the Flexibility

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Services to Accessible Sites, it shall use reasonable endeavours to ensure that the DER owners and operators for which it acts maintain appropriate insurance to the extent set out in paragraph 10.

- 10.6 The Provider's liabilities under the Agreement shall not be deemed to be released or limited by the Provider taking out the insurance policies referred to in paragraph 10.

11. Transfers, sub-contracting and Change in Ownership

- 11.1 Where pursuant to paragraph 24:

11.1.1 the governing law of this Agreement is English law, any reference to "assign" shall be construed as relating to an "assignment"; or

11.1.2 the governing law of this Agreement is Scots law, any reference to "assign" shall be construed as relating to an "assignment".

- 11.2 Save as provided for in paragraph 11.3, the Agreement is personal to the Parties and neither Party shall assign, transfer, mortgage, charge, sub-contract or deal in any other manner with any or all of its rights and obligations under the Agreement without the prior written consent of the other Party (such consent not to be unreasonably withheld, conditioned or delayed).

- 11.3 The Company may without the consent of the other Party assign, novate or transfer the benefit or burden of the Agreement or any other rights and/or obligations pursuant to these General Terms and Conditions to: (i) the holder of a Distribution Licence; (ii) the holder of a Transmission Licence with responsibility for carrying out the Balancing Services Activity; or (iii) to an Affiliate of the Company.

- 11.4 If either Party sub-contracts any part of the provision or obligations of Flexibility Services, then the responsible Party shall be fully responsible for the acts, omissions or defaults of any sub-contractor (and its employees) as if they were the acts, omissions or defaults of the responsible Party.

- 11.5 If ownership, occupancy or use (for the purpose of providing the Flexibility Services) of any Site changes, or may change, during the Term, the Provider shall immediately notify the Company of the same. The Company and the Provider shall if required, and at the reasonable request of the Company discuss the implications of the change and the options available to minimise any disruption that may be caused by the change.

- 11.6 The Company reserves the right to terminate the Agreement in accordance with paragraph 7.1.3 if a Change in Ownership of the Provider occurs and the new owner of the Provider fails to meet any of the Company's reasonable due diligence checks as notified to the Provider.

12. Confidentiality

- 12.1 The Company is required to disclose certain information in accordance with this Agreement under obligations within its Distribution Licence or Transmission Licence (as applicable), or an Industry Code. Information shared will include but may not be limited to provider names, awarded prices, volumes, GSP and asset locations, and contract durations. Pursuant to the Primacy Rules, the Company, as applicable, shall be entitled to share information relating to the Agreement for the purpose of industry

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initiatives in relation to network or system constraint management and electricity network optimisation and the Company shall be entitled to make publicity releases and/or announcements regarding either this Agreement and/or the Company's activities under the Agreement. It shall not be a breach of this paragraph 12 where the Company discloses any such information. Such information shall include but is not limited to:

- 12.1.1 CMZ locations;
- 12.1.2 CMZ requirements;
- 12.1.3 a list of TCM generators;
- 12.1.4 an agreed form of 'risk of conflict forecast';
- 12.1.5 ESO planning outputs;
- 12.1.6 Company outages;
- 12.1.7 transmission outages; and
- 12.1.8 any additional Company related information as may be required,

as may be updated from time to time on agreement from the Company or the ESO.

- 12.2 Subject to paragraphs 12.1, 12.3.4 and 12.3.5, no public announcement or statement regarding the completion, performance or termination of the Agreement shall be issued or made by the Provider without the Company's prior written approval (such approval not to be unreasonably withheld or delayed). Neither Party shall be prohibited from issuing or making any such public announcement or statement to the extent expressly permitted 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.
- 12.3 Save as permitted by paragraph 12.1, each Party shall treat as strictly confidential and shall not disclose any Confidential Information relating to the other Party received or obtained as a result of entering into or performing this Agreement. The restrictions imposed by this paragraph 12.3 shall not apply to the disclosure of any Confidential Information:
 - 12.3.1 which is in or becomes part of the public domain otherwise than as a result of a breach of paragraph 12.3, 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;
 - 12.3.2 which is required to be disclosed by law, an Industry Code or pursuant to any licence of the Party concerned;
 - 12.3.3 to a court, arbitrator or administrative tribunal in the course of proceedings before it to which the disclosing Party is a party;
 - 12.3.4 to any parent, subsidiary or fellow subsidiary undertaking on a "need to know" basis only. In this paragraph 12.3.4, the words "parent", "subsidiary" and "undertaking" shall have the meanings as provided in sections 1159, 1161 and 1162 of the Companies Act 2006;

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12.3.5 by the Provider to any owner and/or operator of relevant Plant and Apparatus to the extent necessary to enable the Provider to submit an offer or tender to provide Flexibility Services pursuant to the Agreement and fulfil its obligations under the Agreement.

12.4 Save as permitted by paragraph 12.1, neither Party shall use the name, brands and/or logos of the other Party for any purpose without the other Party's prior written approval (such approval not to be unreasonably withheld or delayed).

