FLEXIBILITY SERVICES STANDARD AGREEMENT

THIS AGREEMENT is made on _____

BETWEEN:

(1) **Southern Electric Power Distribution Plc** a company incorporated in England and Wales (registered number 04094290) whose registered office is at No.1 Forbury Place, 43 Forbury Road, Reading, United Kingdom, RG1 3JH and **Scottish Hydro Electric Power Distribution Plc** a company incorporated in Scotland (registered number SC213460) whose registered office is at Inveralmond House, 200 Dunkeld Road, Perth, PH1 3AQ (together the "**Company**"); and

(2) **Company Name:**

A company incorporated in:

Registered number:

whose registered office is at:

(the "**Provider**"),

(together the "**Parties**" and each a "**Party**").

RECITALS:

(1) The Company, as owner and operator of the local Network, requires the provision of Flexibility Services (as hereinafter defined) to aid the management and operation of its Network. The Company wishes to contract with providers and/or operators of suitable assets for the provision of such Flexibility Services.

(2) The Provider is the owner and/or operator of assets, or has entered into arrangements for rights in respect of third party owned assets that have the capability to provide Flexibility Services and wishes to make available each Accessible Site for the provision of such Flexibility Services, for example through aggregated or individual assets. The Company will pay the Provider for these Flexibility Services in accordance with this Agreement.

(3) The Company wishes to appoint the Provider to provide the Flexibility Services and the Provider has agreed to provide the Flexibility Services to the Company, on and subject to the terms and conditions contained herein.

IT IS AGREED:

Contract Number:	

Commencement and Expiry Dates

This Overarching Agreement shall commence on the Commencement Date and subject to earlier termination, shall continue until the Expiry Date.

This Overarching Agreement shall terminate automatically on the Expiry Date without notice.

Contract dates:

Parameter	Definition	Details
Commencement Date	Date this Agreement commences	
Expiry Date	Date this Agreement expires	The date 8 years after the Commencement Date

Senior Representatives

Party	Name	Contact Email
The Company	Flexible Solutions Team	FlexibleServices@sse.com
The Provider		

Emergency Flex (OPT IN / OPT OUT)

The Provider may opt into or out of the provision of Emergency Flex, as confirmed below:

Emergency Flex	
The Provider shall opt in or opt out of providing Emergency Flex by answering yes or no to the question below: Do you wish to opt in to providing Emergency Flex Services?	Yes/No

GLOSSARY AND INTERPRETATION

1. Introduction

1.1 The Glossary and Rules of Interpretation shall apply to any document published or to be published by the Company which states (howsoever expressed) that it is governed by or subject to this Glossary and Rules of Interpretation (see definition of Associated Document).

1.2 Any capitalised term used in the Glossary and Rules of Interpretation shall have the meaning given to it (if any) in the Glossary and Service Glossary as applicable.

1.3 The Company may update any of the Glossary and Rules of Interpretation, General Terms and Conditions, Service Glossary, Service Terms, Annexes, Forms and Templates, and other Associated Documents from time to time by publication of an updated version of the relevant document on its website, and each such updated version shall be effective from the date shown on its front cover provided always that, except with the consent of the Provider in writing (which shall include by approved electronic means to the extent permitted by the Service Terms), any updated

version shall not apply to (i) any Agreement already in force or (ii) to any Service Terms already applying to Flexibility Services currently being provided at the time of publication.

2. Rules of Interpretation

2.1 Unless the context otherwise requires:

2.1.1 the singular includes the plural and vice versa;

2.1.2 reference to a gender includes the other gender and the neuter;

2.1.3 references to an act of Parliament, statutory provision or statutory instrument include a reference to that act of Parliament, statutory provision or statutory instrument as amended, extended or re-enacted from time to time and to any regulations made under it;

2.1.4 words denoting persons shall include any individual, partnership, firm, company, corporation, joint venture, trust, association, organisation or other entity, in each case whether or not having separate legal personality; and

2.1.5 references to a company shall include a corporation or other body corporate and body corporate shall have the meaning given in section 1173 of the Companies Act 2006.

2.2 A table of contents and headings are for convenience only and shall be ignored in construing the terms of the Agreement.

2.3 Any reference to the words “including”, “include”, “in particular” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

2.4 If a term or expression is defined within the Service Terms or Annexes relating to a particular service, the defined term or expression within the Service Terms or Annexes shall apply to the relevant service.

2.5 All references in an Associated Document, General Terms and Conditions, and Glossary to a particular paragraph or Annex shall be a reference to that paragraph or Annex in or to that Associated Document.

Priority of documents

2.6 If there is any conflict between the provisions of any of the documents comprising the Agreement, then the following order of priority between the documents shall apply:

2.6.1 Associated Documents; and

2.6.2 General Terms and Conditions and Glossary.

3. Glossary

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

“Accessible Site”	a Site that is not a domestic site;
“Affiliate”	any holding company or subsidiary company of a Party, or any company which is a subsidiary of such holding company and “**holding company**” and “**subsidiary**” have the meanings given in section 1159 of the Companies Act 2006;

"Agreement"	the General Terms and Conditions, the Glossary, the Service Terms and Service Glossary, the Annexes, the Forms and Templates;
"Annexes"	the annexes appended to the General Terms and Conditions;
"Apparatus"	all equipment in which electrical conductors are used, supported or of which they may form a part;
"Applicable Law"	any applicable law, statute, by-law, regulation, order, regulatory policy, guidance or Industry Code, rule of court or directives or requirements of any regulatory body (including any health, safety and environmental legislation and approved codes of practice);
"Associated Document"	any document published or to be published by the Company which states (howsoever expressed) that it is governed by or subject to this Glossary and Rules of Interpretation in Part 2 above, which includes but is not limited to the Service Terms, Service Glossary, Annexes and Forms and Templates.
"Authority"	the Gas and Electricity Markets Authority;
"Availability" or **"Available"**	means that the Flexibility Services, in accordance with the Service Requirements and the Utilisation Instruction, and where applicable, are available to be delivered to the Company for the duration of the Service Window;
"Availability Payment"	has the meaning given to it in the Service Terms;
"Balancing Services Activity"	has the meaning attributed to it in the ESO's Transmission Licence;
"BSC"	means the balancing and settlement code as administered by Elexon;
"Business Day"	any Day other than a Saturday or Sunday or a bank holiday, in England and Wales where the Company is located in England and Wales and in the City of Edinburgh where the Company is located in Scotland;
"Business Hours"	between 9:00 am and 5:00 pm on a Business Day;
"Change in Ownership"	means:

	a) any sale, transfer or disposal of any legal, beneficial or equitable interest in fifty per cent (50%) or more of the shares in the Provider (including the control over the exercise of voting rights conferred on those shares, control over the right to appoint or remove directors or the rights to dividends); and/or b) any other arrangements that have or may have or which result in the same effect as sub-clause a) above;
"Charge(s)"	as applicable, the Availability Payments and the Utilisation Payments;
"CMZ"	constraint managed zone;
"Confidential Information"	any information, however it is conveyed, that relates to the business, affairs, developments, trade secrets, know-how, personnel, customers and/or suppliers of a Party (and/or any its Affiliates) together with all information derived from the above, and any other information clearly designated as being confidential (whether or not it is marked as "confidential") or which ought reasonably to be considered to be confidential;
"Connection Agreement"	an agreement governing the terms of connection of any Plant or Apparatus to, and/or any agreement for the supply of electricity to the Plant or Apparatus or for the acceptance of electricity into, and its delivery from, the Company's Distribution System or Transmission System (as the case may be);
"Connection and Use of System Code" or **"CUSC"**	the Connection and Use of System Code designated by the Secretary of State for Energy Security and Net Zero (DESNZ) as from time to time modified;
"Contract Award"	the execution and award by the Company of a contract for the provision of Flexibility Services by the Provider;
"Contract Data"	all data other than Performance Data associated with the Agreement;
"Data Protection Law"	any Applicable Law relating to the processing, privacy, and use of Personal Data, as applicable to the Company, the Provider and/or the Flexibility Services, including in the UK: (i) the Privacy and Electronic Communications (EC Directive) Regulations 2003 and any current laws or regulations implementing Council Directive 2002/58/EC; and/or (ii) the General Data Protection Regulation (EU) 2016/679 ("GDPR") as retained in the laws of the United Kingdom by the European Union (Withdrawal) Act 2018, and/or any corresponding or equivalent national laws or regulations, once in force and applicable,

	including the Data Protection Act 2018, and includes any judicial or administrative interpretation of them, any guidance, guidelines, codes of practice, approved codes of conduct or approved certification mechanisms issued by any relevant supervisory authority;
"Day"	a calendar day;
"DCUSA"	means the Distribution Connection and Use of System Agreement entered into by the DCUSA Parties (which includes the Company) and DCUSA Limited;
"Defaulting Party"	has the meaning given in paragraph 7.1of the General Terms and Conditions;
"Defect"	an issue that may arise with the DER equipment, metering or the communication interface between the Company and Provider which results in non-delivery of Flexibility Services or a misinformed delivery of Flexibility Services;
"Development Plan"	the defined schedule of design, build and commissioning in respect of a DER project in development;
"Distributed Energy Resources" or **"DER"**	the electricity generators, electricity storage or electrical loads (both in respect of domestic and non-domestic assets and including, but not limited to, electric vehicle charge points), and other Site equipment, machinery, Apparatus, materials and other items used for the provision of the Flexibility Services as described in the Service Terms;
"Distribution Code"	the Distribution Code of Licensed Distribution Network Operators of Great Britain;
"Distribution Licence"	a licence issued under section 6(1)(c) of the Electricity Act 1989;
"Distribution Limit"	£200,000 (two hundred thousand pounds sterling) or such other amount as may be stated in the Service Terms;
"Distribution System"	a distribution network owned and/or operated by the holder of a Distribution Licence;
"ESO"	means National Grid Electricity System Operator Limited (company number: 11014226) (and any successor to its role);

"Expert"	an independent expert appointed for the purposes of expert determination;
"Flexibility Services"	means, as more particularly described in the Service Terms, the services to be provided by the Provider to the Company under and in accordance with this Agreement which give the Company the ability to manage the load at a specific point of the Network at certain points in time;
"Force Majeure Event"	any event or circumstance which is beyond either the Company's or the Provider's (as the case may be) reasonable control or its employees and which results in or causes its failure to perform any of its obligations under the Agreement, provided that: (a) lack of funds; or (b) any failure or fault in the DER, including insufficient fuel, shall not constitute a Force Majeure Event;
"Forms and Templates"	where applicable, the relevant forms and templates associated with the onboarding, procurement, Contract Award or operation of Flexibility Services;
"Fuel Security Code"	means the document of that title designated as such by the Secretary of State for Energy Security and Net Zero as may be amended from time to time;
"General Terms and Conditions"	the general terms and conditions applicable to the provision of Flexibility Services to be provided under the Agreement;
"Glossary"	this glossary of terms and interpretation, as applicable to the Agreement;
"Good Industry Practice"	the exercise of that degree of care, skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced operator engaged in the same type of undertaking and carrying out services of similar nature, scope and complexity as the Flexibility Services, under the same or similar circumstances or the standard which would reasonably and ordinarily be expected from systems used by a skilled and experienced operator engaged in the same type of undertaking and carrying out services of similar nature, scope and complexity as the Flexibility Services, under the same or similar circumstances;
"Grid Code"	the technical code for connection and development of the national electricity transmission system as amended from time to time

