

THIS AGREEMENT is made the [] day of [] 2000

BETWEEN:

- (1) **[INDEPENDENT POWER PRODUCER]**, whose registered office is at [] (the "Generator"); and
- (2) **NORTHERN IRELAND ELECTRICITY plc** whose registered office is at 120 Malone Road, Belfast BT9 5HT, acting in its capacity as transmission system operator (the "TSO").

WHEREAS:

- (A) The TSO is responsible under the terms of the Transmission Licence for fulfilling the functions and duties of the transmission system operator, including the provision of System Support Services.
- (B) The Generator has offered, in accordance with Condition 8 of its Generation Licence, and the TSO has agreed, for the Generator to provide System Support Services to the TSO from the Generating Unit, in accordance with the terms of this Agreement.

NOW IT IS HEREBY AGREED as follows:

1. Definitions and Interpretation

Definitions

- 1.1 In this Agreement (including its Schedules), unless the context otherwise requires the following words and expressions are defined as follows:

"Affiliate": means, in relation to any person, any holding company or subsidiary of that person or any subsidiary of a holding company of that person, in each case within the meaning of Article 4 of the Companies (Northern Ireland) Order 1986;

"Annual Confirmation Statement": means the statement referred to in Clause 7.4;

"Availability": shall, in relation to the Generating Unit, mean the capability (expressed in MW at the generator terminals) of the Generating Unit to generate electricity at any time. Availability in any Settlement Period is calculated under paragraph 3 of Schedule 2;

"Availability Notice": shall have the meaning given to it in the Grid Code;

"Business Day": means a day, other than Saturday or Sunday, on which banks are open for ordinary banking business in Belfast;

“Competent Authority”: means the Director, or any local, national or supra-national agency, authority, department, inspectorate, minister, official, court, tribunal or public or statutory person (whether autonomous or not) of the United Kingdom (or the government thereof) or the European Communities which has jurisdiction over the parties or the subject matter of this Agreement;

“Confirmation Statement”: means the statement referred to in clause 7.1;

“Connection Agreement”: means the agreement between the TSO and the Generator setting out the terms on which the Generating Unit may be connected to the NIE System;

“Contract Year”: means the period which begins at 0000 hours on the date of this Agreement or any anniversary of that date which falls during the term of this Agreement and ends at 0000 hours on the next anniversary or, if this Agreement shall have been terminated before the next anniversary, which ends at the time when this Agreement is terminated;

“Default Rate”: means, in respect of any day, the rate which is 2.5 percentage points per annum above the base lending rate from time to time of Bank of Ireland at the close of business on the immediately preceding Business Day;

“Delivery Point”: means in relation to the Generating Unit the high voltage bushings of the generator transformer;

“Department”: means the Department of Economic Development;

“Despatch Instruction”: means an instruction for Despatch issued by the TSO pursuant to the Grid Code;

“Directive”: means any present or future directive, request, requirement, instruction, direction or rule of any Competent Authority as it may have been modified, extended or replaced and having legal force or, if not having the force of law, if it is reasonable in all the circumstances for it to be treated as though it had legal force;

“Director”: means the Director General of Electricity Supply for Northern Ireland;

“Electricity Arbitration Association”: means the unincorporated members’ club of that name formed inter alia to promote the efficient and economic operation of the procedure for the resolution of disputes within the electricity supply industry by means of arbitration or otherwise in accordance with its arbitration rules;

“Expert”: means the person appointed by agreement between the parties, or failing agreement, by the President of the Electricity Arbitration Association;

“Final Confirmation Statement”: means the statement referred to in clause 7.6;

“Force Majeure”: shall have the meaning ascribed to that term in clause 10.1;

“Frequency Transient”: means a period when the Frequency of the NIE System is at or below 49.5 Hz;

“Fuel Security Code”: means the Northern Ireland Fuel Security Code designated by the Department as a condition of licences granted under Article 10 of the Order;

“Generating Unit”: means the apparatus which is identified as such in paragraph 1 of Schedule 1;

“Generation Licence”: means a licence to generate electricity granted pursuant to Article 10(1)(a) of the Order;

“Governor Droop”: means, in relation to the operation of the governor of the Generating Unit, the percentage drop in NIE System Frequency which would cause the Generating Unit under free governor action to change its output from zero to full load;

“Grid Code”: means the Grid Code drawn up pursuant to the Transmission Licence and approved by the Director as it may from time to time be revised by the TSO with the approval of the Director;

“Interim Post Event Notice”: shall have the meaning ascribed to that term in clause 5.3.4;

“Interim Settlement Arrangements”: means the Interim Settlement Code and the Interim Settlement Agreement (as such terms are defined in the Transmission Licence);

“Minimum Net Output”: means the Net Output of the Generating Unit specified in paragraph 4 of Schedule 1 (as it may be amended from time to time);

“Net Output”: means the Output of the Generating Unit at the Delivery Point (expressed in MWh) which would be produced by the Generating Unit if it was operated for one hour at a load equal to its NFL Capacity;

“NFL Capacity”: means the normal full load capability of the Generating Unit (expressed in MW) to generate electricity determined at the generator terminals, specified in paragraph 2 of Schedule 1;

“NIE”: means Northern Ireland Electricity plc;

“Nominated Despatch”: means, in relation to a Settlement Period, the Unit Nomination (as defined in the Interim Settlement Code) (in KWh) for the Generating Unit for the Settlement Period as determined under the Interim Settlement Code;

“Nominated Hours”: means, in relation to a Contract Year, the number of hours calculated under paragraph 6.3 of Schedule 2;

“Operating Parameters”: means the performance and operating characteristics of the Generating Unit (certain of which are referred to in the Grid Code as Generation

Scheduling and Despatch Parameters) for which values are specified in Schedule 1 as SSS Parameters or, if such characteristics are inferior to the corresponding SSS Parameters, the prevailing values of such characteristics (determined in accordance with Part I of Schedule 2);

“Order”: means the Electricity (Northern Ireland) Order 1992;

“Output”: means the actual output of the Generating Unit (expressed in MW) derived from data measured pursuant to the Metering Code;

“Post Event Notice”: means a notice issued by the TSO pursuant to paragraphs 5.6, 5.7 or 5.8 of Schedule 2 redeclaring the Availability or SSS Parameters of the Generating Unit;

“Power Station”: means the Power Station at *[Location]*;

“Proceedings”: shall have the meaning ascribed to that term in clause 16.1;

“Prudent Operating Practice”: means, in relation to the Generator or the TSO, the standard of practice attained by exercising that degree of skill, diligence, prudence and foresight which could reasonably be expected from a skilled and experienced operator engaged in the same type of undertaking under the same or similar circumstances;

“Relevant Event”: shall have the meaning ascribed to that term in clause 5.4.3;

“Reserve Rate”: means, in respect of any day, the rate which is seven eighths of one per cent per annum above the base lending rate from time to time of Bank of Ireland at the close of business on the immediately preceding Business Day;

“SSS Parameters”: means the performance and operating specifications of the Generating Unit (certain of which are referred to in the Grid Code as Generating Scheduling and Despatch Parameters) for which values are specified, as are more fully set out in Schedule 1, as may be amended from time to time in accordance with this Agreement;

“SSS Payments”: means each of the payments to be made by the TSO to the Generator pursuant to clause 5.1 to be calculated in accordance with Schedule 2;

“Security Period”: shall have the meaning ascribed to that term in the Fuel Security Code;

“Settlement Values”: has the meaning ascribed to it in the Grid Code;

“Supplemental Energy Bid”: shall have the meaning ascribed to it in the Interim Settlement Code;

“Supply Competition Code”: means the document of that title designated as such by the Department, as from time to time revised, amended, supplemented or replaced with the approval or at the instance of the Director;

“Start”: means Start-Up of the Generating Unit;

“System Support Services”: means the services to be provided by the Generator described in Clause 4;

“Trading Day”: shall have the meaning ascribed to that term in the Interim Settlement Code;

“VAT”: means value added tax or any tax on the supply of goods or services which may hereafter replace value added tax.

Interpretation

1.2 In this Agreement (including its Schedules), unless the context otherwise requires:

1.2.1 any references to:

- (a) an Act of Parliament, Order in Council or Directive of a Competent Authority or any other enactment or any section of, or schedule to, or other provision of any such enactment shall be construed, at any particular time, as including a reference to any modification, extension or re-enactment thereof then in force and to all instruments, orders or regulations then in force and made under or deriving validity from the relevant enactment or provision (as they may have been modified, extended or re-enacted);
- (b) any of the Grid Code, Fuel Security Code, Supply Competition Code or Interim Settlement Code or any section of, Appendix to or other provision of any of them, shall be construed, at any particular time, as being a reference to it as it may have been amended or substituted;
- (c) an agreement shall be construed, at any particular time, as including a reference to that agreement as amended or novated;
- (d) a month shall be construed as a reference to a calendar month;
- (e) a particular clause, sub-clause or Schedule shall be a reference to that clause, sub-clause or Schedule in or to this Agreement; and
- (f) a particular paragraph or sub-paragraph, if contained in a Schedule, shall be a reference to the relevant paragraph or sub-paragraph of that Schedule;

1.2.2 words in the singular may refer to the plural and vice versa, and words denoting natural persons may refer to corporations and any other legal entities and vice versa;

1.2.3 a requirement that a payment be made on a day which is not a Business Day shall be construed as a requirement that the payment be on the next Business Day;

- 1.2.4 the word “including” is to be construed without limitation;
- 1.2.5 terms which are defined in the Grid Code and which are not defined in this Agreement have the meanings ascribed to them in the Grid Code;
- 1.2.6 amounts and values shall be calculated to the number of decimal places indicated in and in accordance with the table in Appendix 2 of Schedule 2. The period in which any instant in time occurs shall be determined in accordance with paragraph 5 of that appendix; and
- 1.2.7 the table of contents and headings are to be ignored for the purposes of interpretation.

Inconsistencies and Conflicts

- 1.3.1 Where a provision of this Agreement conflicts with the Grid Code, the provisions of the Grid Code shall prevail to the extent of the inconsistency or conflict.
- 1.3.2 Where a provision of this Agreement conflicts with the Fuel Security Code, the provisions of the Fuel Security Code shall prevail to the extent of the inconsistency or conflict.
- 1.3.3 Where a provision of this Agreement conflicts with the Interim Settlement Code, the provisions of the Interim Settlement Code shall prevail to the extent of the inconsistency or conflict.

2. Commencement and Duration of Agreement

Term of Agreement

- 2.1 This Agreement shall, subject to clause 3 below, commence on the date of execution and continue in full force and effect until terminated in accordance with clause 9.

Survival of Rights on Termination

- 2.2 Termination of this Agreement shall not affect:
 - 2.2.1 rights or obligations which may have accrued prior to such termination; or
 - 2.2.2 continuing obligations of each of the parties under this Agreement which are expressed to continue after termination of this Agreement

3. Condition Precedent

Agreement subject to Condition Precedent

- 3.1 The parties' rights and obligations under this Agreement (save for those set out in clauses 3.2, 3.3 and 9.2.8 shall in all respects be conditional on the fulfilment by the Generator of its obligations under clauses 3.2 and 3.3.

Interim Settlement Agreement

- 3.2 The Generator shall enter into an Interim Settlement Agreement with NIE. Each party shall bear its own costs of entering into the Agreement.

Connection Agreement

- 3.3 The Generator shall enter into a Connection Agreement with NIE. Each party shall bear its own costs of entering into the Agreement.

4. Provision and Purchase of System Support Services and Electricity

Duty to provide System Support Services in accordance with the SSS Parameters

- 4.1.1 In consideration of the TSO's agreement to pay the SSS Payments and other sums to the Generator on the terms and subject to the conditions of this Agreement, the Generator shall at all times during the term of, and subject to, this Agreement maintain, repair, fuel and operate the Generating Unit as required by Prudent Operating Practice and any legal requirements in order to provide the NFL Capacity and the SSS Parameters.
- 4.1.2 The Generator shall reasonably endeavour not to issue or allow to remain outstanding an Availability Notice or GSDP Notice which declares the Availability or Operating Parameters of the Generating Unit at levels or values inferior to those that the Generating Unit could achieve at that time except:
- (a) during periods of Planned Outage, Short Term Planned Maintenance Outage, Forced Outage or otherwise with the consent of the TSO;
 - (b) where necessary to avoid an imminent risk of injury to persons or material damage to property (including the Generating Unit);
 - (c) where it is not lawful for the Generator to operate the Generating Unit;
 - (d) to the extent that the Generator is affected by Force Majeure; or
 - (e) in the event of a test of the Generation Unit under OC11 or a System Test under OC10,

provided that this clause 4.1.2 shall not require the Generator to declare levels or values better than those specified in Schedule 1.

Compliance with the Grid Code

- 4.2 The Generator shall, during the term of this Agreement, comply with the Grid Code as it relates to the provision of the System Support Services, (including declaring to the TSO any inability to comply with the SSS Parameters), subject to any derogations granted to the Generator by the Director.

Minimum Net Output

- 4.3 The Generator shall ensure that the Net Output of the Generating Unit does not fall below the Minimum Net Output by reason of plant and equipment connected to the Generating Unit.

Despatch Instructions

- 4.4.1 The Generator shall, subject to clause 4.4.2, comply with the terms of the Despatch Instructions relating to the System Support Services.
- 4.4.2 Nothing in this Agreement shall prevent the Generator from operating the Generating Unit in such a manner so as to comply with its obligations under the Interim Settlement Code to deliver its Nominated Despatch.

Planned Maintenance

- 4.5 The Generator shall, without limitation to its obligations under clause 4.2, plan its maintenance requirements for the Generating Unit in accordance with Prudent Operating Practice.

5. Availability, SSS Parameters, SSS Payments and Supplemental Energy Bids

Entitlement to and Calculation of SSS Payments

- 5.1 The TSO must pay the Generator, in consideration of the provision of the System Support Services, the payments calculated in accordance with Schedule 2 and the Generator must give the TSO the benefit of the rebates calculated in accordance with Schedule 2.

Confirmation and Payment of SSS Payments

- 5.2 The Availability and Operating Parameters of the Generating Unit in each Settlement Period shall be stated in a Final Confirmation Statement issued in accordance with clause 7.6. Amounts calculated under Schedule 2 shall be payable in accordance with clause 8.