13. Intellectual Property Rights

13.1 The Agreement does not transfer any interest in Intellectual Property Rights.

13.2 All Intellectual Property Rights owned by or licensed to either Party shall at all times both during the Term of the Agreement and after its termination or expiry, belong to or be licensed to the Party providing that intellectual property and neither Party shall make any use of the other Party's intellectual property other than to the extent reasonably necessary in performing its obligations pursuant to the Agreement, provided that nothing in this paragraph 13.2 shall operate so as to exclude any non-excludable rights of either Party.

14. Data Protection

14.1 Each Party shall, at its own expense, ensure that it complies with all applicable Data Protection Law.

14.2 The Parties acknowledge that as at the date of the Agreement, neither Party acts as a processor on behalf of the other. If at any point during the Term, either Party considers that one Party is acting as processor on behalf of the other, then the Parties shall promptly meet to negotiate in good faith a separate data processing agreement to cover the matters required by the Data Protection Law.

15. Modern Slavery, Anti-bribery and Living Wage

Modern slavery

15.1 The Provider undertakes, warrants and represents that:

15.1.1 neither the Provider nor any of its officers, employees, agents or subcontractors:

- (a) has committed an offence under the Modern Slavery Act 2015 ("**MSA Offence**");
- (b) has been notified that it is subject to an investigation relating to an alleged MSA Offence or prosecution under the Modern Slavery Act 2015; or
- (c) is aware of any circumstances within its supply chain that could give rise to an investigation relating to an alleged MSA Offence or prosecution under the Modern Slavery Act 2015;

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- 15.1.2 it shall comply with all applicable anti-slavery and human trafficking laws, statutes, regulations and codes from time to time in force including but not limited to the Modern Slavery Act 2015;
 - 15.1.3 it shall notify the Company immediately in writing if it becomes aware or has reason to believe that it, or any of its officers, employees, agents or subcontractors have breached or potentially breached any of the Provider's obligations under this paragraph 15.1. Such notice to set out full details of the circumstances concerning the breach or potential breach of Provider's obligations;
 - 15.1.4 it shall include in its contracts with its subcontractors and suppliers' anti-slavery and human trafficking provisions that are at least as onerous as those set out in this paragraph 15.1; and
 - 15.1.5 it will respond to all reasonable requests for information required by the Company for the purposes of completing Company's annual anti-slavery and human trafficking statement.
 - 15.2 The Provider shall indemnify the Company against any losses, incurred by or awarded against the Company as a result of any breach of anti-slavery and human trafficking laws, statutes, regulations and codes or the Modern Slavery Act 2015.
 - 15.3 The Provider will permit the Company and its third party representatives, on reasonable notice during normal Business Hours, but without notice if there are reasonable grounds to suspect an instance of slavery and human trafficking, to access and take copies of records and any other information held at the Site(s) (and to meet with personnel and more generally to audit compliance with its obligations under this paragraph 15. The Provider shall give all necessary assistance to the conduct of such audits during the term of the Agreement.
- Anti-bribery*
- 15.4 The Provider shall have suitable controls and compliance procedures in place and shall not engage in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010 and shall promptly report to the Company any request or demand for any undue financial or other advantage of any kind received or offered by the Provider in connection with the Agreement.
 - 15.5 The Provider shall immediately notify the Company if a foreign public official exerts a direct or indirect influence over the performance of the Agreement.
 - 15.6 The Provider shall not:
 - 15.6.1 offer or agree to give any person working for or engaged by the Company or any other Affiliate of the Company any gift or other consideration which could act as an inducement or a reward for any act or failure to act connected to the Agreement, or any other agreement between the Provider and the Company or any Affiliate of the Company, including its award to the Provider and any of the rights and obligations contained within it; nor
 - 15.6.2 enter into the Agreement if it has knowledge that, in connection with the Agreement, any money has been, or shall be, paid to any person working for or engaged by the Company or any other Affiliate of the Company by or for the Provider, or that an agreement has been reached to that effect, unless details of any such arrangement have been disclosed in

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writing to the Company and has been approved by the Company before execution of the Agreement.

- 15.7 The Provider shall indemnify the Company against any losses, incurred by or awarded against the Company as a result of any breach of anti-corruption and anti-bribery laws, statutes, regulations and codes or the Bribery Act 2010.

Living wage

- 15.8 Where applicable the Provider agrees to:
- 15.8.1 pay all of its personnel who are directly employed by it in respect of the provision of the Flexibility Services used within the UK not less than the living wage for the Term of the Agreement; and
 - 15.8.2 ensure all employees of its contractors and subcontractors performing the provision of the Flexibility Services used within the UK are paid not less than the living wage for the Term of the Agreement.
- 15.9 The Provider agrees to provide the Company with such reasonable assistance as it may require from time to time to enable it to perform any activity required by any relevant government, agency or competent authority in any relevant jurisdiction for the purpose of compliance with any anti-slavery laws or anti-bribery laws (including but not limited to the Modern Slavery Act 2015 and the Bribery Act 2010).
- 15.10 Any breach of this paragraph 15 by the Provider shall be deemed a material breach of the Agreement for the purposes of paragraphs 7.1.1 and 7.9.