	(available at www.nationalgrid.com/uk/electricity/codes/grid-code/code-documents);
"GSP"	grid supply point;
"Industry Code"	the BSC, the CUSC, the Grid Code, Transmission Code, the Distribution Code, the DCUSA, the Smart Energy Code, the Retail Energy Code and the Fuel Security Code.
"Insolvency Event"	means any pre-insolvency, creditor protection, or insolvency related actions, events, processes or proceedings, whether in or out of court, including the following (and any proceedings or steps leading to any of the following): any form of bankruptcy, liquidation, administration, receivership, voluntary arrangement, scheme of arrangement, restructuring plan or other compromise or arrangement or scheme with creditors, moratorium, stay or limitation of creditors' rights, interim or provisional supervision by a court or court appointee, winding up or striking off, or any distress, execution, commercial rent arrears recovery or other process levied or exercised; or any similar actions, events, processes or proceedings in any jurisdiction outside England and Wales where the Company is located in England and Wales or alternatively Scotland where the Company is located in Scotland;
"Intellectual Property Rights"	all intellectual property, including patents, trade marks, service marks, domain names, business and trading names, styles, logos and get-ups, rights in goodwill, database rights and rights in data, rights in designs, copyrights and topography rights (whether or not any of these rights are registered, and including applications and the right to apply for registration of any such rights) and all inventions, rights in know-how, trade secrets and Confidential Information lists and other proprietary knowledge and information and all rights under licences and consents in relation to any such rights and all rights and forms of protection of a similar nature or having equivalent or similar effect to any of these that may subsist anywhere in the world for their full term, including any renewals and extensions;
"Material Adverse Effect"	any event or circumstance which, in the opinion of the Company: a) is likely to materially and adversely affect the Provider's ability to perform or otherwise comply with all or any of its obligations under this Agreement; or b) is likely to materially and adversely affect the business, operations, property, condition (financial or otherwise) or prospects of the Company;

"MPAN"	meter point administration number;
"MSID"	metering system identifier;
"Network"	the electricity network operated by the Company to which the DER is connected;
"Non-Terminating Party"	has the meaning given in paragraph 7.4 of the General Terms and Conditions;
"Party"	each of the Company and the Provider, together the **"Parties"**;
"Performance Data"	such data relating to the performance of the Plant, Apparatus and related infrastructure as may be notified by the Company to the Provider or by the Provider to the Company from time to time;
"Personal Data"	has the meaning given to it in Data Protection Law1;
"Plant"	fixed and movable items used in the generation and/or supply and/or transmission and/or distribution of electricity other than Apparatus;
"Primacy Rules"	means the primacy rules defined by the Energy Networks Association (as may be updated from time to time);
"Retail Energy Code"	the retail energy code administered by the Retail Energy Code Company Ltd;
"Rules of Interpretation"	the rules of interpretation detailed at paragraph 2 above;
"Service Failure"	as defined in the Service Terms;
"Service Glossary"	any glossary of terms within the Service Terms as applicable to a particular Flexibility Service;
"Service Requirements"	the specification that the Flexibility Services must be capable of meeting, as defined in the Service Terms;
"Service Period"	As defined in the Service Terms;

"Service Terms"	the service terms applicable to the provision of Flexibility Services which form part of the Agreement;
"Service Window"	the time periods during the Service Period during which the Provider agrees to make Available, and provide in accordance with the Agreement, the Flexibility Services to the Company, as defined in the Service Terms (if applicable);
"Site"	means the site on which the DER is located;
"Smart Energy Code"	the smart energy code administered by the Smart Energy Administrator and Secretariat;
"Statutory Requirements"	the requirements placed on the Company and/or the Provider or affecting or governing the provision and/or use of the Flexibility Services by Applicable Law and/or the applicable Distribution Licence or Transmission Licence and/or a regulator and/or any relevant codes of practice issued by any government agency or body including in relation to health, safety and environmental matters;
"TCM"	transmission constraint management;
"Term"	the duration of the Agreement as specified by the Company in the Service Terms;
"Terminating Party"	has the meaning given in paragraph 7.1 of the General Terms and Conditions;
"Termination Notice"	has the meaning given in paragraph 7.4 of the General Terms and Conditions;
"Transmission Code"	the System Operator Transmission Owner Code as required by Transmission Licences granted under the Electricity Act 1989;
"Transmission Licence"	a licence issued under section 6(1)(b) of the Electricity Act 1989;
"Transmission Limit"	£500,000 (five hundred thousand pounds sterling) save as provided in the Service Terms;
"Transmission System"	the electricity transmission system, as defined in the Connection and Use of System Code;

“Unavailability” (or **“Unavailable”**)	the Flexibility Services, in accordance with the Service Requirements, are not Available to be delivered to the Company;
“Utilisation Instruction”	an instruction by the Company to the Provider to deliver Flexibility Services;
“Utilisation Payments”	has the meaning given to it in the Service Terms.

General Terms and Conditions

April 2024

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1. Introduction

1.1 These General Terms and Conditions shall apply to the provision of Flexibility Services by the Provider to the Company.

1.2 References to the "Agreement" in these General Terms and Conditions mean these General Terms and Conditions, the Glossary, the Service Terms and Service Glossary, the Annexes and where applicable, the Forms and Templates.

2. Scope of Flexibility Services

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

3. Provider's Obligations

3.1 The Provider will:

3.1.1 ensure or procure the Availability of the DER and perform the Flexibility Services in compliance with the terms of the Agreement and all Applicable Laws, Statutory Requirements and Good Industry Practice;

3.1.2 ensure that all technical, communication and data provision requirements set out in the Service Terms and Annexes are complied with at all times;

3.1.3 act diligently and in good faith in all of its dealings with the Company;

3.1.4 ensure that it is available on reasonable notice to provide such assistance or information as the Company may reasonably require in connection with the Flexibility Services;

3.1.5 at the request of the Company, make available to the Company information in relation to the metering equipment at the DER;

3.1.6 where reasonably required by the Company in order to inspect and test the DER, or to install, maintain, replace or remove communication equipment belonging to the Company in relation to the provision of Flexibility Services in accordance with the Agreement; grant access to a Site in accordance with paragraph 7.2 and 7.3 of the Service Terms;

3.1.7 remedy any Defect of the Flexibility Services in accordance with Good Industry Practice and to the satisfaction of the Company;

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

3.1.9 use reasonable endeavours to ensure that a DER that is pre-qualified is not registered with another Provider to provide Flexibility Services to the Company. If the Company identifies that the DER is registered with more than one Provider, the Company will notify both Providers. The DER will remain registered with the existing Provider until sufficient evidence of the Provider to which the Asset is registered has been provided to the Company's satisfaction (acting reasonably).

3.2 The Provider hereby acknowledges that Contract Award does not guarantee that any Flexibility Services will be required by the Company or commit the Company to requiring any, or any particular level of, such Flexibility Services.

4. Record and Audits

4.1 The Provider shall keep proper and accurate records of all matters relating to the performance of its obligations under the Agreement.

4.2 The records shall be maintained in a form suitable for audit purposes and shall be retained for any period required by any Applicable Law, and in any event, for the Term of the Agreement and for a period of no less than:

4.2.1 seven (7) years after expiry or termination of the Agreement where such records contain or relate to financial data and/or Contract Data; or

4.2.2 unless specified otherwise in the Annexes, four (4) years after expiry or termination of the Agreement where such records relate to Performance Data.

4.3 The Company, or a reputable independent third-party auditor nominated by it, may, on reasonable notice, and in any event on not less than fifteen (15) Business Days' (or such other period as may be specified in the Service Terms or required by Applicable Law) notice, to the Provider and during normal working hours, inspect and review the records, as described in paragraph 4.2, for the purposes of verifying the Provider's compliance with its obligations under the Agreement and/or to meet any other audit or information requirement that may be required by Applicable Law and/or any regulatory body, including the Authority.

4.4 The Provider shall co-operate fully and promptly with any such audit and/or inspection conducted by the Company and provide such reasonable assistance as may be required by the Company in relation to any audit.

4.5 The Provider shall ensure that all paperwork issued by or on behalf of the Provider to the Company (including, without limitation, invoices, correspondence and delivery notes), is complete, accurate and clearly references any other appropriate and necessary information.

5. Representations and Warranties

5.1 Without prejudice to its other obligations under and/or pursuant to the Agreement, each Party warrants and undertakes to the other Party at all times that:

5.1.1 it is a duly incorporated and company validly existing under the law of its jurisdiction of incorporation;

5.1.2 it has the right, power, capacity and authority to enter into and perform its obligations under the Agreement;

5.1.3 the entry into and performance by it of the Agreement does not and will not contravene or conflict with any Applicable Law or judicial or official order applicable to it;

5.1.4 it will not be in material breach of any other agreement or arrangement of whatever nature with any person which could or may affect the performance of its obligations under the Agreement;

5.1.5 all information it provides to the other Party will be complete and accurate save to the extent disclosed;

5.1.6 no Insolvency Event is continuing or might reasonably be anticipated; and

5.1.7 no litigation, arbitration or administrative proceedings are taking place, pending, or to the Party's knowledge threatened against it, any of its directors or any of its assets, which, if adversely determined might reasonably be expected to have a Material Adverse Effect.

5.2 Without prejudice to its other obligations under and/or pursuant to the Agreement and in addition to the foregoing, the Provider warrants and undertakes to the Company at all times that:

5.2.1 the DER contracted to provide the Flexibility Services has, as applicable, either:

(a) live connection(s) to the Company's Network, associated MPAN or MSID and Connection Agreement(s); or

(b) a connection offer(s) for a live connection and that the connection(s) can be completed and a Connection Agreement entered into in time to meet the Service Requirements as specified in the Service Terms;

5.2.2 it has, or it will procure that the owner of the DER has, obtained and maintains in force for the Term, either directly or through agreement via its aggregated DER, all licences, permissions, authorisations, consents and permits needed to supply the Flexibility Services in accordance with the terms of the Agreement, including but not limited to any authorisation required pursuant to the regulations, codes, agreements and arrangements referenced in paragraph 5.2.9;

5.2.3 it has neither fixed nor adjusted any Charge under or in accordance with any agreement or arrangement with any other person, and that it has neither communicated to a person (other than its professional advisers) the amount or approximate amount of any Charge in connection with the Agreement (other than in confidence in order to obtain quotations necessary for insurance purposes) nor entered into any agreement or arrangement with any other person to restrain that other person from entering into an agreement for provision of Flexibility Services with the Company;

5.2.4 it shall disclose as soon as reasonably possible any change of circumstances which could affect the delivery of the Flexibility Services;

5.2.5 where applicable, for each DER project in development, the Provider has (or has procured), and, if requested, will promptly provide to the Company a copy of the Development Plan in respect of each DER;

5.2.6 where applicable, it shall take all reasonable steps to achieve, or procure, the commissioning of each DER project on time and in accordance with the relevant Development Plan;

5.2.7 if, at any time during the Term, the provision of Flexibility Services would cause the Provider to be in breach or non-compliance as described in paragraphs 5.1.3 and 5.2.9, the Provider will not accept or comply with any Utilisation Instruction and will provide notification to the Company as required by the Annexes;

5.2.8 where any Accessible Site is occupied by an Affiliate of the Provider or any other third party, the Provider shall be responsible for ensuring that where any provision in the Agreement imposes an obligation on the Provider to do or refrain from doing a particular thing in relation to a Site or any DER at such Site, the relevant Affiliate or third party complies with that obligation as if it were the named "Provider" party to the Agreement; and

5.2.9 the provision of Flexibility Services will not cause it or the DER to be in breach of the Electricity Safety, Quality and Continuity Regulations 2002 (as amended from time to time) (available from the Company on request) or any other enactment relating to health and safety or standards, the Grid Code, Distribution Code, any Connection Agreement, any agreement for the supply of electricity, any restrictions and conditions attaching to relevant authorisations of the Environment Agency

5.3 Without prejudice to any right or remedy, each Party will be entitled to claim damages from the other Party for any breach of representation or warranty set out in the Agreement which causes that Party to incur costs or losses.

6. Charges and Payments

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

7. Termination

7.1 Each of the Parties shall have the right, if it is not the Party in breach or in relation to which any of the events concerned occurs ("Terminating Party"), to immediately terminate the Agreement on giving written notice of termination to the other Party ("Defaulting Party") if at any time during the Term of the Agreement:

7.1.1 subject to paragraph 7.3, the Defaulting Party is in material and/or persistent breach of the Agreement;

7.1.2 an Insolvency Event occurs in relation to the Defaulting Party;

7.1.3 paragraph 11.6 of these General Terms and Conditions applies.

7.2 Either Party shall have the right to immediately terminate the Agreement on giving written notice of termination to the other Party under paragraph 9.4 of these General Terms and Conditions.

7.3 For the purposes of paragraph 7.1.1, and without limitation, the following shall be deemed to be a material breach by a Party of the Agreement:

7.3.1 the Defaulting Party fails to pay (other than by inadvertent error in funds transmission which is discovered by Terminating Party, notified to the Defaulting Party and corrected within thirty (30) Business Days following such notification) any amount properly due or owing from it pursuant to paragraph 6, and such non-payment continues unremedied and not disputed in good faith and upon reasonable grounds at the expiry of thirty (30) Business Days immediately following receipt by the Defaulting Party of written notice from the Terminating Party of such non-payment;

7.3.2 paragraphs 8.3 or 15.10 of these General Terms and Conditions apply; or

7.3.3 any other material breach by the Defaulting Party of any of its obligations under the Agreement which, if capable of remedy, the Defaulting Party fails to remedy within ten (10) Business Days after service of a written notice from the Terminating Party specifying the breach and requiring it to be remedied.

