

DATED _____ **2023**

NATIONAL GRID ELECTRICITY SYSTEM OPERATOR LIMITED (1)

and

[_____ **](2)**

**SERVICE AGREEMENT FOR THE PROVISION OF A CONSTRAINT MANAGEMENT INTERTRIP
[FAST DE-LOAD] SERVICE AT [POWER STATION]**

CONTRACT LOG NO:

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This **AGREEMENT** is dated

2023

BETWEEN:

- (1) **NATIONAL GRID ELECTRICITY SYSTEM OPERATOR LIMITED**, a company registered in England (company number 11014226) whose registered office is at 1-3 Strand, London, WC2N 5EH (the “**Company**” which expression shall include its permitted successors and/or assigns); and
- (2) [**COMPANY**], a company registered in [England/Scotland] under company number [NUMBER] whose registered office is at [ADDRESS] (the “**Generator**” which expression shall include its permitted successors and/or assigns),

each a “**Party**” and together the “**Parties**”.

BACKGROUND:

- (A) The **Company** has a requirement for a **Constraint Management Intertrip Service** and/or a **Fast De-load Service** in relation to the EC5 constraint boundary.
- (B) The **Responsible TO** owns, operates and maintains an intertrip scheme to which the **Power Station** is to be connected. The [**Constraint Management Intertrip [Fast De-load] Service**] involves the arming of that intertrip scheme by the **Responsible TO** on the instruction of the **Company** and may [require **Fast De-Loading** or] result in the **Tripping** of the **Generator’s** generating units at the **Power Station**.
- (C) The **Generator** has agreed to provide a [**Constraint Management Intertrip [Fast De-load] Service**] on the terms of this **Agreement** at the [] power station.

IT IS AGREED as follows:

1. **DEFINITIONS AND INTERPRETATION**

- 1.1 In this **Agreement**, including in the recitals hereto, unless the subject matter or context otherwise requires or is inconsistent therewith, or unless expressly defined herein the definitions set out in Schedule 1 shall apply.
- 1.2 In this **Agreement**:
 - 1.2.1 except where the context otherwise requires, references to a particular Clause, Paragraph, Appendix or Schedule shall be a reference to that Clause, Paragraph, Appendix or Schedule in or to this **Agreement**;
 - 1.2.2 the table of contents and headings are inserted for convenience only and shall be ignored in construing this Agreement;
 - 1.2.3 references to the words “include” or “including” are to be construed without limitation;
 - 1.2.4 except where the context otherwise requires, any reference to an Act of Parliament or any Part or Section or other provision of, or Schedule to, an Act of Parliament shall be construed, at the particular time, as including a reference to any modification, extension or re-enactment thereof then in force and to all instruments, orders or regulations then in force and made under or deriving validity from the relevant Act of Parliament;

1.2.5 references to the masculine shall include the feminine and references in the singular shall include references in the plural and vice versa; and

1.2.6 except where the context otherwise requires, any reference to a “person” includes any individual, partnership, firm, company, corporation, joint venture, trust, association, organisation or other entity, in each case whether or not having separate legal personality.

2. COMMENCEMENT AND TERM¹

2.1 This **Agreement** shall come into effect on the **Effective Date** and without prejudice to earlier termination in accordance with Clause 7 (*Termination*), Clause 21 (*Force Majeure*) or Clause 23 (*Anti-Bribery*) shall continue in force and effect until the expiry of the **Service Term**.

2.2 The **Parties** shall, if so requested by the **Company**, meet prior to the expiry of the **Service Term** in order to discuss whether to extend this **Agreement** for a further period.

3. SERVICE OBLIGATIONS

3.1 Availability of Service

3.1.1 The **Generator** agrees to the **Commercial Intertrip Scheme** being **Armed** by the **Responsible TO** on the **Company’s** instruction in respect of its **Contracted Units** at any time and from time to time when **Active Power** is being exported to the **National Electricity Transmission System** from the **Contracted Units** in accordance with and subject to the terms and conditions of this **Agreement**, save where the **Contracted Units** are subject to a **Relevant Contract** or a **Relevant Requirement** (in either such case the **Contracted Units** will be treated as unavailable for the **Service**).

3.2 Instruction to Arm

3.2.1 Where the **Company** has a requirement for **Arming** of the **Commercial Intertrip Scheme** at any time during the **Service Term**, then subject always to Clause 3.2.2, it will instruct the **Responsible TO** to **Arm** the **Commercial Intertrip Scheme** and to notify the **Generator** accordingly (“**Arming Instruction**”) by email to the email address set out in Schedule 2, Part 4 or via **EDL**, specifying:

- (a) the selected **Trip Conditions**;
- (b) the date and time from when the **Commercial Intertrip Scheme** will be **Armed**; and
- (c) the specific **Contracted Units** in respect of which the **Commercial Intertrip Scheme** will be **Armed**.

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

- (a) that **Contracted Unit** is intended by the **Generator** (as shown by the prevailing **Physical Notification**) to be **Desynchronised** for whatever reason thereby rendering the **Commercial Intertrip Scheme** unavailable in respect of such **Contracted Unit**; or

¹ For plant requiring a new connection, the Agreement will be conditional on the connection being completed.

- (b) the **Company** has been notified by the **Generator** in accordance with Clause 3.8 that the **Contracted Unit** is not available to the **Commercial Intertrip Scheme**

3.3 **Arming**

3.3.1 The **Generator** acknowledges that the **Arming** of the **Commercial Intertrip Scheme** in respect of the **Contracted Units** may be instructed when the **Contracted Units** are exporting to the **National Electricity Transmission System**.

3.3.2 [On receipt of a signal from the **Commercial Intertrip Scheme** requiring the **Fast De-Loading** of a **Contracted Unit** that has been **Armed**, the **Generator** shall ensure that the **Contracted Unit** completes **Fast De-Loading** within ten (10) seconds.]

3.3.3 [The **Generator** further acknowledges that, during an **Arming Period**, if it does not complete **Fast De-Loading** of a **Contracted Unit** in accordance with Clause 3.3.2, the relevant **Circuit Breakers** will be opened by the **Commercial Intertrip Scheme** automatically.]

3.4 **Disarming**

3.4.1 The **Company** may instruct the **Responsible TO** to **Disarm** the **Commercial Intertrip Scheme** ("**Disarming Instruction**") and to notify the **Generator** accordingly.

3.4.2 Notwithstanding the above, for the purposes of this **Agreement** the **Commercial Intertrip Scheme** shall be deemed to be **Disarmed** with respect to any **Contracted Unit** where:

- (i) that **Contracted Unit** is **Desynchronised** for whatever reason; or
- (ii) that **Contracted Unit** is tripped otherwise than in accordance with a signal from the **Commercial Intertrip Scheme**,

such **Disarming** to be deemed to be effective from the commencement of the **Settlement Period** in which such **Desynchronisation**, or **Trip** occurred until the **Company** is notified of the restored availability of the **Contracted Unit** for participation in the **Commercial Intertrip Scheme** in accordance with Clause 3.8.2.

3.5 **Tripping**

3.5.1 Following each [**Fast De-Load/Trip**], and with respect to the relevant **Contracted Units** the **Commercial Intertrip Scheme** shall be deemed to be **Disarmed** pursuant to Clause 3.4.2(i) or Clause 3.4.2(ii) as appropriate until the end of the **Balancing Mechanism Window**.

3.5.2 Without prejudice to the **Generator's** obligations under **Grid Code OC7**, upon each incidence of [**Fast De-Loading/Tripping**], the **Generator** shall, as soon as reasonably practicable, notify the **Company** of the cessation of the export of **Active Power** from the **Contracted Units** by facsimile or email.

3.5.3 The **Generator** shall, following a [**Fast De-Load/Trip**] of a **Contracted Unit**:

- (a) Resubmit the **MEL** for that **Contracted Unit** to reflect an **Output** of 0MW until the end of the **Balancing Mechanism Window** and in accordance with BC1 of the **Grid Code**;
 - (b) Maintain the **Output** of that **Contracted Unit** at 0MW until notified by the **Company** that it may **Resynchronise** the **Contracted Unit**;
 - (c) Continue to submit the **Physical Notification** that would have been made had the **[Fast De-Load/Trip]** not occurred and **Bid-Offer Data** that would enable the **Company** to instruct **Output** of the **Contracted Unit** to 0MW, in each case, in accordance with BC1 of the **Grid Code**; and
- 3.5.4 In the event of a **[Fast De-Load/Trip]** not caused by the **Commercial Intertrip Scheme**, the **Generator** shall, for the avoidance of doubt, make such submissions in respect of the relevant **Contracted Unit** as required under BC1 of the **Grid Code**.
- 3.6 **Payments**
- 3.6.1 In consideration of the **Generator** complying with its obligations, and subject to any notification under Clause **Error! Reference source not found.**, the **Company** shall pay to the **Generator** in accordance with Clause 4 (*Payment*) an amount (the “**Arming Payment**”) calculated for each relevant **Contracted Unit** and by reference to: (1) the **Arming Payment Rate**; and (2) the period in respect of which the **Commercial Intertrip Scheme** is **Armed** by the **Company** (the “**Arming Period**”).
- 3.6.2 In respect of each **[Fast De-Load/Trip]** of a **Contracted Unit**, the **Company** shall (subject to Clause 3.6.3) pay to the **Generator** in accordance with Clause 4 (*Payment*) an amount (the “**[Fast De-Loading/Tripping] Payment**”) calculated by reference to the **[Fast De-Loading/Tripping] Payment Rate**.
- 3.6.3 For the avoidance of doubt, the **Parties** agree that no **[Fast De-Loading/Tripping] Payment** shall be made where:
- (a) reduction in **Active Power Output** of a **Contracted Unit** occurred otherwise than in accordance with a signal from the **Commercial Intertrip Scheme** to that **Contracted Unit**; or
 - (b) reduction in **Active Power Output** of a **Contracted Unit** occurred outside of an **Arming Period**; or
 - (c) reduction in **Active Power Output** of a **Contracted Unit** occurred following a withdrawal of availability in accordance with Clause **Error! Reference source not found.** and before the **Company** is first notified of the restored availability of the **Commercial Intertrip Scheme** pursuant to Clause 3.8.2; or
 - (d) reduction in the **Active Power Output** of a **Contracted Unit** occurred pursuant to a **Relevant Requirement**
- 3.6.4 For the purposes of the **ABSVD Methodology Statement** the reduction in **Output of Active Power** following operation of the **Commercial Intertrip Scheme** resulting in disconnection of a **Contracted Unit** shall be determined in accordance with the provisions of Schedule 2, Part 2.
- 3.6.5 If, following the operation of the **Commercial Intertrip Scheme** resulting in disconnection of a **Contracted Unit**, a **Bid Offer Acceptance** has not been issued by the **Company** with

effect from the end of the **Balancing Mechanism Window**, the **Company** shall pay compensation calculated by reference to the bid price and the **PN** prevailing for the **Contracted Unit** at the time of the **[Fast De-Load/Trip]** for the period commencing at the end of the **Balancing Mechanism Window** and ending at the earlier of (i) the effective time of a **Bid Offer Acceptance** issued by the **Company** in respect of the **Contracted Unit** and (ii) the time of resynchronisation of the **Contracted Unit**.

3.6.6 [The **Generator** acknowledges that, if a **Contracted Unit** is Tripped in accordance with Clause 3.3.3 following a failure to **Fast De-Load**, it shall not be entitled to any payment in addition to the **Fast De-Loading Payment**.]

3.7 **Grid Code**

3.7.1 The provision by the **Generator** of the **Service** shall not relieve it of any of its obligations (where applicable) set out in the **Grid Code**.

3.7.2 In addition to the provisions of Clause 3.7.1, if during an **Arming Period** the **Commercial Intertrip Scheme** fails to operate in accordance with the terms of this **Agreement** for whatever reason, the **Company** may instruct the **Generator** to Trip the relevant **Contracted Units** by issuing an **Emergency Instruction** in accordance with the provisions of the **Grid Code** provided that if the **Company** issues a **Bid Offer Acceptance** (or such an instruction is treated as a **Bid Offer Acceptance**), or the **Generator** receives any other payments in accordance with the provisions of the **Grid Code** and/or the **CUSC** and/or the **BSC** in respect of such **Emergency Instruction**, then the **Generator** shall pay to the **Company** the sum of any such payments received less any **[Fast De-Loading/Tripping Payment]** which the **Generator** would have received if the **Commercial Intertrip Scheme** had operated in accordance with the terms of this **Agreement** (or where the **[Fast De-Loading/Tripping] Payment** is greater than the sum of any other such payments received, the **Company** shall pay to the **Generator** the difference). Such payments shall be made in accordance with Clause 4 (*Payment*).