16. Notices

- 16.1 Unless otherwise specified in the Service Terms, all notices shall be submitted in accordance with the processes, and to the relevant addresses, set out in the Annexes.
- 16.2 A notice shall be deemed to have been received:
- 16.2.1 if delivered by hand or recorded delivery post within Business Hours at the time of delivery or, if delivered by hand outside Business Hours, at the next start of Business Hours;
 - 16.2.2 if sent by first class post, at 9.00 a.m. on the second Business Day after posting.
- 16.3 E-mail communications may be valid for notices the purposes of the Agreement, where agreed between the Parties. Such email notices shall be deemed to have been received on the Day of sending, or where outside of Business Hours on the first Business Day thereafter.
- 16.4 In verifying service of a notice, it shall be sufficient to prove that delivery was made or that the envelope containing the notice was properly addressed and posted.
- 16.5 This paragraph 16 does not apply to the service of any legal proceedings, or other documents in any legal action or other method of dispute resolution.

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17. Dispute Resolution

- 17.1 The Parties shall use good faith efforts to resolve any operational issue, dispute, claim or proceeding arising out of or relating to the Agreement.
- 17.2 In the event that a dispute cannot be resolved within thirty (30) Days of written notice of the dispute, the dispute shall be escalated to the Parties' senior representatives (named in the Annexes, or as otherwise notified by either Party to the other) who have authority to settle the same and/or may refer the dispute to the forms of dispute resolution in accordance with paragraph 17.3.
- 17.3 If thirty (30) Days following such an escalation the Parties have still not resolved the dispute, then either Party shall have the right to refer the dispute to either:
- 17.3.1 arbitration; or
 - 17.3.2 an Expert for determination; or
 - 17.3.3 such other process as is agreed between the Parties.
- 17.4 For the avoidance of doubt, paragraphs 17.2 and 17.3 shall not preclude a Party from raising arbitration proceedings (or where other processes have been agreed under paragraph 17.3.3 court proceedings) in the event a claim is considered to be nearing the end of a prescription and/or limitation period pursuant to the Limitation Act 1980 or the Prescription and Limitation (Scotland) Act 1973 (as applicable).
- 17.5 In the event that the Parties cannot agree any other process under paragraph 17.3.3, then either Party may refer any dispute to the courts of: (i) England and Wales if the Company is incorporated in England and Wales; and (ii) Scotland if the Company is incorporated in Scotland (as applicable).

Arbitration

- 17.6 Where any dispute is referred in accordance with paragraph 17.3.1 to arbitration, the following provisions shall apply:
- 17.6.1 if the Company is incorporated in England and Wales, the seat of arbitration shall be London. If the Company is incorporated in Scotland, the seat of arbitration shall be Edinburgh;
 - 17.6.2 the number of arbitrators shall be one. Where no arbitrator is named or where the named arbitrator is not able or unwilling to act the appointer of the arbitrator (and of any replacement) shall be The Chartered Institute of Arbitrators;
 - 17.6.3 whatever the nationality, residence or domicile of either Party and wherever the dispute or difference or any part thereof arose, (i) the laws of England and Wales shall be the proper law of any reference to arbitration if the Company is incorporated in England and Wales or (ii) the laws of Scotland shall be the proper law of any reference to arbitration if the Company is incorporated in Scotland, and in particular (but not so as to derogate from the generality of the foregoing) the rules and provisions of (i) the Arbitration Act 1996 (notwithstanding anything in Section 108 thereof) shall apply if the Company is incorporated in England and Wales or (ii) the Arbitration (Scotland) Act 2010 shall apply if the Company is

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- incorporated in Scotland, to any such arbitration wherever the same or any part of it shall be conducted;
- 17.6.4 for the avoidance of doubt, both Parties confirm and agree that nothing in the Agreement to arbitrate prevents a Party:
- (a) challenging the award of an arbitral tribunal as provided for under the Arbitration Act 1996 and the Arbitration (Scotland) Act 2010;
 - (b) seeking the remedy of specific performance or any other power or remedy that would be available to the English court or Scottish court (as the case may be) from the arbitral tribunal in accordance with the Arbitration Act 1996 and the Arbitration (Scotland) Act 2010;
 - (c) seeking interim relief from the English court or Scottish court (as the case may be) under the Arbitration Act 1996 and the Arbitration (Scotland) Act 2010, or from any other court with competent jurisdiction; or
 - (d) seeking to enforce any arbitral award in the English court or Scottish court (as the case may be) or any court of competent jurisdiction.
- 17.6.5 without prejudice to any other mode of service allowed under any relevant law, where a Provider is not incorporated in any part of Great Britain, the Provider 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 and identify to the Company, an agent for the service of process in Great Britain to accept service of process on its behalf in any proceedings commenced in support of, or in relation to arbitration, in the courts of England and Wales or Scotland (as the case may be).

