

Dated

202[ ]

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SONI Limited

(1)

and

[ ]

(2)

**VERSION POST CONSULTATION**

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**LOW CARBON INERTIA SERVICE  
AGREEMENT**

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**THIS AGREEMENT** is made on the \_\_\_\_\_ day of \_\_\_\_\_ 202[ ]

### **BETWEEN:**

- (1) **SONI Limited**, a limited liability company incorporated under the laws of Northern Ireland with registered number NI 038715 and having its registered office at Castlereagh House, 12 Manse Road, Belfast BT6 9RT (hereinafter called the “**Company**”); and
- (2) [ ], a limited company registered in the Northern Ireland under registration number [ ] having its registered office at [ ] (hereinafter called the “**Service Provider**”).

### **WHEREAS:**

- (A) The Company has responsibility amongst other duties for the operation of the Transmission System under the TSO Licence.
- (B) The Company’s duties include the procurement of Low Carbon Inertia Service.
- (C) Following a competitive procurement process, the Service Provider is now entering into this Agreement in order to provide the Company with the Service from the Providing Unit subject to and in accordance with the provisions set out herein.

**IT IS HEREBY AGREED** as follows:

### **1. Definitions and Interpretation**

- 1.1 In this Agreement (including the recitals hereto), except where the context otherwise requires, the words and expressions set out in Schedule 1 shall have the meanings ascribed to them therein.
- 1.2 In this Agreement, unless the context requires otherwise, any reference to:
  - 1.2.1 the singular shall include the plural and vice versa;
  - 1.2.2 any gender reference shall be deemed to include references to the masculine, feminine and neuter genders;
  - 1.2.3 this “Agreement” shall mean this Agreement and its Schedules;
  - 1.2.4 “writing” or “written” shall include all methods of reproducing words in a legible and non-transitory form;
  - 1.2.5 any words importing persons or parties shall include individuals, firms and corporations, joint ventures, trusts, unincorporated associations and organisations, partnerships and any other entity, in each case whether or not having a separate

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legal personality and any references to persons shall include their legal successors and permitted assignees;

1.2.6 legislation, regulations, Directives, orders, instruments, codes or other enactments shall include any amendments, modifications, extensions, replacements or re-enactments thereof then in force.

1.3 Unless otherwise specified:

1.3.1 any reference in this Agreement to a "Clause" is a reference to a Clause contained in this Agreement;

1.3.2 any reference to a "Schedule" is a reference to a Schedule to this Agreement;

1.3.3 any reference to a "Section" is a reference to a Section of a Schedule to this Agreement;

1.3.4 any reference to another agreement or document, or any deed or other instrument (including but not limited to statute, statutory instrument, the Grid Code, the Metering Code, the Network Codes, or the Trading and Settlement Code) shall be construed as a reference to that other agreement, or document, deed or other instrument as the same may have been, or may from time to time be, amended, varied, supplemented, substituted or novated;

1.3.5 any reference to a month or year shall be construed as a reference to a calendar month or year, as the case may be;

1.3.6 the table of contents and Clause headings are inserted for ease of reference only and shall be ignored for the purpose of the construction of this Agreement;

1.3.7 all terms which have been defined in this Agreement shall have their initial letters in capital typescript whenever and wherever they appear in this Agreement; and

1.3.8 any reference to "including" shall be construed without limitation.

1.4 In the event of inconsistency between the provisions of this Agreement and the Grid Code, the Network Codes or the Metering Code (as the case may be), the provisions of the Grid Code, the Network Codes or the Metering Code (as the case may be) shall prevail to the extent of such inconsistency unless the contrary intention is explicit. For the avoidance of doubt, the Providing Unit must be both capable of operating in accordance with the Grid Code, the Network Codes and the Metering Code (as the case may be) and capable of operating in accordance with the provisions of this Agreement, but may be instructed to operate in either of these modes by the Company.

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- 1.5 To the extent that the Service Provider is a party to the Trading and Settlement Code, if either Party reasonably believes that a conflict exists between any provision of this Agreement and the provisions of the Trading and Settlement Code, it shall notify the other Party of that belief and the Parties shall meet and discuss in good faith whether such a conflict exists, and if so whether amendments should be made to this Agreement to resolve the conflict (and if appropriate the nature of those amendments). If the Parties are in dispute as to whether a conflict exists, whether amendments should be made to this Agreement to resolve the conflict and/or the nature of those amendments, either Party shall be entitled to refer the dispute to the Regulatory Authority for determination (which determination shall be binding on the Parties). For the avoidance of doubt, the Parties agree that any amendment to this Agreement to resolve a conflict with the Trading and Settlement Code shall require the prior written approval of the Regulatory Authority.

## 2. Commencement and Duration of Agreement

### 2.1 Term of Agreement

2.1.1 Subject to Clauses 2.1.2 and 2.3, this Agreement shall commence on the Effective Date and shall continue in full force and effect until the date of the day before the 6th anniversary of the Target Go-Live Date unless terminated earlier in accordance with Clause 9.