3.8 **Unavailability of the Service**

3.8.1 If a **Contracted Unit** becomes unavailable for participation in the **Commercial Intertrip Scheme** for reasons relating to safety of the plant and/or personnel and/or technical reasons related to that **Contracted Unit** or by reason of the **Contracted Unit** having become the subject of a **Relevant Contract** or being subject to a **Relevant Requirement**, the **Generator** shall as soon as reasonably practicable notify the **Company** by facsimile or email in the form set out in Schedule 2: Part 4. Such notification shall include a brief explanation thereof, the time of commencement of unavailability and the expected duration thereof.

3.8.2 The **Generator** shall as soon as reasonably practicable notify the **Company** by facsimile or email in the form set out in Schedule 2, Part 4 of the restored availability of the **Contracted Units** for participation in the **Commercial Intertrip Scheme** following resolution of the issues notified under Clause 3.8.1. Such notification shall specify the time of restoration of the availability of the **Contracted Units** for participation in the **Commercial Intertrip Scheme** and shall specify the steps taken to resolve such problems.

3.9 **Damage to Plant and Apparatus**

Each **Party** shall bear the risk of, and the other **Party** shall have no liability to that **Party** in respect of, loss or damage to that **Party's Plant or Apparatus** caused directly or indirectly by the occurrence (or failure to occur) of a **[Fast De-Load/Trip]** with respect to the

Contracted Units in the manner contemplated by this **Agreement** (whether **[Fast De-Loading/Tripping]** or failure to **[Fast De-Load/Trip]** is caused by the other **Party's** default or the malfunction of its **Plant** and **Apparatus** or otherwise).

3.10 **Allowed Interruption**

Any **[Fast De-Loading/Tripping]** of any **Contracted Units** pursuant to this **Agreement** shall constitute an **Allowed Interruption** for the purposes of Paragraph 5.10 of Section 5 of the **CUSC** and therefore no **Interruption Payment** shall become due or payable.

3.11 **Revisions to Trip Conditions**

The **Company** is entitled to:

- (a) amend the description of the circuits listed in Schedule 2, Part 1 to reflect any changes to the **National Electricity Transmission System**; and
- (b) add further circuits to the list of **Trip Conditions**.

The **Company** shall provide the **Generator** with at least seven (7) days prior written notice of such changes, including the date from which such changes are to take effect.

3.12 **Revisions to Arming Payment Rate**

3.12.1 Subject to clause 3.12.3, the **Generator** may, in respect of a calendar month or such other reference period as the **Company** may notify to the **Generator** in accordance with Clause 3.12.2, revise the **Arming Payment Rate** to a level not exceeding the **Arming Payment Rate** specified in its **Tender Submission**, by notice in writing to the **Company** given not earlier than the second **Business Day** in the preceding calendar month and not later than the eighth **Business Day** in the preceding calendar month. The **Company** shall acknowledge such notice in writing as soon as reasonably practicable following receipt.

3.12.2 The **Company** may from time to time and by not less than ten (10) **Business Days** notice in writing to the **Generator**, change the reference period and the notice periods specified in Clause 3.12.1 as it in its absolute discretion sees fit.

3.12.3 Clause 3.12.1 shall apply from such date as is notified by the **Company** (in its absolute discretion) to the **Generator**.

4. **PAYMENT**

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

4.1.1 its calculation of the **Arming Payment** and any **[Fast De-Loading/Tripping] Payment** due to the **Generator** in respect of the previous calendar month;

4.1.2 if relevant, its calculation of the compensation payable in accordance with Clause 3.6.5; and

4.1.3 if relevant, adjustments to be made (net of interest) in relation to disputes concerning **Arming Payments** or **[Fast De-Loading/Tripping] Payments** in respect of any month prior to the previous calendar month.

- 4.2 If the **Generator** disagrees with any dates times facts or calculations set out in the **Monthly Statement**, it may notify the **Company** in writing, with the evidence on which it relies in support of such disagreement, no later than the date falling ten (10) **Business Days** after receipt thereof, but in the absence of any such notification by such date, the **Monthly Statement** shall be final and binding on the **Parties** subject only to Clause 4.3. The **Parties** shall discuss and endeavour to resolve the matter in good faith and any adjustments agreed shall be included in the **Monthly Statement** next following the date of resolution of the dispute. The dates, times, facts and calculations set out in the **Monthly Statement** shall be binding upon the **Parties** until such time as they are reversed or revised by agreement between the **Parties** or otherwise determined pursuant to Clause 15 (*Dispute Resolution*).
- 4.3 Where, having regard to any **Settlement Run** or to the results of any other monitoring by the **Company** of service delivery, the **Company** or the **Generator** discovers that some or all of any calculations and/or amounts falling due shown in any **Monthly Statement** are incorrect, then it shall promptly notify the other in writing whereupon the **Company** shall, subject to verification by the **Company** revise the **Monthly Statement** and re-issue the same to the **Generator**, and the provisions of Clause 4.2 shall apply mutatis mutandis to such revised **Monthly Statement**.
- 4.4 In the absence of fraud, neither the **Company** nor the **Generator** may invoke the provisions of Clause 4.3 with respect to the contents of any **Monthly Statement** after the period of twelve (12) months has elapsed following submission of that **Monthly Statement** in which the calculations and/or amounts in question were first stated, after which date such calculations and/or amounts shown in the last **Monthly Statement** issued by the **Company** shall be final and conclusive.
- 4.5 No later than the eighteenth (18th) **Business Day** of each month, the **Company** will issue a self-billing invoice (or credit note) reflecting the **Monthly Statement** issued pursuant to Clause 4.2, and no later than five (5) **Business Days** after such date of issue the **Company** shall pay to the **Generator** (or the **Generator** shall pay to the **Company**, as the case may be) the net amount shown as due from the **Company** to the **Generator** (or from the **Generator** to the **Company**, as the case may be) in that **Monthly Statement**.
- 4.6 If either **Party** (the "**Defaulting Party**") fails to pay any amount properly due under this **Agreement** on the due date, then the **Defaulting Party** shall pay to the other **Party** interest on such overdue amount at the **Base Rate** plus three per cent (3%) from the date on which such payment was properly due to (but excluding) the date of actual payment. Any interest shall accrue from day to day.
- 4.7 If it is agreed or otherwise determined under Clause 4.2 that the **Generator** was entitled to a further payment from the **Company**, the **Generator** shall be entitled to interest at the **Base Rate** on the amount of such further payment from the date on which that sum would have been payable had it been included in the **Monthly Statement** for each **Relevant Settlement Period** until the date of payment.
- 4.8 If it is agreed or otherwise determined under Clause 4.2 that the **Generator** was not entitled to any payment it has received, the **Company** shall be entitled to interest at the **Base Rate** on the amount so paid from the date of payment until the date of repayment or the date when the **Company** makes a payment to the **Generator** which takes such payment into account.
- 4.9 Notwithstanding any other provision of this **Agreement**, the **Parties** shall not be limited in any way as to the evidence they may rely upon in any proceedings arising out of or in connection with payment for the **Service** under this **Agreement** and the **Parties** agree that

in the event and to the extent that either **Party** succeeds in proving in any such proceedings that the **Service** was or was not provided, the successful **Party** shall be entitled to repayment of the sums already paid or payment of sums not paid as the case may be in respect of the **Service**.

- 4.10 Save as otherwise expressly provided in this **Agreement**, sums payable by one **Party** to the other pursuant to this **Agreement** whether by way of charges, interest or otherwise shall (except to the extent otherwise required by law) be paid in full, free and clear of and without deduction, set-off or deferment in respect of any disputes or claims whatsoever save for sums the subject of a final award or judgement (after exhaustion of all appeals if this opportunity is taken) or which by agreement between the **Company** and the **Generator** may be so deducted or set off.
- 4.11 All amounts specified hereunder shall be exclusive of any Value Added Tax or other similar tax and the **Company** shall pay to the **Generator** Value Added Tax at the rate for the time being and from time to time properly chargeable in respect of the making available and/or supply of the **Service** under this **Agreement**.
- 4.12 All payments by the **Company** to the **Generator** under this **Agreement** will be made by payment to the bank account details of which are notified to the **Company** by the **Generator** from time to time.
- 4.13 The submission of all **Monthly Statements** and facts and other evidence in support thereof and any questions in connection therewith from the **Company** to the **Generator** and vice versa in accordance with this Clause 4 must be made, in the absence of agreement to the contrary between the **Parties**, by 19.00 hours on the **Business Day** concerned.
- 4.14 The **Generator** hereby irrevocably consents to the operation of a self-billing system by the **Company** with regard to the payment for the **Service** and will at all times throughout the **Term** maintain such consent. The **Generator** hereby undertakes to do (at the **Company's** cost) all acts and things reasonably necessary to enable the **Company** to comply with the regulations of HM Revenue & Customs as regards the self-billing of the **Service**.
- 4.15 The provisions of this Clause 4 shall survive termination of this **Agreement**.

5. **LIMITATION OF LIABILITY**

- 5.1 Subject to Clause 5.2, save where any provision of this **Agreement** provides for an indemnity, the **Parties** agree and acknowledge that neither **Party** (the "**Party Liable**") nor any of its officers, employees or agents shall be liable to the other **Party** for loss arising from any breach of this **Agreement** other than for loss directly resulting from such breach and which at the date of this **Agreement** was reasonably foreseeable as not unlikely to occur in the ordinary course of events from such breach in respect of:-

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

5.1.2 the liability of such other **Party** to any other person for loss in respect of physical damage to the property of any person subject, for the avoidance of doubt, to the requirement that the amount of such liability claimed by such other party should be mitigated in accordance with general law,

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

- 5.2 Nothing in this **Agreement** shall exclude or limit the liability of the **Party Liable** for death or personal injury resulting from the negligence of the **Party Liable** or any of its officers, employees or agents and the **Party Liable** shall indemnify and keep indemnified the other **Party**, its officers, employees or agents, from and against all such and any loss or liability which such other **Party** may suffer or incur by reason of any claim on account of death or personal injury resulting from the negligence of the **Party Liable** or any of its officers, employees or agents.
- 5.3 Subject to Clause 5.2 and save where any provision of this **Agreement** provides for an indemnity neither the **Party Liable** nor any of its officers, employees or agents shall in any circumstances whatsoever be liable to the other **Party** for:-
- 5.3.1 any loss of profit, loss of revenue, loss of use, loss of contract or loss of goodwill;
or
- 5.3.2 any indirect or consequential loss; or
- 5.3.3 loss resulting from the liability of the other **Party** to any other person howsoever and whensoever arising save as provided in Clause 5.1.2 and Clause 5.2.
- 5.4 Each **Party** acknowledges and agrees that the other **Party** holds the benefit of Clauses 5.1, 5.2 and 5.3 for itself and as trustee and agent for its officers, employees and agents.
- 5.5 The rights and remedies provided by this **Agreement** to the **Parties** are exclusive and not cumulative and exclude and are in place of all substantive (but not procedural) rights or remedies express or implied and provided by common law or statute in respect of the subject matter of this **Agreement**, including without limitation any rights either **Party** may possess in tort which shall include actions brought in negligence and/or nuisance. Accordingly, each of the **Parties** hereby waives to the fullest extent possible all such rights and remedies provided by common law or statute and releases the other **Party**, its officers, employees and agents to the same extent from all duties, liabilities, responsibilities or obligations provided by common law or statute in respect of the matters dealt with in this **Agreement** and undertakes not to enforce any of the same except as expressly provided herein.
- 5.6 For the avoidance of doubt, the **Parties** acknowledge and agree that nothing in this **Agreement** shall exclude or restrict or otherwise prejudice or affect any of the rights, powers, privileges, remedies, duties and obligations of the **Secretary of State** or the **Authority** under the **Act**, any **Licence** or otherwise howsoever.
- 5.7 Each of Clauses 5.1, 5.2, 5.3 and 5.4 shall:-
- 5.7.1 be construed as a separate and severable contract term, and if one or more of such Clauses is held to be invalid, unlawful or otherwise unenforceable the other or others of such Clauses shall remain in full force and effect and shall continue to bind the **Parties**; and
- 5.7.2 survive termination of this **Agreement**.
- 5.8 For the avoidance of doubt, nothing in this Clause 5 shall prevent or restrict any **Party** enforcing any obligation (including suing for a debt) owed to it under or pursuant to this **Agreement**.