Expert determination

- 17.7 Where any dispute is referred in accordance with paragraph 17.3.2 to an Expert for determination, the following provisions shall apply:
- 17.7.1 the Expert shall act as an expert and not as an arbitrator and shall decide those matters referred to them using their skill, experience and knowledge, and with regard to all such other matters as they in their sole discretion consider appropriate;
 - 17.7.2 if the Parties cannot agree upon the selection of an Expert, the Expert shall be determined by (i) the President for the time being of the Law Society of England and Wales, if the Company is incorporated in England and Wales or (ii) the President for the time being of the Law Society of Scotland, if the Company is incorporated in Scotland;
 - 17.7.3 all references to the Expert shall be made in writing by either Party with notice to the other being given contemporaneously, and the Parties shall promptly supply the Expert with such documents and information as they may request when considering any referral;
 - 17.7.4 the Expert shall be requested to use their best endeavours to give their decision upon the question before them as soon as possible in writing following its referral to them, their decision shall, in the absence of fraud or manifest error, be final and binding upon the Parties;

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- 17.7.5 if the Expert wishes to obtain independent professional and/or technical advice in connection with the question before them:
- (a) the Expert shall first provide the Parties with details of the name, organisation and estimated fees of the professional or technical adviser; and
 - (b) the Expert may engage such advisor with the consent of the Parties (which consent shall not be unreasonably withheld or delayed) for the purposes of obtaining such professional and/or technical advice as they may reasonably require;
- 17.7.6 the Expert shall not be held liable for any act or omission, and their written decision will be given without any liability on the Expert's part to either Party, unless it shall be shown that they acted fraudulently or in bad faith;
- 17.7.7 save to the extent otherwise expressly provided herein pending the determination by the Expert, any subsisting Agreement shall continue to the extent possible for the Parties to perform their obligations; and
- 17.7.8 the Expert shall at their discretion be entitled to order that the costs of the reference of a dispute to them shall be paid by the Parties in whatever proportions they think fit.

18. Severance

- 18.1 If any provision of the Agreement becomes or is declared invalid, unenforceable or illegal by a judicial or other competent authority, such invalidity, unenforceability or illegality shall not prejudice or affect the remaining provisions of the Agreement, which shall continue in full force and effect notwithstanding such invalidity, unenforceability or illegality.
- 18.2 The Company and the Provider each acknowledge that it has entered into the Agreement on an arm's length basis and that it has taken independent legal advice in so doing.

19. Third Party Rights

- 19.1 For the purposes of the Contracts (Rights of Third Parties) Act 1999 or where appropriate the Contracts (Third Party Rights) (Scotland) Act 2017, the Agreement is not intended to, and does not, give any person who is not a Party to it any right to enforce any of its provisions.

20. No Agency or Partnership

- 20.1 Nothing in the Agreement shall be deemed to constitute a partnership or joint venture or contract of employment between the Parties nor constitute either Party the agent of the other.
- 20.2 Neither Party shall act or describe itself as the agent of the other, nor shall it make or represent that it has authority to make any commitments on the other's behalf, including but not limited to the making of any representations or warranty and the exercise of any right or power.

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21. Waiver

- 21.1 No failure or delay by any Party to exercise any right, power or remedy under the Agreement will operate as a waiver of it nor will any partial exercise preclude any further exercise of the same, or of some other right, power or remedy.

22. Entire Agreement

- 22.1 The Agreement and the Associated Documents referred to in it together constitute the entire agreement and understanding of the Parties relating to the matters contemplated by the Agreement and those documents, and supersede any previous drafts, agreements, understandings or arrangements between any of the Parties relating to the subject matter of the Agreement and those documents, which shall cease to have any further effect.

23. Counterparts

- 23.1 Where executed in counterparts:
- 23.1.1 the Agreement shall not take effect until all of the counterparts have been delivered; and
 - 23.1.2 delivery will take place when the date of delivery is agreed between the Parties after execution of the Agreement as evidenced by the date at the top of the Agreement.
- 23.2 Where not executed in counterparts, the Agreement shall take effect after its execution upon the date agreed between the Parties as evidenced by the date at the top of the Agreement.

24. Governing Law and Jurisdiction

- 24.1 The validity, construction and performance of the Agreement and any claim, dispute or matter (whether contractual or non-contractual) arising under or in connection with the Agreement or its enforceability shall be governed by and construed: (i) in accordance with English law if the Company is incorporated in England and Wales; and (ii) in accordance with Scots law if the Company is incorporated in Scotland.

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Signed by the duly authorised representatives of the Parties as an agreement on the date first written above

Signed

)

)

)

for and on behalf of

Electricity North West Limited

)

.....
Director/Duly Authorised Signatory

Signed

)

)

)

for and on behalf of:

[PROVIDER]

)

.....
Director/Duly Authorised Signatory

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Contract reference number:

Flexibility Services Service Terms – Company Active Services

April 2024

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Contract reference number:

1. Introduction

These Service Terms relate to the Company’s procurement of Flexibility Services on its electricity distribution network.

2. Changes to Service Terms

All UK DNOs work collectively through the ENAs Open Networks Project to develop a standardised Common Contract for the procurement of Flexibility Services. Any suggestions/feedback regarding the General Terms and its Associated Documents can be directed to the ENA who will ensure it is incorporated into the ongoing Contract development; opennetworks@energynetworks.org.