2.1.2 The Company may, subject to the approval of the Regulatory Authority (if required) and the written consent of the Service Provider and subject to any other provisions as provided in this Agreement, extend the term of this Agreement for two additional time periods of up to eighteen (18) months each.

### 2.2 Survival of Rights on Termination

2.2.1 Termination of this Agreement shall not affect:

- (a) any rights or obligations which may have accrued prior to such termination;  
or
- (b) continuing obligations of each of the Parties under this Agreement which, according to this Agreement, are to continue after termination of this Agreement.

### 2.3 Conditions Precedent

2.3.1 The Parties' rights and obligations under this Agreement (save for those set out in Clauses 2, 7, 8, 12, 13, 14, 15 and 16) shall in all respects be conditional on the fulfilment by the Service Provider of its obligations under Clauses 2.3.2, 2.3.3, and 2.3.4.

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- 2.3.2 On or prior to the earlier of (i) the Go-Live Date or (ii) the Target Go-Live Date, to the extent that the Service Provider participates in the Single Electricity Market, the Service Provider shall be a party to the TSC and to the extent that is required, the Service Provider shall be registered as the Participant (as defined in the TSC) for the Providing Unit under the TSC.
- 2.3.3 Prior to the Effective Date, the Service Provider shall have received Planning Consent for the Providing Unit and shall provide a copy of it to the Company.
- 2.3.4 Prior to the Effective Date, the Service Provider shall have executed and provided to the Company the Performance Bond or alternative security as required by Clause 4.
- 2.3.5 The Company may terminate this Agreement on or after the Target Go-Live Date if the condition precedent set out in Clauses 2.3.2 is not fulfilled before that date.
- 2.3.6 The Company may terminate this Agreement on or after the date falling two (2) Business Days after the Effective Date if the condition precedent set out in Clause 2.3.3 is not fulfilled before that date.
- 2.3.7 The Company may terminate this Agreement on or after the date falling two (2) Business Days after the Effective Date if the condition precedent in Clause 2.3.4 is not fulfilled before that date.
- 2.4 No Exclusivity
- 2.4.1 The Service Provider acknowledges and agrees that, despite entering into this Agreement or the provision by it of the Service under this Agreement, it has no exclusive right to make available and/or provide any Service to the Company.
- 2.5 Availability of Service from Go-Live Date
- 2.5.1 The Service shall be provided in accordance with the terms, conditions and specifications of this Agreement from the Go-Live Date. This Agreement shall entitle the Service Provider to payment for making available the Service, as set out in Schedule 2 from the Go-Live Date.
- 2.5.2 Prior to the Company making any payment to the Service Provider for making the Service available, the Service Provider shall demonstrate, to the satisfaction of the Company, that the following conditions are satisfied:
- a) the Providing Unit can provide the Service in accordance with Schedule 2

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- b) the Service Provider has made the Service available to the Company in accordance with this Agreement; and
- c) the Service Provider has completed all Performance Milestones.

2.5.3 The Go-Live Date shall be no earlier than [1 October 2024].<sup>1</sup>

### 2.6 Provision of the Service

2.6.1 If the Company, during the term of the Agreement, has a requirement for the Service, the Company may require the ~~immediate~~ provision of the required Service by the Service Provider without delay.

2.6.2 The provision of such Service shall be in accordance with the applicable parameters, terms and conditions set out in this Agreement, and/or any instructions as may otherwise be issued by the Company under this Agreement.

### 2.7 Prohibition on the Provision of Related System Services

2.7.1 Unless otherwise ~~directed~~explicitly established by the relevant market rules, as approved by the Regulatory Authority where appropriate, the Service Provider will not enter into a System Services Agreement pursuant to which the Providing Units provide or make available any Related System Services for duration of the term of this Agreement.

2.7.2 If the Service Provider is a party to a System Services Agreement in force at the Effective Date pursuant to which the Providing Units provide or make available any Related System Services during the term of this Agreement, the Parties, unless otherwise ~~directed~~explicitly established by the relevant market rules, as approved by the Regulatory Authority where appropriate, hereby agree to terminate such System Services Agreement with effect from the Go-Live Date and shall take all such actions as are necessary to effect such termination.

### 2.8 Participation in future System Services arrangements

2.8.1 During the term of the Agreement, the Service Provider acknowledges that it may be required to participate in future System Services arrangements as may directed by the Regulatory Authority. In any potential requirement to participate in future System Services arrangements, the Regulatory Authority shall consider associated Service Provider costs for participating in these arrangements.

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<sup>1</sup> **Note to Draft:** The Go-Live Date is subject to award of contract.

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### 3. Provision and Purchase of the Service

#### 3.1 Duty to provide the Service in accordance with the applicable Operating Parameters

3.1.1 In consideration of the Company's agreement to pay the Service Payments to the Service Provider on the terms and subject to the conditions of this Agreement and its applicable Operating Parameters, the Service Provider shall at all times during the term of, and subject to, this Agreement maintain, repair and operate the Providing Unit as required by Good Industry Practice and any legal requirements in order to provide the Service.