7.4 Either Party (the "Terminating Party") may at any time on providing no less than ninety (90) Days prior written notice to the other Party (the "Non-Terminating Party") terminate the Agreement. Where the Non-Terminating Party fails to respond to a Termination Notice in accordance with this paragraph 7.4, the Non-Terminating Party shall be deemed to have accepted the Termination Notice.

Accrued liabilities

7.5 On termination, the rights and liabilities of the Parties that have accrued before termination shall subsist.

Surviving provisions

7.6 This paragraph and the following provisions of the Agreement shall survive termination or expiry:

7.6.1 paragraph 4 (*Records and Audit*);

7.6.2 paragraph 6 (*Charges and Payment*);

7.6.3 paragraph 7 (*Termination*);

7.6.4 paragraph 8 (*Service Failure*);

7.6.5 paragraph 10 (*Indemnity, Liability & Insurance*);

7.6.6 paragraph 12 (*Confidentiality*);

7.6.7 paragraph 13 (*Intellectual Property Rights*);

7.6.8 paragraph 14 (*Data Protection*);

7.6.9 paragraph 17 (*Dispute Resolution*);

7.6.10 paragraph 21 (*Waiver*);

7.6.11 paragraph 24 (*Governing Law and Jurisdiction*);

7.6.12 Glossary; and

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

Consequences of termination or expiry

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

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

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

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

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

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

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

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

8. Service Failure

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

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

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

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

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

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

8.3 In the event that:

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

8.3.2 the Provider's proposals are not accepted by the Company (acting reasonably);

8.3.3 the Parties (acting reasonably) fail to reach agreement on any rectification actions; or

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

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

9. Force Majeure

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

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

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

- the occurrence and description of the Force Majeure Event;
- the date on which the Force Majeure Event commenced and its likely duration (if known); and
- the effect of the Force Majeure Event on the Party's ability to perform its obligations under the Agreement;

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

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

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

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

10. Liability, Indemnity and Insurance

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

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

10.1.2 any liability arising under paragraph 5.3 and/or

10.1.3 the liability of such other Party to any other person for loss in respect of physical damage to the property of any person subject, for the avoidance of doubt, to the requirement that the amount of such liability claimed by such other Party should be mitigated in accordance with general law, and provided further that the liability of any Party in respect of all claims for the losses referred to in this paragraph 10.1 shall not exceed (i) the Transmission Limit where such claims are in connection with, or relate to, DER connected to the Transmission System

or (ii) the Distribution Limit where such claims are in connection with, or relate to DER connected to the Distribution System, in each case per incident or series of related incidents.

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

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

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

10.3.2 any indirect or consequential loss; or

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

10.4 Subject to paragraph 10.2, and save where any provision of the Agreement provides for an indemnity, the liability of any Party in respect of all claims for the losses referred to in paragraph 10.1 shall be subject to an aggregate cap of two million pounds sterling (£2,000,000).

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

10.6 If the Provider appoints a sub-contractor in connection with the provision of the Flexibility Services, the Provider shall ensure that the sub-contractor maintains appropriate insurance to the extent set out in paragraph 10. If the Provider acts as an aggregator in connection with the provision of the Flexibility Services to Accessible Sites, it shall, where it is reasonably practicable to do so, ensure that the DER owners and operators for which it acts maintain appropriate insurance to the extent set out in paragraph 10.

10.7 The Provider's liabilities under the Agreement shall not be deemed to be released or limited by the Provider taking out the insurance policies referred to in paragraph10.

11. Transfers, sub-contracting and Change in Ownership

11.1 Where pursuant to paragraph 24:

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

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

11.2 Save as provided for in paragraph 11.3, the Agreement is personal to the Parties and neither Party shall assign, transfer, mortgage, charge, sub-contract or deal in any other manner with any or all of its

rights and obligations under the Agreement without the prior written consent of the other Party (such consent not to be unreasonably withheld, conditioned or delayed).

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

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

11.5 If ownership, occupancy or use (for the purpose of providing the Flexibility Services) of any Accessible Site changes, or may change, during the Term, the Provider shall promptly notify the Company of the same. Where (i) the ownership, occupancy or use (for the purpose of providing the Flexibility Services) of any Accessible Site changes during the Term; or (ii) the use (for the purpose of providing the Flexibility Services) of any domestic Site changes during the Term, the Provider shall update its records and ensure that such records are reflective of such changes. The Company and the Provider shall if required, and at the reasonable request of the Company discuss the implications of the change and the options available to minimise any disruption that may be caused by the change.

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

12. Confidentiality

12.1 The Company is required to disclose certain information in accordance with this Agreement under obligations within its Distribution Licence or Transmission Licence (as applicable), or an Industry Code. Information shared will include but may not be limited to provider names, awarded prices, volumes, GSP and asset locations, and contract durations. Pursuant to the Primacy Rules, the Company, as applicable, shall be entitled to share information relating to the Agreement for the purpose of industry initiatives in relation to network or system constraint management and electricity network optimisation and the Company shall be entitled to make publicity releases and/or announcements regarding either this Agreement and/or the Company's activities under the Agreement. It shall not be a breach of this paragraph 12 where the Company discloses any such information. Such information shall include but is not limited to:

12.1.1 CMZ locations;

12.1.2 CMZ requirements;

12.1.3 a list of TCM generators;

12.1.4 an agreed form of 'risk of conflict forecast';

12.1.5 ESO planning outputs;

12.1.6 Company outages;

12.1.7 transmission outages; and

12.1.8 any additional Company related information as may be required, as may be updated from time to time on agreement from the Company or the ESO.

12.2 Subject to paragraphs 12.1, 12.3.4 and 12.3.5, no public announcement or statement regarding the completion, performance or termination of the Agreement shall be issued or made by the Provider without the Company's prior written approval (such approval not to be unreasonably withheld or delayed). Neither Party shall be prohibited from issuing or making any such public announcement or statement to the extent expressly permitted or if it is necessary to do so in order to comply with any Applicable Law or the regulations of any recognised stock exchange upon which the share capital of such Party is from time to time listed or dealt in.

12.3 Save as permitted by paragraph 12.1, each Party shall treat as strictly confidential and shall not disclose any Confidential Information relating to the other Party received or obtained as a result of entering into or performing this Agreement. The restrictions imposed by this paragraph 12.3 shall not apply to the disclosure of any Confidential Information:

12.3.1 which is in or becomes part of the public domain otherwise than as a result of a breach of paragraph 12.3, or which either Party can show was in its written records prior to the date of disclosure of the same by the other Party, or which it received from a third party independently entitled to disclose it;

12.3.2 which is required to be disclosed by law, an Industry Code or pursuant to any licence of the Party concerned;

12.3.3 to a court, arbitrator or administrative tribunal in the course of proceedings before it to which the disclosing Party is a party;

12.3.4 to any parent, subsidiary or fellow subsidiary undertaking on a "need to know" basis only. In this paragraph 12.3.4, the words "parent", "subsidiary" and "undertaking" shall have the meanings as provided in sections 1159, 1161 and 1162 of the Companies Act 2006;

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

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

13. Intellectual Property Rights

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

13.2 All Intellectual Property Rights owned by or licensed to either Party shall at all times both during the Term of the Agreement and after its termination or expiry, belong to or be licensed to the Party providing that intellectual property and neither Party shall make any use of the other Party's intellectual property other than to the extent reasonably necessary in performing its obligations pursuant to the

Agreement, provided that nothing in this paragraph 13.2 shall operate so as to exclude any non-excludable rights of either Party.

14. Data Protection

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

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

15. Modern Slavery, Anti-bribery and Living Wage

Modern slavery

15.1 The Parties undertake, warrant and represent that:

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

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

15.1.2 they shall comply with all applicable anti-slavery and human trafficking laws, statutes, regulations and codes from time to time in force including but not limited to the Modern Slavery Act 2015;

15.1.3 they shall notify the Company immediately in writing if they become aware or has reason to believe that they, or any of its officers, employees, agents or subcontractors have breached or potentially breached any of the Provider's obligations under this paragraph 15.1. Such notice to set out full details of the circumstances concerning the breach or potential breach of Provider's obligations;

15.1.4 they shall include in their contracts with subcontractors and suppliers' anti-slavery and human trafficking provisions that are at least as onerous as those set out in this paragraph 15.1; and

15.1.5 they will respond to all reasonable requests for information required by the other Party for the purposes of completing other Party's annual anti-slavery and human trafficking statement.

15.2 The Provider shall indemnify the Company against any losses, incurred by or awarded against the Company as a result of any breach of anti-slavery and human trafficking laws, statutes, regulations and codes or the Modern Slavery Act 2015.

15.3 The Provider will permit the Company and its third party representatives, on reasonable notice during normal Business Hours, but without notice if there are reasonable grounds to suspect an instance of slavery and human trafficking, to access and take copies of records and any other information held at the Provider's premises (which shall be the Provider's office premises and other business premises)

and to meet with personnel and more generally to audit compliance with its obligations under this paragraph 15. The Provider shall give all necessary assistance to the conduct of such audits during the term of the Agreement.

Anti-bribery

15.4 The Provider shall have suitable controls and compliance procedures in place and shall not engage in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010 and shall promptly report to the Company any request or demand for any undue financial or other advantage of any kind received or offered by the Provider in connection with the Agreement.

15.5 The Provider shall immediately notify the Company if a foreign public official exerts a direct or indirect influence over the performance of the Agreement.

15.6 The Provider shall not:

15.6.1 Offer or agree to give any person working for or engaged by the Company or any other Affiliate of the Company any gift or other consideration which could act as an inducement or a reward for any act or failure to act connected to the Agreement, or any other agreement between the Provider and the Company or any Affiliate of the Company, including its award to the Provider and any of the rights and obligations contained within it; nor

15.6.2 Enter into the Agreement if it has knowledge that, in connection with the Agreement, any money has been, or shall be, paid to any person working for or engaged by the Company or any other Affiliate of the Company by or for the Provider, or that an agreement has been reached to that effect, unless details of any such arrangement have been disclosed in writing to the Company and has been approved by the Company before execution of the Agreement.

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

15.8 The Provider agrees to provide the Company with such reasonable assistance as it may require from time to time to enable it to perform any activity required by any relevant government, agency or competent authority in any relevant jurisdiction for the purpose of compliance with any anti-slavery laws or anti-bribery laws (including but not limited to the Modern Slavery Act 2015 and the Bribery Act 2010).

Living wage

15.9 Where applicable the Provider agrees to:

15.9.1 pay all of its personnel who are directly employed by it in respect of the provision of the Flexibility Services used within the UK not less than the real living wage (as defined at https://www.livingwage.org.uk/ as may be updated from time to time) for the Term of the Agreement; and

15.9.2 ensure all employees of its contractors and subcontractors performing the provision of the Flexibility Services used within the UK are paid not less than the real living wage (as defined

at https://www.livingwage.org.uk/ as may be updated from time to time) for the Term of the Agreement.

15.10 Any breach of this paragraph 15 by the Provider shall be deemed a material breach of the Agreement for the purposes of paragraphs 7.1.1 and 7.9.

16. Notices

16.1 Unless otherwise specified in the Service Terms, all notices shall be submitted in accordance with the processes, and to the relevant addresses, set out in the Service Terms.

16.2 A notice shall be deemed to have been received:

16.2.1 if delivered by hand or recorded delivery post within Business Hours at the time of delivery or, if delivered by hand outside Business Hours, at the next start of Business Hours;

16.2.2 if sent by first class post, at 9.00 a.m. on the second Business Day after posting.

16.3 E-mail communications may be valid for notices the purposes of the Agreement, where agreed between the Parties. Such email notices shall be deemed to have been received on the Day of sending, or where outside of Business Hours on the first Business Day thereafter.

16.4 In verifying service of a notice, it shall be sufficient to prove that delivery was made or that the envelope containing the notice was properly addressed and posted.

16.5 This paragraph 16 does not apply to the service of any legal proceedings, or other documents in any legal action or other method of dispute resolution.