3. Service Terms Glossary

These additional terms placed within the Service Terms are applicable to all Associated Documents and shall supersede terms within the General Terms and Conditions and Glossary. The following expressions shall have the meaning set out below:

Accepted Availability Window	Where services have been contracted to include variable availability, the accepted availability window is the period required for service provision to be made available following the agreement between the Company and Provider during the Availability Refinement Period. If a service does not have an Availability Refinement Period, then this Accepted Availability Window is defined within the contract.
“Accepted MW/MVAR”	the MW/MVAR accepted in accordance with this Annex;
“Accepted End Time”	the date and time (to the nearest minute) as notified in accordance with the Service Terms at which the Accepted MW/MVAR is no longer required to be delivered;
“Accepted Start Time”	the date and time (to the nearest minute) as notified in accordance with the Service Terms at which the Accepted MW/MVAR shall be delivered;
“Active Power”	the product of voltage and the in-phase component of alternating current measured in units of Watts and standard multiples thereof i.e. 1000 Watts = 1kW, 1000 kW = 1MW, 1000 MW = 1GW, 1000 GW = 1TW;

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“Agreed Availability Capacity”	The volume of capacity required to be made available for service provision following the agreement between the Company and Provider during the availability refinement period, where applicable.
“Agreed Availability Hours”	The number of hours required for service provision to be made available following agreement between the Company and Provider during the availability refinement period.
“Availability Derating Factor”	A factor applied to availability payments if the provider is not available for delivery of services following availability refinement.
“Availability Payments”	means the payments made by the company in respect to the Accepted Availability Windows.
“Asset Point Metering”	Asset Point Metering means the metering measured directly from the DER and is downstream of the Boundary Point Metering.
“Availability Fee”	the fee payable in consideration for the Provider making the DER Available and calculated in accordance with the provisions of the Service Terms;
“Availability Refinement Period”	This is a period defined within product parameters where a refinement of the availability window and capacity is agreed.
“Availability Status”	Available or Unavailable;
“Boundary Point Metering”	Boundary Point Metering means the metering measured at the point of supply from the DNO network.
“Demand”	the demand (in MW) of Active Power consumed by Plant and/or Apparatus;
“Demand Response Active Power Code”	as defined in the Grid Code;
“Demand Response Provider”	as defined in the Grid Code;
“Discretionary Flexibility Services”	additional Flexibility Services requested by the Company outside of or in addition to the Service Requirements detailed within the Service Terms;

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“Discretionary Service Periods”	in respect of a DER, periods during the Term that are not Service Periods;
“Discretionary Utilisation Fee”	the fee for providing Discretionary Flexibility Services as specified in the Service Terms;
“Discretionary Utilisation Request”	a request for Flexibility Services from the Company in respect of a DER during a Discretionary Service Period;
“Generation”	the electrical output (in MW) of a Unit;
“Grace Factor”	A tolerance which is applied to the MW delivered, if the delivered % is within this tolerance then full payment is made for the minute in question.
“Monthly Utilisation Performance Factor”	The availability payment is impacted by how the provider performs if there are utilisation events in the month. The Monthly Utilisation Performance Factor is this result of this calculation.
“Output”	Active Power output (in MW) achieved by Plant and/or Apparatus;
“Performance Report”	means a report in relation to the Flexibility Services provided by a DER, or groups of DER responding to Utilisation Instructions and Discretionary Utilisation Requests in accordance with the Service Terms;
“Power Requirement”	means the level of power injection or demand reduction required by the Company within a specified Service Window (if applicable) and delivered by the Provider following a Utilisation Instruction;
“Recovery Time”	the minimum time required between the end of a Flexibility Service delivery window and the commencement of the next Flexibility Service delivery window, as defined in the Service Terms;
“Requested End Time”	the date and time (to the nearest minute) as notified in accordance with [this Annex] at which the Requested MW is no longer required to be delivered;
“Requested MW”	the MW requested by the Company in accordance with the Service Terms;

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“Requested Start Time”	the date and time (to the nearest minute) as notified in accordance with the Service Terms at which the Requested MW shall be delivered;
“Service Meter”	the measuring equipment, as defined by the Company in the Service Terms, that shall be used to determine delivery of the Flexibility Services;
“Service Meter Data”	the meter data recorded at the Service Meter at the Site(s) listed in the Service Terms;
“Service Period”	the period as specified in the Service Terms;
“Stop Instruction”	an instruction from the Company to the Provider, instructing the Provider to cease delivery of the Flexibility Services, as more particularly described in the Service Terms;
“Utilisation Payments”	means the payments made by the Company in respect to the capacity or energy delivered over a specified period of time, in response to a Utilisation Instruction.
“Utilisation Fee”	the amount payable by the Company to the Provider for the utilisation of any Flexibility Service, as defined in the Service Terms; and
“Zone”	the feeding area of the DERs being managed or where the Flexibility Services will be provided and to which the Flexibility Services will be delivered.

4. Service Details

4.1 Service Parameters

Criteria	Contracted Service detail
Type of Service (Operational Utilisation, Variable Availability Operational Utilisation, Peak Reduction)	[Updated Post bid acceptance]
Zone	[Updated Post bid acceptance]
Flexible Unit ID	[Updated Post bid acceptance]

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Agreement Start Date	[Updated Post bid acceptance]
Agreement End Date	[Updated Post bid acceptance]
Contracted Service Capacity (MW/MVAR)	[Updated Post bid acceptance]
Contracted Service Windows (if specified)	[Updated Post bid acceptance]
Contracted Response Time (if specified)	[Updated Post bid acceptance]
Service Recovery Time (if specified)	[Updated Post bid acceptance]
Service Minimum run-time (if specified)	[Updated Post bid acceptance]
Maximum Utilisations (per Service Window)	[Updated Post bid acceptance]