3.1.2 The Service Provider shall reasonably endeavour not to issue or allow to remain outstanding an Availability Notice, a Technical Parameters Notice or an Additional Grid Code Characteristics Notice which declares the Availability, applicable Technical Parameters or additional technical data (respectively) of a Providing Unit at levels or values inferior to the applicable Operating Parameters of the Providing Unit in accordance with Schedule 9 except:

- (i) during periods of Scheduled Outage or forced outage or otherwise with the consent of the Company; or
- (ii) where necessary to avoid an imminent risk of injury to persons or material damage to property (including the Providing Unit); or
- (iii) where it is not lawful for the Service Provider to operate the Providing Unit; or
- (iv) to the extent that the Service Provider is affected by Force Majeure; or
- (v) in the event of a test of the Providing Unit under OC11 of the Grid Code or a System Test under OC10 of the Grid Code,

provided that this Clause 3.1.2 shall not require the Service Provider to declare levels or values better than those specified in Schedule 9.

#### 3.2 Compliance with the Grid Code, Network Codes, and Protocol

3.2.1 The Service Provider shall, during the Term of this Agreement, comply with the Grid Code, the Network Codes and the Protocol as applicable as it relates to the provision of the Service, (including declaring to the Company any inability to comply with the applicable Operating Parameters), subject to any derogations granted to the Service Provider by the Regulatory Authority.

3.2.2 [The Parties acknowledge that, as at the Effective Date, the Grid Code does not contain specific provisions in respect of synchronous condenser units



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(“**Synchronous Condenser Units**” or “**SCUs**”) and that certain modifications will be required to the Grid Code to provide for Synchronous Condenser Units (the “**SCU Grid Code Modifications**”).]<sup>2</sup>

3.2.3 [In the event that the SCU Grid Code Modifications have not been implemented and until such time as the SCU Grid Code Modifications are implemented, the provisions of the Grid Code that are applicable to Centrally Dispatched Generation Units shall, for the purposes of this Agreement, be deemed to apply to the Providing Units, with the exception of any requirements or obligations in respect of MW Output and/or Active Power, and with any modifications which the Company reasonably determines are necessary to take account of the nature of the Service.]

### 3.3 Dispatch Instructions

3.3.1 The Service Provider shall, subject to Clause 3.4, comply with the terms of all Dispatch Instructions relating to the Service.

### 3.4 TSC

3.4.1 To the extent that the Service Provider is a party to the TSC, nothing in this Agreement shall prevent the Service Provider from operating the Providing Unit in such a manner so as to comply with its obligations under the TSC.

3.4.2 The Service Provider shall provide Technical Offer Data to the Company in accordance with the TSC. For the avoidance of doubt, this Clause 3.4.2 shall apply regardless of whether or not the Service Provider is a party to the TSC. Such Technical Offer Data will be subject to validation by the Company.

### 3.5 Scheduled Outages

3.5.1 The Service Provider shall, without limitation to its obligations under Clause 3.2, plan its maintenance requirements including outage plans for the Providing Unit in accordance with Good Industry Practice and in accordance with Clause 3.1.2.

3.5.2 For the purposes of calculating the Availability Performance Scalar in accordance with the calculation described in Section 6 of the Protocol, the Providing Unit will not be treated as unavailable for any Scheduled Outage provided that the aggregate duration of any Scheduled Outages may not exceed fifteen (15) days in a Calendar Year.

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<sup>2</sup> **Note to Draft:** To be included in the event that the Grid Code is not updated.

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### 3.6 Shortfall Charge

3.6.1 If, following Provisional Acceptance / Completion of Performance Testing, the Installed Capability of the Providing Units is less than the Contracted Maximum Available Volume Threshold, then the Service Provider will be liable to pay to the Company liquidated damages in the amount of £94,000 (nineteen four thousand GBP) per/MVA.s in respect of each MVA.s that the Installed Capability is less than the Contracted Maximum Available Volume Threshold (the “**Shortfall Charge**”); ~~whereupon~~”).

~~3.6.1~~3.6.2 ~~If, following Provisional Acceptance / Completion of Performance Testing, the Installed Capability of the Providing Units is less than the Contracted Maximum Available Volume, then~~ the Contracted Maximum Available Volume shall for all purposes be equal to the Installed Capability on the Go-Live Date. For the avoidance of doubt, the Contracted Maximum Available Volume shall only be so adjusted if the Installed Capability of the Providing Unit is less than the Contracted Maximum Available Volume following Provisional Acceptance / Completion of Performance Testing.

~~3.6.2~~3.6.3 Where applicable pursuant to Clause 3.6.1, the Shortfall Charge shall be paid by the Service Provider to the Company in accordance with Schedule 3.

## 4. Performance Security<sup>3</sup>

### 4.1 Performance Security

4.1.1 The Service Provider acknowledges that it is important for the Company that the Service is commenced on or prior to the Target Go-Live Date and that late commencement of the Service would have a detrimental effect on the business of the Company.

4.1.2 Subject to Clauses 4.3 and 4.4, the Service Provider shall procure the execution and delivery by a bond provider with an Approved Credit Rating to the Company of a Performance Bond in the form set out in Schedule 8 on or prior to the date of this Agreement~~-,~~ or such later date as the Company in its absolute discretion may specify.