17. Dispute Resolution

17.1 The Parties shall use good faith efforts to resolve any operational issue, dispute, claim or proceeding arising out of or relating to the Agreement.

17.2 In the event that a dispute cannot be resolved within thirty (30) Days of written notice of the dispute, the dispute shall be escalated to the Parties' senior representatives (named in the Service Terms, or as otherwise notified by either Party to the other) who have authority to settle the same and/or may refer the dispute to the forms of dispute resolution in accordance with paragraph 17.3.

17.3 If thirty (30) Days following such an escalation the Parties have still not resolved the dispute, then either Party shall have the right to refer the dispute to either:

17.3.1 arbitration; or

17.3.2 an Expert for determination; or

17.3.3 such other process as is agreed between the Parties.

17.4 For the avoidance of doubt, paragraphs 17.2 and 17.3 shall not preclude a Party from raising arbitration proceedings (or where other processes have been agreed under paragraph 17.3.3 court proceedings) in the event a claim is considered to be nearing the end of a prescription and/or limitation period pursuant to the Limitation Act 1980 or the Prescription and Limitation (Scotland) Act 1973 (as applicable) or where determination is required in the event of an emergency where the time periods set out in this paragraph 17 would not be suitable .

17.5 In the event that the Parties cannot agree any other process under paragraph 17.3.3, then either Party may refer any dispute to the courts of: (i) England and Wales if the Company is incorporated in England and Wales; and (ii) Scotland if the Company is incorporated in Scotland (as applicable).

Arbitration

17.6 Where any dispute is referred in accordance with paragraph 17.3.1 to arbitration, the following provisions shall apply:

17.6.1 If the Company is incorporated in England and Wales, the seat of arbitration shall be London. If the Company is incorporated in Scotland, the seat of arbitration shall be Edinburgh;

17.6.2 The number of arbitrators shall be one. Where no arbitrator is named or where the named arbitrator is not able or unwilling to act the appointer of the arbitrator (and of any replacement) shall be The Chartered Institute of Arbitrators;

17.6.3 Whatever the nationality, residence or domicile of either Party and wherever the dispute or difference or any part thereof arose, (i) the laws of England and Wales shall be the proper law of any reference to arbitration if the Company is incorporated in England and Wales or (ii) the laws of Scotland shall be the proper law of any reference to arbitration if the Company is incorporated in Scotland, and in particular (but not so as to derogate from the generality of the foregoing) the rules and provisions of (i) the Arbitration Act 1996 (notwithstanding anything in Section 108 thereof) shall apply if the Company is incorporated in England and Wales or (ii) the Arbitration (Scotland) Act 2010 shall apply if the Company is incorporated in Scotland, to any such arbitration wherever the same or any part of it shall be conducted;

17.6.4 For the avoidance of doubt, both Parties confirm and agree that nothing in the Agreement to arbitrate prevents a Party:

- challenging the award of an arbitral tribunal as provided for under the Arbitration Act 1996 and the Arbitration (Scotland) Act 2010;
- seeking the remedy of specific performance or any other power or remedy that would be available to the English court or Scottish court (as the case may be) from the arbitral tribunal in accordance with the Arbitration Act 1996 and the Arbitration (Scotland) Act 2010;
- seeking interim relief from the English court or Scottish court (as the case may be) under the Arbitration Act 1996 and the Arbitration (Scotland) Act 2010, or from any other court with competent jurisdiction; or
- seeking to enforce any arbitral award in the English court or Scottish court (as the case may be) or any court of competent jurisdiction.

17.6.5 Without prejudice to any other mode of service allowed under any relevant law, where a Provider is not incorporated in any part of Great Britain, the Provider agrees that if it does not have, or shall cease to have, a place of business in Great Britain it will promptly appoint, and shall at all times maintain and identify to the Company, an agent for the service of process in Great Britain to accept service of process on its behalf in any proceedings commenced in

support of, or in relation to arbitration, in the courts of England and Wales or Scotland (as the case may be).

Expert determination

17.7 Where any dispute is referred in accordance with paragraph 17.3.2 to an Expert for determination, the following provisions shall apply:

17.7.1 the Expert shall act as an expert and not as an arbitrator and shall decide those matters referred to them using their skill, experience and knowledge, and with regard to all such other matters as they in their sole discretion consider appropriate;

17.7.2 if the Parties cannot agree upon the selection of an Expert, the Expert shall be determined by (i) the President for the time being of the Law Society of England and Wales, if the Company is incorporated in England and Wales or (ii) the President for the time being of the Law Society of Scotland, if the Company is incorporated in Scotland;

17.7.3 all references to the Expert shall be made in writing by either Party with notice to the other being given contemporaneously, and the Parties shall promptly supply the Expert with such documents and information as they may request when considering any referral;

17.7.4 the Expert shall be requested to use their best endeavours to give their decision upon the question before them as soon as possible in writing following its referral to them, their decision shall, in the absence of fraud or manifest error, be final and binding upon the Parties;

17.7.5 if the Expert wishes to obtain independent professional and/or technical advice in connection with the question before them:

- the Expert shall first provide the Parties with details of the name, organisation and estimated fees of the professional or technical adviser; and
- the Expert may engage such advisor with the consent of the Parties (which consent shall not be unreasonably withheld or delayed) for the purposes of obtaining such professional and/or technical advice as they may reasonably require;

17.7.6 the Expert shall not be held liable for any act or omission, and their written decision will be given without any liability on the Expert's part to either Party, unless it shall be shown that they acted fraudulently or in bad faith;

17.7.7 save to the extent otherwise expressly provided herein pending the determination by the Expert, any subsisting Agreement shall continue to the extent possible for the Parties to perform their obligations; and

17.7.8 the Expert shall at their discretion be entitled to order that the costs of the reference of a dispute to them shall be paid by the Parties in whatever proportions they think fit.

18. Severance

18.1 If any provision of the Agreement becomes or is declared invalid, unenforceable or illegal by a judicial or other competent authority, such invalidity, unenforceability or illegality shall not prejudice or affect

the remaining provisions of the Agreement, which shall continue in full force and effect notwithstanding such invalidity, unenforceability or illegality.

18.2 The Company and the Provider each acknowledge that it has entered into the Agreement on an arm's length basis and that it has taken independent legal advice in so doing.

19. Third Party Rights

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

20. No Agency or Partnership

20.1 Nothing in the Agreement shall be deemed to constitute a partnership or joint venture or contract of employment between the Parties nor constitute either Party the agent of the other.

20.2 Neither Party shall act or describe itself as the agent of the other, nor shall it make or represent that it has authority to make any commitments on the other's behalf, including but not limited to the making of any representations or warranty and the exercise of any right or power.

21. Waiver

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

22. Entire Agreement

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

23. Counterparts

23.1 Where executed in counterparts:

23.1.1 the Agreement shall not take effect until all of the counterparts have been delivered; and

23.1.2 delivery will take place when the date of delivery is agreed between the Parties after execution of the Agreement as evidenced by the date at the top of the Agreement.

23.2 Where not executed in counterparts, the Agreement shall take effect after its execution upon the date agreed between the Parties as evidenced by the date at the top of the Agreement.

24. Governing Law and Jurisdiction

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

in England and Wales; and (ii) in accordance with Scots law if the Company is incorporated in Scotland.

EXECUTION

This Agreement is executed by the duly authorised representatives of the Parties and is agreed from the date set out at the start of this Agreement:

SUBSCRIBED for and on behalf of Southern Electric Power Distribution Plc and Scottish Hydro Electric Power Distribution plc (together the **Company**)

…… (signature of Authorised Signatory)

…… (Name of Authorised Signatory)

…… (Title of Authorised Signatory)

at _____ (place) on _____ (date)

SUBSCRIBED for and on behalf of _____

…… (signature of Authorised Signatory)

…… (Name of Authorised Signatory)

…… (Title of Authorised Signatory)

at _____ (place) on _____ (date)

SERVICE TERMS

1. Flexibility Services

1.1 Table 1 below provides an overview of the flexibility products that we procure:

Table 1 - Flexibility Services

Parameter	Scheduled Utilisation (SU)	Variable Availability+ Operational Utilisation – Week Ahead VAOU (WA)	Variable Availability+ Operational Utilisation – Day Ahead VAOU (DA)	Operational Utilisation (OU)	Scheduled Availability + Operational Utilisation – Day Ahead SAOU (DA)	Emergency Flex
Description	The Company and the Provider agree, in advance, for the Provider to deliver a change in export or import (or apply a limit), at specific times.	The Company and Provider agree, at month ahead, the Provider's availability to make a change in export or import. At week ahead utilisation instructions are issued.	The Company and Provider agree, at week ahead, the Provider's availability to make a change in export or import. At day ahead utilisation instructions are issued.	The Company instructs the Provider, in real-time, to either remain off supply, reconnect with lower demand, or to reconnect generation to support faster restoration.	The Company and Provider agree at the point of trade, the Provider's availability to deliver an agreed change. At day ahead utilisation instructions are issued.	At short notice, the Company instructs all Providers (who have opted in), in the region, to deliver the Service at the same time.
Availability Agreement Period	Not Applicable	5 weeks	1 week ahead	Not Applicable	At Trade	Not Applicable

Availability Request Response Period	Not Applicable	5 working days maximum	1 working day	Not Applicable	Not Applicable	Not Applicable
Utilisation Instruction Notification Period	At Trade	1 week	Day ahead	2 minutes	Day Ahead	15 minutes
Utilisation Instruction Acknowledgment Period	Except where agreed otherwise between the Company and the Provider, acknowledgment of Utilisation Instructions/schedules will be confirmed with the Provider.					
Tariffs	Utilisation	Availability & Utilisation	Availability & Utilisation	Utilisation	Availability & Utilisation	Utilisation (Fixed Rate)
Current mode of Dispatch	Flexible Power	Flexible Power (API/Email notification)	Email and / Phone	Email and / Phone	Flexible Power (API V2)	Email and / Phone

2. Service Terms Glossary

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

"Accepted Availability Window"	means an Availability Window the provider has confirmed they are expected to be able to deliver a Flexibility Service if requested. This is specific to a Dispatch Group and could be trigger by either the Company accepting a bid for an SAOU service or the Provider Accepting an Availability Request from the Company;
"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;
"Agreed Availability Capacity"	the volume of capacity required to be made available for service provision within the Accepted Availability Window where applicable;
"API"	application programming interface;
"Asset Point Metering"	the metering measured directly from the DER and is downstream of the Boundary Point Metering;
"At Trade"	an item is confirmed at the point of Call Off bid Acceptance, this could be Availability or Utilisation;
"Availability"	has the meaning given to it in the Flexibility Services Agreement;
"Availability Agreement Period"	the point at which the Accepted Availability Window and the Agreed Availability Capacity is confirmed;
"Availability Fee"	means the contracted fee £/MW/h in respect of availability;
"Availability Payment"	payment made by the Company to the Provider for the period the Provider was awarded an Availability Window;
"Availability Performance"	is the overall monthly utilisation delivery performance calculated as a percentage for application to all Availability Payments at the point of invoicing;
"Availability Request"	the request will state the capacity the Company wishes to instruct to be made available and for the specific Availability Windows.