4.2 Service Windows

Service Period	<i>Delivery Season</i>	<i>[Updated Post bid acceptance]</i>
	<i>Service Window 1 From</i>	<i>[Updated Post bid acceptance]</i>
	<i>Service Window 1 To</i>	<i>[Updated Post bid acceptance]</i>
	<i>Service Window 2 From</i>	<i>[Updated Post bid acceptance]</i>
	<i>Service Window 2 To</i>	<i>[Updated Post bid acceptance]</i>

4.3 Service Requirements

1.	The flexible facilities making up the DER shall be connected and capable of exporting to or importing from the area of the Network asset(s) subject to the limitation (represented by the zone) during intact and under first circuit outage of that network asset(s).
2.	Exporting generators and storage assets, greater than 16A per phase shall have a long-term parallel connection compliant with the requirements of EREC G59 or G99. Flexible or timed connections are permissible, subject to the conditions of the connection. Those less than 16A per phase shall be compliant with the requirements of EREC G83 or G98.

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3.	The DER shall be able to deliver on instruction a reduction or increase in import or export, from or onto the Network.
4.	The flexible MW is the volume of additional consumption or generation that can be adjusted flexibly relative to a defined baseline level. It shall be from one or more facilities making up the DER, can be delivered reliably and in full, is fixed for the duration of the service period, and must be within the conditions of each Facility's Connection Agreement.
5.	The DER shall have a single set of capability parameters, and shall be a single point of communication and control.
6.	The DER can run for other purposes during the Service Window, subject to it maintaining its ability to meet any service requirements as stipulated in this Agreement. It is the responsibility of the Provider to ensure that they can deliver the contracted Flexibility Services on instruction.

4.4 Service Specific Acknowledgements

The Provider hereby acknowledges that: (a) the provision of Demand Response pursuant to this Agreement and the participation in Flexibility Services programme is entirely voluntary and (b) Contract Award does not guarantee that any Flexibility Services will be required by the Company or commit the Company to requiring any, or any particular level of, such Flexibility Services.

4.5 Variation to Service Windows

The Company will not instruct any variation to an Accepted Availability Window once a Utilisation Instruction for the same has been issued.

5. Invoicing & Charges

5.1 All invoices should reference the statement number and be sent to the Nominated Person as identified in Part 1 of this Agreement.

5.2 Charges

Utilisation Fee	Availability Fee (including discounts for failure to respond)	Values/prices	Discretionary Utilisation Fee
<i>[Updated Post bid acceptance]</i>	<i>[Updated Post bid acceptance]</i>	<i>[Updated Post bid acceptance]</i>	N/A

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5.3 Calculation of Charges

There are two types of Flexibility Services payments: Utilisation Payments and Availability Payments. The application of the payment type depends on the Flexibility Service product being delivered.

5.3.1 Utilisation Payments

Utilisation Payments are made when a Utilisation Instruction is issued by the Company.

Utilisation Payments can be in terms of:

- For every metered time period, energy (MWh) delivered supplied by the Provider and multiplied by the Utilisation Fee (£/MWh); or,
- The capacity (MW) delivered multiplied by the Utilisation Fee (£/MWh) over a period-of-time.

Where the Provider has not fully met the Utilisation Instruction, an additional performance calculation is applied to the Utilisation Payments. The Monthly Utilisation Performance Factor determines how much under delivery is eligible for payment.

5.3.2 Availability Payments

Where availability is applicable to a flexibility service, payments are paid for every Accepted Availability Window in respect of the contract DER groups. Availability Payments are subject to a Monthly Utilisation Performance Factor.

Availability is determined by:

- For every metered time period, the Agreed Availability Capacity (MW) multiplied by the Availability Fee.
- Where a Service Provider declares unavailability, or was not available at time of delivery, then no Availability Payment will be made for that metered time period.

Availability Performance is calculated monthly and availability payments are recovered should the delivered capacity be lower than the agreed delivery capacity. A performance factor is applied to the Availability Payment and consider the Flexibility Service Providers Monthly Utilisation Performance Factor.

Calculation formula	Baseline for measuring delivery	Timing of payments
Availability Payments = Agreed Availability Hours x Agreed Availability Capacity x Monthly Utilisation Performance Factor x Agreed Availability Fee	[Updated Post bid acceptance]	Payments will be calculated within 30 days post submission of

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<p>Utilisation Payment = Delivered Utilisation Hours x Delivered Capacity (including Grade factors) x Penalisation Multiplier x Utilisation Fee</p>		<p>metering data by the Provider</p>
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The Monthly Utilisation Performance Factor will be calculated based upon the service delivery when dispatched for utilisation. Under delivery of service will result in the availability payments for that service being proportionally reduced in line with section 5.5 Reduction in Charges.

5.4 Payment Terms

- 5.4.1 The Provider will supply to the Company an invoice, or where applicable, a confirmation of acceptance against an invoice issued by the Company for the Charges within thirty (30) Business Days of the end of the month to which such invoice refers.
- 5.4.2 In the event that the Company requires the Provider to perform any Discretionary Flexibility Services, the Provider shall issue invoices on a monthly basis for any such services completed in the preceding month.
- 5.4.3 The Company shall pay the Charges within thirty (30) Days of receipt of the relevant invoice (the “Due Date for Payment”).