Notice in respect of Availability and Operating Parameters under Schedule 2

- 5.3.1 The Generator shall keep the TSO advised of the Availability and Operating Parameters of the Generating Unit by issuing Availability Notices, GSDP Notices, Outage Notices, and RTS Notices in accordance with the Grid Code.
- 5.3.2 An Availability Notice, GSDP Notice, Outage Notice or RTS Notice may, in accordance with the Grid Code, be given by telephone. The notice shall be confirmed by facsimile as soon as possible thereafter (and in any event within 2 hours). Where a facsimile is sent by way of confirmation it shall state clearly that it is in confirmation of a notice already given by telephone and also state the exact time of that notice.
- 5.3.3 If, subject to Clause 5.3.4, following the occurrence of an event of a type specified in paragraphs 3.6, 3.7 or 3.8 of Schedule 2 (a “Relevant Event”), the TSO wishes to issue a Post Event Notice, it shall deliver a copy of the Post Event Notice to the Generator as soon as reasonably practicable after the Relevant Event and in any case not later than 5 p.m. on the fifth Business Day after the day on which the Relevant Event occurred.
- 5.3.4 The TSO may deliver a notice (an “Interim Post Event Notice”) to the Generator within 2 hours of:
- (a) (in the case of an event of the type specified in paragraph 3.6 of Schedule 2) the end of the relevant period of Monitoring determined in accordance with OC11.5.3; or
 - (b) (in the case of an event of the type specified in paragraph 3.7 or 3.8 of Schedule 2) the end of the Settlement Period during which that event occurred,
- if it is not reasonably practicable for the TSO to deliver a Post Event Notice to the Generator within that time.
- 5.3.5 An Interim Post Event Notice shall specify:
- (a) the Settlement Period during which the Relevant Event occurred and, if the Relevant Event occurred during a period of Monitoring, the Settlement Period during which the relevant Warning Notice was issued; and
 - (b) the matters or values which the TSO intends to redeclare in a Post Event Notice as a result of the Relevant Event.
- 5.3.6 Without prejudice to the Generator’s right to challenge the accuracy of the information contained in a Post Event Notice, a Post Event Notice is not validly issued:

- (a) if it is delivered to the Generator later than the time specified in clause 5.3.3 or 5.3.4 (as appropriate) and no Interim Post Event Notice in respect of the Relevant Event was issued within 2 hours after such Settlement Period or period of Monitoring as the case may be; or
- (b) to the extent that the Post Event Notice redeclares matters or values which were not specified in an Interim Post Event Notice issued in accordance with clause 5.3.4 in respect of the Relevant Event.

5.3.7 Where the Generator considers that a Post Event Notice was not issued in accordance with this Agreement or is inaccurate, it shall notify the TSO, within 72 hours after receipt of the written Post Event Notice or confirmation thereof, of the grounds for its objection. If the TSO and the Generator are unable to resolve the Generator's objection within 14 days of the date of the objection, the matter shall be referred to the Expert for determination in accordance with clause 15.2.

Nominated Despatch

5.4 The Generator shall provide at or before 11.00 each day, in accordance with the Grid Code and the Interim Settlement Code, its nomination for Nominated Despatch for the following Trading Day.

Supplemental Energy Bid

5.5 The Generator may provide at or before 11.00 each day, in accordance with the Grid Code and the Interim Settlement Code, its Supplemental Energy Bid for the following Trading Day.

Disputes

5.6 All disputes between the parties regarding any matters referred to in this clause 5 shall be referred to the Expert for determination in accordance with clause 15.2.

6. Delivery of Electricity and Metering

Quality of Supply

6.1 If at any time electricity supplied under this Agreement does not comply with the requirements of the Electricity Supply Regulations, the Grid Code or the Connection Agreement as a result of the breach by the Generator of any such requirements, the TSO shall notify the Generator accordingly and:

- 6.1.1 the Generator shall take all steps necessary in accordance with Prudent Operating Practice to remedy such non-compliance as soon as possible;
- 6.1.2 if and to the extent that, as a result of such non-compliance, the TSO is (under the terms of the Electricity Supply Regulations, the Grid Code or the Connection

Agreement) unable to Despatch the Generating Unit, the Generating Unit shall be deemed not to be Available.

Metering

- 6.2 The performance of the Generating Unit shall be metered by metering equipment which is installed and maintained at the Power Station in accordance with the Grid Code.

7. Confirmation Statements

Confirmation of Availability and Metered Energy

- 7.1 The TSO shall prepare and send to the Generator a daily statement (“Confirmation Statement”) in writing of the Availability of, any impaired Operating Parameters of, and each operation of the Generating Unit. A Confirmation Statement shall be sent to the Generator no later than the third Business Day after the day to which it relates.

Access to Information

- 7.2 The TSO shall provide such information as the Generator reasonably requests to verify a Confirmation Statement where the information:
- 7.2.1 is readily available to the TSO;
 - 7.2.2 is not available to the Generator by any other means; and
 - 7.2.3 is necessary for the purpose of verifying the information comprised in the Confirmation Statement.

Review of Confirmation Statements

- 7.3 In relation to each Confirmation Statement:
- 7.3.1 the information contained in the statement, except for alleged errors or omissions notified under clause 7.3.2, shall (subject to clause 7.6) be deemed approved by both parties on the sixth Business Day after receipt of that statement by the Generator;
 - 7.3.2 the Generator shall notify any errors or omissions to the TSO in writing as soon as reasonably practicable (and in any event within five Business Days after receipt); and
 - 7.3.3 where the parties cannot agree any errors or omissions notified under clause 7.3.2 within five Business Days of receipt by the TSO of the Generator's response to the Confirmation Statement, either party may refer the dispute to the Expert in accordance with clause 15.2.

Annual Confirmation of Nominated Hours and Planned Outages

- 7.4 The TSO shall prepare and send to the Generator a statement in writing (an “Annual Confirmation Statement”) of the Nominated Hours of the Generating Unit, any variances in the actual start times of Planned Outages from the times specified in the Final Outage Programme and any rebates payable by the Generator in accordance with paragraphs 6.3 and/or 6.4 of Part II of Schedule 2 for each Contract Year, together with all supporting information, no later than the tenth Business Day after the end of the Contract Year to which it relates.

Review of Annual Confirmation Statements

- 7.5 In relation to each Annual Confirmation Statement:
- 7.5.1 the information contained in the statement, except for alleged errors or omissions notified under clause 7.5.2, shall (subject to clause 7.6) be deemed approved by both parties on the twenty-first Business Day after receipt of that statement by the Generator;
 - 7.5.2 the Generator shall notify any errors or omissions to the TSO in writing as soon as reasonably practicable (and in any event within twenty Business Days after receipt); and
 - 7.5.3 where the parties cannot agree any errors or omissions notified under clause 7.5.2 within twenty Business Days of receipt by the TSO of the Generator's response to the statement, either party may refer the dispute to the Expert in accordance with clause 15.2.

Final Confirmation Statement

- 7.6 A Confirmation Statement or an Annual Confirmation Statement which has been expressly approved by both parties as being complete and correct, or which is deemed to have been approved pursuant to clause 7.3 or 7.5 or which is approved by a final decision of the Expert shall be a Final Confirmation Statement or a Final Annual Confirmation Statement (as the case may be). Information contained in a Final Confirmation Statement or a Final Annual Confirmation Statement (as the case may be) shall be binding on both parties for the purposes of this Agreement and no dispute shall be raised in relation to it save in the case and to the extent provided for in clause 7.7.

Disputes Limitation

- 7.7 Nothing in clauses 7.3, 7.4, 7.5 or 7.6 shall prevent either party from disputing information contained in or referred to in a Final Confirmation Statement or a Final Annual Confirmation Statement at any time where it is reasonable in all the circumstances to do so, which includes in the case of fraud and manifest error. No dispute shall be raised under this clause 7.7 in relation to information in a Confirmation Statement or a Final Annual Confirmation Statement regarding a Settlement Period after the first anniversary of the date

on which the relevant statement becomes final. Any dispute as to whether it is reasonable to raise a dispute under this clause 7.7 shall be referred to the Expert for determination in accordance with clause 15.2.

Effect of Confirmation Statement

- 7.8 Subject to clause 8.2 the Generator shall use the Final Confirmation Statement and Final Annual Confirmation Statement (or pending resolution of any outstanding disputes, the Confirmation Statement or Annual Confirmation Statement (as the case may be) to the extent that it is not in dispute) to prepare the invoices and credit notes required by clause 8.

8. Billing and Payment

SSS Payment Invoices and Credit Notes

- 8.1 The Generator shall, within 10 Business Days after the end of each month during the term of this Agreement (including the month in which termination of this Agreement occurs), prepare on the basis of the Confirmation Statements, and issue to the TSO:
- 8.1.1 an invoice in the form set out in Part I of Schedule 4 in respect of the net amount of the SSS Payments earned by the Generator during and due from the TSO for that month as determined in accordance with Parts I, II and III of Schedule 2; and
 - 8.1.2 a credit note (or invoice as the case may be) in the form set out in Part II of Schedule 4 in respect of the net amount of the rebates of SSS Payments due from the Generator for that month (as determined in accordance with Parts III and IV of Schedule 2).

The amount of the invoice issued pursuant to Clause 8.1.1 and the amount of the credit note or invoice issued pursuant to Clause 8.1.2 shall be netted off and the net amount payable by the TSO or the Generator, as the case may be, shall be paid 28 days after the end of the month or 10 Business Days after receipt of the invoice or, as the case may be, credit note, whichever is the later.

- 8.2 Notwithstanding the provisions of clause 8.1:
- 8.2.1 subject to clause 8.2.2, the Generator shall not issue an invoice or credit note, as the case may be, pursuant to clause 8.1, unless Confirmation Statements have been received by the Generator in respect of the period covered by the invoice or credit note, as the case may be, and all these Confirmation Statements have been reviewed by the Generator and the TSO;
 - 8.2.2 if the Generator has not received by the beginning of the 8th Business Day after the end of a month a Confirmation Statement in respect of any day during that month, the Generator shall be entitled to prepare and issue invoices and credit notes on the basis of information available at that time.

Annual Rebate Invoices

- 8.3 Where any rebate is payable by the Generator in respect of a Contract Year as shown in the Annual Confirmation Statement the Generator shall, within five Business Days after the Final Confirmation Statement for that Contract Year has been agreed or otherwise determined, prepare and issue to the TSO a credit note in respect of the rebate of SSS Payments due from the Generator for that Contract Year. The amount of the credit note shall be netted off against the net amounts invoiced by the Generator in accordance with Clause 8.1 for the month or months following the issue of the credit note.

Other Payments

- 8.4 Except where expressly provided to the contrary a payment to be made by either party under this Agreement shall be made within 14 days of the party liable to make payment receiving a demand from the other party.

Payment Procedure

- 8.5 Any sums payable pursuant to this Agreement shall be made for value on the due date in such manner as agreed from time to time by the parties, to such bank account as may be notified from time to time by the receiving party to the paying party. Each party shall notify the other of the details of the bank account to which sums due to that party shall be credited, identifying such bank account by means of the bank sort code number, the bank account number and bank account title.

Application of Payments

- 8.6 Payments received by one party from the other under this Agreement shall be applied in or towards settlement of amounts payable to the recipient, with the longest outstanding such amount being settled first, provided that this clause shall not apply in respect of any amount which is disputed in good faith.

Interest

- 8.7 Any amount (other than one which is disputed in good faith) properly due from one party to the other pursuant to this Agreement and remaining unpaid after the due date for payment shall bear interest at the Default Rate from and including the date when the amount in question was due until but excluding the date that it is received by the party entitled to it. Interest at the Default Rate shall accrue from day to day and shall be compounded with monthly rests.

Disputed Items

- 8.8 Where a sum or part of a sum shown on an invoice rendered by one party is disputed in good faith by the other:

- 8.8.1 payment by the other of the remainder of the sums on that statement shall not be withheld on those grounds;
- 8.8.2 to the extent that it shall subsequently be agreed or determined that the amount withheld shall have been properly payable to the other party, the party entitled to that amount shall also be entitled to interest at the Reserve Rate from and including the date that the amount was due up to but excluding the date of payment;
- 8.8.3 and the sum is subsequently agreed or determined not to have been properly payable, then the party to whom it was paid shall refund the amount which was not properly payable together with interest at the Reserve Rate from and including the date of receipt up to but excluding the date of repayment;
- 8.8.4 if a payment or refund is required to be made upon resolution of any dispute under this clause, appropriate adjustments in respect of VAT shall be made by the parties including the issuing of credit notes, invoices (received or otherwise) and the payment of VAT or further sums of VAT; and
- 8.8.5 any dispute pursuant to the provisions of this clause shall be referred to the Expert for determination in accordance with clause 15.2.

VAT

- 8.9 All sums expressed to be payable under this Agreement including credits are exclusive of any applicable VAT and the parties agree that an amount equal to any applicable VAT chargeable in respect of supplies made under this Agreement shall be payable or repayable, as the case may be, in addition to and at the same time as those sums.

9. Termination

Termination by the Generator

- 9.1 The Generator may by notice in writing to the TSO forthwith terminate this Agreement:
 - 9.1.1 where the TSO ceases to hold a Transmission Licence; or
 - 9.1.2 where the TSO defaults in the payment of any amount properly due to the Generator under this Agreement and the TSO does not remedy the default within 14 days following the date on which the Generator gave notice of the default to the TSO.