	If the Provider cannot meet the request but could offer a reduced capacity of a smaller time window that would be useful to the Company and an updated Availability Request will be produced and this will be issued. The Provider can decline the request. The request will state Best Agreeable Availability Capacity;
"Availability Request Response Period"	the maximum time allowed for the Provider to reply to an Availability Request from the Company;
"Availability Settlement Period"	means each full thirty (30) minute period within an Accepted Availability Window;
"Availability Window"	means the period of time in relation to a Dispatch Group for which the Company requires the Provider to be ready and able to provide the Service Response, if instructed;
"Baseline"	the pre-agreed power level that changes are measured against;
"Boundary Point Metering"	the metering measured at the point of supply from the DNO network;
"Call Off Bid"	means offer or bid issued by the Provider in response to an open "auction" or "bidding" round by the Company. The Provider response must contain requested capacity and pricing information;
"Call Off Contract"	the contract for the delivery of the flexibility services from bid acceptance;
"Call Off Contract Award"	means a notification of contract award by the Company to the Provider in respect of an invitation to tender issued by the Company and "Awarded a Contract" shall be construed accordingly;
"Call Off Contract Period"	the period over which the flexibility services will be required;
"Capacity (MW)"	means the contracted capacity of flexible Active Power that can be delivered measured in MW;
"Contract Award"	has the meaning given to it in the Flexibility Services Agreement;
"Contracted Capacity"	means the target net Capacity of response in respect of an awarded Service Window, confirmed to the FSP at time of Call Off Contract Award;
"Control Room"	means the Company control facility from where the distribution network is monitored and managed;

“Customer Interruptions” or “CI”	means number of customers interrupted per 100 customers;
“Customer Minutes Lost” or “CML”	means total customer minutes lost;
“Day Ahead”	means the period from 0500 hours on one day to 0500 hours on the following day;
“Dispatch Group”	one or more DER which are regarded as a single entity for the purpose of dispatching Services;
“Distribution System Operator (DNO)”	SSEN is one of six operators in the UK who all distribute electricity in the UK and own the electrical network infrastructure within their area;
“DCC”	means the Distribution Control Centre
“Electron Connect”	means Flexibility Market Platform for running market activities including: Prequalification, mini-competition and bidding;
“Emergency Flex”	means that at short notice, the Company instructs all Providers (who have opted in), in the region, to deliver the Service at the same time. Further details about the product and its parameters are defined in Table 1;
“Energy Networks Association (ENA)”	a non-profit industry body that aims to delivery reliable electricity doing it in a competent yet environmentally positive way;
“Event”	means an instance when Utilisation was instructed and the Service Response is measured accordingly;
“Event Report”	after the dispatch event, the meter reading submitted by Providers is used to generate an individual Event Report for Providers to review their performance and monthly statement of earnings.
“Flexibility Dispatch Desk”	means the Company control facility from where Flexibility Services are managed;
“Flexibility Market Platform”	means the system used for flexibility market activities such as prequalification, mini-competition and bidding;
“Flexible Power”	means (a portal & API), a multi- DNO platform used for scheduling, dispatch and settlement of Flexibility Services;

“Flexibility Service Provider” or “FSP”	an entity providing energy services to the Company;
“Grace Factor”	the percentage of under delivery below 100% for which renumeration of 100% will be applied, relevant both to utilisation and availability performance at the Company’s discretion;
“Historical Baseline”	averaged baseline value (kW) calculated month by month basis by taking power readings between 3pm and 8pm (Monday to Friday) over a period of the first three (3) weeks of the previous month.
“Interruption Incentive Scheme” or “IIS”	means the scheme designed to incentivise Distribution Network Operators to minimize supply interruptions;
“Long-term Bidding”	bidding windows that are running more than 3 months ahead of delivery of the first services window;
“Maximum Utilisation Period”	means the longest period of time that a Service Response can be maintained, in respect of a single Event for a Dispatch Group;
“Metered Time Period”	the time period used in the payment calculations, this will either be minute by minute or 30-minute granularity;
“Meterable Unit”	it is the multiple flexibility assets that are behind one single metering feed. A Meterable Unit level will contain baselining;
“Minimum Run Time”	refers to technical “Minimum Run Time” which is the minimum run time in the event of an emergency stop. It is not to be confused with commercial “Minimum Run Time” which is the duration of the service;
“Minimum Utilisation Period”	means the shortest period of time that a Service Response will be provided in respect of a single Event for a Dispatch Group;
“Monthly Utilisation Performance Factor”	the availability payment is impacted by how the Provider performs if there are Utilisation Events in the month. The Monthly Utilisation Performance Factor is this result of this calculation;
“Nominated Baseline”	fixed power value (kW), or a representative week time-series of average power (kW) values, at minute or half-hourly granularity.
“Operational Decision Making”	the principles that define how dispatch decisions are made for access rights, access products and flexibility services when operating our network; The latest version of the document is published under “service

	documentation" at the SSEN Flexibility Services Document Library: Flexibility Services Document Library - SSEN.
"Operational Week"	means a period of seven operational days commencing at 05.00 hours on a Monday and terminating at 05.00 hours on the next following Monday;
"Operational Utilisation or OU"	means the flexibility product defined in line with Table 1;
"Overarching Agreement"	is the contract between the Company and the Flexibility Service Provider and the Company. It lasts for 8 years and allows Flexibility Service Providers to have a single contract thus creating a foundation for engagement with future tenders. Under the Overarching Agreement, capacity and pricing will be captured at the "auction" or "bidding" stage;
"Penalisation Multiplier"	has the explanation and definition given to it in the latest version of the standardised settlement methodology published under "service documentation" at the SSEN flexibility services document library:Flexibility Services Document Library - SSEN
"Performance Report"	means a report in relation to the delivery of Flexibility Services completed by the Provider at the end of each billing month;
"Ramp Up Time"	means the period of time (in minutes) between the issue of the API Start Instruction and the Event start time, during which the Provider should reach the instructed level of Service Response;
"Recovery Period"	means the period which commences upon the earlier of the Stop Time, the Maximum Utilisation Period or relevant Availability Window (as relevant), for which the Dispatch Group is considered to be unavailable;
"Scheduled Availability + Operational Utilisation or SAOU (DA)"	means the flexibility product defined in line with Table 1;
"Scheduled Utilisation or SU"	means the flexibility product defined in line with Table 1;
"Service Response"	means either: • an increase of net export of Active Power to; or • reduction of net import of Active Power from the Company's Network; or • a decrease of net export of Active Power to;

	• or increase of net import of Active Power from the Company's Network.
"Service Response Direction"	means either: • an increase of net export of Active Power to; or • reduction of net import of Active Power from the Company's Network (also known as "GTU/DTD"); or • a decrease of net export of Active Power to; or • increase of net import of Active Power from the Company's Network.
"Short-term Bidding"	means bidding windows that are running less than three month-ahead of delivery of the first service window;
"Standardised DNO Settlement Methodology"	the latest version of the standardised settlement methodology published under "service documentation" at the SSEN flexibility services document library: Flexibility Services Document Library - SSEN
"Start Instruction"	means an instruction from the Company to the Provider to start the Service Response;
"Start Time"	means the date and time (to the nearest minute) as notified in accordance with the Service Terms at which the power change shall be delivered;
"Stop Time"	means the date and time (to the nearest minute) as notified in accordance the Service Terms at which the power change shall cease to be delivered;
"Stop Instruction"	mean instruction from the Company to the Provider to cease delivery of the Flexibility Services, as described in the Service Terms;
"Tradex"	electronic invoicing platform supported by causeway technologies limited (https://www.causeway.com/sse-tradex-registration);
"Unavailability Notification"	means notification from the Provider to the Company informing the Company of any period where Agreed Availability Capacity will be unavailable or reduced;
"Utilisation"	means in respect of a Dispatch Group, the Service Response following a Utilisation Instruction from the Company in accordance with this Agreement which is provided continuously until the Event end time and "Utilised" shall be construed accordingly;
"Utilisation Fee"	means the contracted fee £/MWh in respect of Utilisation;

“Utilisation Instruction”	has the meaning given to it in the Flexibility Services Standard Agreement;
“Utilisation Instruction Acknowledgement Period”	the time allowed for the Provider to acknowledge the Utilisation Instruction;
“Utilisation Instruction Notification Period”	the time period before a Flexibility Service is required by the Company, in which a DNO may issue a Utilisation Instruction to the Provider;
“Utilisation Payment”	the amount payable by the Company to the Provider for the Utilisation of any Flexibility Service;
“Utilisation Schedule”	individual or a set of Utilisation Instructions that the Company may issue to the Provider;
“Variable Availability + Operational Utilisation Day Ahead or VAOU (DA)”	means the flexibility product defined in line with Table 1;
“Variable Availability + Operational Utilisation Week Ahead or VAOU (WA)”	means the flexibility product defined in line with Table 1;
“VAT”	means value added tax;
“Weekly Limit”	means the maximum time that Service Response can be maintained, in respect of all Events for a Dispatch Group in an Operational Week;
“Zone”	as per CMZ in the General Terms;

3. Service Details

3.1 Specific Service Parameters

3.1.1 Service parameter values shall be set out by the Provider in accordance with annex 2. The Company will rely on the parameters provided by the Provider, which must be accurate and provided in accordance with the terms of this Overarching Agreement. These parameters shall include:

- Service Type
- Zones.
- Maximum Capacity per Zone.
- Pricing.
- Direction of Response.
- Sites and DER details

3.2 Generic Service Parameters

3.2.1 The flexibility services will be procured by the Company under the Overarching Agreement as described in annex 2. See *Table 1* for a description of the services.

3.3 Service Windows: VAOU (WA), VAOU (DA)

3.3.1 The Company will establish the availability of Providers, using the Availability Request form (see section 8 on communications).

3.3.2 The Provider may decline an Availability Request or propose reduced capacity. After mutually agreeable capacity and service windows are agreed, the Company will re-issue the Availability Request form for formal acceptance.

3.3.3 By accepting an Availability Request, the Provider is offering to and committing to be ready to provide the agreed power change throughout the service window, if instructed to do so by the Company. This becomes the Accepted Availability Window and Agreed Availability Capacity.

3.4 Service Windows: SAOU (DA)

3.4.1 The Providers submit their Call Off Bid in line with annex 2. In responding to the Call Off Bid, the Provider commits to being available during set contracted service windows and the Company is committed to pay the Provider for being available.

3.5 Service Window: SU

3.5.1 The Provider will submit their Call Off Bid in line with annex 2. In responding to the Tender for Services, the Provider commits to delivering the Utilisation Instructions agreed at the time of trade.

3.6 Service Window: OU

3.6.1 The Provider will submit their Call Off Bid in line with annex 2.

3.6.2 The Utilisation Instructions will be issued at least two (2) minutes ahead manually, by phone or by email.

3.7 Service Requirements

1.	*The Provider's DER shall be connected and capable of providing the service response in the area of the distribution network subject to the limitation (represented by the Zones).*
2.	*Exporting generators and storage assets, greater than 16 amps per phase shall have a long-term parallel connection compliant with the requirements of EREC G59 or G99. Those less than 16 amps per phase shall be compliant with the requirements of EREC G83 or G98.*
3.	*The DER shall be able to deliver on instruction a reduction or increase in import, or an increase or reduction in export, from or to the Network.*
4.	*The capacity is the amount of Active Power change the DER can deliver relative to a defined Baseline level. It shall be from one or more facilities making up the DER, can be delivered reliably and in full, is fixed for the duration of the service window, and must be within the conditions of each DERs Connection Agreement.*
5.	*Each DER shall have a single set of capability parameters and shall have a single point of communication and control.*
6.	*Each DER shall have minute by minute or 30-minute metering with sufficient accuracy to enable the Company to monitor the provision of Flexibility Services. The data shall be made available to the Company at the end of every service month or upon request via spreadsheet. The metering point shall be at the boundary between the Site on which the DER is located and the Network, or on the terminals of the facility if approved by the Company. The Provider should be able to provide technical details of the meter and a single line diagram of the DER on request.* *Where the DER comprises numerous assets, a single source of metering data shall aggregate readings for the assets in the zone. The meter data aggregation may be at Zone level or other sub-area as agreed with the Provider.*
7.	*The DER can run for other purposes during the Service Window, subject to it not increasing network loading on the network beyond any pre-agreed Baseline. It is the responsibility of the Provider to ensure that they can deliver the contracted Flexibility Services on instruction.*
8.	*The Provider's system/process shall deliver the specified level of power for the duration stipulated in accordance with the Utilisation Instruction.*
9.	*In agreement with the Provider, the Company may perform pre-notified testing to ensure that the Provider can deliver the contracted service*
10.	*The Provider's log files must be retained for a minimum period of 12 months.*

11. *The Provider shall log and retain DER status and other data as required to demonstrate service delivery, including:*

- *Records of instructions received and other communications with SSEN.*
- *Performance reporting data.*

3.8 Overview of Procurement and Dispatch processes

3.8.1 The high-level end to end procurement process from pre-qualification to bidding that takes place on our Flexibility Market Platform in shown in figure 1.

3.8.2 The activities listed below and shown in figure 1, must be completed by Providers before the bidding window opens:

- Electron Connect registration (where applicable);
- Pre-qualification;
- Awarded an Overarching Agreement (this Agreement);
- Registered relevant assets on the Electron Connect Platform (where applicable); and
- After signing the Overarching Agreement, all Providers should complete technical onboarding to Flexible Power. If the Provider does not yet have suitable IT systems or operational assets, onboarding may be deferred until a more suitable appropriate time. The Company reserves the right not to dispatch services, or permit participation in short term markets, until onboarding is completed. A high-level overview of the technical onboarding process is described in annex 1 and a comprehensive "Flexible Power provider user guide" of the process can be found in the SSEN Flexibility Services Document Library under "service documentation".