4.1.3 The Service Provider shall use best endeavours to achieve each Performance Milestone and Additional Reporting Milestone by the relevant Milestone Deadline, as set out in Schedule 4.

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<sup>3</sup> Note to Draft: This section may not be applicable for an existing unit already connected to the system.

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4.1.4 The Service Provider shall provide Implementation Progress Reports to the TSO for each of the Performance Milestones and Additional Reporting Milestones outlined in Schedule 4, no later than one (1) week following the relevant Milestone Deadline.

4.1.5 In the event that:

(a) the Providing Unit does not achieve a Performance Milestone by the applicable Milestone Deadline; or

~~(b) the Providing Unit fails to report to the Company the completion information (as specified in in relation to the relevant Performance Milestone); or~~

~~(e)(b)~~ the development of the Providing Unit is abandoned; or

~~(e)(c)~~ the Providing Unit is not able to make available or provide the Service by the Target Go-Live Date,

the Company may, subject to clause 4.1.6, make a demand for payment under the Performance Bond (or alternative security posted in accordance with Clause 4.3 or 4.4) pursuant to its terms.

4.1.6 In the event that the Providing Unit does not achieve a Performance Milestone by the applicable Milestone Deadline, then the Company will be entitled to drawdown up to a maximum of 25% of the Performance Bond, (or alternative security posted in accordance with Clause 4.3 or 4.4) in respect of each Performance Milestone that is not achieved.

4.2 Effect of Company Delay and Force Majeure on Milestone Deadlines and Target Go-Live Date

4.2.1 Where the Service Provider is unable to reach Substantial Completion or System Service Compliance by the applicable Milestone Deadline due to a ~~material~~ delay in the Transmission System Operator connecting the Providing Unit to the Transmission System by the Target Connection Date, save where such delay is attributable to the actions or inactions of the Service Provider, the Milestone Deadlines ~~and~~, the Target Go-Live Date and the Service Provision Longstop Date shall be adjusted by the Company to take into account the period of the Company's delay.

4.2.2 Subject to compliance with the obligations of the Service Provider set out in Clause 11, where the Providing Unit cannot ~~make~~commence making available the Service owing to Force Majeure, the Milestone Deadlines ~~and~~, the Target Go-Live Date and the Service Provision Longstop Date will be adjusted by the Company to take into account the period of the Force Majeure event.

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### 4.3 Other Security Arrangements

The Company at its discretion may deem appropriate, from time to time, other forms of security other than a Performance Bond with an Approved Credit Rating.

Alternative arrangements will be considered at the Company's discretion, including where:

- 4.3.1 the Service Provider's parent company has a suitable credit rating;
- 4.3.2 the Service Provider's parent company is of significant commercial standing; or
- 4.3.3 where the ownership structure is appropriate such as a semi-state company.

These alternative arrangements can take the form of:

- (i) a Letter of Credit;
- (ii) a guarantee in such form as is reasonably acceptable to the Company issued by an entity with an Approved Credit Rating (a "**Qualifying Guarantee**");
- (iii) a cash deposit in an interest-bearing account in the name of the Company at a bank that satisfies the criteria as outlined in the definition of Letter of Credit (an "**Escrow Account**"). Interest on the Escrow Account will accrue for the benefit of the Service Provider after the deduction of any bank charges or tax; or
- (iv) another deposit arrangement deemed acceptable by the Company.

### 4.4 Substitute and Replacement Performance Security

4.4.1 If the bank issuing the Service Provider's Letter of Credit ceases to have the credit rating set out in the definition of Letter of Credit, the Service Provider shall forthwith procure the issue of a substitute Letter of Credit by a bank that has such a credit rating or procure the issue of a Qualifying Guarantee or place cash in the Escrow Account.

4.4.2 If the entity providing the Service Provider's Qualifying Guarantee ceases to have an Approved Credit Rating, the Service Provider shall forthwith procure a replacement Qualifying Guarantee from an entity with such a credit rating or procure a Letter of Credit or place cash in the Escrow Account.

4.4.3 If the entity providing the Service Provider's Qualifying Guarantee is the Service Provider's parent company but that entity ceases to be the Service Provider's parent company, the Service Provider may procure a replacement Qualifying Guarantee from an entity with an Approved Credit Rating or procure a Letter of Credit or place cash in the Escrow Account.

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### 5. Billing & Payment

- 5.1 In consideration of the Service Provider making available and/or providing the Service to the Company in accordance with this Agreement, the Company shall pay the Service Provider the Service Payments as calculated in accordance with Schedule 2 and Schedule 3 provided always that the Service Provider has completed all Performance Milestones and is compliant with the Operational Requirements and the terms of this Agreement.
- 5.2 All amounts payable by the Company under this Agreement are exclusive of any applicable Value Added Tax, sales tax or other lawful taxes or levies applicable by reason of the performance of the Agreement and the Parties agree that an amount equal to any applicable Value Added Tax, sales tax or other lawful taxes or levies lawfully chargeable in respect of the performance of the Agreement shall be payable or repayable, as the case may be, in addition to, at the same time and in the same manner as the amounts to which it relates.
- 5.3 The Company may settle amounts due to the Service Provider under this Agreement net of amounts due to the Company by the Service Provider under other agreements.
- 5.4 The provisions of Schedule 3 shall apply in relation to the billing and payment of procedures for the Service Payments.