Termination by the TSO

- 9.2 The TSO may by notice in writing to the Generator forthwith terminate this Agreement:
 - 9.2.1 where the Generator ceases to hold a Generation Licence;

- 9.2.2 where the Connection Agreement is properly terminated by the TSO in accordance with its terms by reason of a breach of the Generator's obligations;
- 9.2.3 where the Interim Settlement Agreement is properly terminated by the TSO in accordance with its terms by reason of a breach of the Generator's obligations;
- 9.2.4 where the Generating Unit is destroyed or damaged (including by Force Majeure) to such an extent as to be incapable of generating electricity, and it is agreed between the parties or, determined by an Expert that Generating Unit is unlikely to be restored to at least 75 per cent. of the NFL Capacity within 24 months of the date on which the destruction or damage occurred;
- 9.2.5 where the Interim Settlement Code ceases to have effect under the Transmission Licence;
- 9.2.6 where:
- (a) the Generator ceases to perform its obligations under this Agreement (other than in the circumstances set out in clause 10.3) to such an extent that the TSO could have been entitled to treat the Generator as having repudiated this Agreement; and
 - (b) the TSO has given notice to the Generator specifying the obligations which the Generator has ceased to perform; and
 - (c) the Generator does not, (in the case of a breach capable of remedy) within sixty (60) days of the notice, remedy the breach and give the TSO assurances satisfactory to the TSO of the Generator's willingness and ability to resume its performance of those obligations;
- 9.2.7 where a liquidator, receiver, administrative receiver, administrator or other similar official is appointed in relation to the Generator or in relation to the whole or a substantial part of its undertaking or assets or distress, attachment, execution or other process shall be issued, levied or enforced upon or sued against, or an encumbrancer shall take possession of, the whole or a substantial part of its assets and in any of the foregoing cases it shall not be discharged or (in the case of a receiver, administrative receiver or administrator) the TSO shall not have received guarantees of the Generator's performance under this Agreement in all respects satisfactory to it within 28 days (or such longer period as the TSO may in its absolute discretion permit); or
- 9.2.8 on giving three (3) months' written notice; or
- 9.2.9 where the Generator has not fulfilled its obligations under this Agreement by reason of Force Majeure for a continuous period of six (6) months.

Other rights to terminate

- 9.3 Without prejudice to any other remedy to which either party may be entitled for breach of this Agreement, this clause 9 states the only circumstances in which either party may unilaterally terminate this Agreement.

10. Force Majeure

Force Majeure

- 10.1 Subject to clause 10.2 “Force Majeure” means an event or circumstance not within the reasonable control of the Generator and which could not have been avoided through the use of Prudent Operating Practice including:
- 10.1.1 war or armed conflict; or
 - 10.1.2 civil commotion;
 - 10.1.3 acts of terrorism, sabotage, criminal damage or the threat of such acts;
 - 10.1.4 nuclear explosion, radioactive or chemical contamination or ionising radiation; and
 - 10.1.5 act of God, any effect of the natural elements, including lightning, flood, wind, storm, unusually heavy or prolonged rain or accumulation of snow or ice.
- 10.2 Force Majeure excludes:
- 10.2.1 mechanical or electrical breakdown or failure of machinery or plant owned or operated by the Generator due to the manner in which such machinery or plant has been operated (whether or not by the Generator); and
 - 10.2.2 for the avoidance of doubt, the occurrence or continuance of a Security Period.
- 10.3 If during any Settlement Period, the Generating Unit has a capability of less than its Minimum Generation (as specified in Schedule 1 or as redeclared) owing to Force Majeure the Generator shall not be entitled to SSS Payments under Schedule 2 in respect of that Settlement Period and no rebates or reductions pursuant to Schedule 2 may be claimed or imposed by the TSO where the circumstances otherwise giving rise to such rebates or reductions result from Force Majeure.

Notice of Force Majeure

- 10.4 The Generator shall as soon as reasonably practicable following the occurrence of Force Majeure:
- 10.4.1 notify the TSO of the Force Majeure, identifying the nature of the event, the duration of its effect which the Generator believes to be reasonably likely and the

reason why the Generator considers that the performance of its obligations under this Agreement has been or will be rendered uneconomic in terms of clause 10.5;

- 10.4.2 afford the TSO reasonable facilities for obtaining further information about the event including facilities for site inspection;
 - 10.4.3 take, at its own cost, all steps reasonably required to remedy the effects of the Force Majeure.
- 10.5 Subject to the other provisions of this clause 10, the Generator shall be deemed not to be in breach of its obligations under this Agreement for so long as and to the extent that the performance of such obligations continues to be affected by the relevant event of Force Majeure.

11. Limitation of Liability

Limitation of Liability

- 11.1.1 Subject to clause 11.2 and save where any provision of this Agreement provides for an indemnity, no party (the "Party Liable") nor any of its officers, employees or agents shall be liable to the other party for additional cost, expense or loss arising from any breach of this Agreement however caused (and whether as a result of the negligence of the Party Liable or otherwise) other than for additional cost, expense or loss directly resulting from such breach and which at the date of this Agreement was reasonably foreseeable as not unlikely to occur in the ordinary course of events from such breach.
- 11.1.2 It is hereby acknowledged and agreed that any additional cost, expense or loss incurred by the TSO directly resulting from a breach by the Generator of this Agreement in purchasing or obtaining services where reasonably and necessarily required to replace the System Support Services is, at the date of this Agreement, reasonably foreseeable as not unlikely to occur in the ordinary course of events from such breaches.

Liability for Death or Personal Injury

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

Exclusion of Liability

- 11.3 Subject to clauses 11.2 and 11.5 no party, nor its officers, employees or agents shall in any circumstances be liable to the other party for:
- 11.3.1 without prejudice to clause 11.1.2, loss of use, loss of profit, loss of revenue, loss of contract (other than this Agreement) or loss of goodwill;
 - 11.3.2 any indirect or consequential loss; or
 - 11.3.3 loss resulting from the liability of the other party to any other person however arising save as provided in clause 11.1.

Overriding Provisions

- 11.4 Nothing in this clause 11 shall exclude or restrict or otherwise prejudice or affect any:
- 11.4.1 rights and obligations of either party which are conferred or created by the Order, any Licence, or regulations; or
 - 11.4.2 rights, powers, duties and obligations of the Director or the Secretary of State under the Order, any Licence or otherwise howsoever.

Subject to the above and unless expressly provided otherwise in this Agreement, this clause 11 overrides any other provisions of this Agreement.

Terms Separate

- 11.5 Each of the sub-clauses of this clause 11 shall:
- 11.5.1 be construed as a separate and severable contract term, and if one or more of such sub-clauses is held to be invalid, unlawful or otherwise unenforceable the other or others of such sub-clauses shall remain in full force and effect and shall continue to bind the parties;
 - 11.5.2 survive termination of this Agreement.

Benefit of Provisions

- 11.6 Each party acknowledges and agrees that the other party holds the benefit of clauses 11.1, 11.2 and 11.3 above for itself and as trustee and agent for its officers, employees and agents.

Saving

- 11.7 For the avoidance of doubt, nothing in this clause 11 shall prevent or restrict either party enforcing any obligation (including suing for a debt) owed to it under or pursuant to this Agreement.

Terms Fair and Reasonable

- 11.8 Each party hereby acknowledges and agrees that the provisions of this clause 11 are fair and reasonable having regard to the circumstances as at the date of this Agreement.

12. Governing Law

This contract shall be governed by and construed in all respects in accordance with the laws of Northern Ireland.

13. Confidentiality and Announcements

General restriction

- 13.1 Neither party shall at any time, whether before or after the expiry or earlier termination of this Agreement, divulge or suffer or permit its officers, employees, agents or contractors to divulge to any person any of the contents of this Agreement or any commercially confidential information relating to this Agreement or any commercially confidential information which may be provided by the other party ("Disclosing Party") pursuant to this Agreement or the Grid Code or the Interim Settlement Code or in the course of negotiating this Agreement or otherwise concerning the operations, contracts, commercial or financial arrangements or affairs of the Disclosing Party except:

- 13.1.1 in the circumstances set out in clause 13.2;
- 13.1.2 to the extent otherwise expressly permitted by this Agreement; or
- 13.1.3 with the prior written consent of the Disclosing Party.

Exceptions

- 13.2 The restrictions imposed by clause 13.1 shall not apply to the disclosure of any information:
- 13.2.1 which now or hereafter comes into the public domain otherwise than as a result of a breach of an undertaking of confidentiality or which is obtainable with no more than reasonable diligence from sources other than the Disclosing Party;
 - 13.2.2 which is required to be disclosed by the Order or by any other Directive or in compliance with the conditions of a Licence or any document referred to in a Licence with which either party is required to comply;
 - 13.2.3 which is required to be disclosed by any other requirement of law or pursuant to the rules or regulations of any self-regulating organisation (as defined in the Financial Services Act 1986), the Securities and Investments Board or any other regulatory authority;

- 13.2.4 which is required to be disclosed by the regulations of any recognised exchange upon which the share capital of either party (or any parent undertaking of either party) is or is proposed to be from time to time listed or dealt in, or is required to be disclosed by the Panel on Takeovers and Mergers;
- 13.2.5 to a court, arbitrator or administrative tribunal or an expert in the course of proceedings before it to which the Generator is a party;
- 13.2.6 which is furnished to the employees, directors, Affiliates, agents, proposed assignees, consultants and/or professional advisers of either party, in each case on the basis set out in clause 13.3;
- 13.2.7 (for the avoidance of doubt) in compliance with the requirements of Article 38 of the Order or the provisions of the Fuel Security Code;
- 13.2.8 which is permitted to be disclosed by either party under the Supply Competition Code, the Interim Settlement Agreement or the Interim Settlement Code; or
- 13.2.9 which is furnished to banks, financiers or insurers or their respective consultants and advisers, provided that the recipient agrees to keep such information confidential on terms no less onerous than those set out in clause 13.1.

Internal Procedures

- 13.3 With effect from the date of this Agreement both parties shall adopt procedures within their organisations for ensuring the confidentiality of all information which they are obliged to preserve as confidential under clause 13.1. Those procedures shall be as follows:
 - 13.3.1 the confidential information will be disseminated only to persons who need such information for the purpose of carrying out the functions which they are employed to carry out;
 - 13.3.2 the confidential information shall not be used by either party for the purpose of obtaining for itself or any of its Affiliates or for any other person any contract or arrangement for the supply of electricity to any person without the prior consent of the Disclosing Party;
 - 13.3.3 employees, directors, Affiliates, agents, proposed assignees, consultants and professional advisers of both parties in receipt of confidential information will be made fully aware of the party's obligations of confidence in relation thereto and the party will be responsible for any failure by such persons to comply with such obligations as if they were parties to this Agreement; and
 - 13.3.4 any copies of the confidential information, whether in hard copy or computerised form, will clearly identify the confidential information as confidential.

Public Announcements

- 13.4.1 Subject to clause 13.4.2, no public announcement or statement regarding the signature, performance or termination of this Agreement shall be issued or made unless both parties shall have been provided with a copy of the proposed announcement or statement and have approved it (such approval not to be unreasonably withheld); and
- 13.4.2 either party may issue or make a public announcement or statement which is required to be made to comply with any applicable law or the regulations of any recognised stock exchange upon which the share capital of that party (or any parent undertaking of that party) is from time to time listed or dealt in or is required under the City Code on Takeovers and Mergers or in response to a requirement of a self-regulating organisation (as defined in the Financial Services Act 1986), the Securities and Investments Board or any other regulatory authority.

14. Miscellaneous Provisions

Variation

- 14.1 This Agreement may not be varied except by an agreement in writing stating the variation to be made and signed by both parties.

Waivers of Rights etc

- 14.2 No delay or forbearance by either party in exercising any right, power, privilege or remedy under this Agreement shall operate to impair or be construed as a waiver of the right, power, privilege or remedy. For the avoidance of doubt any waiver by either party of the obligations of the other party shall be evidenced by an agreement in writing signed by both parties. A single or partial exercise of any such right, power, privilege or remedy shall not preclude any further exercise thereof or the exercise of any other right, power, privilege or remedy.

Notice

- 14.3.1 Save for notices which are given pursuant to the Grid Code (as to which the procedures provided for in the Grid Code shall apply) any notice or other communication to be given by one party to the other under, or in connection with the matters contemplated by, this Agreement shall be sent to the address given and marked for the attention of the person specified in Schedule 3 or such other address, facsimile number or person as one party may from time to time designate by written notice to the other.
- 14.3.2 Save for notices which are given pursuant to the Grid Code or Interim Settlement Code (to which the relevant code requirements apply), any notice or other communication to be given by one party to the other party under, or in connection

with the matters contemplated by, this Agreement shall be in writing and shall be given by letter delivered by hand or sent by first class prepaid post (airmail if overseas) or facsimile transmission, and shall be deemed to have been received:

- (i) in the case of delivery by hand, when delivered;
- (ii) in the case of first class prepaid post, on the second day following the day of posting or (if sent airmail from overseas) on the fifth day following the day of posting; or
- (iii) in the case of facsimile transmission, at the time of actual receipt.

Assignment

- 14.4.1 The TSO may assign, novate and otherwise transfer its rights and obligations under this Agreement, in the event that it ceases to be the transmission system operator in Northern Ireland, to the successor transmission system operator in Northern Ireland.
- 14.4.2 The Generator may not assign novate or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the TSO. The TSO must not unreasonably withhold its consent if the proposed transferee holds a generation licence issued under the Order.
- 14.4.3 No assignment novation or other transfer pursuant to clause 14.4.1 or 14.4.2 shall be effective unless and until the assignor has procured the proposed assignee to covenant directly with the other party to observe and perform all the terms and conditions of this Agreement, has provided to the other party a certified copy of the assignment (omitting the consideration and any other commercial terms) and has procured that any guarantee in respect of the assignor's obligations is extended to the proposed assignee or replaced by another providing the other party with equivalent security.
- 14.4.4 Each party must at the request of the other do all things reasonably necessary to be done to give effect to an assignment, novation or other transfer under clause 14.4.1 or 14.4.2. No assignment pursuant to clause 14.4.1 or 14.4.2 shall be effective unless at the same time there is assigned or novated to the assignee the assignor's interest in any agreements between the parties that are necessary to the operation of the Generating Unit or the provision of the Services (including in the case of clause 14.4.2, the Connection Agreement and the Interim Settlement Agreement).
- 14.4.5 The preceding provisions of this clause 14.4 shall not apply to an assignment by the Generator of its right, title and interest in this Agreement by way of security to a bank or financial institution or any trustee on behalf of a bank or financial institution.

Effect of Illegality, etc.

14.5 If for any reason whatever any provision of this Agreement is or becomes invalid, illegal or unenforceable, or is declared by any court of competent jurisdiction or any other Competent Authority to be invalid, illegal or unenforceable or if such Competent Authority:

14.5.1 refuses, or formally indicates an intention to refuse, authorisation of, or exemption to, any of the provisions of or arrangements contained in this Agreement (in the case of a refusal either by way of outright refusal or by way of a requirement that this Agreement be amended or any of its provisions be deleted or that a party give an undertaking or accept a condition as to future conduct); or

14.5.2 formally indicates that to continue to operate any provision of this Agreement may expose the parties to sanctions under any law, order, enactment or regulation, or requests any party to give undertakings or to accept conditions as to future conduct in order that such party may not be subject to such sanctions,

and, in all cases, whether initially or at the end of any earlier period or periods of exemption then, in any such case, the parties will negotiate in good faith with a view to agreeing one or more provisions which may be substituted for such invalid, unenforceable or illegal provision which substitute provisions are satisfactory to all relevant Competent Authorities and produce as nearly as is practicable in all the circumstances the appropriate balance of the commercial interests of the parties.