3.8.3 For bidding rounds, the Company will publish CMZs with network needs in line with annex 2.

3.8.4 The bidding process, ss described in annex 2 of these Service Terms.

Electron Connect Registration

- Registration of Company details.

Pre-Qualification

- Respond to standard industry commercial pre-qualification questions to pre-qualify.

Contracting

- Accept the Terms and Conditions of the overarching agreement.
- Opt in or opt out of providing Emergency flex.
- Sign the overarching agreement.

Asset Registration

- Assets in the relevant areas are registered on the Electron Connect platform.

Flexible Power Integration: refer to annex 1

- Takes place prior to or after bidding depending on the flexibility service.
- Current API version as applicable.

Bidding

- The Providers submit their Call Off Bid in line with annex 2.

Dispatch

- Availability request is issued as applicable.
- Utilisation instructions are issued using Flexible Power (where applicable).

Analysis and Payments

- Invoicing can be self-billing or manual.
- Payment (Availability and Utilisation, Availability only or Utilisation only) depends on the flexibility product.

Figure 1: Overview of procurement and dispatch processes

3.9 Service Specific Acknowledgements

3.9.1 The Provider hereby acknowledges that:

a) The provision of services pursuant to this agreement and the participation in flexibility services programme is voluntary, except where the Provider has committed their availability to provide services and;

b) The Company may request the Provider to tender for the flexibility services in accordance with this agreement. Save as specifically set out in this agreement, the Company does not guarantee by entering into this agreement that it will require any flexibility services, nor does it commit to purchasing any particular level of flexibility services. The Company may not issue tenders for flexibility services, nor instructions for utilisation. The volume of flexibility services purchased under this agreement may exceed or fall below prior estimations or anticipated usage, in which event the Company shall not be liable for any resultant cost, expense, loss or damage incurred or suffered by the Provider or any third party. The Provider shall not have an exclusive position in respect of the provision of flexibility services and the Company is free to have others provide the flexibility services, or to provide itself the flexibility services or other similar services in relation to management of constraints on the electricity network.

c) Nothing in this agreement shall prevent any party from applying for injunctive/interdict or other provisional, interim, emergency or equitable relief as is required to avoid irreparable damage to person, property, business or reputation.

d) The Overarching Agreement award does not guarantee that any flexibility services will be required by the Company or commit the Company to requiring any, or any particular level of such flexibility services.

3.10 Variation to Service Windows

3.10.1 The Company will not vary an Accepted Availability Window but may in some circumstances request additional availability, within the timescales stated in the section 3.2 - generic service parameters.

3.10.2 Emergency Flex: this is an opt-in service which does not require a tender for services. If the Provider wishes to opt into Emergency Flex it should do so by the deadline stipulated for accepting the Terms and Conditions of the overarching agreement, by indicating whether or not they're willing to participate in Emergency Flex. The Emergency Flexibility Service has been designed as a last resort service. In such a scenario, the Company would expect to procure services from the Provider. It should be considered as a bespoke payment of an Operational Utilisation with a 15-minute notification window. When the Company requires the service, the Provider may receive a utilisation instruction to provide Emergency Flex services. There is no obligation to provide Emergency Flex as a result of this Utilisation Instruction until the instruction is accepted by the Provider. Payment for Emergency Flex is equivalent to the level of Interruption Incentive Scheme (IIS) payment for the solutions delivered by the domestic MPAN & non-provider owned sites. The level of IIS payment per week for

Emergency Flex services delivered by the domestic MPAN & non-provider owned sites, is derived by applying 12.5% to the weekly Customer Interruption costs.

4. Charges and Calculation of charges

4.1 Charges

4.1.1 Availability and Utilisation Fees for any Service which a Provider is participating shall be set out in the Call Off Contracts and such Call Off Contracts shall be subject to the terms and conditions of this Service Terms.

4.2 Calculation of charges

4.2.1 There are two types of flexibility services payments: Utilisation Payments and Availability Payments. The application of the payment type depends on the flexibility service product being delivered.

4.2.2 The latest version of the Standardised DNO Settlement Methodology is published under "service documentation" at the SSEN Flexibility Services Document Library.

4.3 Utilisation Payments

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

4.3.2 Utilisation Payments are considered in terms of:

- for every metered time period, energy (MWh) delivered supplied by the Provider and multiplied by the Utilisation Fee (£/MWh); or

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

4.3.4 The Utilisation Payment made for under-performing periods will be as calculated in the latest version of the Standardised DNO Settlement Methodology referenced in paragraph 4.2.2.

4.4 Availability Payments

4.4.1 Where availability is applicable to a Flexibility Service, payments are paid for every Accepted Availability Window in respect of the DER. Availability Payments are subject to a Monthly Utilisation Performance factor.

4.4.2 Availability is determined by:

- for every metered time period, the Agreed Availability Capacity (MW) multiplied by the Availability Fee (£/MW/h).

4.4.3 Where a Provider declares Unavailability or was not available at time of delivery, then no Availability Payment will be made for that Metered Time Period.

4.4.4 Availability performance is calculated monthly and Availability Payments are reduced to match the capacity delivered should the delivered capacity be lower than the Agreed Availability Capacity. In order to determine the reduction, the Provider's calculated Monthly Utilisation Performance Factor is applied to the Availability Payment.

4.4.5 The detailed Availability Payment calculations are described in the latest version of the Standardised DNO Settlement Methodology referenced in paragraph 4.2.2.

4.5 Reduction of Charges

4.5.1 The Company shall report the Provider's performance for each half-hour of the service window and shall calculate the appropriate fees according to the performance achieved.

4.5.2 Where there is no net change in export/import power from the baseline in any half hour period of the service event, no Utilisation or Availability Payment will be due for that period. The Provider should include the reason for the failure in the Performance Report.

4.5.3 No Utilisation Payment will be due for periods outside of the instructed Start and Stop Times.

4.5.4 Where applicable, if the Provider has given Unavailability Notification for an agreed service window and the Company has elected to cancel the service as a result, the Availability Payment shall not be payable for that service window.

4.5.5 If the Provider has given notice of capacity reduction for an agreed service window and the Company has elected to continue with the service, the Availability Payment shall be payable based upon the remaining capacity available.

4.6 Payment calculation parameter values

4.6.1 The parameter values that are used in payment calculations are described in latest version of the Standardised DNO Settlement Methodology referenced in paragraph 4.2.2 and shown in table 2 below:

Parameter	Scheduled Utilisation	Scheduled Availability + Operational Utilisation	Variable Availability + Operational Utilisation (both Week Ahead and Day Ahead notifications)	Operational Utilisation
Utilisation Grace Factor	5%	5%	5%	10%
Availability Grace Factor	N/A	5%	5%	N/A
Performance Multiplier	3	3	3	2

Table 2: Payment calculation parameter values

5. Invoicing

5.1 All invoices shall be submitted in accordance with the below:

5.1.1 The billing cycle is based on a calendar month and therefore the Company operates a total of 12 billing cycles each calendar year.

5.1.2 After each event, an Event Report is created and made available to the Provider via Flexible Power which allows the Provider to review their performance. At the end of the month, all event data is compiled and performance-based pricing applied to calculate the payment due to the Provider for the month.

5.1.3 An interim statement will be produced automatically on the 1st day following the end of each month. Once the statement has been reviewed by the Provider, they shall confirm within fourteen (14) days if the calculations are disputed and provide full details of the same to the Company. If the Provider disputes any calculations, then the statement is placed on hold until such dispute has been resolved. The parties will endeavour to resolve any dispute before the cut off period as set out in figure 2. Following resolution or determination of any dispute, the earnings statement shall be updated accordingly.

5.1.4 If no query is raised on the earnings statement within the fourteen (14) day window the statement is assumed to be correct. On the 15th, Flexible Power will automatically generate a final Statement which can be downloaded for financial records or invoice preparation as applicable.

5.2 If the Provider has agreed to Self-Billing, the statement will be used by the Company to generate a Self-Billing invoice.

5.3 Self-billing

If the Provider has agreed to self-billing, the Company agrees:

5.3.1 To issue self-billed invoices for all supplies made to them by the Provider for the duration of this contract.

5.3.2 To complete self-billed invoices showing the Provider's name, address and VAT registration number, together with all the other details which constitute a full VAT invoice.

5.3.3 To make a new self-billing agreement in the event that their VAT registration number changes.

5.3.4 To inform the Provider if the issue of self-billed invoices will be outsourced to a third party.

The Provider agrees:

5.3.5 To accept self-billed invoices raised by the Company on their behalf for the duration of this contract.

5.3.6 To provide the email address to which self-billed invoices should be sent.

5.3.7 Not to raise sales invoices for the transactions covered by this agreement.

5.3.8 To notify the Company immediately if they;

- change their VAT registration number;

- cease to be VAT registered, or;
- sell their business or part of their business.

5.4 Invoicing *(Not Applicable if self-billing)*

5.4.1 If self-billing is not possible, the Provider will supply to the Company an invoice within forty (40) days of the end of the month to which such invoice refers.

5.4.2 The Provider agrees that each invoice issued or accepted by it will include details of, as regards the Flexibility Services to which the invoice relates:

- The Purchase Order number as provided by the Company;
- the date on and time at which the Flexibility Services were provided;
- the relevant Availability Payment details (if any); and
- the relevant Utilisation Payment details (if any).

5.4.3 Invoices are submitted by the Provider to the Company through the Tradex electronic invoicing platform supported by Causeway Technologies Limited (https://www.causeway.com/sse-tradex-registration).

5.4.4 The Provider agrees that, should it opt for paid features in the Tradex electronic invoicing platform, those costs associated with its use are to be borne by it and not passed on to the Company in any way whatsoever.

5.4.5 If in the Company's opinion the Tradex electronic invoicing platform has become an inadequate means for the Provider to submit its invoices, the Company may require the Provider to submit its invoices through a reasonable alternative means which the Company shall specify by providing notice in writing to the Provider.

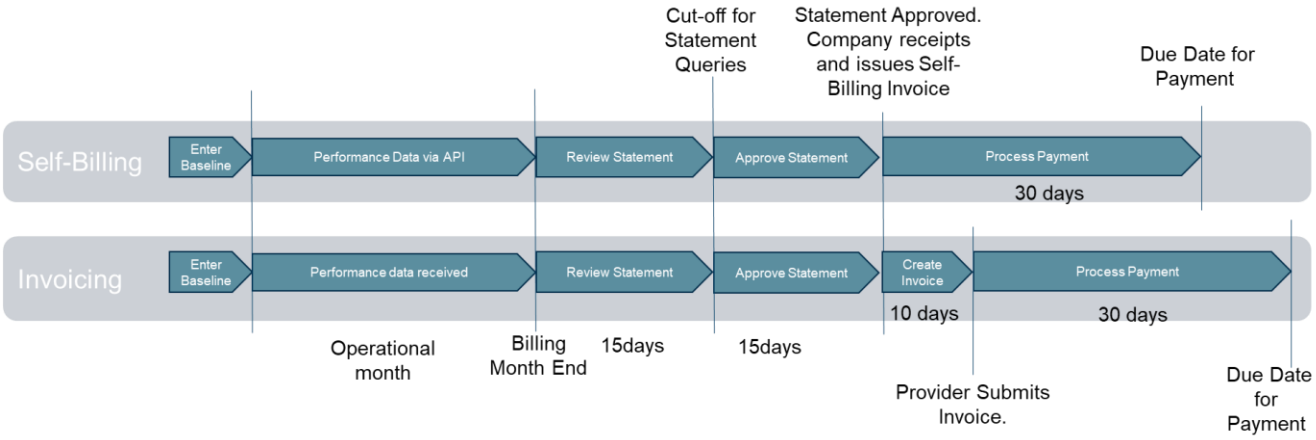


Figure 2: Invoicing and payment timelines

6. Payment Terms

6.1 General

6.1.1 In consideration of the provision by the Provider of the flexibility services in accordance with the terms of this agreement, the Company shall pay to the Provider the charges in accordance with section 4.

6.1.2 The Company shall pay the charges within thirty (30) days of receipt of the relevant invoice (the “due date for payment”).