### 6. Monitoring and Metering

- 6.1 The Company may use or install Metering Equipment and Monitoring Equipment and/or require the Service Provider to install Monitoring Equipment to ensure that the Service Provider is complying with its obligations to provide the Service from the Providing Unit in accordance with the Grid Code and the Protocol where applicable and in accordance with the terms of this Agreement.
- 6.2 The relationship between the Parties with respect to Metering Equipment shall be regulated in accordance with the Metering Code.
- 6.3 Without purporting to exhaustively specify the circumstances in which no payments will be made under this Agreement, no payments will be made under this Agreement in respect of Service to be provided from a Providing Unit in relation to any period during which the Providing Unit at any Connection Site used by that Providing Unit, is prevented from providing the Service by reason of (i) a circumstance of a Force Majeure or (ii) the Providing Unit being De-energised, Decommissioned or Disconnected for any reason pursuant to the relevant Connection Agreement or Use of System Agreement (as applicable) or in accordance with the provisions set out in ~~Schedules~~ Schedule 2, Schedule 3 or Schedule 4. Where the Service Provider serves notice to Decommission or Disconnect the Providing Unit at a Connection Site under the Connection Agreement the Parties shall discuss in

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good faith the possibility of terms being offered for the continued provision following the date when Decommissioning or Disconnection would otherwise have occurred of the Service which was being provided by the Service Provider at that Connection Site immediately before service of the notice to Decommission or Disconnect and for which the Company is unable to find a reasonable alternative.

- 6.4 The Service Provider will accept the data provided by the Metering Equipment and/or Monitoring Equipment applicable to the Providing Unit and the Company's monitoring system including Meters and SCADA or State Estimators unless it has reasonable grounds for believing that such Metering Equipment or Monitoring Equipment is defective, in which case the Service Provider shall notify the Company and the Parties will make every effort to resolve the issue and reconcile the payments. Any dispute under this Clause 6.4 shall be referable to the Expert in accordance with the Dispute Resolution Procedure.

### 7. Assignment

- 7.1 The Service Provider shall not assign, novate or otherwise transfer nor purport to assign novate or otherwise transfer the benefit or burden of the whole or part of this Agreement save in the following circumstances:
- 7.1.1 the Service Provider may assign or charge its benefit under this Agreement to a Funder in whole or in part by way of security;
- 7.1.2 the Service Provider may transfer its rights and obligations under this Agreement, upon the disposal of the whole of the Service Provider's business or undertaking, to the purchaser thereof, provided that the Company has provided its prior written agreement; or
- 7.1.3 upon disposal of part of the Service Provider's business or undertaking comprising the Providing Unit at one or more Connection Sites, the Service Provider may transfer such of its rights and obligations under this Agreement as relate to the Providing Unit and the Service concerned to the purchaser thereof, provided that the Company has provided its prior written consent.
- 7.2 The Company may at any time assign, novate or otherwise transfer all of its rights and obligations under this Agreement to an Affiliate or to another person who by statute becomes legal successor to the Company or, in the event that the Company ceases to be the Transmission System Operator in Northern Ireland, to its successor transmission system operator in Northern Ireland.
- 7.3 No assignment, novation or other transfer pursuant to Clause 7.1 or 7.2 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 (so far as they apply to the assignee), has provided to the other Party a certified copy of the

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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.

### 8. Variations

8.1 This Agreement may not be varied without the prior written approval of the Regulatory Authority, provided that the approval of the Regulatory Authority shall not be required in relation to variation of the Operating Parameters set out in Schedule 8.

8.2 Either Party may at any time give written notice to the other proposing that this Agreement be varied. Subject to Regulatory Authority approval being obtained, this Agreement may be varied if made in writing and signed by authorised representatives of both Parties (but not otherwise).

8.3 If, after execution of this Agreement, there shall be enacted and brought into force legislation and/or any Directive, rule, regulation, direction, statutory instrument or order of any Competent Authority arising therefrom, or change in the Grid Code, Network Codes, Metering Code or Trading and Settlement Code providing for:

8.3.1 the further reorganisation of all or part of the electricity industry in either Northern Ireland or Ireland, or

8.3.2 the facilitation of the introduction of third party interests to the affairs of such electricity industry or any part of it, or

8.3.3 the amendment or variation of any policy of the Company or the manner in which the Transmission System and any agreements or codes related thereto are organised, or

8.3.4 the imposition of a public service obligation.

which necessitates a variation to this Agreement other than its payment terms, the Parties shall, subject always to Clause 8.1, effect such changes to this Agreement as are reasonably necessary so as to ensure that the operations contemplated by this Agreement shall be conducted in a manner which is consistent with the effect of the new legislation, Directive, rule, regulation, direction, statutory instrument or order, or change in the Grid Code, Network Codes, Metering Code or Trading and Settlement Code and most closely reflect the intentions of same with effect from the date thereof provided however that any such amendment will be of no greater extent than is required by reason of the new legislation, Directive, rule, regulation, direction, statutory instrument or order, or change in the Grid Code, Metering Code, Network Codes, or Trading and Settlement Code.