5.9 Each **Party** acknowledges and agrees that the provisions of this Clause 5 have been the subject of discussion and negotiation and are fair and reasonable having regard to the circumstances as at the date of this **Agreement**.

6. **METERING**

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

6.2 The relationship between the **Parties** with respect to **Operational Metering Equipment** shall be regulated by Paragraph 6.7.3 of the **Connection and Use of System Code**.

7. **TERMINATION**

Automatic Termination

7.1 This **Agreement** shall terminate automatically upon:-

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

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

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

7.1.4 the **Responsible TO** connects another **User's Generating Unit** to the same circuit to which the **Contracted Units** are connected and that **Generating Unit** does not participate in the **Commercial Intertrip Scheme** in accordance with the process described in the **Service Specification**,

and the **Generator** cannot comply in all material respects with its obligations under this **Agreement** or (in the case of clause 7.1.4) it is not possible for the **Contracted Units** to Trip in accordance with the **Commercial Intertrip Scheme** without causing the other **User's Generating Unit** to Trip.

Termination by the Generator

7.2 The **Generator** may, by notice in writing to the **Company**, terminate this **Agreement** in the event that:

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

7.2.2 without prejudice to Clause 7.1, the **Company** shall commit any material breach (other than a breach under Clause 7.2.1) of this **Agreement** (or persistent breaches of this **Agreement** which taken as a whole are material), or shall commit a breach of any of the material obligations on its part to be observed under this **Agreement**, and the **Generator** shall have served written notice on the **Company** requiring it to remedy such default (if it is capable of

remedy) within thirty (30) days or such longer period as may be reasonably necessary to remedy the default and the **Company** shall have failed to remedy such default to the reasonable satisfaction of the **Generator** within the specified period; or

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

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

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

Termination by the **Company**

7.3 The **Company** may, by notice in writing to the **Generator**, terminate this **Agreement** in the event that:-

7.3.1 without prejudice to Clause 7.1, the **Generator** shall commit any material breach (other than a breach under Clause 7.3.2) of this **Agreement** (or persistent breaches of this **Agreement** which taken as a whole are material), or shall commit a breach of any of the material obligations on its part to be observed under this **Agreement**, and the **Company** shall have served written notice on the **Generator** requiring it to remedy such default (if it is capable of remedy) within thirty (30) days or such longer period as may be reasonably necessary to remedy the default and the **Generator** shall have failed to remedy such default to the reasonable satisfaction of the **Company** within the specified period; or

7.3.2 the **Generator** shall fail to pay (other than by inadvertent error in funds transmission which is discovered by the **Company**, notified to the **Generator** and corrected within five (5) **Business Days** following such notification) any sum properly due or owing from it pursuant to this **Agreement** according to its terms and such non-payment remains unremedied and not disputed in good faith and upon reasonable grounds at the expiry of fifteen (15)

Business Days immediately following receipt by the **Generator** of written notice from the **Company** of such non-payment;

7.3.3 in respect of the **Generator**:-

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

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

Other termination rights

7.4 The provisions of this Clause 7 are additional to any other rights of termination expressly provided. Termination of this **Agreement** under this Clause 7 or any other provision of this **Agreement** shall be without prejudice to the rights and remedies to which a **Party** may be entitled hereunder and shall not affect any accrued rights obligations or liabilities of either **Party** nor the coming into or continuance in force of any provision hereof which is expressly or by implication intended to come into or continue in force on or after such termination.

7.5 For the avoidance of doubt, unless otherwise expressly provided herein, references in this **Agreement** to termination of this **Agreement** shall mean termination of all of the provisions of this **Agreement** and not otherwise.

8. **ASSIGNMENT**

8.1 The **Generator** shall not assign or transfer nor purport to assign or transfer the benefit or burden of this **Agreement** save in the following circumstances:-

8.1.1 the **Generator** may assign or charge its benefit under this **Agreement** in whole or in part by way of security;

- 8.1.2 upon the disposal of the whole of the **Generator's** business or undertaking, the **Generator** may transfer its rights and obligations under this **Agreement** to the purchaser thereof provided that the transfer to the purchaser of all of its rights and obligations under the **Connection and Use of System Code**, all **Bilateral Agreements** (and associated **Construction Agreements**) and all **Mandatory Services Agreements** shall have taken place;
- 8.1.3 upon disposal of part of the **Generator's** business or undertaking comprising **Generator's Equipment** at one or more **Connection Sites**, the **Generator** may transfer its rights and obligations under this **Agreement** to the purchaser thereof provided that the transfer to the purchaser of all of its rights and obligations under those **Bilateral Agreements** (and associated **Construction Agreements**) and **Mandatory Services Agreements** relevant to the part of the business or undertaking to be transferred shall have taken place.
- 8.2 The **Company** shall not assign or transfer nor purport to assign or transfer the benefit or burden of this **Agreement** save to the holder of a **Licence** with responsibility for carrying out the **Balancing Services Activity**.

9. **CONFIDENTIALITY AND ANNOUNCEMENTS**

- 9.1 Subject to the exceptions provided in Clause 9.3, Clause 10 (*Disclosure of Information*) (and to the extent otherwise expressly permitted by this **Agreement**), neither **Party** shall, at any time, whether before or after the expiry or sooner termination of this **Agreement**, without the prior consent of the other **Party** in writing (such consent not to be unreasonably withheld or delayed), divulge or suffer or permit its officers, employees, agents or contractors to divulge to any person or permit use by any person (other than disclosure to or use by any of its or their respective officers or employees to the extent that such disclosure and use is required to enable such persons properly to carry out their duties in connection with this **Agreement**):-
- 9.1.1 any of the contents of this **Agreement**;
- 9.1.2 any commercially confidential information relating to the negotiations concerning the entering into of this **Agreement**;
- 9.1.3 any commercially confidential information which may come to a **Party's** knowledge in the course of such negotiations; or
- 9.1.4 any commercially confidential information concerning the operations, contracts, commercial or financial arrangements or affairs of the other **Party** which may come to a **Party's** knowledge in the course of performing this **Agreement**.
- 9.2 Each **Party** undertakes to use information referred to in Clause 9.1 and disclosed to it by the other **Party** solely for the purposes of this **Agreement** and shall not use it for any other purpose or for the purposes of any third party.
- 9.3 The restrictions imposed by Clause 9.1 shall not apply to the disclosure of any information:
- 9.3.1 which now or hereafter comes into the public domain otherwise than as a result of a breach of a confidentiality obligation or which either **Party** can show was in its written records prior to the date of disclosure of the same by the other **Party**, under this **Agreement** or which it receives from a third party independently entitled to disclose it;

- 9.3.2 which is required by law or pursuant to the rules of the Electricity Arbitration Association in England and Wales or pursuant to the rules or regulations of the Financial Services Authority to be disclosed to any person who is authorised by law or pursuant to the rules of the Electricity Arbitration Association in England and Wales or pursuant to the rules or regulations of the Financial Services Authority to receive the same;
- 9.3.3 which is required to be disclosed by the regulations of any recognised exchange upon which the share capital of the **Party** making the disclosure (or its parent undertaking) is or is proposed to be from time to time listed or dealt in, or is required to be disclosed by the Panel on Takeovers and Mergers;
- 9.3.4 to a court, arbitrator or administrative tribunal in the course of proceedings before it to which the disclosing **Party** is a party;
- 9.3.5 pursuant to any **Licence** of the **Party** concerned;
- 9.3.6 to any consultants, banks, financiers, insurers or professional advisers retained by the disclosing **Party**;
- 9.3.7 by the **Generator** to a third party who is a party to a power purchase agreement in respect of the electricity generated by the **Power Station** and with whom all (or some of) the risks and benefits arising from the **Agreement** will be shared provided such party is subject to confidentiality undertakings which are no less onerous than those to which the **Generator** is subject to under this **Agreement**;
- 9.3.8 by either **Party** to any parent, subsidiary or fellow subsidiary undertaking on a “need to know” basis only;
- 9.3.9 required or expressly permitted to be disclosed under the terms of any agreement or arrangement to which both the **Parties** have agreed to be bound; or
- 9.3.10 which is disclosed to a third party in connection with an assignment or transfer permitted under clause 8.1, provided that such third party is subject to confidentiality undertakings which are no less onerous than those to which the **Generator** is subject under this **Agreement**.
- 9.4 In this Clause 9, the words “parent undertaking”, “subsidiary undertaking” and “fellow subsidiary undertaking” shall have the meanings as provided in sections 1161 and 1162 of the Companies Act 2006.
- 9.5 Before either **Party** discloses any information in any of the circumstances described in Clauses 9.3.6 to 9.3.8 (other than to its authorised professional advisers), it shall notify the other **Party** of its intention to make such disclosure and (in the case where the disclosing **Party** is the **Generator**) procure the execution and delivery to that **Party** of an undertaking executed by the person to whom the disclosure is proposed to be made being in the same terms mutatis mutandis as the undertakings contained in this Clause 9.
- 9.6 No public announcement or statement regarding the signature, performance or termination of this **Agreement** shall be issued or made by either **Party** unless:
- 9.6.1 to the extent legally possible, before it is issued or made, both the **Parties** have been furnished with a copy of it and have approved it (such approval not to be unreasonably withheld or delayed); or

- 9.6.2 it is necessary to do so in order to comply with any applicable law or the regulations of any recognised stock exchange upon which the share capital of such **Party** is from time to time listed or dealt in.
- 9.7 With respect to the information referred to in Clause 9.1 both **Parties** shall ensure, to the extent reasonably practicable, that:-
- 9.7.1 such information is disseminated within their respective organisations on a “need to know” basis only;
- 9.7.2 employees, directors, agents, consultants and professional advisers who are in receipt of such information are made fully aware of the **Party’s** obligations of confidence in relation thereto; and
- 9.7.3 any copies of such information, whether in hard copy or computerised form, will clearly identify the information as confidential.
- 9.8 Notwithstanding any other provision of this **Agreement**, the provisions of this Clause 9 shall continue to bind a person after termination of this **Agreement**, in whole or in part, for whatever reason.

10. **DISCLOSURE OF INFORMATION**

- 10.1 The **Generator** hereby consents to the disclosure and use by the **Company** in such manner or form and at such times as it thinks fit of:
- 10.1.1 the rates for calculating **Arming Payments** and [**Fast De-Loading Payments/Tripping Payments**] for each **Contracted Unit**;
- 10.1.2 the periods for which **Arming** of the **Commercial Intertrip Scheme** in respect of the **Contracted Units** has been instructed;
- 10.1.3 the aggregate cost of **Arming Payments** and the aggregate amount of [**Fast De-Loading/Tripping Payments**] made by the **Company** to the **Generator** and all other generators participating in **Service**; and
- 10.1.4 any other data and other information relating to this **Agreement** and the provision of the **Service** for the purposes of any or all of the statements published from time to time pursuant to **Standard Condition C16** of the **Transmission Licence**.
- 10.2 Where the **Company** intends disclosing and using any data or other information relating to this **Agreement** other than that specified in Clause 10.1 it shall first consult with the **Generator** regarding the form and scope of the intended disclosure documentation and, acting reasonably and in good faith, make such adjustments to the disclosure documentation as the **Generator** may reasonably request in order to protect its business interests.

11. **WAIVER**

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

12. NOTICES

- 12.1 Any notice or other communication (other than those to be given under clause 3 or otherwise in respect of operational matters) to be given by one **Party** to the other under, or in connection with the matters contemplated by, this **Agreement** shall be addressed to the recipient and sent to the address, email or facsimile number of such other **Party** given in Schedule 3 for the purpose and marked for the attention of the person so given or to such other address, email or facsimile number and/or marked for such other attention as such other **Party** may from time to time specify by notice given in accordance with this Clause 12 to the **Party** giving the relevant notice or other communication to it.
- 12.2 Any notice or other communication referred to by clause 12.1 to be given by one **Party** to the other **Party** under, or in connection with the matters contemplated by, this **Agreement** shall be in writing and shall be given by letter delivered by hand or sent by first class prepaid post (airmail if overseas), email or facsimile, and shall be deemed to have been received:-
- 12.2.1 in the case of delivery by hand, when delivered; or
- 12.2.2 in the case of first class prepaid post, on the second day following the day of posting or (if sent airmail from overseas) on the fifth day following the day of posting; or
- 12.2.3 in the case of email, at the time of transmission, or, if this time falls outside **Business Hours** in the place of receipt, when **Business Hours** resume; or
- 12.2.4 in the case of facsimile, on acknowledgement by the addressee's facsimile receiving equipment (where such acknowledgement occurs within **Business Hours**, on the day of acknowledgement) and in any other case on the day following the day of acknowledgement.