6.1.3 If the Company intends to pay less than the sum stated as due in the invoice it shall, not later than five (5) business days before the due date for payment, give the Provider notice of that intention by issuing a notice which shall specify both the sum that it considers to be due to the Provider at the date the notice is given, or the sum which it considers is due from the Provider to the Company, and the basis on which that sum is calculated.

6.1.4 Unless otherwise agreed in writing between the Company and the Provider, payment of invoices shall be made by the Company by bacs payment to a bank account nominated in writing by the Provider.

6.1.5 All payments and all other sums referred to in this agreement are stated exclusive of VAT. Where applicable, VAT shall be payable by the payer to the payee only upon receipt of a valid VAT invoice.

6.1.6 If either party fails to make any payment due to the other under this agreement by the due date for payment, then the party failing to pay shall pay interest on the overdue amount at a rate of two per cent (2%) per annum above the Bank of England base rate from time to time. Such interest shall accrue on a daily basis from the due date until actual payment of the overdue amount, whether before or after judgment. The relevant party shall pay the interest together with the overdue amount. The parties acknowledge that their liability under this clause is a substantial remedy for the purposes of section 9(1) of the late payment of commercial debts (interest) act 1998.

6.1.7 Where either party disputes any application for payment or invoice (or any part of any application for payment or invoice) then, upon receipt by the Provider of notification from the Company of any such disputed amounts, the provisions of clause of flexibility services standard agreement version 3 (dispute resolution) shall apply in resolving the disputed amounts.

6.1.8 In the event that the Company disputes whether certain amounts contained in an invoice are properly due but does not dispute all sums contained in the invoice, the Company shall pay the sums not in dispute in accordance with the terms of this agreement notwithstanding that the Company is disputing the other sums contained in the invoice.

6.1.9 Where either party disputes any invoice (whether in whole or in part), interest under paragraph 6.1.6 is payable only after the dispute is resolved, and only on those sums found or agreed to be due following resolution of the dispute, from the due date until payment.

6.1.10 Where, during the term, the Provider wishes to change its bank details or address for payment, then the Provider must follow the provisions set out in clause 16 of flexibility services standard agreement version 3 (notices).

6.1.11 If the Provider fails to apply for payment for or invoice the Company for payment of the charges within six (6) months of the end of the month in which the flexibility services were provided, then the Provider shall be deemed to have waived its right to payment.

6.2 Settlement arrangements

6.2.1 Providers must be set up on Harmony and Tradex systems a minimum of 3 months before the start of service delivery or before the Call Off Contract is awarded when procurement is occurring less than 3 months ahead of delivery.

7. Sites and DER

7.1 Site and DER requirements are as follows:

7.1.1 Sites and DER information will be provided in line with annex 2 by the Provider. The Company will rely on these details when instructing services pursuant to the call off contract.

7.1.2 For Call Off Contracts under long-term tenders, if DER details change during the term of the Call Off Contract, the Provider must submit the changed details to the Company via the Flexibility Market Platform with a minimum of thirty (30) days' notice ahead of first dispatch and if accepted by the Company, the updated details shall form part of the agreement from the date of that acceptance onwards.

7.1.3 The Company will consider the addition or removal of DERs throughout the Call Off Contract term), however the total Contracted Capacity and the Availability Fee (where applicable) and Utilisation Fee for the Zone cannot be changed outside of the auction/bidding process.

7.2 With respect to clause 3.1.6 in the Flexibility Services Agreement, the Company does not need access to domestic sites and other non-provider owned sites to carry out activities such as DER inspection testing or remedial defect action. In the event of unsatisfactory performance of the Provider, we will collaborate on the most appropriate remedial action plan based on the assets utilised.

7.3 The company does not require to install, maintain, replace or remove communication equipment directly for the delivery of Flexibility Services.

8. Communications

8.1 Processes and Systems for Communications

8.1.1 Dispatch communication is via Flexible Power API unless agreed otherwise.

8.1.2 The Company will request Providers to review and accept the Terms and Conditions of the Overarching Agreement.

8.2 Tender for Services

8.2.1 The Company shall announce the bidding or auction for site specific services through Flexibility Market Platform or Tender for Services document sent via email.

8.2.2 The Provider shall make an offer in response via the methods outlined in annex 2.

8.2.3 The Company shall review and accept an offer and then announce bid decisions via Flexibility Market Platform or email in line with annex 2.

8.3 Availability Requests: VAOU (WA), VAOU (DA)

8.3.1 Unless agreed otherwise, the Company shall contact Providers by email and / or telephone in accordance with the notice periods in section 3.2 - generic service parameters to request availability (an “Availability Request”) per Dispatch Group.

8.3.2 Providers shall confirm related operating parameters as follows:

- Zone Name;
- Provider Name;
- Dispatch Group;
- Accepted Availability Windows, Agreed Availability Capacity and Response Direction.
- Operating parameters (Minimum Utilisation Period, Maximum Utilisation Period, Weekly Limit, baseline method and values if applicable).

8.3.3 Unless agreed otherwise, Providers shall respond by email to the Availability Request within the timescales stated in section 3.2 - generic service parameters.

8.3.4 The Provider may decline an Availability Request or propose reduced capacity/changes to operational parameters. If changes to the request are agreed, the Company will re-issue the Availability Request for formal acceptance.

8.3.5 By accepting an Availability Request, the Provider is committing to be ready to provide the Agreed Availability Capacity throughout the Accepted Availability Window, if instructed to do so by the Company.

8.3.6 If there is no reply to an Availability Request within the timescales in section 3.2 – generic service parameters, the Company shall deem the Provider to be unavailable for the requested Availability Windows.

8.4 Utilisation Instructions: VAOU (DA), VAOU (WA), SAOU (DA), SU, OU

8.4.1 The Company may, for an Accepted Availability Window (for VAOU (DA), VAOU (WA) and SAOU (DA) or other period of time (for OU, SU and Emergency Flex) in respect of a Dispatch Group which has not been notified or otherwise deemed unavailable, issue a notice (a "Utilisation Instruction") in line with annex 4, which includes:

- Zone Name;
- Provider Name;
- Dispatch Group;
- Agreed Availability Capacity to be Utilised and Response Direction;
- Start Time and / or Stop Time

8.4.2 The Company may issue an individual Utilisation Instruction or a set of instructions known as a Utilisation Schedule to the Provider.

8.4.3 The Provider shall not deliver any Flexibility Services unless they have received an instruction from the Company via Flexible Power or directly from the Control Room.

8.5 Unavailability Notification

8.5.1 If at any time, a Provider becomes aware that a Dispatch Group will be unavailable or its capacity reduced during an accepted availability window and/or any other period of time, then it shall as soon as reasonably practicable, contact the Company's Flexibility dispatch desk by phone or email of any period where Agreed Availability Capacity will be unavailable or reduced. The Provider shall complete an Unavailability Notification in line with annex 4, setting out the duration of the unavailability/reduction and the reason.

8.5.2 Where the notice is given by phone, a confirmatory email shall be sent by the Provider to the Company within 24 hours.

8.5.3 The Providers shall notify the Company of the following:

- Provider Name
- Flexible Power ID of unavailable Meterable Unit or Dispatch Group
- Datetime Unavailable from
- Datetime Unavailable to
- Remaining capacity during these times (if applicable)

8.5.4 Upon receipt of an Unavailability Notification, the Company may at its discretion:

- Elect to continue with affected service(s) at reduced capacity.
- Elect to cancel service(s).

8.5.5 The Company's decision will be communicated to the Provider as soon as reasonably practicable; however, should that not be before an accepted availability window or start instruction, the Provider shall be ready to deliver (or shall continue to deliver) the service at the remaining capacity where applicable.

8.6 Signal and Control Requirements

8.6.1 Unless agreed otherwise, metering data should be submitted via the Flexible Power API continuously and close to real time at minute (power) or half-hourly (energy) granularity. The Provider also has the option to submit metering data in batches (in line with figure 2) via API or csv upload. Metering data must be in the Flexible Power platform by the 15th of the subsequent month for billing.

8.6.2 The Company shall send signals to the Provider via Flexible Power API as required for the flexibility product being dispatched, as required for the flexibility product being dispatched and as detailed in the Flexible Power provider user guide which can be found in the SSEN Flexibility Services Document Library under "service documentation".

8.6.3 The Provider shall send the following data to the Company via the Flexible Power API:

- Power (minute) or Energy (half hour) metering, per Meterable Unit.
- Emergency stop signal, per Meterable Unit.

9. Performance Monitoring

Performance against instructions given is determined automatically by the Flexible Power portal using pre-determined baseline data and actual metering data uploaded by Providers.

9.1 Metering Standards

9.1.1 For asset point metering, the Provider will ensure compliance with the following metering standards set out within the most recent published relevant balancing and settlement code of practice eleven: code of practice for the metering of balancing services assets for settlement purposes:

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

9.1.2 For Boundary Point Metering, the Provider should be compliant with balancing and settlement codes of practice 1, 2, 3, 4, 5 and 10 as applicable.

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

9.2 Baseline for measuring delivery

9.2.1 The baseline is used by the Company to forecast absolute power values for the week ahead, and after each event by the Flexible Power billing system to calculate utilisation and performance.

9.2.2 A baseline must be agreed by email a month ahead of dispatch and be recorded in Flexible Power by the Company, no later than the Wednesday preceding an operational week.

9.2.3 The baselining method and any fixed values or profiles shall be agreed between the Company and the Provider post Contract Award and ahead of any service provision.

9.2.4 If requested, Providers must provide the methodology used for determining nominated baseline values and be able to demonstrate the method's accuracy by comparison with real data.

9.2.5 The supported baseline methods are:

- Nominated Baseline - this can be a fixed power value (kW), or a representative week time-series of average power (kW) values, at minute or half-hourly granularity.
- Historical Baseline - an averaged historical baseline value (kW) calculated month by month basis by taking power readings between 3pm and 8pm (Monday to Friday) over a period of the first three (3) weeks of the previous month.

9.3 Testing and Monitoring

9.3.1 Testing may be undertaken to confirm the Provider's ability to deliver the services described for this agreement to take place. The Company shall be entitled to request data from the Provider evidencing the delivery of flexibility which shall not be unreasonably withheld. Delivery will be verified by the Company using network monitoring and reporting systems.

9.3.2 Testing will be organised no more than once a year for a time and duration acceptable for both the Company and Provider to be agreed in advance. Testing will be planned to minimise impact to the Provider's normal operations.

9.3.3 The Company retains the right at its own discretion to refrain from issuing Availability Requests or utilisation instructions to the Provider until necessary testing has been concluded.

9.3.4 The Company shall be entitled to request specific technical or operational information during the course of the contract in order to understand the effect of services provided on the distribution network, and the Provider shall not unreasonably withhold such information.

9.3.5 The Company may repeat testing for the following reasons:

- Where test results are unsatisfactory or inconclusive;
- following a service or communications failure, or;
- on an annual basis.

9.3.6 Should the Company identify a failure affecting the API communications the Company shall notify the Providers nominated person as detailed in main contract as soon as practical to resolve the failure and if necessary, retrieve any missing data.

9.4 Service Meter

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

9.5 Service Failure

9.5.1 Means where, in respect of a Dispatch Group within a zone:

a) The Provider has achieved less than 75% delivered capacity of the Utilisation Instructions in any billing month; or

b) the Provider has issued unavailability notices, or the Company deems services as unavailable for 25% of Accepted Availability Windows or Agreed Availability Capacity in a billing month.

9.5.2 Service Failure with respect to termination is defined as:

a) The Provider has achieved less than 50% of the accepted Utilisation Instructions across different areas representing 10% or more of the Zones they have Utilisation Instructions for, for more than three months and does not engage in rectification activity as listed in 8.2 of the General Terms and Conditions; or

b) The Provider fails to respond to any Availability Request (in the affirmative or the negative) for more than three months and continues to participate in tender activities as outlined in annex 2.

9.6 Auditing

9.6.1 The Company shall be entitled to request specific technical or operational information during the course of the overarching agreement in order to understand the effect of the services provided on the distribution network, and the Provider shall not unreasonably withhold such information.

9.6.2 The Company shall provide a minimum of 10 days' notice of any proposed visit to the Provider's site/facilities. The Provider shall not unreasonably withhold permission for the Company to visit the Provider's site/facilities, where they are authorised to grant such permission and have ownership or access rights to such sites/facilities.