8.4 The Parties hereby agree to effect any change to the Agreement required by any direction given by the Regulatory Authority relating to a Service Agreement of this type.

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- 8.5 If any variation proposed under Clauses 8.1, 8.2 or 8.3 has not been agreed by the Parties within one (1) month of its being proposed, then either Party may refer to the Regulatory Authority for determination and the Parties agree to abide by and to effect the Regulatory Authority's determination, if necessary by entering into an agreement supplemental to this Agreement.

### 9. Events of Default and Termination

- 9.1 The Company may terminate this Agreement if, by the ~~Target Go-Live~~Service Provision Longstop Date, the Service Provider's Providing Unit has not completed its Performance Milestones, or commenced provision of Service.
- 9.2 The following events or circumstances shall be Events of Default:
- 9.2.1 the Service Provider ceasing to be a signatory to the Trading and Settlement Code to the extent that the Service Provider is a party to the Trading and Settlement Code, otherwise than due to the Trading and Settlement Code being terminated; or
- 9.2.2 the Connection Agreement being terminated in accordance with their respective terms provided always that, where this Agreement relates to the provision of the Service from more than one of the Service Provider's Providing Units the Event of Default shall be limited to the Service to be provided from the Service Provider's Providing Units for which the relevant Connection Agreement has terminated; or
- 9.2.3 the Use of System Agreement being terminated in accordance with its terms to the extent that the Providing Unit is connected to the Transmission System; or
- 9.2.4 revocation or withdrawal of the Generation Licence and/or Supply Licence (as applicable) granted to the Service Provider or any replacement thereof by a Competent Authority; or
- 9.2.5 the occurrence of any of the circumstances set out in Clause 4.1.5 (a) to (dc) inclusive of this Agreement; or
- 9.2.6 the Service Provider failing to comply with or failing to operate in conformity with any provisions of this Agreement or the Grid Code where such failure is a material breach of this Agreement (being one which materially affects the Service Provider's ability to perform its obligations under this Agreement) or the Grid Code, as the case may be, and, either:
- (i) the breach is not capable of remedy; or
  - (ii) if such failure is capable of remedy but remains unremedied for any period provided for in this Agreement or, if none is provided for in this Agreement, then forty (40) Business Days following the date on which the Service



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Provider and, where applicable, its Funder is given written notice of the breach by the Company;

or

9.2.7 any grounds for exclusion set out in Regulation 57 of the Public Contracts Regulations 2015 applying to the Service Provider; or

9.2.8 at the time of the award of the Agreement, the Service Provider was in one of the situations referred to in Regulation 57(1) or (2) of the Public Contracts Regulations 2015 and should have been excluded from the procurement procedure leading to the award of this Agreement; or

9.2.9 the Agreement has been subject to a substantial modification which requires a new procurement procedure in accordance with Regulation 88(8) of the Utilities Contracts Regulations 2016; or

9.2.10 in the event that a challenge to the award of this Agreement to the Service Provider or to any aspect of the competition leading to award of this Agreement is or has been made by any person on the grounds of non-compliance with the Utilities Contracts Regulations 2016.

9.2.11 in relation to the Service Provider only:

(a) an order of the High Court being made or an effective resolution passed for its insolvent winding up or dissolution; or

(b) if, within twenty-eight (28) days of appointment of a receiver (which expression shall, if applicable, include an examiner within the meaning of Section 1 of the Companies Amendment Act, 1990) liquidator, administrative receiver, administrator nominee or other similar officer in respect of the whole or any material part of its assets or undertaking, such person has not provided to the Company a guarantee of future performance by the Service Provider of the Agreement in such form and amount as the Company may reasonably require; or

(c) any scheme of arrangement being entered into (other than for the purpose of a solvent reconstruction or amalgamation upon terms and within such period as may previously have been approved in writing by the Company); or

(d) inability to pay its debts within the meaning of the Relevant Legislation; or

9.2.12 the Service Provider failing to pay (other than by inadvertent error in transfer of funds which is discovered by the Company, notified to the Service Provider and corrected within two (2) Business Days thereafter) any amount properly due or owing from it pursuant to this Agreement and such failure to pay continues unremedied (and is not

## VERSION POST CONSULTATION

disputed in good faith and upon reasonable grounds) at the expiry of fifteen (15) Business Days following receipt of written notice from the Company to the Service Provider and the Funder (if applicable) of such failure; or

9.2.13 the Providing Unit failing to make available the Service in a satisfactory manner such that the Performance Scalar value is 0 for three (3) consecutive months.

9.3 Once an Event of Default has occurred and remains extant, the Company may give notice of termination to the Service Provider whereupon the Agreement shall terminate with effect from the date specified in the notice. The Company shall have no liability to the Service Provider by reason of exercising such right of termination.