13. COUNTERPARTS

This **Agreement** may be executed in any number of counterparts and by the different **Parties** on separate counterparts, each of which when executed and delivered shall constitute an original but all the counterparts shall together constitute but one and the same instrument. For the purposes of this Clause 13, the delivery of a facsimile copy of a signed counterpart of this **Agreement** shall be deemed to be valid signature thereof provided that the **Party** so delivering a facsimile hereby undertakes to deliver an original copy of this **Agreement** forthwith following such facsimile transmission.

14. VARIATIONS

- 14.1 Subject to Clause 14.2 no variations or amendments to this **Agreement** shall be effective unless made in writing and signed by or on behalf of both the **Company** and the **Generator**.
- 14.2 The **Company** and the **Generator** shall effect any amendment required to be made to this **Agreement** by the **Authority** as a result of a change in the **Transmission Licence** or an order or directions made pursuant to the **Act** or a **Licence** or as a result of settling any of the terms hereof or otherwise as required by this **Agreement** and the **Generator** hereby authorises and instructs the **Company** to make any such amendment on its behalf and undertakes not to withdraw qualify or revoke such authority or instruction at any time.

15. DISPUTE RESOLUTION

- 15.1 Save where expressly stated in this **Agreement** to the contrary and subject to any contrary provision of the **Act** or any **Licence** or the rights, powers, duties and obligations of the **Authority** or the **Secretary of State** under the **Act**, any **Licence** or otherwise howsoever,

any dispute or difference of whatever nature howsoever arising under out of or in connection with this **Agreement** between the **Parties** shall be and is hereby referred to arbitration pursuant to the rules of the **Electricity Arbitration Association** in force from time to time.

15.2 Whatever the nationality, residence or domicile of either **Party** and wherever the dispute or difference or any part thereof arose, the law of England shall be the proper law of any reference to arbitration hereunder and in particular (but not so as to derogate from the generality of the foregoing) the provisions of the Arbitration Act 1996 (notwithstanding anything in section 108 thereof) shall apply to any such arbitration wherever the same or any part of it shall be conducted.

16. **JURISDICTION**

16.1 Subject and without prejudice to Clause 15 and to Clause 16.4, both **Parties** irrevocably agree that the courts of England and Wales are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this **Agreement** and that accordingly any suit, action or proceeding (together in this Clause 16 referred to as "**Proceedings**") arising out of or in connection with this **Agreement** may be brought to such courts.

16.2 Each **Party** irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any **Proceedings** in any such court as is referred to in this Clause 16 and any claim that any such **Proceedings** have been brought in an inconvenient forum and further irrevocably agrees that judgment in any proceedings brought in the courts of England and Wales shall be conclusive and binding upon such **Party** and may be enforced in the courts of any other jurisdiction.

16.3 Each **Party** which is not incorporated in any part of Great Britain agrees that if it does not have, or shall cease to have, a place of business in Great Britain it will promptly appoint, and shall at all times maintain, a person in Great Britain to accept service of process on its behalf in any **Proceedings** in Great Britain.

16.4 For the avoidance of doubt nothing contained in the foregoing provisions of this Clause 16 shall be taken as permitting a party to commence **Proceedings** in the courts where this **Agreement** otherwise provides for **Proceedings** to be referred to arbitration.

17. **GOVERNING LAW**

This **Agreement** shall be governed by and construed in all respects in accordance with the laws of England and Wales.

18. **SEVERANCE OF TERMS**

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

19. **ENTIRE AGREEMENT**

This **Agreement** contains or expressly refers to the entire agreement between the **Parties** with respect to the subject matter hereof, and expressly excludes any warranty, condition or other undertaking implied at law or by custom, and supersedes all previous agreements and understandings between the **Parties** with respect thereto and each of the **Parties**

acknowledges and confirms that it is not aware of any representation, warranty or other undertaking not fully reflected in the terms of this **Agreement** upon which it has relied in entering into this **Agreement**. To the extent that any such representation, warranty or other undertaking exists, each **Party** irrevocably and unconditionally waives any right it may have to claim damages for breach of warranty and/or to rescind this **Agreement**, unless such warranty or misrepresentation was made or given fraudulently.

20. **RIGHTS OF THIRD PARTIES**

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

21. **FORCE MAJEURE**

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

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

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

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

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

21.3 As soon as is reasonably practicable, following an event or circumstance of **Force Majeure**, the **Parties** shall discuss how best to continue their respective obligations as set out in this **Agreement**.

21.4 For the avoidance of doubt the non-performance of either **Party's** obligations pursuant to this **Agreement** arising prior to the event or circumstance of **Force Majeure**, shall not be excused as a result of the event or circumstance of **Force Majeure**.

21.5 Either **Party** shall have a right to terminate this **Agreement** if a **Party** has been prevented from performing its obligations due to an event of **Force Majeure** for a continuous period of two (2) calendar months.

22. **WARRANTIES AND INDEMNITY**

- 22.1 Each **Party** warrants and represents to the other that it has full power and authority to enter into this **Agreement** and perform its obligations hereunder.
- 22.2 The **Generator** hereby warrants and represents to the **Company** that:
- 22.2.1 the availability and delivery of the **Service** from the **Power Station** pursuant to and in accordance with this **Agreement** does not cause it to be in breach of, or to otherwise be non-compliant with, any **Legal Requirement** and/or any agreement with any person;
- 22.2.2 it will not do anything in connection with this **Agreement** that will cause it to be in breach of, or to otherwise be non-compliant with, any **Legal Requirement** and/or any agreement with any person; and
- 22.2.3 save where the **Generator** has sought and been granted written consent by the **Company** (such consent to be at the Company's sole discretion), it is not a party to an agreement or arrangement with the **Company** or any **DNO** or electricity supplier or other person to provide any service from the **Power Station** which may impair the ability of the **Generator** to provide the **Service** and/or perform its obligations under this **Agreement**. The **Generator** repeats this warranty and representation on acknowledgement of each **Arming Instruction**.
- 22.3 In the event that any warranty or representation made under Clause 22.2 is breached, the **Generator** shall indemnify the **Company** against all and any losses, liabilities, claims, expenses that may be suffered or incurred by the **Company** as a direct result of that breach and all and any claims and demands which may be brought against the **Company** by any other person connected to or using the **User System** of a **DNO** or any other **User System** or the owner of operator of any **User System** or any other person whatever arising out of or resulting from such breach. Any legal costs and expenses reasonably incurred in the contesting of such claims, including the court costs and the reasonable fees of lawyers and other professional advisers, shall be treated as direct losses.

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

- 23.1 Each **Party** shall:
- 23.1.1 comply with all **Anti-Bribery Laws**;
- 23.1.2 not engage in any activity, practice or conduct which would constitute an offence under sections 1, 2 or 6 of the **Bribery Act** if such activity, practice or conduct had been carried out in the UK;
- 23.1.3 have and shall maintain in place throughout the term of this **Agreement** its own policies and procedures, including **Adequate Procedures** to ensure compliance with the **Anti-Bribery Laws**, and this Clause 23.1, and will enforce them where appropriate;
- 23.1.4 procure and ensure that all of its **Associated Persons** and/or other persons who are performing services and/or providing goods in connection with this **Agreement** comply with this Clause 23.
- 23.2 Without prejudice to any other rights or remedies either Party may terminate this **Agreement** on written notice to the other **Party** specifying the date on which this **Agreement** will terminate in the event of a breach of Clause 23.1.

23.3 The **Generator** shall take all reasonable steps in accordance with **Good Industry Practice** to procure that no aspect of its performance of this **Agreement**:

23.3.1 involves a **Sanctioned Person**; or

23.3.2 any breach of the **ESO Key Policies**.

23.4 The **Generator** shall comply with the provisions of Schedule 4 (Security) in relation to the obligations contained in this **Agreement** and the provision of the **Service**.

24. **EMR**

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

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

24.3 Where for the purposes of this provision only:

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

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

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

“EMR Functions” has the meaning given to “EMR functions” in Chapter 5 of Part 2 of the Energy Act 2013.

25. **Change in Law**

25.1 If a Relevant Change in Law occurs that:

25.1.1 requires a change in the Generator’s policies or practices in operating the Contracted Units for the purposes of the **Service**; or

25.1.2 materially increases or decreases the **Generator’s** costs of performing this **Agreement**,

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

25.2 Neither **Party** shall be liable to the other **Party** for a failure to perform any obligation under this **Agreement** which becomes prohibited or otherwise impossible to perform by reason of a **Change in Law**

IN WITNESS WHEREOF the hands of the duly authorised representatives of the **Parties** at the date first above written

SIGNED on behalf of)

NATIONAL GRID ELECTRICITY SYSTEM)

OPERATOR LIMITED)

SIGNED on behalf of)

[])

**SCHEDULE 1
DEFINITIONS**

“ABSVD Methodology”	has the meaning given to it in the CUSC ;
“the Act”	the Electricity Act 1989;
“Active Power”	the product of voltage and the in-phase component of alternating current measured in units of Watts and standard multiples thereof i.e. 1000 Watts = 1kW 1000 kW = 1MW 1000 MW = 1GW 1000 GW = 1TW;
“Adequate Procedures”	shall be determined in accordance with section 7(2) of the Bribery Act (and any guidance issued under section 8 of that Act);
“Agreement”	this agreement (including the Schedules) as amended, extended, supplemented, novated or modified from time to time;
“Allowed Interruption”	the meaning attributed to it in the CUSC ;
“Anti-Bribery Laws”	shall mean all applicable laws, statutes, regulations, and codes of mandatory application relating to anti-bribery and anti-corruption including but not limited to the Bribery Act ;
“Apparatus”	all equipment in which electrical conductors are used, supported or of which they may form a part;
“Arm”	the switching in of the Commercial Intertrip Scheme in respect of the Contracted Units so as to allow signals to pass from the Commercial Intertrip Scheme to the relevant Circuit Breakers , and “Armed” and “Arming” shall be construed accordingly;
“Arming Instruction”	the meaning attributed to it in Clause 3.2.1;
“Arming Payment”	the meaning attributed to it in Clause 3.6.1;
“Arming Payment Rate”	the payment rate for the purposes of calculating the Arming Payment set out in Schedule 2, Part 3 as the same may be revised from time to time in accordance with Clause 3.12.1;
“Arming Period”	the meaning attributed to it in Clause 3.6.1;

“Associated Person”	shall have the meaning ascribed to it in section 8 of the Bribery Act and shall include but is not limited to any employees, agents and/or subcontractors of the Generator or the Company as applicable in relation to the provision of the Service ;
“Authority”	the Director General of Electricity Supply appointed for the time being pursuant to section 1 of the Act or, after the coming into force of section 1 of the Utilities Act 2000, the Gas and Electricity Markets Authority established by that section;
“Balancing and Settlement Code (BSC)”	the meaning attributed to it in the Transmission Licence ;
“Balancing Mechanism”	the meaning attributed to it in the Transmission Licence ;
“Balancing Mechanism Window”	In relation to a particular time, means the period from that time to the end of the Settlement Period for which Gate Closure has most recently occurred at that time and having a duration of between 1 and 1½ hours.;
“Balancing Services Activity”	the meaning attributed to it in the Transmission Licence ;
“Base Rate”	means the Bank of England Official Rate from time to time provided that, if at any time the Bank of England Official Rate is a negative rate, then zero per cent (0%);
“Bid-Offer Acceptance”	the meaning attributed to it in the Grid Code ;
“Bilateral Agreement”	the bilateral agreement (as that term is defined in the CUSC) relating to the Contracted Unit ;
“BM Unit”	the meaning attributed to it in the BSC , except for the purposes of this Agreement the reference to “a Party ” in the BSC shall be a reference to the Generator ;
“BM Unit Metered Volume”	the meaning attributed to it in the BSC ;
“Business Hours”	means 9.00am to 5.00pm Monday to Friday on a day that is not a public holiday in the place of receipt;
“Business Day”	a week-day other than a Saturday on which banks are open for domestic business in the City of London;
“Change in Law”	means the occurrence of any of the following events after the date of this Agreement: <ul style="list-style-type: none"> (a) the coming into effect of any Law or Directive that is not in effect as at the date of this Agreement; (b) the repeal, replacement or amendment of any Law or Directive; or