10. Data Protection

10.1 If at any point during the term, either party considers that one party is acting as processor on behalf of the other, then the parties shall promptly meet to negotiate in good faith a separate data processing agreement to cover the matters required by the data protection law.

11. Details of Provider and Special Conditions

11.1 Any variations to the General Terms and Conditions are detailed at the start of this overarching agreement.

ANNEX 1: TECHNICAL ONBOARDING

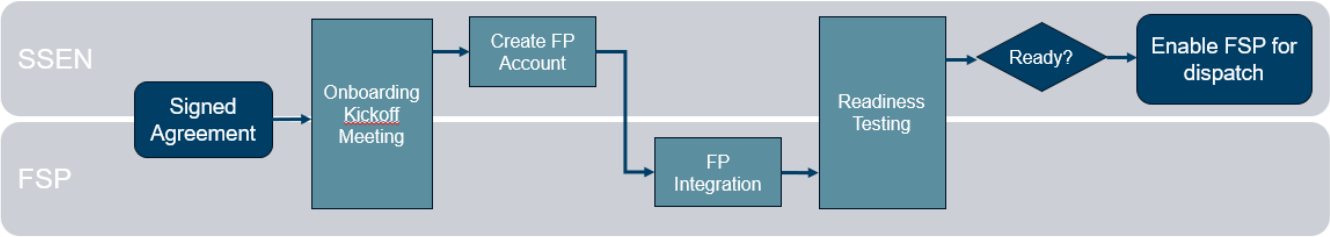
1. Introduction

1.1 Providers who have signed up an Overarching Agreement with SSEN will be contacted to begin the technical onboarding process, including Flexible Power onboarding. If the FSP does not yet have an IT system or any operational assets, onboarding may be deferred until a more appropriate time. Technical onboarding must be completed before any services are dispatched or assets allowed to participate in short-term markets.

1.2 Flexible Power is used by the Company for activities after market closure, including managing baselines, availability, scheduling, dispatch, performance reporting and self-bill calculations (Statement/Invoice generation).

2. Technical Onboarding process

2.1 The high-level technical onboarding process is as follows:



2.2 The “Flexible Power provider user guide” can be found in the SSEN Flexibility Services Document Library under the “service documentation” dropdown. It will guide Providers through the process of using the platform and getting onboarded.

ANNEX 2: AUCTION/ TENDER/BIDDING GUIDELINES

1. Introduction

1.1 This annex 2 outlines the two ways we will accept bids. The description in section 2 covers bid acceptance using the existing "Tender for Services via csv" approach, whilst section 3 describes bid acceptance using our Flexibility Market Platform. We will inform Providers of our option being used prior to each bid commencement. Only one method will be used per bidding round and no bids submitted via the other route will be accepted.

2. Tender for Services via CSV

2.1 For all services, the Company will open a 'Tender for Services' by email for Providers who are parties to this Overarching Agreement in advance of the services being required. When the tender for services is announced, the Company will make available information about the services required, the period over which the services will be required (known as the "Call Off Contract Period"), the capacity of services required in each zone over the call off contract period and the expected availability/utilisation of each service in each zone. A template for the tender for services document is included in annex 4.

2.2 The Provider may then respond by email with a bid offer (known as a 'Call Off Bid') for any services it would like to participate in by the deadline specified in the tender for services. The Provider must respond using the standard Call Off Bid submission form in line with annex 4 in csv or excel format. The email must be sent to flexibilityprocurement@sse.com before the stated close time to be considered a valid bid.

2.3 The Company will then decide which bid offer to accept and announce the bid acceptance decision(s) by email to the relevant Providers. The bid acceptance decision will be made by the Company based on the bid pricing and sensitivity/effectiveness analysis. Where two bids are priced identically, the Company may base its decision on secondary considerations such as flex assure membership, reliability and carbon intensity.

2.4 Where applicable, the bid acceptance decision will also detail the availability for services that the Company commits to purchasing from the Provider over the call off contract period.

2.5 Once the bid has been accepted by the Company, the details provided by the Provider in its Call Off Bid will form the basis of the accepted agreement between the Provider and the Company.

3. Flexibility Market Platform

3.1 For all services procured on the Flexibility Market Platform, the Company will prepare tender requirements and publish these via the platform.

3.2 Each CMZ will have an individual market on the platform, and Providers who meet all the technical and commercial qualification criteria will be able to participate. When the auction is announced, the Flexibility Market Platform will include information about the services required, the contract start date and the contract end date, the estimated capacity required in each CMZ over the contract period and the service window in each zone.

3.3 The Provider may then make offers for each market they wish. To be a valid offer, it must be submitted in Electron Connect before the published deadline and be submitted to the Flexibility Market Platform with instant confirmation on the platform stating, “file uploaded successfully”.

3.4 To ensure that the Provider submits a valid bid, the Provider must ensure that the following parameters are included in the bid and are as intended before submission is made:

- flexibility volumes in MW;
- Availability Fee (where required) (£/MW/h);
- Utilisation Fee;

3.4.1 The platform will not allow submission without this information. It is the responsibility of the Provider to ensure the information is correct, fully populated and applied to the right locations and assets.

3.5 The decision on which bids to accept is made by generating a stack for each asset using the market platform algorithm. A single price stack is generated with bids from all Provider organisations for the entire contract length. The methodology of building the price stack is described in the ‘Assessment of Bids in SSEN’ document published in our SSEN Flexibility Services Document Library under the ‘Service Documentation’ dropdown.

3.6 The platform generates and notifies the bid acceptance decision(s) by email to the relevant Providers. Once the offer has been accepted, the details provided by the Provider in its bid template will form the basis of the accepted agreement between the Provider and the Company.

ANNEX 3: DISPATCH PRINCIPLES

1. Company Flexibility Management System Details

1.1 These technical requirements together with the service terms and associated documents will apply to Providers adopting Flexible Power dispatch using API or email and Providers adopting the manual approach.

1.2 For information, the Company's Flexible Power User Guide can be viewed in the Flexibility Services Document Library

2. Dispatch Principles

2.1 The DER details registered on Electron Connect by the Provider and specified in any Call Off Bid (defined in annex 2) from the Provider must be accurate and in accordance with the terms of this Overarching Agreement. As outlined in the Service Terms, the Company will rely on the DER details provided by the Provider when requesting Availability or instructing Services pursuant to this Overarching Agreement.

2.2 In post-fault scenarios, Providers will be given access to the electricity distribution network to export or import electricity under conditions which would normally not be permitted and result in isolation from the network. This access is given by the Company only for the duration of this Overarching Agreement and as instructed by the Company under this Overarching Agreement and will cease upon termination or expiry of the Overarching Agreement.

2.3 The following criteria will be used by the Company before issuing Availability Requests or Utilisation Instructions to determine which Provider will be used. The Company shall retain, at its sole discretion, the right to issue a Call Off Contract to a Provider and may use other means to manage constraints on the electricity network.

2.4 Dispatch criteria may include some of, and/or of the following:

- Technical suitability for the specific constraint scenario;
- Pricing – to select optimal economic solution for the Company's stakeholders and customers (£/MWh);
- Carbon intensity – measure of how many grams of carbon dioxide (CO_2) are released to produce a kilowatt hour (kWh) of energy required for the service;
- Reliability of asset – the ability of the DER to perform under certain conditions over a specified period without service failure;
- Any known Unavailability or reduced capacity; and
- Management of network risk.

2.5 The complete dispatch criteria applied can be found in the Operational Decision Making (ODM) document which is reviewed annually. The latest version of the ODM is published under "service documentation" at the SSEN Flexibility Services Document Library: Flexibility Services Document Library - SSEN

ANNEX 4: FORMS AND TEMPLATES FOR FLEXIBLITY SERVICES

1. Introduction

1.1 The Company and Provider shall use the standard forms and templates shown in this annex 4 as part of the operational processes.

2. Availability request

2.1 Availability Request – Minimum information:

Date and Time of Request:	*[Date & Time]*
CMZ Name:	
Provider Name:	
DER Name:	
Service Requested:	*[VAOU (WA), VAOU (DA)]*
Direction:	*[Generation Turn Up/Demand Turn Down or Generation Turn Down/Demand Turn Up]*
Availability Required From:	*[Date & Time]*
Availability Required To:	*[Date & Time]*
Capacity:	*Active power change capacity, as a change from Baseline (MW)*
Baseline Method:	*The baseline is the power that changes are measured against. The baseline method should be agreed at the time of confirming availability and can be:* • *Historical average* • *Provider nominated half-hourly profile.* • *Provider nominated static value.*

	Note that the baseline for OU services is normally zero, since the service is used post-fault.
Nominated Static Baseline (MW):	*If applicable, enter the static baseline value in MW (Use -ve values for demand assets).*

3. Utilisation Instruction

3.1 Utilisation Instruction - Minimum Information:

Date and Time of Instruction:	*[Date & Time]*
CMZ Name:	
Provider Name:	
DER Name:	
Service Instructed:	*[VAOU (WA), VAOU (DA), SAOU (DA), OU, SU]*
Direction:	*[Generation Turn Up/Demand Turn Down or Generation Turn Down/Demand Turn Up]*
Start Time:	*[Start time DD/MM/YY HH:MM]*
Stop Time:	*[Stop time DD/MM/YY HH:MM]], if known at the time of instruction. If unknown, a separate Stop instruction may be used.*
Capacity:	*Requested power change (MW).*
Baseline:	*Power baseline (MW). Use -ve values for demand assets.*

4. Unavailability/ Remedy Template

4.1 Unavailability Notification – Minimum Information:

Provider Name:	
CMZ Name:	
DER Name:	
Service Unavailable/Reduced From (Date/Time):	
Service Unavailable/Reduced To (Date/Time):	
Reduced Capacity, if applicable:	
Reason for unavailability/reduction:	
Name and Contact Details:	*[of individual giving notification]*
Date and Time of Notification:	*[date/time notification was given to the Company]*
Provider Ref:	*[e.g. incident or ticket ref]*

5. Event Reporting

5.1 After the dispatch event, the meter reading submitted by Providers is used to generate an individual Event Report for Providers to review their performance and monthly statement of earnings.

5.2 The process steps for downloading event reports and statements can be found in the “Flexible Power Provide User Guide” in the SSEN Flexibility Services Document Library under the “service documentation” dropdown.

6. Tender for services

6.1 In line with annex 2 section 2, “Tender for services via csv”, ahead of the tender, the Company will make information available to Providers about the forthcoming tender. An example of an outline of information on upcoming tenders is given below:

Tender for Services - Outline

Call off contract period (Start date) 01/04/2025 Period over which the call-off contract will apply (start and end date) **End date** 31/03/2025

Deadline for FSP response 30/01/2024 Specific date (usually ~ 2 weeks after issue of tender)

	Zone	Licence Area	Service	Service Response Direction	Minimum Capacity	Maximum Capacity	Estimated Market Value	Year	Service Window	Service Seasons*	Expected Days/season	Hours per day for each season	Forecasted Availability Hours for the year
					MW	(MW)	(£)				(#)	(Hours)	(Hours)
E.g.	Amersham	SEPD	Operational Utilisation + Variable Availability (Secure)	GTU/DTD	0.01	1	2,000.00	2025/26	17:00 - 19:00	Spring/Autumn	2	7	14
	Amersham	SEPD	Operational Utilisation + Variable Availability (Secure)	GTU/DTD	0.01	1.00	2,000.00	2025/26	14:00 - 16:00	Winter/Spring/Autumn	2	6	12

7. Call off submission form

7.1 In line with annex 2 section 2, call off submission form to be submitted by the Provider. An example is given below:

Call off Bid Submission Form - Outline Document

This form should be used by the Provider at the Call Off Bid stage to submit information about the site, DER and pricing information to the Company

Provider

Operational Contact Details

Provider's Response:

	Zone	Service	Type	Service Response Direction	Asset	Maximum Capacity Offered (MW)	Availability Price (if applicable) (£/MW/h)	Utilisation Price (£/MWh)	Type of baseline	Minimum run time (minutes)	Year of capacity
E.g.	Amersham	Operational Utilisation + Variable Availability (Secure)	EV Charger	GTU/DTD	Asset 1	0.01	30	325	Nominated	30	2024/25
	Amersham	Operational Utilisation + Variable Availability (Secure)	Battery	GTU/DTD	Asset 2	0.02	25	250	Historical	3	2024/25