Entire Agreement

14.6 This Agreement contains or expressly refers to the entire agreement between the parties with respect to its subject matter and expressly excludes any warranty, condition or other undertaking implied at law or by custom and supersedes all previous agreements and understandings between the parties with respect to its subject matter and each of the parties acknowledges and confirms that it does not enter into this Agreement in reliance on any representation, warranty or other undertaking by the other party not fully reflected in the terms of this Agreement.

Counterparts

14.7 This Agreement may be executed in two counterparts and by each party on a separate counterpart, each of which when executed and delivered shall constitute an original, but both counterparts shall together constitute but one and the same instrument.

15. Arbitration

Referral to Arbitration

15.1 Save where expressly stated to the contrary in this Agreement or where this Agreement provides that a dispute shall be referred to the Expert for resolution and subject to any

contrary provision of the Order or a Licence or the rights, powers, duties and obligations of the Director or the Secretary of State under the Order, any Licence or otherwise however, any dispute or difference of whatever nature however arising under, out of or in connection with this Agreement between the parties shall be and is hereby referred to arbitration pursuant to the rules of the Electricity Arbitration Association in force from time to time.

Expert

- 15.2 Where any provision of this Agreement provides for any matter to be referred to or resolved by the Expert such person shall act as expert and not as arbitrator and the Expert's decision shall be final and binding upon the parties. The costs of the Expert shall be borne as the Expert may determine.

Proper Law

- 15.3 Whatever the nationality, residence or domicile of either party and wherever the dispute or difference arises the law of Northern Ireland shall be the proper law of any reference to arbitration and in particular (but not so as to derogate from the generality of the foregoing) the provisions of the Arbitration Act shall apply to any such arbitration wherever it or any part of it is conducted and the place of the arbitration shall be in England or Wales.

Third Party Claims (1)

- 15.4 Subject to clause 15.6, if any third party (being a person who is not a party to this Agreement) brings any legal proceedings in any court against either party to this Agreement (the "Defendant Contracting Party"), and the Defendant Contracting Party wishes to make a Third Party Claim (as defined in clause 15.6) against the other party (a "Contracting Party") which would but for this clause 15.4 have been a dispute or difference referred to arbitration by virtue of clause 15.1 then, notwithstanding the provisions of clause 15.1 which shall not apply and in lieu of arbitration, the court in which the legal proceedings have been commenced shall hear and completely determine and adjudicate upon the legal proceedings and the Third Party Claim not only between the third party and the Defendant Contracting Party but also between either or both of them and the other Contracting Party whether by way of third party proceedings or otherwise as may be ordered by the court.

Third Party Claims (2)

- 15.5 Where a Defendant Contracting Party makes a Third Party Claim against the other Contracting Party and such Contracting Party wishes to make a Third Party Claim against the other Contracting Party the provisions of clause 15.4 shall apply mutatis mutandis as if such Contracting Party had been the Defendant Contracting Party and similarly in relation to any such further Contracting Party.

Third Party Claims (3)

- 15.6 For the purposes of this clause 15 "Third Party Claim" shall mean:

- 15.6.1 any claim by a Defendant Contracting Party against a Contracting Party (whether or not already a party to the legal proceedings) for any contribution or indemnity;
- 15.6.2 any claim by a Defendant Contracting Party against a Contracting Party for any relief or remedy relating to or connected with the subject matter of the legal proceedings and substantially the same as some relief or remedy claimed by the third party; or
- 15.6.3 any requirement by a Defendant Contracting Party that any question or issue relating to or connected with the subject matter of the legal proceedings should be determined not only as between the third party and the Defendant Contracting Party but also as between either or both of them and a Contracting Party (whether or not already a party to the legal proceedings).

Limitation

- 15.7 Clause 15.4 shall apply only if at the time the legal proceedings are commenced no arbitration has been commenced between the Defendant Contracting Party and the other Contracting Party raising or involving the same or substantially the same issues as would be raised by or involved in the Third Party Claim. The tribunal in any arbitration which has been commenced prior to the commencement of legal proceedings shall determine the question, in the event of dispute, whether the issues raised or involved are the same or substantially the same.

16. Jurisdiction

Submission to Jurisdiction

- 16.1 Subject to without prejudice to clauses 15 and 16.4, the parties irrevocably agree that the courts of Northern Ireland are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Agreement and that accordingly any suit, action or proceeding (together in this clause 16 referred to as "Proceedings") arising out of or in connection with this Agreement may be brought in such court.

Waiver

- 16.2 Each party irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any Proceedings in any court as is referred to in this clause and any claim that any Proceedings have been brought in an inconvenient forum and further irrevocably agrees that a judgment in any Proceedings brought in the courts of Northern Ireland shall be conclusive and binding upon each Party and may be enforced in the courts of any other jurisdiction.

Agent for Service of Process

- 16.3 Each party which is not incorporated in any part of Northern Ireland agrees that if it does not have, or shall cease to have, a place of business in Northern Ireland, then it will promptly appoint some other person irrevocably to accept services of process related to this Agreement on its behalf in any Proceedings in Northern Ireland.

Arbitration

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

17. Change in Circumstances

- 17.1 If there is a Change in Circumstances which materially changes the operation and effect of this Agreement as originally intended by the parties, either party may notify the other party that it wishes to review this Agreement and the parties shall meet and discuss in good faith the amendments that should be made to this Agreement in order to reflect the original intent of the parties.
- 17.2 For the purposes of clause 17.1, a “Change in Circumstances” occurs if after the date of this Agreement any law is passed, made, brought into force, issued, amended or revoked or ceases to have effect or the terms of any of the Interim Settlement Code, Supply Competition Code, Grid Code, Northern Ireland Fuel Security Code, or any licence or document issued pursuant to a condition of any licence are amended, revoked or cease to have effect.

AS WITNESS the hands of the duly authorised representatives of the parties the day and year first above written.

SCHEDULE 1

IDENTITY OF GENERATING UNIT, NFL CAPACITY

AND SSS PARAMETERS

[Note: This schedule has been prepared on the basis of a thermal generating unit and will therefore need to be adapted for different technologies]

1. Identity of Generating Unit

The generating unit identified as [✎ **insert identification code of the GU**] at [✎ **name**] Power Station, more particularly described in the plan attached to this Agreement and known as [✎ **Unit x**].

2. NFL capacity

NFL Capacity: [✎ **x**] MW

3. SSS Parameters

(For convenience the equivalent GSDPs are identified by reference to Grid Code SDC1A)

3.1 Minimum Generation (minimum generated load for continuous stable operation) (SDC1A/A2(a)): [✎ **x**] MW

3.2 Reactive Power Capability (SDC1A/A8)

In accordance with the attached Reactive Power Capability Chart.

Reactive Power Capability is defined as the area within the following boundary lines, as shown on the attached Reactive Power Capability Chart.

The boundary (lagging) is the line marked "X" between the "Maximum Load" line ([✎ **x**] MW) and the "Minimum Load" line ([✎ **x**] MW).

The boundary (leading) is the line marked "Limit of Stability with Constant Excitation" between the "Maximum Load" line and the "Minimum Load" line.

The upper and lower boundaries are the lines marked "Maximum Load" and "Minimum Load" respectively.

3.3 Spinning Reserve Capability

- 3.3.1 Specified Governor Droop (Subject to paragraph 5 of Part 2 of Schedule 5)
(SDC1A/A2(b)) [x to y]%
- 3.3.2 Sustained Response Capability as defined in Schedule 5: [x]
- 3.4 Minimum time to synchronise the Generating Unit (Start) from instruction to Start (SDC1A/A1(a))
- | | |
|------|-----------|
| Cold | [x] hours |
| Warm | [x] hours |
| Hot | [x] hours |
- 3.5 Block load on synchronising (SDC1A/A5): [x] MW
- 3.6 Maximum loading rates (SDC1A/A6)
- | | |
|------|-----------------|
| Cold | [x to y] MW/min |
| Warm | [x to y] MW/min |
| Hot | [x to y] MW/min |
- 3.7 Maximum de-loading rates (SDC1A/A7)
- | | |
|---|------------|
| From Full Load to [x]MW (Minimum Generation) | [x] MW/min |
| From [x] MW to ≤ [x]MW (desynchronisation load) | [x] MW/min |
- [Note: Maximum two output ranges allowed under SDC1A/A7.]***
4. **Minimum Net Output**
- | | |
|--------------------|---------|
| Minimum Net Output | [x] MWh |
|--------------------|---------|
5. **Warmth Condition**
- | | |
|------------------|-------------------------------------|
| <u>Condition</u> | <u>Time since desynchronisation</u> |
| Cold | more than [x] hours; |

Warm more than [~~x~~] hours but not more than
[~~y~~] hours;

Hot not more than [~~x~~] hours.

In the case of any ambiguity as to which warmth condition shall apply, the colder shall apply for the purposes of this Agreement.

SCHEDULE 2

SSS PAYMENTS

Part I - General

1. Introduction

- 1.1 *This Schedule 2 sets out the basis for calculating SSS Payments due to the Generator in respect of the provision of the System Support Services and reductions in and rebates of such payments in certain circumstances.*
- 1.2 *The provisions of Schedule 2 are applied by reference to the notification and other procedures of the Grid Code relating to operational planning, scheduling and despatch and monitoring. For convenience only the relevant provisions of the Grid Code are referred to in the appropriate paragraphs of this Schedule.*
- 1.3 *This Schedule 2 provides for the following (paragraph references are to the relevant paragraphs of this Schedule 2):*
- (a) *Part I - General:*
 - 1 *this Introduction*
 - 2 *Definitions and Interpretation*
 - 3 *Availability and Operating Parameters*
 - 4 *Availability Periods and Weights*
 - (b) *Part II - SSS Payments to the Generator*
 - 5 *SSS Payments for Availability*
 - 6 *SSS Payments during Planned Outages*
 - 7 *SSS Payments during Short Term Planned Maintenance Outages*
 - (c) *Part III Reductions in SSS Payments*
 - 8 *Declared Inflexibilities in SSS Payments*
 - (d) *Part IV - Amounts Payable by the Generator (as rebates of SSS Payments)*
 - 9 *Generator Payments in respect of Reductions of Availability*
 - 10 *Certain redeclaration/non-compliance with SSS Parameters*

2. **Definitions and Interpretation**

In this Schedule, unless the context otherwise requires the following words and expressions are defined as follows:

“Applicable Dates”	means those dates listed under the column of that name in the Table of Weights;
“Applicable Days”	means those days of the week or year by reference to which an Availability Period is defined in the Table of Weights;
“Applicable Times”	means the times of the day by reference to which an Availability Period is defined in the Table of Weights;
“Availability Period”	means a period in a year, defined in the Table of Weights for that year by reference to its Applicable Days, Applicable Dates and Applicable Times, in which all Settlement Periods have the same Weight;
“Bank Holiday”	means a day other than a Saturday or Sunday on which banks are closed for business in Belfast;
“Inflexibility Factor”	means in relation to an Inflexible Settlement Period, the factor calculated in accordance with paragraph 8.3 and, in relation to any other Settlement Period, a factor of [x];
“Inflexible Settlement Period”	means a Settlement Period for which any of the Operating Parameters referred to in paragraph 8 are notified as impaired when compared to the relevant SSS Parameters;
“Late Declaration”	means, for the purposes of Part III, in respect of a particular Trading Day (i) a Post Event Notice (as described in paragraph 3.1.2) or (ii) a GSDP Notice notifying impairment of any Operating Characteristic which takes effect during any Settlement Period in that Trading Day and was given later than the Notice Submission Time in the previous Trading Day;

“Minimum Weight”	means, in relation to a specified Settlement Period, the value specified as the Minimum Weight for that Settlement Period in the column headed “Minimum Weight” in the Table of Weights for the Availability Period in which such Settlement Period occurs;
“Notice Submission Time”	means such time as may be specified in SDC1 for the giving of Availability Notices in respect of the following Trading Day provided that the TSO shall give to the Generator at least 6 months’ notice of any change in such time;
“Planned Outage Period”	has the meaning ascribed to that term in paragraph 6.1(c);
“Rebate Settlement Period”	means for the purposes of Part IV, the Settlement Period specified in paragraph 9 or 10 as appropriate;
“Rebate Weight”	means, in relation to a specified Rebate Settlement Period for the purposes of Part IV of this Schedule, the Weight specified for that Rebate Settlement Period;
“Specified Governor Droop”	shall be as defined in paragraph 5 of Part 2 of Schedule 5;
“System Support Availability Credit” or “SSAC”	means the amount determined under paragraph 4;
“Table of Weights”	means (i) in relation to Year 1, the table in Appendix 1 and (ii) in relation to subsequent years, the Table of Weights issued for the relevant year in accordance with paragraph 5.2; and
“Weight”	means, in relation to a specified Availability Period, the value specified for that Availability Period in the column headed “Weight” in the Table of Weights for the year in which the Availability Period occurs; and in relation to a Settlement Period, the value shown in the Table of Weights for the Availability Period in which such Settlement Period occurs.

- 2.1 In this Schedule 2, all text typewritten in italics is for guidance only and is not intended by the parties to have any contractual effect.