(c) a change in the interpretation by any **Competent Authority** of any **Law or Directive**;

“Circuit Breaker”	a mechanical switching device, capable of making carrying and breaking currents under normal circuit conditions and also of making, carrying for a specified time and breaking currents under specific abnormal circuit conditions, such as those of short circuit;
“Combined Cycle Gas Turbine Module” or “CCGT Unit”	a collection of Generating Units (registered as a CCGT Module under the Grid Code PC) comprising one or more Gas Turbine Units (or other gas based engine units) and one or more Steam Units where, in normal operation, the waste heat from the Gas Turbine Units is passed to the water/steam of the associated Steam Unit or Steam Units and where the component units within the CCGT Module are directly connected by steam or hot gas lines which enable those units to contribute to the efficiency of the combined cycle operation of the CCGT Module ;
“Commercial Intertrip Scheme”	the intertrip scheme owned, operated and maintained by the Responsible TO which incorporates (inter alia) the Trip Conditions and which can issue a signal to Trip or to Fast De-Load one or more of the Contracted Units ;
“Competent Authority”	means the Authority or any local, national or supra-national agency, authority, department, inspectorate, minister, official, court, tribunal or public or statutory person (whether autonomous or not) of the United Kingdom (or the government thereof) which have jurisdiction over the Company or the subject matter of this Agreement ;
“Connection and Use of System Code” or “CUSC”	the Connection and Use of System Code designed by the Secretary of State as from time to time modified;
“Connection Site”	each location more particularly described in the relevant Bilateral Agreement at which the Generator’s Equipment and Transmission Connection Assets required to connect the Generator to the National Electricity Transmission System are situated or at which the Generator’s Equipment is connected to a User System ;
“Constraint Management Intertrip Service”	a service whereby one or more Generating Units Trip in accordance with a signal from the Commercial Intertrip Scheme ;
“Construction Agreement”	as defined in the CUSC ;

“Contracted Unit”	each of the BM Units at the Power Station specified in Schedule 2, Part 1, together referred to as the Contracted Units ;
“Coronavirus”	has the meaning given to it in the Coronavirus Act 2020, as at the date hereof;
“Coronavirus Disease”	has the meaning given to it in the Coronavirus Act 2020, as at the date hereof;
“CUSC Framework Agreement”	the meaning attributed to it in the Transmission Licence ;
“Customer”	a person to whom electrical power is provided (whether or not he is the same person as the person who provides the electrical power) other than power to meet Station Demand of that person;
“Demand”	the demand of MW and Mvar of Electricity ;
“Desynchronisation”	the act of taking a Generating Unit off a System to which it has been Synchronised by opening any connecting circuit breaker and “ Desynchronised ” shall be construed accordingly;
“Disarm”	the switching out of the Commercial Intertrip Scheme in respect of the Contracted Units so as to prevent the applicable signals passing from the Commercial Intertrip Scheme to the relevant Circuit Breakers , and “ Disarmed ” and “ Disarming ” shall be construed accordingly;
“Disarming Instruction”	the meaning attributed to it in Clause 3.4.1;
“Disconnect”	permanent physical disconnection of the Generator’s Equipment at any given Connection Site and “ Disconnection ” shall be construed accordingly;
“Distribution Licence”	a licence issued under section 6(1)(c) of the Act ;
“Distribution Network Operator”	a holder of a Distribution Licence who was the holder of, or is a successor to a company which was the holder of a Public Electricity Supply Licence , relating to distribution activities in Great Britain;
“EDL”	means the electronic despatch logging mechanism by which the Company notifies the Generator in respect of its Contracted Units of the arming and disarming of the Commercial Intertrip Scheme ;
“Effective Date”	the date that this Agreement has been signed by both of the Parties ;
“Electricity”	Active Energy and Reactive Energy ;

“Electricity Arbitration Association”	the meaning attributed to it in the Grid Code ;
“Emergency Instruction”	the meaning attributed to it in the Grid Code ;
“Energy” or “Active Energy”	the electrical energy produced, flowing or supplied by an electric circuit during a time interval, being the integral with respect to time of the instantaneous power, measured in units of Watt-hours or standard multiples thereof i.e. 1000 Wh = 1kWh 1000 kWh = 1MWh 1000 MWh = 1GWh 1000 GWh = 1TWh
“Energy Metering Equipment”	the meaning attributed to the phrase “Metering Equipment” in the Balancing and Settlement Code ;
“ESO Key Policies”	the published ESO policies, available online as may be amended from time to time, relating to: <ul style="list-style-type: none"> • Supplier Code of Conduct; • Code of Ethics; • Anti-Financial Crimes Policy; • Environmental Policy; • Occupational Safety Policy; • Process Safety Policy; • and • Wellbeing and Health Policy.
“Externally Interconnected System Operator”	the meaning attributed to it in the Grid Code ;
[“Fast De-Load”	where, in response to a signal from the Commercial Intertrip Scheme (but not otherwise) the Generator ramps down a Contracted Unit’s output to zero within a set time during any Arming Period and “Fast De-Loading” shall be construed accordingly;]
“Fast De-Load Service”	a service whereby one or more Generating Units Fast De-Load in accordance with a signal from the Commercial Intertrip Scheme ;
[“Fast De-Loading Payment”	the meaning attributed to it in Clause 3.6.6;]
[“Fast De-Loading Payment Rate”	the payment rate for the purposes of calculating the Fast De-Loading Payment set out in Schedule 2, Part 3;]
“Force Majeure”	for the purposes of Clause 21 in relation to either Party to this Agreement any event or circumstance which is beyond the reasonable control of such Party (not being, without limitation an event or circumstance caused by the negligence or lack of

care and attention of that **Party** or its officers or employees, agents, contractors, and subcontractors or a failure to maintain such **Plant** in accordance with **Good Industry Practice**) but subject thereto including act of God, epidemic or pandemic, strike, lockout or other industrial disturbance, act of the public enemy, war declared or undeclared, threat of war, terrorist act, blockade, revolution, riot, insurrection, civil commotion, public demonstration, sabotage, act of vandalism, lightning, fire, storm, flood, earthquake, accumulation of snow or ice, lack of water arising from weather or environmental problems, explosion, governmental restraint, **Act** of Parliament, other legislation, bye law and Directive (not being any order, regulation or direction under Section 32, 33, 34 and 35 of the Act) provided always that lack of funds shall not be interpreted as a cause beyond the reasonable control of that **Party**;

“Gate Closure”	means, in relation to a Settlement Period , the spot time 1 hour before the spot time at the start of that Settlement Period ;
“Generating Unit”	unless otherwise provided in this Agreement , any Apparatus which produces electricity;
“Generation Licence”	the licence granted to the Generator pursuant to section 6(1)(a) of the Act ;
“Generator’s Equipment”	the Plant and Apparatus owned by the Generator (ascertained in the absence of agreement to the contrary by reference to the principles of ownership set out in CUSC) which: (i) is connected to Transmission Connection Assets forming part of any particular Connection Site to which the Generator wishes so to connect; or (ii) is connected to a User System to which the Generator wishes so to connect;
“Good Industry Practice”	the exercise of that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced operator engaged in the same type of undertaking under the same or similar circumstances;
“Grid Code”	the Grid Code drawn up pursuant to the Transmission Licence as from time to time revised in accordance with the Transmission Licence (and references in this Agreement to any specific provision or part of the Grid Code shall be construed as references to such provision or part as from time to time amended);
“Grid Code CC”	the Connection Conditions of Grid Code ;

“ Grid Code OC ”	the Operating Codes of the Grid Code ;
“ Grid Code PC ”	the Planning Code of the Grid Code ;
“ Grid Supply Point ”	a point of supply from the National Electricity Transmission System to Network Operators or Non-Embedded Customers ;
“ Group ”	means, in respect of a Party , that Party’s parent undertakings, subsidiary undertakings and any subsidiary undertakings of any such parent undertaking (where the terms “ parent ”, “ subsidiary ” and “ undertaking ” shall have the meanings as provided in sections 1159, 1161 and 1162 of the Companies Act 2006);
“ Industry Document ”	means a multilateral code or agreement created and maintained pursuant to a Licence ;
“ Interruption Payment ”	the meaning attributed to it in the CUSC ;
“ Law or Directive ”	means: <ul style="list-style-type: none"> (a) any law (including the common law); (b) any statute, statutory instrument, regulation, instruction, direction, rule or requirement of any Competent Authority; (c) any condition or other requirement of any Licence or other required authorisation, licence, consent, permit or approval (or of any exemption from the requirement to have the same); and (d) any provision of any Industry Document;
“ Legal Requirement ”	has the meaning given to it in the BSC ;
“ Licence ”	any one or more as appropriate of the Licences granted pursuant to section 6 of the Act ;
“ Local TO ”	means the owner of that part of the NETS to which the Contracted Units are connected;
“ Mandatory Services Agreement ”	the meaning attributed to it in the CUSC ;
“ Maximum Export Limit (MEL) ”	the meaning attributed to the term in Appendix 1 of Grid Code BC1

“ National Electricity Transmission System ” or “ NETS ”	has the meaning attributed to it in the CUSC ;
“ Network Operator ”	a person with a User System directly connected to the National Electricity Transmission System to which Customers and/or Power Stations (not forming part of a User System) are connected, acting in its capacity as operator of the User System , but shall not include a person acting in the capacity of Externally Interconnected System Operator ;
“ Non-Embedded Customer ”	a Customer except for a Network Operator acting in its capacity as such receiving electricity direct from the National Electricity Transmission System irrespective of from whom it is supplied;
“ Offshore ”	the meaning attributed to it in the Grid Code ;
“ Offshore Grid Entry Point ”	the meaning attributed to it in the Grid Code ;
“ Offshore Transmission System ”	the meaning attributed to it in the Grid Code ;
“ Onshore ”	the meaning attributed to it in the Grid Code ;
“ Operational Metering Equipment ”	meters, instrument transformers (both voltage and current), transducers metering protection equipment including alarms circuitry and their associated outstations as may be necessary for the purposes of the Grid Code CC6.5.6 and the corresponding provision of the relevant Distribution Code ;
“ Output ”	the actual Active Power or Reactive Power output achieved by a BM Unit ;
“ Party ”	each person for the time being and from time to time a party of this Agreement and any successor(s) in title to, or permitted assign(s) of, such person and “ Parties ” shall be construed accordingly;
“ Party Liable ”	the meaning attributed to it in Clause 5.1;
“ Plant ”	fixed and movable items used in the generation and/or supply and/or transmission of electricity other than Apparatus ;
“ Physical Notification or PN ”	the meaning attributed to it in the Grid Code ;
“ Power Station ”	the installation comprising one or more Generating Units (even where separately sited) owned or controlled by the Generator which may reasonably be considered as being managed as one power station, for the purposes of this Agreement being the Generator’s power station;
“ Proceedings ”	the meaning attributed to it in Clause 16.1;

“Public Electricity Supply Licence”	a licence issued under section 6(1)(c) of the Act prior to the coming into force of section 30 of the Utilities Act 2000;
“Reactive Energy”	the integral with respect to time of Reactive Power ;
“Reactive Power”	the product of voltage and current and the sine of the phase angle between them measured in units of voltamperes reactive and standard multiples thereof i.e., 1000 Var = 1kvar 1000 kVar = 1Mvar
“Relevant Contract”	in relation to a Provider and its Contracted Unit , any contractual commitment to provide a Reserve or a Response service other than the Mandatory Ancillary Service of Frequency Response to the Company and such other services as the Company may from time to time notify to all Providers ;
“Relevant Change in Law”	means a Change in Law that: (a) was not, acting in accordance with Good Industry Practise , reasonably foreseeable by the Generator as at the date of the Agreement ; and (b) affects the provision of the Service or other similar services but not one which affects the operation of the Generator’s Contracted Units in general;
“Relevant Circuit Breaker”	means: (a) in relation to a Contracted Unit located Onshore , a Circuit Breaker on the transmission feeder circuit; or (b) in relation to a Contracted Unit located Offshore , a Circuit Breaker [at the Offshore Grid Entry Point] ² ;
“Relevant Requirement”	in relation to a Contracted Unit , any requirement in the Bilateral Agreement that could affect the ability of the Contracted Unit to provide the Service ;
“Remote Transmission Assets”	any Plant and Apparatus or meters owned by the Company which (a) are embedded in a User System and which are not directly connected by Plant and/or Apparatus owned by the Company to a sub-station owned by the Company and (b) are by agreement between the Company and such User under the direction and control of such User ;
“Responsible TO”	NGET, being the owner and operator of the Commercial Intertrip Scheme ;

² Note: this may need to be updated depending on if the Generator has the agreement of the OFTO to use the OFTO’s equipment, or to trip the OFTO at no cost to NGENSO.