9.4 The Service Provider may by notice in writing to the Company terminate this Agreement:

9.4.1 forthwith upon:

(a) the Company failing to pay (other than by inadvertent error in funds transmission which is discovered by the Service Provider, notified to the Company and corrected within two (2) Business Days thereafter) any material amount properly due or owing from it pursuant to this Agreement and such failure to pay continues unremedied (and is not disputed in good faith and upon reasonable grounds) at the expiry of fifteen (15) Business Days following receipt of written notice from the Service Provider of such failure; or

(b) the revocation or withdrawal of the TSO Licence or any replacement thereof granted to the Company by a Competent Authority; or

(c) upon the date of closure of the Providing Unit where such closure takes place in accordance with the closure provisions of the Grid Code or a derogation from the notice provisions thereunder.

9.5 In the event that this Agreement is declared “ineffective” pursuant to Regulation 113(2)(a) of the Utilities Contracts Regulations 2016, neither Party shall have any liability to the other Party other than in respect of Service provided prior to the date on which such “ineffectiveness” order takes effect. Under no circumstances shall either Party be entitled to any payment or compensation for loss of profit for Service not provided consequent on such declaration of ineffectiveness or for loss of opportunity or reputation or breach of statutory duty or otherwise.

## 10. Effect of Termination

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- 10.1 The relevant provisions of this Agreement shall survive expiry or termination of this Agreement to the extent necessary to provide for final billings, adjustments and payment of any payments, charges or other monies due and owing pursuant to this Agreement.
- 10.2 Termination of this Agreement as a whole under Clause 9 shall not affect any rights or obligations of the Parties which have accrued at the time of such termination or, where applicable, the continuing obligations of the Parties under this Agreement.

### 11. Force Majeure

- 11.1 If before the Target Go-Live Date, the Providing Unit cannot make available the Service owing to Force Majeure, the Service Provider shall not be entitled to Payments for the Service during the period that the Force Majeure is continuing.
- 11.2 If during any Trading Period, the Providing Unit cannot make available the Service owing to Force Majeure, the Service Provider shall only be entitled to Service Payments for the actual Service that was provided during the Trading Period in which the Force Majeure took place.
- 11.3 As soon as reasonably practicable following the occurrence of Force Majeure:
- 11.3.1 the Party affected by the Force Majeure (the “**Notifying Party**”) shall notify the other Party of the Force Majeure, identifying the nature of the event and the duration of its effect which the Notifying Party believes to be reasonably likely;
- 11.3.2 the Notifying Party shall afford the other Party reasonable access and facilities for obtaining further information about the event including facilities for site inspection; and
- 11.3.3 the Notifying Party shall take, at its own cost, all steps reasonably required to mitigate the effects of the Force Majeure.
- 11.4 Subject to the other provisions of this Clause 11, the Notifying Party shall not 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 prevented by the relevant event of Force Majeure.
- 11.5 If a relevant event of Force Majeure has prevented the performance by the Notifying Party of its obligations under this Agreement for 12 months and ~~is continuing~~where the Company reasonably expects the relevant event of Force Majeure to continue, then the Company may terminate this Agreement on written notice to the Service Provider without any further liability other than accrued rights and obligations.

### 12. Limitation of Liability

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- 12.1 Neither Party shall be liable to the other Party for any losses, damages, claims, liabilities, costs or expenses arising from any breach of this Agreement other than for losses, damages, claims, liabilities, costs or expenses directly resulting from a breach which at the date of this Agreement was reasonably foreseeable as likely to occur in the ordinary course of events from such breach in respect of:
- 12.1.1 physical damage being occasioned to the property of the other Party, its officers, employees or agents; or
- 12.1.2 the liability of the other Party to any other person for loss in respect of physical damage caused directly to the property of such other person as a result of such breach (a claim by a third party in respect of that liability hereafter in Clause 12.5 being referred to as a “**Legal Claim**”); or
- 12.1.3 (in the case of breach by the Service Provider and where the Company terminates this Agreement under Clause 9.3) purchasing or obtaining service where reasonably and necessarily required to replace the Service which, at the date of this Agreement, the Parties agree and acknowledge is reasonably foreseeable as likely to occur in the ordinary course of events from such breaches, provided that the liability of either Party in respect of all such losses, damages, claims, liabilities, costs or expenses shall not exceed the Liability Cap.
- 12.2 Subject to Clause 12.3 and any provision of this Agreement which provides for payment obligations or an indemnity, neither Party nor any of their respective officers, directors, employees or agents shall in any circumstances whatsoever be liable to the other Party for:
- 12.2.1 loss of profit, loss of revenue, loss of use, loss of contract (other than this Agreement) or loss of goodwill (whether these are direct or indirect losses); or
- 12.2.2 indirect or consequential loss, incidental or special damages (including punitive damages); or
- 12.2.3 loss resulting from the liability of the other Party to any other person howsoever and whensoever arising, save as provided in Clause 12.1.2.
- 12.3 Nothing in this Agreement shall exclude or limit the liability of one Party (“**the Party Liable**”) for death or personal injury to an officer, employee or agent of the other Party (“**the Party Not Liable**”), resulting directly from the negligence of the Party Liable or any of its officers, employees and agents and, the Party Liable shall indemnify and keep indemnified the Party Not Liable, its officers, employees and agents from and against any losses, damages, claims, liabilities, costs or expenses which the Party Not Liable may suffer or incur by reason of any claim on account of death or personal injury resulting from the negligence of

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the Party Liable or the negligence of any of its officers, employees or agents (such claim hereafter in Clause 12.6 being referred to as an “**Injury Claim**”).