3. Availability and Operating Parameters

- 3.1 In respect of any Settlement Period the Availability of the Generating Unit shall be the figure (expressed in MW at the generator terminals) stated in accordance with clause 4.1.2 to be the capability of the Generating Unit to generate electricity during the Settlement Period and the Operating Parameters of the Generating Unit shall be its operating characteristics during the Settlement Period both as declared in the most recent of the following notifications which is valid and applicable to the Settlement Period:

3.1.1 an Availability Notice (SDC1.4.1.1) (and for this purpose an Outage Notice given pursuant to OC2.6.4 shall be treated as an Availability Notice declaring the Availability of the Generating Unit to be less than the NFL Capacity) or, as the case may be, a GSDP Notice (SDC1.4.2.1);

3.1.2 a Post Event Notice given by the TSO pursuant to either paragraph 3.6 or paragraph 3.7 when the TSO determines that either the Output of the Generating Unit or the Operating Parameters (or both) differ from the Availability or the SSS Parameters notified by the Generator in the latest Availability Notice or GSDP Notice; and

3.1.3 an RTS Notice,

each valid notification superseding all previously given notifications to the extent of any inconsistency (notwithstanding that an Outage Notice may specify a duration, finish time or revised Availability upon a return from outage or that an RTS Notice may specify an Availability for the Settlement Period in which a Planned Outage Period expires). References to an increase, decrease or change in Availability shall be construed to mean an increase or decrease, as the case may be, in the Availability stated in the most recent notification listed above from that stated in the immediately preceding valid and applicable notification.

- 3.2 If at any time when the Availability of the Generating Unit is zero, an Availability Notice is given increasing the Availability of the Generating Unit with effect from a specified time, such notice shall be construed as meaning that the Generating Unit is capable of being synchronised to the NIE System at that specified time and that a Despatch Instruction issued by the TSO to synchronise the Generating Unit to the NIE System at or after that specified time shall be a valid Despatch Instruction (regardless of the minimum time to synchronise set out in paragraph 3.4 of Schedule 1). For the avoidance of doubt, the Generator shall be entitled to receive SSS Payments calculated by reference to the increased Availability from such specified time.
- 3.3 If, while the Generating Unit is synchronised to the NIE System, an Availability Notice is given increasing the Availability of the Generating Unit with effect from a specified time

(the “specified time”), the Generator shall be entitled to receive SSS Payments calculated by reference to the increased Availability from the specified time and the Generating Unit shall be capable of being Despatched to increase load to levels greater than the previously prevailing Availability up to the level specified in the Availability Notice but commensurate with the Maximum Loading Rate in the prevailing GSDPs from the specified time.

- 3.4 Any decrease in Availability notified to the TSO in an Availability Notice shall be deemed to be effective (for purposes only of determining SSS Payments) from the time specified by the Generator in the Availability Notice (the “specified time”) subject only to any Post Event Notice which the TSO may only validly issue pursuant to paragraph 3.8 below. The Generating Unit shall be deemed to be capable of maintaining load at the level of the prevailing Availability until the specified time and thereafter shall be deemed to be capable of maintaining load at the level which would be achieved if a valid Despatch Instruction had been given at the specified time to deload at the Maximum Deloading Rate in the prevailing GSDPs to the level of Availability declared in the Availability Notice.
- 3.5 Changes in Availability will generally be notified to take effect from the start (and for the whole) of a Settlement Period; however where a change in Availability is notified to take effect during the course of a Settlement Period the Availability for such Settlement Period shall be deemed for the purposes of determining SSS Payments (but not for the purposes of paragraph 9 below) to be the lower (or lowest) of the Availabilities notified to have effect at any time during such Settlement Period.
- 3.6 If monitoring carried out pursuant to OC11 of the Grid Code demonstrates that the Output or the Operating Parameters of the Generating Unit differ from the Availability or the SSS Parameters then (subject to the provisions of clause 5.3) the TSO may issue to the Generator a Post Event Notice redeclaring the Availability or the SSS Parameters of the Generating Unit in accordance with the result of such monitoring with effect from the beginning of the Settlement Period in which the relevant Warning Notice under OC11.5 was issued. The TSO shall only be entitled to issue one Post Event Notice in respect of any period of monitoring.
- 3.7 If (other than pursuant to a Despatch Instruction to deload) the average Output for any 5 minute period is less than [~~x~~] % of the average Output for either of the two immediately preceding 5 minute periods then (subject to the provisions of paragraph 3.4 of this Schedule and clause 5.3) the TSO may issue a Post Event Notice redeclaring the Availability of the Generating Unit at the level consistent with its average Output for that 5 minute period with effect from the beginning of the Settlement Period in which such 5 minute period commenced.
- 3.8 If (following a Despatch Instruction to deload) the average Output for any 5 minute period is less than [~~x~~] % of the average Output which would have been generated by the Generating Unit for such 5 minute period had it been deloaded at its Maximum Deloading Rate in the prevailing GSDPs, then (subject to the provisions of clause 5.3) the TSO may issue a Post Event Notice redeclaring the Availability of the Generating Unit at the level consistent with the average Output for such 5 minute period with effect from the beginning of the Settlement Period in which such 5 minute period commenced. For the avoidance of

doubt, such a Post Event Notice may be issued notwithstanding the prevailing Availability in accordance with paragraph 3.4 of this Schedule 2 such that the Post Event Notice may notify an Availability greater than, equal to or less than that prevailing. If the Post Event Notice specifies an Availability greater than the prevailing Availability it shall be disregarded for all purposes other than paragraph 9.4.3 of this Schedule 2. The despatched Output at the time specified in the Post Event Notice, for the purposes of paragraph 9.4.3, shall be construed as the instantaneous Output which the Generating Unit would have produced had it complied with a Despatch Instruction to deload from the specified time (as defined in paragraph 3.4) at the Maximum Deloading Rate in the prevailing GSDPs.

3.9 If:

3.9.1 a Despatch Instruction is issued in respect of the Generating Unit for the Generating Unit to increase load within 24 hours of an increase in Availability taking effect, and the Despatch Instruction would have been invalid but for the increase in Availability; and

3.9.2 subsequent to the issue of the Despatch Instruction, but prior to the Generating Unit achieving the load specified in such Despatch Instruction and within 24 hours of the increase in Availability taking effect, the Generator issues an Availability Notice or the TSO issues a Post Event Notice (in either case a "Notice") reducing the Availability to a level (specified in the Notice) below the load level specified in the Despatch Instruction,

then, for payment purposes only, the Availability will be reduced to the level specified in the Notice for each of the Settlement Periods from (and including) the Settlement Period in which the increase in Availability took effect until the time at which the Notice took effect.

4. System Support Availability Credit

4.1 The System Support Availability Credit (SSAC) for the Generating Unit during each Contract Year of this Agreement shall, subject to adjustment in accordance with paragraph 4.2, be the sum of £0.50/MWh.

4.2 The TSO shall, upon the written request of the Generator, review the amount of the System Support Availability Credit and, as soon as reasonably practicable, recommend such adjustment (if any) as it considers to be necessary in order to ensure that the price paid for the System Support Services does not materially differ from the market price for the provision of similar services by generators in England and Wales, provided that:

4.2.1 any such adjustment shall be subject to the approval of the Director and the agreement of the Generator;

4.2.2 the TSO shall not be obliged to undertake a review more frequently than once in any two year period during the term of this Agreement; and

4.2.3 no adjustment shall have any retrospective effect.

5. Availability Periods and Weights

5.1 The Table of Weights for year 1 is set out at Appendix 1.

5.2 The Table of Weights applicable for calendar years subsequent to year 1 shall be established as follows:

5.2.1 not later than 3 months before the beginning of each calendar year after year 1, the TSO shall issue and deliver to the Generator a Table of Weights, provided that the total available SSS Payments for that year are not changed by virtue of a change in weights.

5.2.2 if the TSO fails to issue a Table of Weights on or before the last date specified in paragraph 5.2.1 for delivery of the table to the Generator, the table applicable to the immediately preceding calendar year shall continue to apply (modified for calendar changes) during the following calendar year and the condition set out in paragraph 5.3 shall not apply;

5.2.3 the TSO may amend a Table of Weights submitted to the Generator at any time before the last time specified in paragraph 5.2.1 for submitting such table to the Generator but may only amend the table thereafter with the prior consent of the Generator;

5.2.4 the value to be specified in the column headed "Minimum Weight" in the Table of Weights in relation to a particular Settlement Period shall be calculated as the lowest Weight which could apply to such Settlement Period if only the Applicable Time and Applicable Day of such Settlement Period were taken into account and no regard were paid to the date of such Settlement Period.

5.3 Subject to paragraph 5.2.1 the above, a Table of Weights may differ from the Table of Weights which applied during the preceding calendar year by advancing or postponing the starting time, finishing time, starting date or finishing date of any Availability Period or by changing its Applicable Days and/or by subdividing such Availability Period; and the Weight and Minimum Weight which apply to an Availability Period in a calendar year may differ from those which applied to the corresponding Availability Period in the immediately preceding calendar year.

Part II - SSS Payments

6. SSS Payments for Availability

6.1 For the purposes of this Schedule, in relation to the Generating Unit:

- (a) the “Outage Duration” of a Planned Outage is the duration (in days and hours) of the outage, as shown in the Final Outage Programme;
- (b) the “Programmed Outage Period” of a Planned Outage is the period which begins at the Start Date and Start Time being the date and time shown in the Final Outage Programme at which the outage is programmed to start and extends for the Outage Duration as shown in the Final Outage Programme;
- (c) a “Planned Outage Period” is:
 - (i) for an Inflexible Planned Outage, the Programmed Outage Period; and
 - (ii) for a Flexible Planned Outage, the period beginning at the Start Time (as it may have been advanced or deferred in accordance with OC2.6.3(b)) and extending for the Outage Duration;

6.2 Except as provided in this paragraph 6 and paragraph 7, the Generator shall be entitled to SSS Payments (in this Part II the “SSSPs”) in respect of Availability during each Settlement Period calculated as follows:

$$SSSP_x = SSAC * G * W_x * DC_x * 0.5$$

where:

SSSP_x is the SSSPs for Settlement Period x (expressed in £);

G is the Inflexibility Factor for Settlement Period x;

W_x is the Weight for Settlement Period x;

DC_x is the Availability of the Generating Unit during Settlement Period x (expressed in MW); and

SSAC is System Support Availability Credit.

6.3 If the Nominated Hours for the Generating Unit during a Contract Year is less than 5,000 hours then a rebate shall be payable in respect of the aggregate SSSPs for that Contract Year (“SSSP_y”), calculated according to the following formula:

$$\text{Rebate} = SSSP_{sy} * \frac{\text{Nominated Hours}}{5,000}$$

5,000

The “Nominated Hours” of the Generator for a Contract Year is calculated by adding the number of half hour Settlement Periods (as defined in the Interim Settlement Code) in which both the Availability and the Nominated Despatch of the Generating Unit were greater than zero and dividing by two. This calculation is based on the assumption that the merit order price is reflective of the fuel price for the Generating Unit at the time.

6.4 If the Generator does not in any Contract Year commence any Planned Outage within twelve (12) hours of the time and date specified in the Final Outage Programme for that Contract Year, a sum equal to twenty percent (20%) of the SSSPs paid by the TSO for that Contract Year shall be re-paid by the Generator to the TSO unless the Generator has the prior agreement of the TSO to the Planned Outage commencing outside this timeframe, such agreement not to be unreasonably withheld. Regard must be had, inter alia, to the Operating Security Standard and whether the Generating Unit is capable of operating in determining whether the TSO is acting reasonably. For the purpose of enabling the TSO to consider a request for such agreement, the Generator must if requested give the TSO access to inspect relevant plant and equipment. Agreement under this paragraph does not affect the calculation of rebates under this Schedule 2.

6.5 Subject to paragraph 7 below, SSSPs shall be payable in lieu of payments under paragraph 6.2 in respect of all Settlement Periods falling within Planned Outage Periods at the rate of:

6.5.1 in the case of an Inflexible Planned Outage, fifty per cent (50%); and

6.5.2 in the case of a Flexible Planned Outage, sixty per cent (60%),

of the amount calculated for that Settlement Period on the basis that the Availability of the Generation Unit during the Planned Outage Period equals the Generating Unit's NFL Capacity.

7. SSS Payments during Short Term Planned Maintenance Outages

7.1 For the purposes of this Schedule 2, a “Short Term Planned Maintenance Period” means a period designated a Short Term Planned Maintenance Outage (“STPMO”) (pursuant to OC2.6.3(e)) which begins and ends at the times shown in the confirmation notification submitted under OC2.6.3(e)(v) (regardless of whether or when the Generating Unit is actually taken out of and returned to service).

7.2 Subject to paragraph 7.3 the Generator shall be entitled to the SSSPs for each Settlement Period which falls within a Short Term Planned Maintenance Period calculated on the basis of the Generating Unit's Availability immediately prior to commencement of the STPMO, subject to the following:

(a) planning of STPMOs will be in accordance with the provisions of the Grid Code;

- (b) no STPMOs shall exceed 72 hours; and
- (c) not less than 7 days' notice of the commencement of a STPMO must be given.

7.3 The aggregate amount of time which may be designated as Short Term Planned Maintenance Periods in any calendar year shall not exceed 300 hours and in the event that the period of a Short Term Planned Maintenance Outage, when aggregated with all previous Short Term Planned Maintenance Periods during the same calendar year would exceed 300 hours, only such part of that Short Term Planned Maintenance Outage as shall not cause the 300 hours limit to be exceeded shall be designated as a Short Term Planned Maintenance Period.

Part III - Reductions in SSS Payments

8. Declared Inflexibilities in Operating Parameters

8.1 SSS Payments (in this Part III the "SSSPs") shall be reduced in respect of each Inflexible Settlement Period in which the Minimum Generation of the Generating Unit has been declared to be above the value specified in Schedule 1, by an amount calculated as follows:

$$R_x = (DMG - CMG) * SSAC * G_x * W_x * S * 0.5$$

where:

R_x is the reduction in SSSPs for Inflexible Settlement Period x (expressed in £);

DMG is the declared Minimum Generation capacity (expressed in MW) (which must be greater than CMG for this reduction in System Support Payments to apply);

CMG is the Minimum Generation of the Generating Unit (expressed in MW) specified in Schedule 1;

SSAC is the System Support Availability Credit (expressed in £/MWh);

G_x is the Inflexibility Factor for Inflexible Settlement Period x;

W_x is the Weight for Inflexible Settlement Period x;

S is 30 hours.

provided, however, that in the case of a Late Declaration, the SSSPs in respect of each Inflexible Settlement Period in which the Generating Unit is off load or is despatched to its revised Minimum Generation shall be reduced to zero.