“Resynchronise”	the act of Synchronising a Generating Unit with a System by closure of the circuit breaker;
“Sanctioned Country”	means any country or territory that is the target of comprehensive, country or territory wide Sanctions ;
“Sanctioned Person”	means any person (companies, entities or individuals) that is (i) listed on, or owned or controlled by a person listed on, or acting on behalf of a person listed on, a Sanctions List ; (ii) the government of a Sanctioned Country or a member of the government of a Sanctioned Country ; (iii) resident in or incorporated under the laws of any Sanctioned Country ; or (iv) to the best of the knowledge and belief of a Party (having made due and careful enquiries) of any member of the relevant Party’s Group , otherwise a target of Sanctions ;
“Sanctions”	means economic or financial sanctions, trade embargoes or restrictive measures imposed, administered or enforced from time to time by any Sanctions Authority ;
“Sanctions Authority”	means (i) United Kingdom government, (ii) the United Nations Security Council; (iii) the European Union; (iv) the United States government; (v) the sanctions local competent authority where the deal is executed or booked;
“Sanctions List”	means any of the lists of specifically designated nationals or designated persons or entities (or equivalent) held by any Sanctions Authority , including, without limitation, (i) the Consolidated United Nations Security Council Sanctions List; (ii) the "Specially Designated Nationals and Blocked Persons" list maintained by The Office of Foreign Assets Control ("OFAC"); (iii) the consolidated list of persons, groups or entities subject to European Union sanctions administered by the European External Action Service;
“Secretary of State”	the meaning attributed to it in the Act ;
“Service”	the [Constraint Management Intertrip][Fast De-load Service] to be provided by the Generator in accordance with this Agreement ;
“Service Term”	the period between 00:00 hours on the Effective Date and 24:00 hours on 30 March 2025;
“Settlement Period”	a period of 30 minutes ending on the hour or half hour in each hour during a day;
“Settlement Run”	has the meaning attributed to it in the BSC ;
“Service Specification”	the specification for the Constraint Management Intertrip Service and the Fast De-load Service published from time to time on the Company’s website;

“Station Demand”	the meaning attributed to it in the CUSC ;
“Steam Unit”	a Generating Unit whose primes mover converts the heat-energy in steam to mechanical energy;
“System”	any User System or the National Electricity Transmission System as the case may be;
“System to Generator Operational Intertripping Scheme”	the meaning attributed to it in the Grid Code ;
“Transmission Connection Assets”	the meaning attributed to it in the CUSC ;
“Transmission Licence”	the licence granted to the Company under section 6(1)(b) of the Act ;
“Trip”	in relation to a Contracted Unit , the opening of any one or more Relevant Circuit Breakers in response to a signal from the Commercial Intertrip Scheme (and not otherwise) during any Arming Period , and within 200ms of a fault occurrence, and “Tripped” and “Tripping” shall be construed accordingly;
“Trip Conditions”	the circuits for which the Commercial Intertrip Scheme can be Armed which as at the Effective Date are listed in Schedule 2, Part 1, but which may be amended pursuant to Clause 3.11;
[“Tripping Payment”	the meaning attributed to it in Clause 3.6.2;]
[“Tripping Payment Rate”	the payment rate for the purposes of calculating the Tripping Payment set out in Schedule 2, Part 3;]
“User”	a person who is party to the CUSC Framework Agreement other than the Company ; and
“User System”	any System owned or operated by a User comprising:- <ul style="list-style-type: none"> a. Generating Units; and/or b. systems consisting (wholly or mainly) of electric lines used for the distribution of electricity from Grid Supply Points or Generating Units or other entry points to the point of delivery to Customers, or other Units; c. and Plant and/or Apparatus connecting; d. the System as described above; or e. Non-Embedded Customers equipment; to the National Electricity Transmission System or to the relevant other User System , as the case may be. The User System includes any Remote Transmission Assets

operated by such **User** or other person and any **Plant** and/or **Apparatus** and meters owned or operated by the **User** or other person in connection with the distribution of electricity but does not include any part of the **National Electricity Transmission System**.

**SCHEDULE 2
COMMERCIAL INTERTRIP**

Part 1: DATA

CONTRACTED UNITS

[]

TRIP CONDITIONS

FAULTED CIRCUITS

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

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

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

PART 2 - FORMULAE

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

Where:

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

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

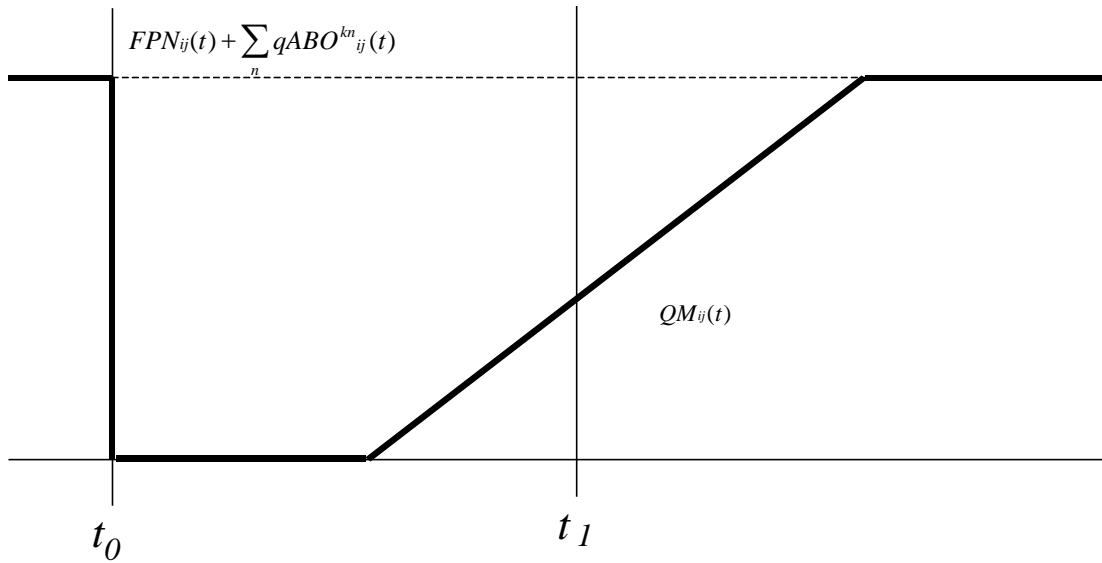


Figure 1

Where:

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

$FPN_{ij}(t)$

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

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

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

$QM_{ij}(t)$

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

t_0

is the time at which the **Trip** occurs;

t_1

is the time at the end of the **Balancing Mechanism Window**.

PART 3 - PRICES
PAYMENT RATES

TYPE OF PAYMENT	APPLICABLE RATE
ARMING (per Contracted Unit per MWh)	£
[TRIPPING (per Contracted Unit per Trip)] ³	£
[FAST DE-LOADING (per Contracted Unit per Fast De-Load)] ⁴	£

ARMING PAYMENT

The **Arming Payment** (AP_m) to be made by the **Company** to the **Provider** under paragraph 3.6.1 for the aggregate duration of all **Arming Periods** in Month m, shall be calculated in accordance with the following formula:

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

Where:

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

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

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

³ Delete if not applicable

⁴ Delete if not applicable

PART 4 - NOTIFICATION

TELEPHONE CONTACT NUMBERS

The **Company:** 0118 936 3275

Generator: Direct line using Control Telephony System or []

SCHEDULE 4 SECURITY SCHEDULE

Part 1 Mandatory Background Checking Requirements

1 DEFINITIONS

1.1 In this Schedule the following words and expressions have the following meanings:

Assurance Procedure:	National Grid's assurance process named "UKPS8: UK Contractor Background Checking Procedure" (as updated from time to time) relating to the Background Checking Requirements;
Background Checking Requirements:	together the Standard Requirements Check, Minimum Requirements Check and the NSV Check;
Minimum Requirements Check:	a verification check on the Supplier Personnel's identity, and confirmation of their right to work in the United Kingdom (or any other territory in which they are engaged to provide services to National Grid) using either: (a) the Nominated Provider (unless otherwise agreed in writing by National Grid); or (b) where paragraph 2.3 of this Part 1 applies, the Assurance Procedure;
Nominated Provider:	Experian, or such other company as determined by National Grid from time to time;
NSV Check:	national security vetting conducted by the UK Government on Supplier Personnel performing NSV Designated Roles;
NSV Designated Role:	a role as notified by National Grid to the Supplier from time to time which

require frequent and uncontrolled access to critical national infrastructure sites and/or systems directly or indirectly supporting critical national infrastructure or for other reason (as determined by National Grid at its sole discretion) require national security vetting; and

**Standard Requirements
Check:**

the Minimum Requirements Check plus a check on the Supplier Personnel's employment history for the period of three years prior to their engagement, a verification check of home address throughout the three years prior to commencement of their engagement, a "basic disclosure" of unspent criminal convictions provided by Disclosure Scotland or the Disclosure and Barring Service or equivalent which is satisfactory to the Customer, and an international fraud and sanctions check or global watch check using either:

- (a) the Nominated Provider (unless otherwise agreed in writing by National Grid); or
- (b) where paragraph 2.3 of this Part 1 applies, the Assurance Procedure.

2 BACKGROUND CHECKING PROCEDURE

2.1 The Supplier shall comply with the Background Checking Requirements and ensure that all documents and records are obtained and/or verified in accordance with Applicable Law. If any Supplier Personnel are to be based outside the United Kingdom, the Supplier must obtain National Grid's express written permission prior to engaging with Supplier Personnel and comply with all background checking requirements stipulated by National Grid which shall as a minimum include the

Minimum Requirements Check (as amended to comply with Applicable Law and any other laws or verification procedures which apply to the relevant jurisdiction).

2.2 The Supplier shall ensure that all Supplier Personnel prior to commencing any services or Project Deliverables of any kind to National Grid:-

- (a) undergo the Standard Requirements Check if they:
 - (i) have or will have any level of unsupervised access to or control (whether local or remote) over National Grid's (or any of National Grid Parties') operational or office sites, financial information, commercial information (including National Grid Data), information systems, records, email system, security systems or personal employee information; or
 - (ii) have or will have access directly to members of the public, domestic properties, or to any customers of National Grid ("**a Standard Requirements Role**");
- (b) undergo the NSV Check if performing a NSV Designated Role; or
- (c) undergo the Minimum Requirements Check if they are not performing a Standard Requirements Role or a NSV Designated Role.

2.3 Where a Standard Requirements Check is required and it reveals that the Supplier Personnel has a criminal record, such record shall be disclosed to National Grid if the Supplier wishes to assign the Supplier Personnel to this Agreement. National Grid reserves the right in its absolute discretion to require that such Supplier Personnel is excluded from directly or indirectly providing any Services if in its opinion the relevant charge, caution or conviction renders them unsuitable for the work in question.

2.4 Without prejudice to paragraphs 2.1 and 2.2 of this Part 1, if the Supplier instructs the Nominated Provider to withhold access to National Grid (or National Grid is otherwise unable to use the Nominated Provider service) such that National Grid is unable to verify whether the relevant checks have been completed then:

- (a) the Supplier shall notify National Grid as soon as reasonably practicable of such instruction to the Nominated Provider;
- (b) on receipt of such notification at paragraph 2.4(a) of this Part 1 (or following National Grid otherwise becoming aware of the unavailability of the Nominated Provider service) National Grid shall notify the Supplier of the applicable Assurance Procedure which the Supplier will be required to follow; and

- (c) the Supplier shall ensure that the Assurance Procedure is complied with within eight (8) days of receipt of the same, and a failure by the Supplier to do so shall be a material breach of this Agreement.
- 2.5 National Grid reserves the right to require that additional checking over and above the Background Checks be undertaken for particularly high-risk roles.
- 2.6 Where during the Term of this Agreement the Supplier becomes aware of any conviction of Supplier Personnel, or any falsification of information by Supplier Personnel, this information shall be forwarded to National Grid for determination in its absolute discretion as to whether the Supplier Personnel should be allowed to continue working for or providing any services or Project Deliverables to National Grid.
- 2.7 The Supplier shall retain, manage, store and secure accurate and complete records of all checks made in accordance with the Background Checking Requirements, in accordance with the Data Protection Act 2018 (as amended), and in such a manner that National Grid can, on reasonable notice, request access in order to conduct an audit in respect of Supplier Personnel in accordance with the terms of this Agreement.
- 2.8 The Supplier acknowledges and accepts that the Nominated Provider will provide National Grid with access to the Background Check Records to enable National Grid to conduct audits in respect of compliance with the Background Checking Requirements.

