

Summary of the DER Framework Agreement (v9)

Power Potential

This document is intended as an informal introduction to the DER Framework Agreement with UK Power Networks – it does not supersede the Agreement or act as legal advice for the Providers. Participants in the trial (Providers) will also need to sign a variation to their connection agreement with UK Power Networks, enabling the Provider to offer the service for the duration of the trial.

- The Provider agrees to make available the DER Unit for the provision of Reactive Power Response, and to deliver Reactive Power Response and (if desired by the Provider) Active Power Response, for the purpose of the trial in accordance with the Agreement.
- The Agreement incorporates the DER Technical Requirements.
- This agreement is conditional on the following conditions being satisfied in full or waived by UK Power Networks:
 - DER Unit is in compliance with the DER Technical Requirements document by successfully completing all DER commissioning tests to the satisfaction of UK Power Networks.
 - Outcome of the DER commissioning tests is consistent with schedule 3 (*Service Parameters*) to the satisfaction of UK Power Networks.
 - Agreement between the parties of Mandatory Trial Windows; and
 - UK Power Networks and National Grid Electricity System Operator (NGESO) publish the final Market Calendar, specifying the actual trial commencement date.
- The Provider shall be notified as soon as reasonably practicable if it is decided by UK Power Networks and NGESO that the trial will not proceed. If so, UK Power Networks shall reimburse the Provider's reasonable third party costs and expenses incurred in connection with the DER Commissioning Tests, up to a maximum aggregate amount of £45,000. (The project has agreed discretion to pay these costs even if commissioning not completed).
- The Provider shall, throughout the trial period, operate, maintain and repair the DER Unit with a view to making the Power Potential services available from the DER Unit in accordance with the Service Parameters.
- The Provider will prioritise the Active Power Response specified in the Active Power Instruction, and then deliver Reactive Power Response to the extent possible at the resulting active power operating level.
- NGESO will publish an updated Market Trial Calendar, 30 days before the end of Wave 2, confirming whether Wave 3 is to proceed and, if so, the commencement date for Wave 3.
- The Provider shall as soon as reasonably practicable notify UK Power Networks of any Settlement Periods within a service window for which the DER Unit will be unavailable for the Power Potential service via the DERMS Web Interface, and take all reasonable steps to re-establish the capability of the DER Unit as soon as possible.

Mandatory Technical Trial

- The DER Unit must complete the Reactive Power Service elements of the Mandatory Technical Trial before it can participate in the Optional Technical Trial and offer Reactive Power Response in a Power Potential tender. A DER Unit must complete the Active Power Service elements of the Mandatory Technical Trial before the Provider can offer Active Power Response in any Power Potential Tender.
- Changes from the intended Mandatory Running Schedule (for the Mandatory Technical Trial) will only be made because of operational restrictions on the SPN Network or National Electricity Transmission System.
- The Provider must ensure that the DER Unit is available and is capable of delivering Reactive Power Response in accordance with the Mandatory Running Schedule.
- The Provider must ensure that the DER Unit is capable of delivering the volumes of Active Power Response specified in the Mandatory Running Schedule.
- Where a DER Unit is instructed to provide Active Power during the Mandatory Technical Trial, the utilisation price will be £150/MWh.

Optional Technical Trial (Reactive Power)

- The Provider shall be entitled in the Wave 1 Optional Technical Trial to Participation Payments by reference to the aggregate number of hours in which the DER Unit was made available in accordance with a Voltage Arming Instruction, excluding any settlement period in which an availability failure occurred.

Power Potential tenders

- In relation to each service window on a trading day in Wave 2 and Wave 3, for which a Power Potential tender has been held, the Provider shall submit bids by not later than 14.00 day ahead. Then UK Power Networks shall notify to the Provider (through the DERMS Web Interface) by not later than 17:00 on the day ahead, whether its offer to make the DER Unit available throughout that service window has been accepted in the Power Potential tender in accordance with the Market Procedures (the 'Production Schedule'). Where any bid from the Provider has been accepted, the Provider shall make the DER Unit available as specified in the Production Schedule.
- In Wave 2 and Wave 3, the Provider is entitled to:
 - an availability payment in respect of each Settlement Period in which the DER Unit was made available in accordance with the Production Schedule, to the extent that an Availability Failure occurred in any Settlement Period;
 - a Utilisation Payment in respect of each Settlement Period in which the DER Unit delivers Reactive Power Response in accordance with a Voltage Arming Instruction and (where applicable) a Voltage Set Point Instruction; and
 - a Utilisation Payment in respect of each Settlement Period in which the DER Unit delivers Active Power Response in accordance with an Active Power Instruction.

Payments

- UK Power Networks shall send Monthly Statements to each Provider, no later than eight business days following the end of each month of the Trial, stating the total monthly payment due from UK Power Networks, together with a breakdown of each part of that calculation.
- If the Provider can provide evidence that complying with an Active Power Instruction or Voltage Set Point Instruction is inconsistent with the Service Parameters, or could have caused a risk of injury to persons or damage to equipment, the failure to comply with the Instruction will not be treated as non-compliance with the instruction or an availability failure by the Provider.

Other clauses

- At any time during the trial period, if there is any actual or planned change in a DER Unit's installed equipment, including those which would lead to a change in the agreed Service Parameters, the Provider must notify UK Power Networks with details in writing. UK Power Networks will determine whether the change would lead to a material

change in the capability of the DER Unit to provide Active Power Response or Reactive Power Response, and shall notify the Provider if it requires the DER Unit to complete a retest in accordance with the DER Commissioning Test Procedure.

- UK Power Networks may suspend the Power Potential service at any time if an outage on the National Electricity Transmission System does not allow the utilisation of Power Potential Service, or if the DERMS are unavailable and UK Power Network is unable to conduct the Power Potential tender.
- The Provider hereby warrants to UK Power Networks in relation to the DER Unit and on a continuing basis that, it will not deliver Active Power Response in such a way as to impair delivery which it is committed to provide from the DER Unit under any other agreement or arrangement with UK Power Networks or the System Operator (other than Regional Development Plan services).
- The Provider will indemnify UK Power Networks, SPN and the System Operator against any losses, liabilities, claims, expenses and demands which SPN, UK Power Networks or the System Operator suffers as a direct result of a wilful breach by the Provider of the provisions of the above clause.
- Nothing in the Framework Agreement is intended to, or shall be deemed to, establish any partnership or joint venture between the Parties, constitute either Party the agent of the other Party, or authorise either Party to make or enter into any commitments for or on behalf of the other Party.