8.2 SSSPs shall be reduced in respect of each Inflexible Settlement Period in which there is a declared inflexibility in respect of maximum number of Starts per 24 hour period or minimum on-time, and during which the Generating Unit is off load or Despatched to its Minimum Generation, by an amount calculated as follows:

$$R_x = DMG * SSAC * G_x * W_x * S * 0.5$$

where:

R_x is the reduction in SSSPs for Inflexible Settlement Period x (expressed in £);

DMG is the declared Minimum Generation capacity (expressed in MW) (which must be greater than CMG for this reduction in SSS Payments to apply);

SSAC is System Support Availability Credit (expressed in £/MWh);
 G_x is the Inflexibility Factor for Inflexible Settlement Period x;
 W_x is the Weight for Inflexible Settlement Period x; and
 S is 30 hours.

provided, however, that in case of a Late Declaration, SSSPs in respect of each Inflexible Settlement Period in which the Generating Unit is off load or despatched to its Minimum Generation, shall be reduced to zero.

8.3 SSSPs shall be reduced in respect of each Inflexible Settlement Period in which any or all of the Reactive Power Capability, Governor Droop Capability, Loading and Deloading Rates and Sustained Response Capability of the Generating Unit have been declared to be impaired. The amount of the reduction will be calculated by reference to the Inflexibility Factor (“G”) in each Inflexible Settlement Period.

The Inflexibility Factor for each Inflexible Settlement Period shall be calculated as follows:

$$G = G_R * G_S * G_L * G_G$$

where:

G is the Inflexibility Factor for Inflexible Settlement Period x;
 G_R is the Reactive Power Inflexibility Factor for Inflexible Settlement Period x, calculated in accordance with paragraph 8.4;
 G_G is the Governor Droop Inflexibility Factor for Inflexible Settlement Period x, calculated in accordance with paragraph 8.5.
 G_L is the Loading and Deloading Inflexibility Factor for Inflexible Settlement Period x, calculated in accordance with paragraph 8.6; and
 G_S is the Sustained Response Inflexibility Factor for Inflexible Settlement Period x, determined and calculated in accordance with paragraph 8.7;

8.4 The Reactive Power Inflexibility Factor, G_R , is calculated as follows:

(i) except in the case of a Late Declaration and circumstances where the Automatic Voltage Regulator (“AVR”) is taken out of service:

$$G_R = 1 - \left(0.5 * \frac{(CM_{k1} + CM_{k2} - DV_{1a} - DV_{k1})}{CM_{k1} + CM_{k2}} \right)$$

where:

- G_R is the Reactive Power Inflexibility Factor for Inflexible Settlement Period x;
- CMV_{la} is the Maximum MVAR lagging capability (expressed in MVAR) as specified in the Reactive Power Capability Chart attached to Schedule 1;
- CMV_{le} is the Maximum MVAR leading capability (expressed in MVAR) as specified in the Reactive Power Capability Chart attached to Schedule 1;
- DV_{la} is the impaired MVAR lagging capability (expressed in MVAR) for Inflexible Settlement Period x (or CMV_{la} if it is not impaired);
- DV_{le} is the impaired MVAR leading capability (expressed in MVAR) for Inflexible Settlement Period x (or CMV_{le} if it is not impaired); and
- (ii) in the case of a Late Declaration, the value of G_R calculated in accordance with sub-paragraph (i) shall be raised to the power of 2; and
- (iii) in circumstances where the AVR is taken out of service:
- (a) for the first 48 consecutive Settlement Periods in which such situation persists $G_R = 0.5$; and
- (b) thereafter G_R shall equal 0.2 until the AVR is returned to service.

For the avoidance of doubt G_R shall never exceed 1 or be below zero.

8.5 The Governor Droop Inflexibility Factor, G_G , is calculated as follows:

- (i) except in the case of a Late Declaration

$$G_G = 1 - \left(0.5 * \frac{(D_2 - D_1)}{D_2} \right)$$

where:

- G_G is the Governor Droop Inflexibility Factor for Inflexible Settlement Period x;
- D_2 is the impaired Specified Governor Droop (expressed as a number of percentage points) for Inflexible Settlement Period x (or D_1 , if it is not impaired); and
- D_1 is the highest value given for Specified Governor Droop (expressed as a number of percentage points) in Schedule 1;

and

- (ii) in the case of a Late Declaration, the value of G_G calculated in accordance with sub-paragraph (i) shall be raised to the power of 2 .

For the avoidance of doubt G_G shall never exceed 1 or be below zero.

8.6 The Loading and Deloading Inflexibility Factor, G_L , is calculated as follows:

$$G_L = \left[1 - \left(1 * \frac{(CLR - DLR)}{CLR} \right) \right]$$

- (i) except in the case of a Late Declaration

where:

G_L is the Loading and Deloading Inflexibility Factor for Inflexible Settlement Period x;

DLR is the Loading or Deloading Rate (expressed in MW/Minute) as declared under paragraph 3.1;

CLR is the NFL Loading or Deloading Rate (expressed in MW/minute) as determined under Schedule 1;

and

- (ii) in the case of a Late Declaration, the value of G_L calculated in accordance with sub-paragraph (i) shall be raised to the power of 2.

8.7 The Sustained Response Inflexibility Factor, G_S , is calculated as follows:

$$G_S = 1 - \{0.75 * (1 - SRC)\}$$

where:

G_S is the Sustained Response Inflexibility Factor for Inflexible Settlement Period x;

SRC is the Sustained Response Capability for Inflexible Settlement Period x, revised following a Frequency Transient, a declaration by the Generator or a Sustained Response Test, in accordance with Schedule 5; and

If, at any time, the NIE System is operated as an isolated system the figure 0.75 shall be replaced with 0.5.

For the avoidance of doubt G_S shall never exceed 1 or be below zero.

Part IV - Amounts Payable by the Generator

9. Generator Payments in respect of reductions in Availability

- 9.1 The Generator shall be liable to make payments to the TSO pursuant to this paragraph 9 only whenever the Availability is reduced (in accordance with paragraph 3 above) and the Generator has not given the TSO an Availability Notice declaring such reduction at least 24 hours prior to such reduction taking effect.
- 9.2 Such payments are single payments made once in respect of each occasion on which the circumstances giving rise to the liability therefor occurs (and not in respect of the period during which such circumstance subsists).
- 9.3 Except where paragraph 9.4 or 11.2 applies, if the Generator issues an Availability Notice declaring a reduction in Availability less than 24 hours but at least 5 minutes in advance of the reduction in Availability taking effect, the Generator shall pay to the TSO by way of a rebate of SSS Payments (“SSSPs”) sum calculated as follows:

$$R = SSAC * P * W_j * Z * T$$

where:

R is the rebate of SSSPs (expressed in £) referred to in this paragraph 9.3;

SSAC is the System Support Availability Credit (expressed in £/MWh);

P is the number of MW by which the Availability was notified to be reduced;

W_j is the Rebate Weight applicable to the Rebate Settlement Period;

Z is 45 hours; and

T is $\{(e^{8.00 * (1 - (t/1440))}) - 1\} \div \{(e^{8.00 * (1 - (5/1440))}) - 1\}$.

where:

(i) t is the number of minutes of notice (calculated to the nearest minute) which the Generator actually gave to the TSO; and

(ii) the Rebate Settlement Period is the Settlement Period in which the reduction in Availability was notified first to occur.

- 9.4 If the Generator issues an Availability Notice declaring a reduction in Availability to the TSO less than 5 minutes in advance of the reduction in Availability taking effect or if the TSO issues a Post Event Notice declaring a reduction in Availability other than following

the issue of a Warning Notice (OC11.5) the Generator shall pay to the TSO by way of a rebate of SSSPs the greater of the Lost Availability Rebate calculated in accordance with paragraph 9.4.1 and the Trip Rebate calculated in accordance with paragraph 9.4.2 except that, if the TSO issues a Post Event Notice pursuant to paragraph 3.8 of this Schedule 2, the Generator shall pay to the TSO by way of a rebate of SSSPs a sum calculated in accordance with paragraph 9.4.3 only.

9.4.1 The Lost Availability Rebate shall be calculated as follows:

$$\text{LAR} = \text{SSAC} * \text{P} * \text{Z}$$

where:

- LAR is the Lost Availability Rebate (expressed in £);
- SSAC is the System Support Availability Credit (expressed in £/MWh);
- P is the number of MW by which the Availability was declared to be reduced;
- Z is the lesser of 225 hours and $W_j * (52.5 - (1.5 * t))$ hours;

where:

- W_j is the Rebate Weight applicable to the Rebate Settlement Period;
- t is the number of minutes of notice (calculated to the nearest minute) which the Generator gave to the TSO,

and where the Rebate Settlement Period is the Settlement Period in which the reduction in Availability was notified first to occur.

9.4.2 For the purposes of paragraph 9.4, the Trip Rebate shall be calculated as follows:

$$\text{TR} = \text{SSAC} * \text{P} * \text{X};$$

where:

- TR is the Trip Rebate (expressed in £);
- SSAC is the System Support Availability Credit (expressed in £/MWh);
- P is the difference in MW between:

- (a) the output to which the Generating Unit was despatched (pursuant to a valid Despatch Instruction) at the time specified in the Post Event Notice or immediately before the time specified in an Availability

Notice given by the Generator to the TSO for the reduction in Availability to take effect; and

(b) the Availability notified in the Post Event Notice or the reduced Availability declared by the Generator.

X = 60 hours at all times while the 275kV interconnector between Louth and Tandragee is in service. If, at any time, the TSO notifies the Generator that there is no such interconnection this factor shall be 225 hours.

9.4.3 Where the TSO issues a Post Event Notice pursuant to paragraph 3.8 of this Schedule 2, the Trip Rebate shall be calculated as follows:

$$TR = SSAC * P * X$$

where:

TR is Trip Rebate (expressed in £);

SSAC is the System Support Availability Credit (expressed in £/MWh);

P is the difference in MW between:

(a) the Output to which the Generating Unit was Despatched (pursuant to a valid Despatch Instruction) at the time specified in the Post Event Notice; and

(b) the Availability specified in the Post-Event Notice.

X is 60 hours at all times while the 275kV interconnector between Louth and Tandragee is in service. If, at any time, the TSO notifies the Generator that there is no such interconnection this factor shall be 225 hours).

10. Certain redeclarations/non-compliance with SSS Parameters

10.1 The Generator shall be liable to make payments to the TSO by way of rebates pursuant to the relevant provisions of this paragraph 10 only as hereinafter provided.

10.2 Such payments are single payments made once in respect of each occasion on which the circumstance giving rise to the liability therefor occurs (and not in respect of the period during which such circumstance subsists).

10.3 On each occasion upon which Availability is reduced following the issue of a Warning Notice (OC11.5) to the Generator, the Generator shall pay to the TSO by way of a rebate of SSSPs a sum calculated as follows:

$$R = SSAC * P * X * 15$$

where:

- R is the rebate of SSSPs (expressed in £) referred to in this paragraph 10.3;
- SSAC is the System Support Availability Credit (expressed in £/MWh);
- P is the number of MW by which the Availability was reduced; and
- X is the lesser of 15 hours and $(3.5 * W_j)$ hours if the Availability was redeclared before a Monitoring Notice under OC11.5.3 was given or the lesser of 15 hours and $(6.0 * W_j)$ hours if the Availability was redeclared by the Generator or pursuant to a Post Event Notice after a Monitoring Notice was given (where W_j is the Rebate Weight for the Rebate Settlement Period), and where the Rebate Settlement Period is the Settlement Period in which the Warning Notice was issued.

10.4 On each occasion upon which the Reactive Power Capability of the Generating Unit is reduced following the issue of a Warning Notice (OC11.5) to the Generator, the Generator shall pay to the TSO by way of a rebate of the SSSPs a sum calculated as follows:

$$R_t = SSAC * V * W_j * X * 15$$

where:

- R_t is the rebate of SSSPs (expressed in £) referred to in this paragraph 10.4;
- SSAC is the System Support Availability Credit (expressed in £/MWh);
- V is the sum of the numbers of MVA_r reduction in lagging and leading Reactive Power Capability of the Generating Unit below its Reactive Power Capability prevailing at zero MW active power determined from the Generating Unit Reactive Power Capability Chart in Schedule 1;
- W_j is the Rebate Weight for the Rebate Settlement Period; and
- X is 0.35 hours (if the Reactive Power Capability of the Generating Unit was redeclared before a Monitoring Notice under OC11.5 was given) or 0.6 hours (if the Reactive Power Capability of the Generating Unit was redeclared by the Generator, or pursuant to a Post Event Notice, after a Monitoring Notice was given),

and where the Rebate Settlement Period is the Settlement Period in which the Warning Notice was issued.

- 10.5 On each occasion upon which, following a Frequency Transient, there is a Spinning Reserve Failure (as described in Schedule 5), the Generator shall pay to the TSO as a rebate of SSSPs a sum calculated as follows:

$$R = \text{SSAC} * \text{SRD} * 150 \text{ hours} * 15$$

where:

R is the rebate of the SSSPs (expressed in £) referred to in this paragraph 10.5;

SSAC is the System Support Availability Credit (expressed in £/MWh); and

SRD is the Spinning Reserve Deviation (expressed in MW) calculated in accordance with Schedule 5,

provided that the Generator shall not be liable to make a rebate pursuant to this paragraph to the extent that the Generating Unit fails to respond to a Frequency Transient which occurs within 5 minutes after the end of a previous Frequency Transient.

10.6 Early/Late Synchronisation

- 10.6.1 Save where paragraph 10.6.3 applies or where late synchronisation is specifically requested by the TSO and agreed by the Generator, on each occasion upon which the Generating Unit synchronises to the NIE System more than 5 minutes after the time that was instructed for synchronisation by a valid Despatch Instruction (for the purposes of this paragraph 10, the “Despatched Synchronising Time”), the Generator shall pay to the TSO by way of a rebate of SSSPs a sum calculated as follows:

$$R = \text{SSAC} * W_j * \{(S - 5)/55\} * 45 * \text{DC}$$

where:

R is the rebate of the SSSPs (expressed in £) referred to in this paragraph 10.6.1;

SSAC is the System Support Availability Credit (expressed in £/MWh);

W_j is the Rebate Weight applicable to the Rebate Settlement Period;

S is the number of minutes after the Despatched Synchronising Time that the Generating Unit was synchronised to the NIE System;

DC is the Availability of the Generating Unit (expressed in MW) prevailing at the Despatched Synchronising Time,

and where the Rebate Settlement Period is the Settlement Period in which the Despatched Synchronising Time falls.