Part 2 Mandatory Information Security Requirements

The Supplier shall be required to comply with the following requirements:

1 INTRODUCTION & BACKGROUND

National Grid is committed to delivering operational excellence and the highest levels of security standards. This is achieved by maintaining appropriate security controls and safeguards, that cover both internal processes and those elements outsourced by National Grid to its supply-chain. These supply-chain partners, contractors, service providers, and suppliers (collectively called 'Suppliers') upon whom National Grid relies, play a key role in the achievement of these goals.

National Grid and its Suppliers shall acknowledge that security risks are shared between the parties and that any compromise represents an unacceptable risk to National Grid, requiring immediate communication and co-operation between the parties.

2 PURPOSE

The purpose of this Schedule is to define the security requirements that need to be met by National Grid's supply-chain during the delivery of products and services. Security requirements contained within this Schedule align to National Grid's IT Control Set, which are based on NIST 800-53.

3 RELATED NATIONAL GRID STANDARDS

This Schedule shall be used in conjunction with all associated contract documentation and National Grid's 'Supplier Code of Conduct' with which the Supplier shall comply. A copy of the Supplier Code of Conduct can be found on National Grid's website under the Suppliers page (<https://www.nationalgrid.com/suppliers>).

4 DEFINITIONS

Cyber Asset: any programmable electronic devices and communication networks including hardware, software, and data;

Externally Facing: any vulnerability that could be exploited without existing access to the system;

Product: a product is the item offered for sale. A product can be a service or an item. It can be physical or in virtual

or cyber form. (Collective term for and may be described as an asset, component, service, equipment, assembly, sub-assembly, design, system or various other terms within a contract or purchase order); and

Service: a form of 'Product', often associated with a support activity or process.

5 MANDATORY AND NON-MANDATORY REQUIREMENTS

Within this document:

Shall: Indicates a mandatory requirement.

Should: Indicates best practice and is the preferred option. If an alternative method is used then a suitable and sufficient risk assessment must be completed to show that the alternative method delivers the same, or better, level of protection.

6 ASSURANCE REQUIREMENTS

National Grid requires its supply-chain to provide evidence of compliance with the obligations under this agreement and applicable law, and to demonstrate the controls supporting the confidentiality, integrity and security of National Grid data and systems.

Therefore, National Grid, acting by itself or through its agents, shall have the right to undertake the assurance and audit activities detailed below during the term of this agreement, and, for a period of eighteen (18) months thereafter, in line with country, federal and state statute of limitations.

6.1 Pre-Contract Security and Periodic Assurance Assessments

National Grid operates a risk-based approach to supply-chain security, whereby the level of security assurance and oversight is proportionate to the products or services being supplied, and the potential risks associated. This includes pre-, post-, and end of contract assurance assessments and periodic reporting requirements.

This assurance activity may include:

- Completion of National Grid security questionnaire;
- Details of controls and provision of supporting evidence; and

- Periodic submission of independent assurance certification and/or compliance attestations.

Note: in accordance with National Grid’s risk-based approach, the level of assurance activity may be subject to change based the availability of evidence and the ongoing performance of the Supplier.

Upon agreement with National Grid Security, evidence of compliance may be provided in different formats and methods and the assessment may be performed remotely, or onsite at the Supplier’s location. For any onsite assessment at the Supplier’s location, National Grid will aim to provide at least fifteen (15) Business Days’ advance notice to the Supplier.

6.2 **For-Cause Audit**

In the event of an actual or suspected security breach (Paragraph 7.23 refers), or non-compliance with this agreement and/or applicable law, National Grid may invoke its right to audit, as provided under this agreement, with 24 hours’ notice to the Supplier in order to investigate and review related documentation, facilities, and processes.

6.3 **Regulatory Audits**

Under statute, rules, regulations, codes of practice/regulatory frameworks, or otherwise, certain government departments and regulatory, statutory and other entities, committees and bodies (collectively called, “**Regulatory Body**”), are entitled to investigate the affairs of National Grid, including any activities or processes performed by National Grid’s supply-chain.

In these circumstances, National Grid agrees to provide evidence of such a Regulatory Body investigation to the Supplier, and the Supplier shall promptly co-operate and support National Grid and the Regulatory Bodies in order to fulfil such obligations.

6.4 **Conduct and Arrangements**

The Supplier (and applicable sub-tier supplier and /or sub-contractors) shall provide all reasonable co-operation and assistance in support of these assurance and audit activities, via the timely provision of:

- (a) Relevant information and supporting evidence requested by National Grid, and its representatives; and
- (b) Reasonable access to any sites, facilities and employees involved (whether exclusively or non-exclusively) in the performance of the services.

This includes any third-party representative that National Grid employs to conduct the audit on its behalf. The decision to use a third party shall be communicated to the Supplier and shall be mutually acceptable to both National Grid and the Supplier.

In return, National Grid and its representatives shall use all reasonable efforts to ensure that they do not unreasonably cause disruption or delay the provision of products or services. Additionally, during any onsite visit to the Supplier's location, National Grid and its representatives agree to comply with the Supplier's security and safety protocols, and any relevant site or facility operating procedures (as is applicable and reasonable).

All assessment and audit activities shall be subject to existing confidentially arrangements between National Grid and the Supplier.

6.5 Costs and Expenses

National Grid and the Supplier shall bear their own respective costs and expenses incurred as part of the above assurance or audit activities unless a material default is identified, in which case the Supplier shall reimburse National Grid for all reasonable costs incurred.

6.6 Audit Outcomes

All findings (positive and negative) shall be shared with the Supplier to obtain their factual concurrence and enable a right to respond or seek further clarification.

If a default is identified, a remediation plan shall be proposed by the Supplier for agreement with National Grid Security team. The agreed remediation plan shall be completed to an agreed timescale and the Supplier shall agree to:

- (a) carry out the remediation plan at its own cost;
- (b) reasonably co-operate in the carrying out of the remediation plan, and comply with the applicable instructions from National Grid, its representatives or regulatory bodies (as applicable); and
- (c) furnish evidence of its compliance with its obligations under this Agreement following execution of the remediation plan in a manner which is reasonably satisfactory to National Grid.

7 MINIMUM SECURITY REQUIREMENTS

The requirements set out in this paragraph are the minimum-security controls that National Grid requires of all its Suppliers to have in place within their organisation in

order to protect the ongoing confidentiality, integrity, and availability of National Grid information and/or systems.

These controls shall be formally defined within the Supplier's organisation via the publication and management of documented processes, policies, standards and/or systems. The Supplier shall be able to demonstrate compliance with these controls, in accordance with the requirements detailed in Paragraph 6.

7.1 **Security Management Systems**

The Supplier shall maintain an overarching organisational security policy and supporting security management systems, that ensures the products or services supplied to National Grid conform to the requirements within this Schedule, and all relevant legislative requirements.

The Supplier shall demonstrate the compliance of their security management system via the provision of independently verified certification or audit reports (e.g. ISO 27001, SOC 1, SOC 2) that covers the scope of the products or services supplied to National Grid.

Note: in accordance with Paragraph 6 - Assurance Requirements above, National Grid may request additional evidence or reporting, and undertake further assurance assessments, to validate the Supplier's compliance with this Agreement.

A list of all the Supplier's locations providing products or services to National Grid in support of this Agreement shall be provided to National Grid by completing the table in Part 3 of this Schedule. Changes to this list requires pre-approval from National Grid.

7.2 **Risk Management**

The Supplier shall undertake and document formalised risk assessments to understand their key security risks. This shall include the likelihood and impact from unauthorised access, use, disclosure, modification, or destruction of assets and the information processed, stored, or transmitted.

The risk assessments shall be reviewed every 12 calendar months, or whenever there are significant changes. Identified improvement actions shall be agreed and tracked appropriately.

7.3 **Supply Chain Management**

The Supplier shall implement processes and controls for the identification, assurance and management of sub-tier suppliers and sub-contractors (3rd, 4th parties, etc.).

Any sub-tier supplier or subcontractor who is given access to National Grid's Confidential Information, or to whom it provides Information created on behalf of National Grid, shall comply with the same restrictions and conditions set forth herein via a written contractual agreement (flow-down). The Supplier is responsible for enforcing and validating these requirements from sub-tier or outsourced organisations to demonstrate compliance.

Note: National Grid's data, may not be maintained, stored, or transmitted outside of the United States of America, United Kingdom, or the European Economic Area, except for entities that are legally affiliated or are wholly owned subsidiaries.

A list of sub-tier suppliers and subcontractors directly involved in the supply of products or services to National Grid shall be provided by completing the table in Sub-tier suppliers and subcontractor table. Changes to this list requires pre-approval from National Grid.

7.4 **Asset Management**

The Supplier shall maintain an inventory of assets and equipment, which includes key status and identification information and enables traceability of its use/application.

When assets no longer serve a useful purpose, due to cessation of services or obsolete technology, they shall be repurposed or securely disposed of using methods that prevent the recovery of information. Prior to disposal, release, or reuse, the Supplier shall sanitise the media using defined sanitisation techniques and mechanisms commensurate with the security classification of the information.

Upon contract termination, National Grid assets and equipment shall be returned, or, if agreed with National Grid, disposed of in accordance with the above requirement.

7.5 **Configuration Management**

The Supplier shall maintain baseline configuration information of its assets and equipment. The information shall include key software and hardware details and their status.

Production environments shall be logically and/or physically segregated from Non-Production (e.g. development and test) environments.

7.6 **Change Management**

The Supplier shall ensure that there are internal controls to identify, approve, validate, and implement changes in a safe and traceable manner. The impact and risks associated with the change, including any associated with National Grid, shall be considered as part of the review.

Changes shall be implemented in a controlled manner and all documentation, records, or systems, impacted by the change (e.g. process flow diagrams, FMEAs, Control Plans, Operator Instructions, penetration testing, etc.), shall be reviewed and updated as part of the implementation plan.

The Supplier shall notify National Grid contract manager of any changes that could impact delivery or fulfilment of the contracted requirements.

7.7 Awareness and Training

The Supplier is responsible for establishing and maintaining adequate resources and security competency requirements, in support of the delivery of any products or services to National Grid.

The Supplier shall provide security and data privacy awareness training to all employees, plus role-based security training for physical or information security personnel, third party stakeholders, and personnel with elevated or privileged access to National Grid facilities, systems, or information. These requirements should cover the following areas as a minimum:

- Data protection (privacy).
- Cyber and Physical security.
- Acceptable use of devices.

Records of individual training activities shall be recorded and retained in accordance with the Supplier's record retention policies and a minimum of 3 years.

7.8 People Security

The Supplier shall have a process to ensure pre-employment screening checks are performed for all employees to manage 'insider risk'. The details are set out in Part 1 of this Schedule.

Additional background screening requirements may be required based on the specific level of physical and/or logical access to National Grid facilities, network, systems, or information. Upon termination of the engagement of any Supplier Personnel (or their involvement in providing the services or Project Deliverables) the Supplier shall remove all access privileges and recover all equipment and records held by the relevant Supplier Personnel.

7.9 **Physical Security**

The Supplier shall ensure appropriate physical security controls, proportionate to risk and asset criticality, are in place to prevent unauthorised access. The approach taken should include as a minimum the following key principles:

- Access shall be controlled and subject to authorisation.
- Access events shall be recorded and monitored to identify any irregular or suspicious activity.
- Logs shall be retained for a minimum of 1 calendar year (12 months), or six calendar years for the US (United States) Jurisdiction.
- Visitors shall be escorted and monitored at all times.
- Limits shall also be set on the maximum number of visitors that can be escorted by an individual at one time.

Network hardware (firewalls, routers, switches, access point controllers, etc.) shall be kept in secured areas and protected against physical tampering and unauthorised connections.

7.10 **Facility Security**

The Supplier shall ensure that server rooms, data centres, computer supply closets, and rooms containing documented critical systems include the following controls:

- Physical security (in accordance with Paragraph 7.9 - Physical Security).
- Temperature and humidity monitoring.
- Emergency lighting.
- Back-up/emergency power supply systems.