5.5 Reduction of charges

Response provided as % of contracted service	Payment	Actions
>100%	No additional payment made for services greater than requested	None
95% - 100%	Payment in full. These includes a 5% grace factor	None
64% - 95%	A 3% Penalisation Multiplier is applied to payments	Service delivery under 90% will be monitored. Greater than three utilisations delivered at <90% will be constituted as service failure.
<64%	Service failure. No payment made.	Potential contract termination

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5.6 Sites & DER

[DER Name]	Type (Solar, Hydro, Battery Storage, DSR, etc)	<i>[Updated Post bid acceptance]</i>
	Location (address)	<i>[Updated Post bid acceptance]</i>
	MPAN	<i>[Updated Post bid acceptance]</i>
	Contact details for Site (Name, number, email address)	<i>[Updated Post bid acceptance]</i>
	Capacity (MW/MWh)	<i>[Updated Post bid acceptance]</i>
	Planned maintenance periods	<i>[Updated Post bid acceptance]</i>
	Notice period required for access	<i>[Updated Post bid acceptance]</i>

6. Communications

6.1 Senior Representatives

Escalations process

Escalation Level	Company Representative	Service Provider Representative
1	<i>Relevant Company Authorised Person</i>	<i>[Updated Post bid acceptance]</i>
2	<i>Relevant Company Manager/Commercial Manager</i>	<i>[Updated Post bid acceptance]</i>

6.2 Process and systems for communications

Utilisation Instructions	Stop Instructions	Unavailability notices	Discretionary Utilisation Request
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<p>The Utilisation Instruction issued by email or API (subject agreement with the Company) will specify for a DER:</p> <ul style="list-style-type: none"> the Zone to which the Utilisation Instruction relates; the Requested Start Time; the Requested MW. 	<p>Instructions will be issued via email or API (subject agreement with the Company)</p>	<p>Notice for unavailability should be issued to: flexible.contracts@enwl.co.uk And to the ENWL Flexible services dispatch platform</p>	<p>N/A</p>
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6.3 Acceptance of instructions

6.3.1 The Provider should accept the instruction by responding (by any method as approved by the Company) to the Utilisation Instruction instantaneously from the time of the request.

6.4 Reporting processes and requirements

6.4.1 Unavailability Notification / Remedy Notification

In accordance with paragraph 6.2, this is a notification of Unavailability of Flexibility Services.

<i>Company Name:</i>	
<i>Zone ID:</i>	
<i>Flexible Unit:</i>	
<i>From Date/Time:</i>	<i>[Unavailable from]</i>
<i>To Date/Time:</i>	<i>[Unavailable to]</i>
<i>Reason:</i>	
<i>Name:</i>	<i>[of individual making notification]</i>
<i>Date:</i>	<i>[of notification]</i>

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7. Performance Monitoring

7.1 Metering Standards

For Asset Point Metering, the Provider will ensure compliance with the following metering standards set out within the most recent published relevant Balancing and Settlement Code of Practice Eleven: code of practice for the metering of balancing services assets for settlement purposes:

- the metering 'accuracy requirements'
- 'the asset meter calibration test certification'
- 'the limits of error'
- The 'sealing' requirements

For Boundary Point Metering, the Provider should be compliant with Balancing and Settlement Codes of Practice 1, 2, 3, 4, 5 and 10 as applicable.

If requested by the Company, the Provider shall provide evidence of compliance with the above standards. This may be in the form of certification, photo, or written confirmation.

Minute-by-minute and half hourly data, will be accepted for settlement purposes. Certain products rely on minute-by-minute metering granularity for accurate performance monitoring and settlement. Where an alternative to minute-by-minute granularity is provided the data may be disaggregated. As such, this could result in performance monitoring and calculation inaccuracies.

7.2 Submission of Performance Report

A performance report will be generated by the Company within 30 days of receipt of the metering data from the provider.

7.3 Testing and monitoring

The testing of the dispatch signalling must be completed at least one month prior to the initial start date for the provision of services under this contract. The Company also reserve the right to request additional Proving Tests (test of ability to deliver a response) at its discretion. Proving tests will be limited to once every 6 months, provided that the test result is in line with Company expectations.

Utilisation payments will apply for proving tests as requested by the Company.

Should the Company identify a failure affecting the communications at any time during the contract the Company shall notify the Providers nominated person as soon as practical in order to resolve the failure and if necessary, retrieve any missing data.

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Should the Provider identify a failure affecting the communications at any time during the contract the Provider shall notify the Companies nominated person as soon as practical in order to resolve the failure and if necessary, provide any missing data.

Following a communications failure, the company may request the Provider complete further testing.