- 10.6.2 Save where early synchronisation is specifically requested by the TSO and agreed by the Generator, on each occasion upon which the Generating Unit synchronises to the NIE System more than 15 minutes before the Despatched Synchronising Time, the Generator shall pay to the TSO by way of a rebate of SSSPs a sum calculated as follows:

$$R = SSAC * W_j * \{(S - 15)/60\} * 4.5 * DC$$

where:

R is the rebate of SSSPs (expressed in £) referred to in this paragraph 10.6.2;

SSAC is the System Support Availability Credit (expressed in £/MWh);

W_j is the Rebate Weight applicable to the Rebate Settlement Period;

S is the number of minutes before the Despatched Synchronising Time that the Generating Unit was synchronised to the NIE System,

DC is the Availability of the Generating Unit (expressed in MW) prevailing at the Despatched Synchronising Time,

and where the Rebate Settlement Period is the Settlement Period in which the Despatched Synchronising Time falls.

- 10.6.3 If the Generating Unit fails to synchronise within 60 minutes after the Despatched Synchronising Time, the Generating Unit shall be deemed to have suffered a reduction in Availability to zero at the Despatched Synchronising Time, of which the Generator shall be deemed to have given the TSO five minutes' prior notice and the Generator shall pay to the TSO by way of a rebate of the SSSPs a sum calculated in accordance with paragraph 9.3 in lieu of any payment otherwise due under paragraph 10.6.1.

- 10.7 On each occasion on which the Loading Rate (or Deloading Rate) of the Generating Unit is reduced following the issuing of a Warning Notice (OC 11.5) to the Generator, the Generator shall pay to the TSO by way of a rebate of SSSPs a sum calculated as follows:

$$R = SSAC * (T_2 - T_1) * \frac{1}{60} * DC * Z * 15$$

where:

- R is the rebate of SSSPs (expressed in £) referred to in this paragraph 10.7;
- SSAC is the System Support Availability Credit (expressed in £/MWh);
- T₂ is the measured time (in minutes) required to achieve the last despatched load change;
- T₁ is the time (in minutes) required to achieve the last despatched load change calculated in accordance with Schedule 1;
- DC is Availability of the Generating Unit (expressed in MW) in the Rebate Settlement Period; and
- Z is (3.0 * W_j) hours if a GSDP Notice was issued before a period of monitoring under OC11.4.3, or the lesser of 15 hours and (6.0 * W_j) hours if a GSDP Notice was issued after monitoring commenced (where W_j is the Rebate Weight for the Rebate Settlement Period),

and where the Rebate Settlement Period is the Settlement Period in which the change in load of the Generating Unit was instructed to begin.

- 10.8 On each occasion during a period of monitoring following a Monitoring Notice (OC 11.5) that the Generator produces more active power than is commensurate with the prevailing Despatch Instruction the Generator shall pay to the TSO by way of a rebate of SSSPs a sum calculated as follows:

$$R = SSAC * P_x * J$$

where:

- R is the rebate of the SSSPs (expressed in £) referred to in this paragraph 10.8;
- SSAC is the System Support Availability Credit (expressed in £/MWh);
- P_x is the greatest deviation above the relevant tolerance band (MW) specified in the Grid Code measured for any 5 minute period during the period of monitoring; and
- J is 45 hours.

11. Late Notifications of Availability

- 11.1 The payments referred to below are single payments made once in respect of each occasion on which the circumstance giving rise to the liability therefore occurs (and not in respect of the period during which such circumstance subsists).

11.2 Late Notification of RTS Availability

If the Generator submits an RTS Notice less than 168 hours but at least 5 minutes before an RTS Settlement Period which declares an RTS Availability below that declared in the immediately preceding RTS Notice given in respect of such RTS Settlement Period, the Generator shall pay to the TSO, by way of any rebate of the SSSPs, a sum (in lieu of the rebate determined under paragraph 9.3) calculated as follows:

$$R = SSAC * P * 3.0 \text{ hours} * B * 15$$

where:

R is the rebate of the SSSPs (expressed in £) referred to in this paragraph 11.2;

SSAC is the System Support Availability Credit (expressed in £/MWh);

P is the amount (in MW) by which the later RTS Notice reduced the RTS Availability below the RTS Availability declared in the preceding RTS Notice; and

B shall be given by the expression

$$\{(e^{4.00 * (1 - (b/10080))} - 1)\} \div \{(e^{4.00 * (1 - (5/10080))} - 1)\}$$

where:

b = the number of minutes of notice (calculated to the nearest minute) which the Generator actually gave to the TSO.

11.3 Late Notification of Increased Availability

11.3.1 Late Declaration of Increased Availability from Zero

- (a) In this paragraph 11.3 the “Applicable MTS” means the Minimum Time to Synchronise stated in the prevailing GSDPs (provided that the prevailing relevant GSDP shall not be shorter than the Minimum Time to Synchronise stated in paragraph 3.4 of Schedule 1) having regard to the condition of the Generating Unit as determined in accordance with Schedule 1 at the time at which the Availability Notice referred to in this paragraph was submitted.
- (b) Except where the condition of the Generating Unit (as determined in accordance with Schedule 1 at the time at which the Availability Notice was submitted) is “Hot”, if the Generator submits an Availability Notice increasing the Availability from zero with shorter notice than the Applicable MTS the Generator shall pay to the TSO by way of a rebate of SSSPs a sum calculated as follows:

$$R = Y * \sum_{x=a}^{a+k-1} \left\{ \frac{SSAC * G * P * W_x}{n} * 1 - \frac{e^{2 * \left(1 - \frac{k+a-x-0.5}{n * MTS}\right)} - 1}{[e^2 - 1]} \right\} * 15$$

where:

- R is the rebate of the SSSPs (expressed in £) referred to in this paragraph;
- SSAC is the System Support Availability Credit (expressed in £/MWh);
- G is the Inflexibility Factor for Rebate Settlement Period x;
- P is the number of MW by which the Availability was notified to be increased from zero;
- W_x is the Rebate Weight applicable to Rebate Settlement Period x;
- a is the Settlement Period in which the notification of increased Availability becomes effective;
- k is the number of complete Settlement Periods between the time at which the notification of increased Availability becomes effective and the time at which the Generating Unit could be synchronised having regard to the Applicable MTS if the Generator was given a Despatch Instruction to Start the Generating Unit at the same time as the Generator submitted the Availability Notice increasing the Availability from zero, each such Settlement Period being a Rebate Settlement Period x;
- MTS is the Applicable MTS (expressed in hours);
- t is the number of minutes, notice given by the Generator to the TSO; and
- Y is 1 where t is equal to or greater than 60 minutes, and where t is less than 60 minutes:

$$Y = 1 + \left(\frac{e^{2 * \left(1 - \frac{t}{60}\right)} - 1}{e^2 - 1} \right)$$

Schedule 2

APPENDIX 1

TABLE OF WEIGHTS

<u>Availability Period</u>	<u>Description</u>	<u>Applicable Days</u>	<u>Applicable Dates</u> (all dates shown are inclusive)	<u>Applicable Times</u>	<u>Aggregate Hours</u> <u>Year 1</u>	<u>Weight in</u> <u>Year 1</u>	<u>Minimum</u> <u>Weight</u> <u>Year 1</u>
1a	Summer nights	All	1 April - 31 October	2200-0600	1713		
2a	Summer weekends	Saturdays, Sundays and Bank Holidays	1 April - 31 October	0600-2200	1088		
3a	Summer weekdays	Monday to Friday excluding Bank Holidays	1 April - 31 October	0600-2200	2336		
4a	Winter nights	All	1 January - 31 March 1 November - 31 December	2200-0600	1207		

5a	Winter weekends	Saturdays, Sundays, Bank Holidays and all days 24 December to 1 January inclusive	1 January - 31 March 1 November - 31 December	0600-2200	816		
6a	Winter Peak days	Monday to Friday excluding Bank Holidays	4 January - 22 February	0600-1600	600		
6b			22 November - 23 December	1600-1900	180		
6c				1900-2200	180		
7a	Winter non-peak days	Monday to Friday excluding Bank Holidays	23 February - 31 March 1 November - 15 November	0600-2200	656		

Explanatory Note:

A total of 60 days are included in category 6a-6c in each calendar year and are determined by:

- firstly assessing the number of Applicable Days from the first Monday after 15 November up to and including 23 December
- assigning the remainder of the 60 days to Applicable Days commencing the first weekday after 1 January which is not a Bank Holiday

Winter non-peak days are comprised by the periods from the first weekday after 1 January which is not a Bank Holiday to 31 March and the first weekday other than a Bank Holiday on or after 1 November to 23 December, both periods excluding days in availability periods 6a-6c.

SCHEDULE 2

APPENDIX 2

CALCULATION VALUES

TABLE

1. Input

All data required for input to calculations in this Agreement shall be rounded (where necessary) to the number of decimal places shown below before being used for such calculation:

Input Variables	Unit of Measurement	No. of Decimal Places
Availability (incl. Spinning Reserve) or Active Power or Load	MW	0 (for steam generating units) 1 (for gas turbine generating units)
System Support Availability Credit (SSAC)	£/MWh	4
G Factor	-	3
Availability Weights	-	2
Reactive Power	MVA _r	0
Governor Droop	%	1
	hour	2
Time	minute	0
No. of Settlement Periods in one hour	-	0
Loading/Deloading Rates	MW/min	2
K _L , K _D	-	2
Sustained Response Capability (SRC)	-	3
Spinning Reserve Deviation (SRD)	MW	0
System Frequency	Hz	2
Daily Fuel Price or Contracted Fuel Price	£/tonne or \$/tonne	4
Reserve Rate	%	3
RPI	%	1

2. Output

Where input data is reflected in output reports the output data shall be displayed to the same level of accuracy as required for the corresponding input data. Additional output data generated by the calculation process shall be rounded to the number of decimal places shown below.

Output Values	Unit of Measurement	No. of Decimal Places
Sums to be Paid	£	2

3. Calculations

All calculations within the software used by NIE for SSS shall be performed to 2 decimal places.

4. Rounding

Wherever rounding of data is required, that rounding shall be either up or down, whichever minimises the error introduced by such rounding. Where the error caused by rounding up or down is identical, the rounding shall be such that the final digit is even or, as the case may be, zero.

5. Determination of Time

For the purposes of this Agreement:

- the period commencing immediately after 00:00:00.00 and ending 00:30:00.00 forms the 1st Settlement Period of the day (for so long as Settlement Periods are of 30 minutes duration) and is known as the 00:30 Settlement Period (or the Settlement Period ending 00:30);
- for the purposes of interpreting this Agreement time shall be recorded in sub-divisions of 1 minute and 1 second;
- for the purposes of determining in which sub-division of time any specific instant occurs the period commencing immediately after 00:00:00.00 and ending 00:01:00.00 is the 1st minute of the 1st hour and the period commencing immediately after 00:00:00.00 and ending 00:00:01.00 is the 1st second of that minute.

SCHEDULE 3

ADDRESSES FOR NOTICES

The Generator:

[Generator]

[Address]

For the attention of []

The TSO:

Northern Ireland Electricity plc
Castlereagh House Control Centre
12 Manse Road
Castlereagh
Belfast BT6 9RT

Fax 01232 707 560

Telephone 01232 794 336

For the attention of: Brian Lunn

PART II
FORM OF SSS PAYMENT
CREDIT NOTE

REBATE OF SSS PAYMENTS

CREDIT NOTE NO []/[MONTH]

[Date]

To:	Northern Ireland Electricity plc Castlereagh House Control Centre 12 Manse Road Castlereagh Belfast BT6 9RT	From:	[Generator] [Address] [VAT Registration N ^o]
	Fax 01232 707 560 Telephone 01232 794 336		

Net value of Rebates of SSS Payments
as per the attached Schedule {owing by
[Generator] to [TSO]} {owing by
TSO to [Generator]} in respect of

[Settlement Periods] (excluding VAT) = £ []

VAT at 17.5% thereon = £ []

Total payable = £ []

[Corporate name, registration number and place of registration; address of registered office if different from the above address]

SCHEDULE 5
SPINNING RESERVE

Part 1

General

1. General

- 1.1 Upon the occurrence of a Frequency Transient the Generating Unit (if synchronised) is required to respond in accordance with its declared Governor Droop and Sustained Response Capability.
- 1.2 This Schedule 5 applies for the purposes of (i) determining the Sustained Response Capability of the Generating Unit, (ii) in the event of a Frequency Transient, ascertaining the amount (in MW) of the Spinning Reserve Deviation where there has been a Spinning Reserve Failure, and (iii) providing for testing the Sustained Response Capability and Governor Droop of the Generating Unit.

2. Successive Frequency Transients

- 2.1 Where a Frequency Transient has occurred while the Generating Unit was synchronised, the Generating Unit will not be required to respond to any further Frequency Transient for 5 minutes after the end of the first Frequency Transient; and the provisions of this Schedule 5 shall apply accordingly.

Part 2

Sustained Response Capability and Spinning Reserve Failure

1. Definitions

For the purposes of this Schedule:

- (a) in respect of any Frequency Transient:
 - (i) “Pretransient Load” means instantaneous Load level (in MW) of the Generating Unit at 5 seconds before the Frequency Transient commenced or the last steady state Load, as applicable for determining the pre-transient value;
 - (ii) the response of the Generating Unit to such Frequency Transient, in terms of Load lift (in MW) above Pretransient Load, continuously over the period of 5 minutes starting when the Frequency Transient commenced, is referred to as “Spinning Reserve Response”, and comprises Initial Response and Sustained Response;
 - (iii) the Spinning Reserve Response achieved by the Generating Unit in response to such Frequency Transient is referred to as the “Achieved” response;
- (b) the terms “Initial Response”, “Sustained Response”, “Spinning Reserve Deviation”, “Sustained Response Deviation” and “NFL” will have the meanings given in Part 4.

2. Achieved Response

- 2.1 The event recorders described in Sub-Code 3 of the Metering Code will capture (at 0.1 second intervals), and upon the occurrence of a Frequency Transient the Frequency logging equipment constituting part of Operational Metering defined in the Metering Code will record (from not less than 5 seconds before the Frequency Transient commenced) and retain, the instantaneous load level of the Generating Unit.
- 2.2 The Spinning Reserve Response Achieved by the Generating Unit will be determined from the data referred to in paragraph 2.1 above, and will be compared with the NFL response.