These systems shall be maintained to ensure continued availability and integrity. Maintenance and removal of critical area equipment is approved and logged.

7.11 **Identification and Authentication**

The Suppliers information systems shall perform identity and authentication checks prior to establishing a connection.

The Supplier shall ensure password and supporting management systems meet the following minimum requirements:

- The initial password issued by a systems security administrator shall only be valid for the user's first on-line session. Upon initial log-on to the system, the user shall be forced to change their password immediately.
- Password length of at least 8 characters and a complexity that is at least a combination of 3 different types of characters (e.g., uppercase alphabetic (A-Z), lowercase alphabetic (a-z), non-alphabetic (numeric or special characters)).
- For systems using Passphrase authentication, the length should be at least 12 characters.
- All passwords shall expire within 90 days.
- Users shall be prevented from reusing the last 10 passwords.

Note: Where there is a system limitation preventing achievement of the above length and complexity requirements, these shall be notified to National Grid Security for review of appropriate compensating controls.

7.12 Access Control

The Supplier shall have access control policies, processes, and systems to prevent unauthorised access to information, systems, and networks. These shall at a minimum cover the management of the following:

- Approval of access.
- Segregation of duties.
- Generic/shared accounts, including updates following any changes to personnel.
- Privileged access accounts, including administrator and developer account restrictions.
- Remote access, including usage restrictions.
- Authentication protocols, including Multi Factor Authentication.
- Set a limit of consecutive invalid logon attempts by a user, with automatic locking of the account if limit breached.

- Systems shall lock automatically after a defined period of session inactivity, requiring re-authentication to obtain access to the system.
- Access monitoring, to detect unauthorised access attempts.
- Periodic access reviews (minimum annual).
- Revocation of access from the Supplier's network within the following timeframes:
 - 24 hours in the event of a for-cause termination.
 - 48 hours for standard termination.
 - 7 days for all other system, data and application access.

7.13 **Network Security**

The Supplier shall control communications at the external boundaries of systems, and at identified and documented key internal boundaries of systems, utilising recognised industry best practices, including but not limited to the following:

- Firewalls.
- Domain Name System (DNS).
- Intrusion Protection Systems (IPS).
- Network access control (NAC).
- Security information and event management (SIEM).
- Antivirus and other malicious software prevention tools.

7.14 **System Logging**

The Supplier shall ensure traceability of information system events, with log records generated, retained and protected that capture:

- What type of event occurred.
- When the event occurred.
- Where the event occurred.
- The source of the event.

- The outcome of the event.
- The identity of any individuals or subjects associated with the event.

Log records shall be retained in accordance with record retention policies. Logs and logging tools shall be forensically sound, protected against damage, loss, or unauthorised modification.

7.15 **Continuous Monitoring**

The Supplier shall monitor communications on information systems and networks to detect potential attacks and unauthorised use by monitoring as a minimum:

- User activity.
- Elevated privileges.
- Hosts.
- Remote connections.

Alerts shall be generated and investigated for the following as a minimum:

- Detected unauthorized exfiltration of data.
- Suspicious user behaviour and unauthorised actions on systems.
- Detected malicious code.
- System abnormalities.
- Unauthorised network intrusion.
- Detected failure of event logging.

Confirmed security incidents involving National Grid information, system and networks shall be investigated within 24 hours and reported to National Grid in accordance with Paragraph 7.23 - Security Incident Management and Data Breach.

7.16 **Threat and Vulnerability Management**

The Supplier shall have threat and vulnerability management policies, processes, and systems and undertake vulnerability scans of information systems at least quarterly based on risk, to prevent the exploitation of system control weakness, security breaches, and information systems and connected Operational Technology outages.

Information systems are defined by National Grid's definition of a "Cyber Asset" as per Paragraph 4.

Vulnerabilities should be classified, and remediated, in accordance with the below:

- **Critical** (CVSS score 9.0 – 10.0 AND Externally Facing) = provide corrective plan and prepare a Change Request within 24 hours, for implementation within 72 hours. The total elapsed time must not exceed 72 hours.
- **High** (CVSS score 7.0 – 10 AND NOT Externally Facing) = provide corrective plan and prepare a Change Request within 5 days, for implementation within 21 days. The total elapsed time must not exceed 21 calendar days.
- **Medium** (CVSS score 4.0 – 6.9) = provide corrective plan and prepare a Change Request within 30 days, for implementation within 60 days. The total elapsed time must not exceed 60 calendar days.
- **Low** (CVSS score 0.1 – 3.9) = provide corrective plan and prepare a Change Request within 30 days, for implementation within 90 days. The total elapsed time must not exceed 90 calendar days. This is best practise but not compulsory.

In the event that the Supplier utilises an alternative classification scheme, the scoring and remediation timing shall be demonstrably equivalent to the above requirements and must be approved by National Grid Vulnerability Management team. Prior to service commencement the Supplier shall have identified and remediated all vulnerabilities classified as Critical, High and Medium using the above or approved equivalent classification system as well as providing evidence that the system is free from these classifications of vulnerabilities. Any vulnerabilities that are unable to be remediated must be raised with National Grid Security in order to deem whether an exemption is appropriate before service commencement.

7.17 Penetration Testing

The Supplier shall at least annually conduct a penetration test using an approved internal team or, at its own expense, an independent third party and provide National Grid with an executive overview of such testing and findings. The method of test scoring and issue ratings shall follow standard industry practice, such as the latest Common Vulnerability Scoring System (CVSS) published by the US National Institute of Standards and Technology (NIST). For any material findings (critical, high, or medium risk) defined using the scoring system in Paragraph 7.16, the supplier shall follow the same timeframes defined in this section. The supplier must produce a remediation plan detailing the actions and dates by when these security issues shall be fully resolved and provide a copy of this report to National Grid Security. Any

remediations that will exceed the timeframes set out in Paragraph 7.16 must be communicated to National Grid Security along with a remediation plan that includes the expected timeframes for completion of work.

Prior to service commencement Supplier shall have tested and remediated any weaknesses or potential exploits classified as Medium, High or Critical either internally or using an independent third party at its own expense. Evidence of this must also be provided to National Grid before service commencement. Any weaknesses or exploits that are unable to be remediated must be raised with National Grid Security to deem whether an exemption is appropriate before service commencement.

7.18 **Patch Management**

The Supplier shall remediate identified threats and vulnerabilities via the implementation and tracking of security patches. Patches shall be tested prior to release and implementation into production.

The Supplier should maintain security patching in accordance with timings detailed above in Paragraph 7.16 - Threat and Vulnerability Management.

7.19 **Data Security**

The Supplier shall maintain a data classification scheme and ensure that all information assets are identified with the defined classification level.

The Supplier shall protect the confidentiality, integrity, and availability of their information at rest, during transmission, and in-use, in accordance with the classification scheme to prevent unauthorized disclosure and modification.

National Grid information held by the Supplier shall be encrypted in accordance with:

- At rest and in-use = AES 256.
- Information in transit = minimum of TLS 1.2 (with no compromised cyphers).

Note: The Supplier should have a plan to transition to TLS 1.3 and the following are prohibited:

- TLS 1.1 and earlier versions of SSL.
- The use of Self-Signed Certificates.
- Wild Card certificates.

Cryptographic keys shall be reviewed every 12 calendar months as a minimum.

Upon contract termination, any National Grid data shall be returned, or, destroyed in line with National Grid requirements.

7.20 Backups

The Supplier shall perform periodic data and system backups to enable timely, complete and accurate restoration of data processes. Backups shall be stored in offsite locations with appropriate cyber, environmental, and physical security controls, which are demonstrably equivalent to those at the primary site.

Backups shall be periodically tested to verify the data is usable and compatible with current configurations by restoring a changing set of files that includes representative examples of:

- Operating system files.
- Application files.
- Business/end user data.

7.21 Business Continuity

The Supplier shall have business continuity plans that detail how operations will be maintained during an unplanned disruption in service. This shall include contingencies for business processes, assets, human resources, and business partners, and cover key information, system, and services. Continuity plans shall be approved by senior management and reviewed/tested every 12 calendar months at a minimum.

7.22 Disaster Recovery

The Supplier shall perform periodic disaster recovery tests at a frequency determined by criticality but minimum annually. Actual disaster recovery events arising from operational incidents are deemed equivalent to disaster recovery tests for periodic testing requirements. Tabletop/walkthrough disaster recovery tests are permissible only where operational tests are not viable.

7.23 Security Incident Management and Data Breach

The Supplier shall maintain processes and incident response plans for the management of security incidents. This shall include the following elements as a minimum:

- The identification, classification and reporting of incidents, including definition of reportable incidents to National Grid, law enforcement or regulatory institutions.

- Defined roles and responsibilities, including incident handling activities involving the Suppliers supply chain.
- Establishment of containment and recovery actions.
- Incident investigation, including the identification of root cause(s).
- Incident resolution, including the implementation of corrective actions.

National Grid shall be notified promptly, but in no event later than 24 hours, following the confirmation of a security incident relevant to the products or services provided to National Grid. This includes, but is not limited to, an exploitation of security vulnerabilities by third parties that have resulted in loss, corruption, unauthorized modification, sale, rental, and/or otherwise damages to or materially alters the integrity of National Grid Data and shall work with National Grid to mitigate such vulnerabilities (“**Security Breach**”). The Supplier shall co-operate with National Grid to resolve security issues and support National Grid with any notifications to governmental/administrative entities, as required by Law.

Note: all associated information security incidents and data breaches shall be reported to National Grid Cyber-Response hotline:

- In the **US (United States)**, call **781-907-3745**.
- In the **UK (United Kingdom)**, call **01214248204**.
- Or send an email to cyberresponse@nationalgrid.com

A report containing details of the Security Breach, including root cause(s) and corrective action plans implemented (or in process of being implemented) to prevent a future recurrence thereof, plus an assessment of the impact and any known or reasonably suspected future impact on National Grid and known third parties, shall be provided, in writing, no later than three (3) Business Days after confirmation, unless an extension to this timeframe is agreed by National Grid Incident Management team.

Incidents shall be documented and tracked against defined timeframes to ensure timely resolution and closure. Records of the incident shall be retained for at least 1 calendar year.

Part 3 Additional Information Security Requirements

1 APPLICABILITY OF THIS PART 3

This Part 3 applies if in providing the Services or Project Deliverables, the Supplier (or any of its sub-contractors) or any Supplier Personnel will be:

- (a) utilising technology which will or could be connected to any of National Grid's information systems, including without limitation, intranet, email, document management systems, operational management systems, cloud hosting sites or any other systems processing information which is confidential to National Grid ("**National Grid Information System**");
- (b) where any Supplier Personnel will have access using a National Grid Information System to any financial, commercial or other confidential data or personal data, or technical drawings or specifications which are not publicly available (including all National Grid Data) ("**Sensitive National Grid Data**");
- (c) where any Supplier Personnel will have access to any Sensitive National Grid Data which is collected, stored or processed in a system which is controlled by the Supplier (or any of its sub-contractors) which is not a National Grid Information System;
- (d) where any Sensitive National Grid Data is being collected, stored or processed by a sub-contractor of the Supplier; or
- (e) if any Sensitive National Grid Data is being collected, stored or processed by the Supplier (or any of its sub-contractors), or any National Grid Information System is being accessed by Supplier Personnel based outside the United Kingdom.

2 NATIONAL GRID APPLICABLE SECURITY POLICIES

The Supplier shall ensure that it has in place equivalent security controls and practices in order to meet the requirements of the following National Grid security Policies, such Policies to be shared with Supplier through a signed non-disclosure agreement (and as varied from time to time).

Policy Title	
(a)	Acceptable Use of Devices Policy
(b)	Global People Security Policy
(c)	Global Physical Security Policy
(d)	Global Working from Abroad Policy

3 SUPPLIER LOCATIONS

The Supplier shall provide a list of the primary locations within their organisation which are directly supporting the delivery of services or any Project Deliverables and therefore have any level of access to any National Grid Information System or Sensitive National Grid Data in accordance with the table below as soon as reasonably practicable after the Effective Date of this Agreement.

Table 1: Supplier sites and locations

Name	Address	Country	Description of Products or Services

Note: changes to this list requires pre-approval from National Grid contract / relationship manager who will seek guidance and approval from National Grid Security Team.

4 SUB-TIER SUPPLIERS AND SUB-CONTRACTORS TABLE

The Supplier shall provide details of their sub-tier suppliers and subcontractors that will have access to any National Grid Information Systems or Sensitive National Grid Data.

Name	Address	Country	Description of Products or Services