7.4 Service Meter

Measuring equipment	Service Meter Data	Standards
<i>[Note: Provider to provide details of the measuring equipment]</i>	<i>[Note: Provider to define Service Meter Data]</i>	<i>[Note: Provider to provide information as appropriate]</i>

7.5 Service Failure

Response provided as % of contracted service	Payment	Actions
>100%	No additional payment made for services greater than requested	None
95% - 100%	Payment in full. These includes a 5% grace factor	None
64% - 95%	A 3% Penalisation Multiplier is applied to payments	Service delivery under 90% will be monitored. Greater than three utilisations delivered at <90% will be constituted as service failure.
<64%	Service failure. No payment made.	Potential contract termination

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7.6 Monitoring of DER development projects

Details of development milestone	Expected date of delivery	Comments
<i>[Note: Provide information as appropriate]</i>	<i>[Note: Provide information as appropriate]</i>	<i>[Note: Provide information as appropriate]</i>

8. Details of Flexibility Provider and Special Conditions

Provider	Provider's company number and registered office
[•]	[•]
Requested MW	[•]
Contract number	[to be completed by the Company post award]
Provider's addresses for notices	[•] Address: [•] Contact Number: [•] For the attention of: [•]
Company's addresses for notices	[•] Address: [•] Contact Number: [•] For the attention of: [•]
Provider's Nominated Person	[•]
Company's Nominated Person	

9. Commencement and Expiry Dates

Commencement Date	The Agreement shall commence on the date on which the Agreement is made.
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Expiry Date	[•] or the date on which the Agreement may be terminated in accordance with paragraph 7 of the General Terms and Conditions.
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Annexes to Flexibility Services Service Terms – Company Active Services

April 2024

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Definitions

The additional terms placed within the Service Terms shall also apply to these associated Annexes.

Annex 1 – Flexibility Management Systems/Technical Requirements

A1.1 Company Flexibility Management System Details

Electricity North West operates its flexibility requirements via email or API transfer. Via the data transfer flexibility providers are able to declare if their Distributed Energy Resource (DER) is Available or Unavailable and submit associated meter readings. The Company will use the data transfer system to accept declarations and instruct utilisation events.

A1.2 Dispatch Principles

The Provider acknowledges that, in the event that Demand Response declarations from multiple contractors (including the Provider) for the Flexibility Services within a Zone exceed the Company's overall peak Demand Response MW requirements for such Flexibility Service and Zone, then whilst the Company will, use its reasonable endeavours to issue instructions for despatch in accordance with the 'Acceptance & Dispatch Principles', there is no guarantee that the Provider will be Utilised during a constraint event.

A1.3 Availability Refinement

Availability declarations will be scheduled via the Company's nominated flexible services platform.

For Operational Utilisation Services it will be assumed that unless otherwise notified that the service will always be available for the full Contracted Capacity during the Contracted Performance Window.

For Variable Availability Operational Utilisation services, availability refinement will be made ahead of the subsequent weeks Contracted Performance Window in line with the defined timescales detailed within A1.14: Product Parameters. At this stage the company may alter the required maximum capacity (MW), and period (days & hours). Providers will be paid availability payments based upon the required availability which is required following any such alterations to capacity and periods.

Any variations to the agreed requirements will not exceed the contracted Capacity or Contracted Performance window levels, unless a subsequent written agreement has been made between the company and the Provider.

For Pre-Scheduled Services, utilisation will be agreed at the Contract award stage of the tender.

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A1.4 Product Parameters

	Parameter Name	Operational Utilisation	Operational Utilisation & Variable Availability	Peak Reduction
Structure	Payment Structure	Utilisation Only	Availability and Utilisation	Utilisation Only
	When prices are set (procurement timescales)	At trade	At trade	At trade
Availability	Availability Request Mechanism	N/A	Request initiated by DNO,	N/A
	Availability Acceptance timing	N/A	At trade	N/A
	Availability Refinement timing	N/A	Week Ahead	N/A
	Availability Changes Allowed	N/A	No	N/A
	Minimum Aggregate Unit Size	10kW	10kW	10kW
	Partial Availability Acceptance Possible	N/A	Yes	N/A
	Time Variable Availability Volumes Allowed	N/A	Yes	N/A
	Availability Payment Unit	N/A	£/MW/H	N/A
	Availability Period	N/A	Settlement Periods	N/A
Utilisation	Utilisation Payment Unit	£/MWh	£/MWh	£/MWh
	Utilisation Period	Minutes	Minutes	Settlement Periods

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	Parameter Name	Operational Utilisation	Operational Utilisation & Variable Availability	Peak Reduction
	Delivery Expectation	Continuous	Continuous	Peak Delivery
	Maximum Response Time	15 mins*	15 mins*	N/A
	Payments during response time?	No	No	No
	Minimum Utilisation Time	30 mins	30 mins	30 mins
	Minimum Utilisation Volume	N/A	N/A	N/A
	Utilisation Instruction Timings	Real Time	Real Time	At trade
	Partial Utilisation Instruction possible	Yes	Yes	Yes
	Time Variable Utilisation Volumes Allowed	Yes	Yes	Yes

Forms & Templates to Flexibility Services Service Terms – Company Active Services

October 2023

1. Introduction

Where a Company adopts Forms and Templates as part of its process to contract for Active Services these shall be detailed here.

2. Unavailability/Remedy Template

<i>Company Name:</i>	
<i>Zone ID:</i>	
<i>Flexible Unit:</i>	
<i>From Date/Time:</i>	<i>[Unavailable from]</i>
<i>To Date/Time:</i>	<i>[Unavailable to]</i>
<i>Reason:</i>	
<i>Name:</i>	<i>[of individual making notification]</i>
<i>Date:</i>	<i>[of notification]</i>