3. Sustained Response Capability

3.1 For the purposes of this Agreement the “Sustained Response Capability” is a factor (not greater than one) which represents actual or anticipated Achieved Sustained Response as a fraction of (where less than) NFL Sustained Response.

3.2 Sustained Response Capability may be:

- (a) declared by the Generator on the basis of anticipated response (generically, for all possible Frequency Transients and sets of relevant circumstances); or
- (b) determined by the TSO (and notified to the Generator in a Post Event Notice) following the occurrence of a Frequency Transient, based on the instantaneous values of the NFL Sustained Response and Achieved Sustained Response for which the Sustained Response Deviation was determined;
- (c) determined on the basis of the result of a test as described in paragraph 2 of Part 3.

3.3 For the purposes of this Schedule, in respect of any Frequency Transient the “Adjusted NFL Sustained Response” (“ACSR”) is the NFL Sustained Response (“CSR”) (in accordance with Part 4), adjusted by the prevailing Sustained Response Capability (“SRC”), determined as follows:

$$\text{ACSR} = \text{CSR} * \text{SRC}$$

4. Spinning Reserve Failure

For the purposes of this Agreement, there is a “Spinning Reserve Failure” whenever following a Frequency Transient the Spinning Reserve Response achieved deviated (as described in Part 4) below the NFL response, and the Spinning Reserve Deviation is the amount of such deviation (determined in accordance with Part 4).

5. Governor Droop

5.1 For the purpose of this Agreement, “Specified Governor Droop” means the highest incremental Governor Droop at any load below 90% of NFL Capacity.

5.2 For a given Specified Governor Droop (“SGD”):

- (i) the lowest incremental Governor Droop at any load between zero and 90% of NFL Capacity shall be:

$$0.4 * \text{SGD}$$

(ii) the highest incremental Governor Droop at any load above 90% of NFL Capacity shall be:

3 * SGD

Part 3

Testing

1. General

In certain circumstances Sustained Response Capability and Governor Droop may be tested as described in this Part 3.

2. Sustained Response Testing

2.1 A test ("Sustained Response Test") in respect of Sustained Response Capability may be requested in the following circumstances:

- (a) by the Generator, at any time; in which case TSO by the same time on the second Business Day thereafter will specify the time (within 3 days) for the test which shall be as soon as reasonably practicable having regard to system constraints (but in any event within 3 days); and
- (b) by the TSO, on not less than 24 hours' notice of the start of the test:
 - (i) at any time, if the TSO has reasonable grounds to believe that the Sustained Response Capability is impaired; or
 - (ii) within 48 hours (the test to start within 72 hours) after the Generator redeclared up the value of the Sustained Response Capability either:
 - (1) where the Sustained Response Capability had earlier been declared down following a Frequency Transient; or
 - (2) where following a previous test under this paragraph 2.1(b)(ii) Sustained Response Capability had been determined at a level lower than previously declared by the Generator.

2.2 If the TSO requests a test pursuant to paragraph 2.1(b)(ii) above and the Sustained Response Capability determined pursuant to such test is lower than the value which had been redeclared (as described in sub-paragraph (1) or (2) thereof) by the TSO, the value determined pursuant to such test shall be applied retrospectively (from the Settlement Period in which the TSO's redeclaration was made) in calculating the value of the Sustained Response Inflexibility Factor under paragraph 8.7 of Schedule 2.

2.3 The Sustained Response Test is a test of sustained load increases at particular initial load levels, in comparison with expected values shown on the attached diagram (the "Sustained Load Diagram"). The test is carried out using turbine speeder input and involves fast load increases of various magnitudes (up to the applicable value on the Sustained Load Diagram)

at up to 3 different initial loads nominated by the party which called for the test. During the test the event recorder is used to monitor relevant parameters.

- 2.4 For each initial load level, the maximum load increase which was sustained for 5 minutes will set the value (of load increase) at which the test was passed (the “achieved sustained increase”).

If for any initial load level the achieved sustained increase deviated from (and below) the relevant expected value on the Sustained Load Diagram by more than the greater of 2MW and 5% (the “test tolerance”), the party which called for the test may redeclare the value of the Sustained Response Capability (“SRC”) (but subject to the right of the Generator subsequently to redeclare), determined as:

$$\text{SRC} = V_a / \{(1 - T) * V_e\}$$

where:

V_a = the value (in MW) of the achieved sustained response;

V_e = the relevant expected value (in MW) on the Sustained Load Diagram attached to Schedule 1; and

T = the test tolerance, which shall be 5%.

3. Governor Droop Testing

- 3.1 A test of Governor Droop may be requested by the TSO, on not less than 24 hours’ notice, at any time if the TSO has reasonable grounds to believe that the Specified Governor Droop of the Generating Unit is higher than its declared value. The test is carried out with the turbine at speed but with the Generating Unit not synchronised, and determines the relationship between governor hydraulic output and turbine speed, as turbine speed is decreased, from several speeder set points. Incremental Governor Droop values are calculated for the turbine load range from the recorded results of the test.
- 3.2 The TSO may then redeclare the value of Specified Governor Droop to the value determined according to such test (to the extent that it is higher than the value previously declared by the Generator).

4. Role of Expert

- 4.1 To the extent the parties are unable to agree on any further details or procedures for carrying out the Sustained Response Test or testing of Governor Droop, an Expert may be requested to determine such details or procedures, which will then be adopted and thereafter applied in any further testing by the parties.

4.2 In the event of a dispute as to the result of a Sustained Response Test or test of Governor Droop, the matter shall be referred to an Expert for determination.

Part 4

Definitions

1. Sustained Response

- 1.1 The Spinning Reserve Response for the period from 10 seconds to 5 minutes after the commencement of the Frequency Transient is referred to as “Sustained Response”;
- 1.2 The Generating Unit is required to attain and maintain at all times in this period a Sustained Response not less than the instantaneous value determined under paragraph 2 below (the “NFL” response);
- 1.3 Without prejudice to paragraph 3.3.1 of Schedule 1 (or to the requirement to attain NFL Sustained Response), there is no specific requirement under this Part 4 as to Spinning Reserve Response in the period from 0 to 10 seconds (“Initial Response”).

2. NFL Sustained Response

For any Frequency Transient the NFL Sustained Response (in MW) is whichever is the least of:

- 2.1 the unconstrained response, which is the value for Spinning Reserve corresponding to the Pretransient Load on the Sustained Loan Diagram attached to this Schedule. If the Pretransient Loan is less than the Minimum Generation (paragraph 3.1 of Schedule 1), unconstrained response shall be zero.
- 2.2 The Availability constrained response, which is:
A - PTL
where:
A = the Availability of the Generating Unit at the time at which the Frequency Transient commenced
PTL = Pretransient Load (MW)
- 2.3 the Governor Droop constrained response which is defined in paragraph 3 below.

3. Governor Droop Constrained Response

The Governor Droop constrained response (SR_g) is determined as follows:

$$SR_G = CC/F_g * \{F_p - F_t\} - 2A/3$$

where:

$$CC = \text{NFL Capacity (MW);}$$

F_g is determined as

$$50 \text{ (Hz)} * D/100$$

where D is Specified Governor Droop (%) notified in the most recent relevant GSDP Notice;

$$F_p = \text{NIE System Frequency (Hz) at the time 5 seconds before the Frequency Transient commenced, or the time of the last steady state load before the Frequency Transient commenced, as applicable to determine the pre-transient value;}$$

$$F_t = \text{the instantaneous NIE System Frequency (Hz) at any time during the Frequency Transient;}$$

A is determined as:

$$(F_p - F_t) - (F_g * B)$$

except where this term has a negative value, in which case A is 0; where B is determined as:

$$0.9 - PTL/CC$$

except where this term has a negative value, in which case B is 0; where PTL is Pretransient Load

4. Spinning Reserve Deviation

- 4.1 the "Sustained Response Deviation" is the greatest amount (in MW) by which, following a Frequency Transient, at any time over the relevant period, the instantaneous value of Sustained Response Achieved deviated below the Adjusted NFL Sustained Response;
- 4.2 The Spinning Reserve Deviation is the Sustained Response Deviation; and
- 4.3 The Spinning Reserve Deviation shall be zero if it would otherwise be negative.

SIGNED by)
for and on behalf of)
[Generator])
in the presence of:-)

SIGNED by)
for and on behalf of)
NORTHERN IRELAND)
ELECTRICITY plc in the)
presence of:-)

Dated

2000

[INDEPENDENT POWER PRODUCER]

- and -

NORTHERN IRELAND ELECTRICITY PLC

**AGREEMENT
RELATING TO THE PROVISION OF
SYSTEM SUPPORT SERVICES**

**CMS Cameron McKenna
Mitre House
160 Aldersgate Street
London EC1A 4DD**

**T +44(0)171 367 3000
F +44(0)171 367 2000**

**File Ref: 039029.00099 Doc (50726414.12)
28 March 2000**

Table of Contents

1. Definitions and Interpretation	1
Definitions	1
Interpretation	5
Inconsistencies and Conflicts	6
2. Commencement and Duration of Agreement	6
Term of Agreement	6
Survival of Rights on Termination	6
3. Condition Precedent	7
Agreement subject to Condition Precedent	7
Interim Settlement Agreement	7
Connection Agreement	7
4. Provision and Purchase of System Support Services and Electricity	7
Duty to provide System Support Services in accordance with the SSS Parameters	7
Compliance with the Grid Code	8
Minimum Net Output	8
Despatch Instructions	8
5. Availability, SSS Parameters, SSS Payments and Supplemental Energy Bids	8
Entitlement to and Calculation of SSS Payments	8
Confirmation and Payment of SSS Payments	8
Notice in respect of Availability and Operating Parameters under Schedule 2	9
Nominated Despatch	10
Supplemental Energy Bid	10
Disputes	10
6. Delivery of Electricity and Metering	10
Quality of Supply	10
Metering	11
7. Confirmation Statements	11
Confirmation of Availability and Metered Energy	11
Access to Information	11
Review of Confirmation Statements	11
Annual Confirmation of Nominated Hours and Planned Outages	12
Review of Annual Confirmation Statements	12
Final Confirmation Statement	12
Disputes Limitation	12
Effect of Confirmation Statement	13
8. Billing and Payment	13
SSS Payment Invoices and Credit Notes	13
Annual Rebate Invoices	14
Other Payments	14

Payment Procedure	14
Application of Payments	14
Interest	14
Disputed Items.....	14
VAT	15
9. Termination	15
Termination by the Generator.....	15
Termination by the TSO	15
Other rights to terminate.....	17
10. Force Majeure	17
Force Majeure	17
Notice of Force Majeure	17
11. Limitation of Liability.....	18
Limitation of Liability	18
Liability for Death or Personal Injury.....	18
Exclusion of Liability	19
Overriding Provisions	19
Terms Separate.....	19
Benefit of Provisions.....	19
Saving.....	19
Terms Fair and Reasonable	20
12. Governing Law	20
13. Confidentiality and Announcements.....	20
General restriction.....	20
Exceptions	20
Internal Procedures	21
Public Announcements	22
14. Miscellaneous Provisions.....	22
Variation	22
Waivers of Rights etc	22
Notice	22
Assignment.....	23
Effect of Illegality, etc.....	24
Entire Agreement.....	24
Counterparts.....	24
15. Arbitration	24
Referral to Arbitration.....	24
Expert	25
Proper Law.....	25
Third Party Claims (1).....	25
Third Party Claims (2).....	25

Third Party Claims (3).....	25
Limitation.....	26
16. Jurisdiction.....	26
Submission to Jurisdiction.....	26
Waiver.....	26
Agent for Service of Process	27
Arbitration.....	27
17. Change in Circumstances.....	27
<u>SCHEDULE 1 IDENTITY OF GENERATING UNIT, NFL CAPACITY</u>	28
1. Identity of Generating Unit.....	28
2. NFL capacity.....	28
3. SSS Parameters.....	28
4. Minimum Net Output.....	29
5. Warmth Condition.....	29
<u>SCHEDULE 2 SSS PAYMENTS</u>	31
Part I - General.....	31
1. Introduction.....	31
2. Definitions and Interpretation	32
3. Availability and Operating Parameters.....	34
4. System Support Availability Credit.....	36
5. Availability Periods and Weights.....	37
Part II - SSS Payments.....	38
6. SSS Payments for Availability.....	38
7. SSS Payments during Short Term Planned Maintenance Outages.....	39
Part III - Reductions in SSS Payments.....	41
8. Declared Inflexibilities in Operating Parameters	41
Part IV - Amounts Payable by the Generator.....	45
9. Generator Payments in respect of reductions in Availability	45
10. Certain redeclarations/non-compliance with SSS Parameters	47
11. Late Notifications of Availability	51
<u>Schedule 2 APPENDIX 1 TABLE OF WEIGHTS</u>	54
<u>SCHEDULE 2 APPENDIX 2 CALCULATION VALUES TABLE</u>	57
1. Input.....	57
2. Output.....	57
3. Calculations.....	58
4. Rounding.....	58

5. Determination of Time	58
<u>SCHEDULE 3 ADDRESSES FOR NOTICES</u>	59
<u>SCHEDULE 4</u>	60
<u>PART I</u>	60
<u>FORM OF SSS PAYMENT INVOICE</u>	60
<u>PART II</u>	61
<u>FORM OF SSS PAYMENT</u>	61
<u>CREDIT NOTE</u>	61
<u>SCHEDULE 5</u>	62
<u>SPINNING RESERVE</u>	62
1. General.....	62
2. Successive Frequency Transients.....	62
<u>Part 2</u>	63
<u>Sustained Response Capability and Spinning Reserve Failure</u>	63
1. <u>Definitions</u>	63
2. <u>Achieved Response</u>	63
3. <u>Sustained Response Capability</u>	64
4. <u>Spinning Reserve Failure</u>	64
5. <u>Governor Droop</u>	64
<u>Part 3</u>	66
<u>Testing</u>	66
1. <u>General</u>	66
2. <u>Sustained Response Testing</u>	66
3. <u>Governor Droop Testing</u>	67
4. <u>Role of Expert</u>	67
<u>Part 4</u>	69
<u>Definitions</u>	69
1. Sustained Response	69
2. NFL Sustained Response.....	69
3. Governor Droop Constrained Response.....	69
4. Spinning Reserve Deviation.....	70