

DATED _____ **202[]**

NATIONAL GRID ELECTRICITY SYSTEM OPERATOR LIMITED

and

[Company name]

**SERVICE AGREEMENT
FOR THE PROVISION
OF A REACTIVE POWER SERVICE**

at

[Site name]

Contract Log No: *[National Grid to provide]*

Subject to Contract

Draft v.1.0

CONTRACT FORM

Parties:

The “ Company ”:	NATIONAL GRID ELECTRICITY SYSTEM OPERATOR LIMITED , a company registered in England with number 11014226 whose registered office is at 1-3 Strand, London, WC2N 5EH; and
The “ Provider ”:	[], a company registered in [] with number [<i>Company number</i>] whose registered office is at [<i>registered office</i>]

Background:

- A. The **Company** issued an Invitation to Tender (“**ITT**”) for the provision of reactive power services (the “**Reactive Power Service**”) to the **National Electricity Transmission System** and the **Provider** has submitted a tender for the provision of the **Reactive Power Service** from its **Facility**.
- B. The **Company** has selected the **Provider** to provide the **Reactive Power Service** on the basis of the rules set out in the **ITT** and the **Parties** are entering into this **Agreement** in accordance with the **ITT**.
- C. This form (“**Contract Form**”) together with the document titled “General Terms and Conditions” (the “**GTCs**”) attached (including the schedules thereto) shall form the entire agreement between the **Company** and the **Provider** regarding the provision of the **Reactive Power Service** from the **Facility**. Words and expressions used in this **Contract Form** and not defined herein shall have the meanings ascribed to them in the **GTCs**.

Part 1 – Conditions Precedent

1. [the Provider having made an application for the connection of its site in accordance with the provisions of [CUSC].	
2. [Delivery by the Provider to the Company of Acceptable Security for an amount equal to the Secured Amount ¹].	
3. [the Provider demonstrating to the Company’s reasonable satisfaction that the Facility has Acceptable Protection Settings in place]	

Part 2 - The Facility

¹ If required by the tender rules.

Facility:	[]
Type of Facility:	New Build Facility/Existing Facility ^{*2}
	Static/Dynamic
Availability Fee:	£[]/Settlement Period
Notice Period:	[] minutes
Contracted Absorption Capability:	[] MVA _r
Contracted Injection Capability:	[] MVA _r
Synchronising Time:	[] minutes

² Delete as appropriate. For new builds, the Post Tender Milestone provisions will be applicable.

Part 3 – Post Tender Milestones

Post Tender Milestones³

	Milestone	Evidence Required
1.	Agreed financing in place sufficient to fund completion of the Works .	Evidence should include internal governance sign-off and, where third party funding is required, a Letter of Intent from the funding party (subject to that party's due diligence process), confirming that there are no conditions of that financing that may negatively impact on the provision of the Reactive Power Service . The documentation must be specific to the Provider and the Facility .
2.	The grant by the relevant local planning authority (on terms and conditions reasonably acceptable to the Company) of permission for the proposed erection, construction operation and/or site clearance required (including all and any ancillary erections, structures and equipment, plant and apparatus) and use of the Facility for the provision of the Reactive Power Service in accordance with the terms of the Agreement .	Copy of all relevant consents or (at the Company's sole discretion) a declaration by the Provider that it has obtained the necessary planning permission that may be required to enable the Provider to deliver its project for the purposes of providing the Reactive Power Service in accordance with the terms of the Agreement .
3.	The Provider has either a leasehold or freehold interest in land upon which the Facility is (or is to be) situated	Evidence to the Company's reasonable satisfaction which may (at the Company's sole discretion) be by way of a declaration by the Provider that it has met these obligations.
4.	The Provider has commenced development and construction operations at the site.	Evidence (to the Company's reasonable satisfaction) or (at the Company's sole discretion) a declaration by the Provider that it has met these obligations.
5.	The Provider has in place (as can reasonably be expected to be in place by the PTM Date), without limitation, those	Evidence to the Company's reasonable satisfaction which may (at the Company's sole discretion) be by delivering certified

³ These Milestones are indicative and should be refined in the Tender Submission

	consents, permissions, approvals, licences, exemptions and other permits (in legally effectual form) as may be necessary to commence, carry out, maintain and ensure the provision of the Reactive Power Service in accordance with the terms of the Agreement .	copies of licences, exemptions and other permits and consents (in legally effectual form) or by way of a certificate from an independent consultant (based in the United Kingdom and who has sufficient experience and expertise in assessing the consenting requirements for the construction and operation of facilities similar to the Provider's system) that the Provider has, or can reasonably be expected to have, the necessary consents, permissions, approvals, licences, exemptions and other permits in place to enable the Provider to the Reactive Power Service in accordance with the terms of the Agreement by no later than the Scheduled Commercial Operations Date .
6.	Entry by the Provider into a binding agreement (on terms acceptable to the Company) for the connection of the Facility to the National Electricity Transmission System to receive a supply or electricity from and export electricity into the distribution system or the National Electricity Transmission System.	Unless evidence was fully provided at the Tender stage, evidence to the Company's reasonable satisfaction or (at the Company's sole discretion) a declaration by the Provider that it has entered into a suitable grid connection agreement that will enable the Provider to deliver the Reactive Power Service in accordance with the terms of the Agreement .
7.	The Provider has put in place the necessary orders for all necessary plant, equipment, apparatus, machinery and other materials with long procurement and/or delivery periods.	Evidence to the Company's reasonable satisfaction.
8.	Entry by the Provider into a binding engineering procurement and construction contract and/or a supply agreement with an original equipment manufacturer (as applicable) for the provision of relevant equipment and services in developing the Facility (including all ancillary and associated	Unless a contract was entered into at the Tender stage, evidence to the Company's reasonable satisfaction, which may be by way of a certificate from an independent consultant who has sufficient experience and expertise in assessing the necessary requirements for the construction and operation of facilities similar to the Provider's system in the

	works in relation thereto) in accordance with the Project Plan .	United Kingdom, that the Provider has entered into a binding engineering procurement and construction contract and/or a supply agreement with an original equipment manufacturer (as applicable) for the provision of relevant equipment and services in developing the Facility (including all ancillary and associated works in relation thereto) in accordance with the Project Plan .
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Part 4 – Notices

The **Company**'s address for service of Notices:

National Grid Electricity System Operator Limited
Faraday House
Warwick Technology Park
Gallows Hill
Warwick CV34 6DA
Facsimile number: 01926 656613
For the attention of: the Company Secretary
Copy to: Head of Markets

The **Provider**'s address for service of Notices:

[*Company name*]

[*Company Address*]

Facsimile number: []

For the attention of: []

Operational telephone contact number []

Operational contact []

[Part 5 - Special Conditions

The following provisions shall supplement and, where inconsistent with the General Terms and Conditions, apply in place of the relevant provision of the General Terms and Conditions.]

Signed for and on behalf of NATIONAL GRID ELECTRICITY SYSTEM OPERATOR LIMITED by []:]:	
Dated:	
Signed for and on behalf of [] LIMITED by []:]:	
Dated:	