- 12.4 The rights and remedies provided by this Agreement to the Parties are exclusive and not cumulative and exclude and are in place of all substantive (but not procedural) rights or remedies expressed or implied and provided by common law or statute in respect of the subject matter of this Agreement, including without limitation any rights either Party may possess in tort which shall include without limitation actions brought in negligence and/or nuisance. Accordingly, each of the Parties hereby waives to the fullest extent possible all such rights and remedies provided by common law or statute, and releases the other Party, its officers, employees and agents to the same extent from all duties, liabilities, responsibilities or obligations provided by common law or statute in respect of the matters dealt with in this Agreement and undertakes not to enforce any of the same except as expressly provided herein.
- 12.5 In the event of any Legal Claim being made by a third party against the Party Not Liable, the Party Liable shall be promptly notified by the Party Not Liable of the Legal Claim and, the Party Liable may, at its own expense, conduct all negotiations for the settlement of the Legal Claim and any litigation that may arise from the Legal Claim. The Party Not Liable shall not, unless and until the Party Liable has failed to unconditionally agree in writing to take over the conduct of the negotiations or litigation in respect of the Legal Claim within ten (10) Business Days of receiving notice from the Party Not Liable requesting it to do so, make any admission which might be prejudicial to the Legal Claim. The conduct by the Party Liable of such negotiations or litigation shall be conditional upon the Party Liable having first given to the Party Not Liable such reasonable security as the Party Not Liable shall from time to time notify the Party Liable that it requires to cover the amount ascertained or agreed or estimated, as the case may be, of any losses, damages, claims, liabilities or costs for which the Party Not Liable may become liable in respect of the Legal Claim. The Party Not Liable shall, at the request of the Party Liable, afford all available assistance for the purpose of contesting the Legal Claim and shall be paid by the Party Liable (within ten (10) Business Days of the date of its invoice therefor) all reasonable expenses incurred in so doing.
- 12.6 In the event of any Injury Claim being made by a third party against the Party Not Liable, the Party Liable shall be promptly notified by the Party Not Liable of the Injury Claim and, the Party Liable may at its own expense, conduct all negotiations for the settlement of the Injury Claim and any litigation that may arise from the Injury Claim. The Party Not Liable shall not, unless and until the Party Liable has failed to unconditionally agree in writing to take over the conduct of the negotiations or litigation in respect of the Injury Claim within ten (10) Business Days of receiving notice from the Party Not Liable requesting it to do so, make any admission which might be prejudicial to the Injury Claim. The conduct by the Party Liable of such negotiations or litigation shall be conditional upon the Party Liable

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having first given to the Party Not Liable such reasonable security as the Party Not Liable shall from time to time notify the Party Liable that it requires to cover the amount ascertained or agreed or estimated, as the case may be of any losses, damages, claims, liabilities, costs or expenses for which the Party Not Liable may become liable in respect of the Injury Claim. The Party Not Liable shall, at the request of the Party Liable, afford all available assistance for the purpose of contesting the Injury Claim and shall be paid by the Party Liable (within ten (10) Business Days of the date of its invoice therefor) all reasonable expenses incurred in so doing.

12.7 Each of the provisions of this Clause 12 shall:

12.7.1 be construed as a separate and severable contract term, and if one or more of such provisions is held to be invalid, unlawful or otherwise unenforceable the other or others of such provisions shall remain in full force and effect and shall continue to bind the Parties; and

12.7.2 survive termination of this Agreement.

12.8 Each of the Parties agrees that the other Party holds the benefit of Clauses 12.1, 12.2 and 12.3 for itself and as trustee and agent for its officers, directors, employees and agents.

12.9 For the avoidance of doubt nothing in this Clause 12 shall prevent or restrict either Party enforcing any obligation (including suing for a debt) owed to it under or pursuant to this Agreement.

12.10 Nothing in this Clause 12 shall exclude or restrict or otherwise prejudice or affect any:

12.10.1 rights and obligations of either Party which are conferred or created by the Act, the TSO Licence or the Service Provider's Generation Licence or Supply Licence (as the case may be), or statutory regulations; or

12.10.2 rights, powers, duties and obligations of the Regulatory Authority or any other Competent Authority under the Order, any licence granted under the Order or otherwise howsoever.

12.11 Subject to Clause 12.10 and unless expressly provided otherwise in this Agreement, this Clause 12 insofar as it excludes or limits liability shall override any other provisions of this Agreement.

12.12 Each Party hereby acknowledges and agrees that the provisions of this Clause 12 are fair and reasonable having regard to the circumstances as at the date of this Agreement.

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### 13. Confidentiality

- 13.1 Each Party shall treat any and all information and data disclosed to it by the other Party in connection with this Agreement in any form whatsoever (the “**Confidential Information**”) as confidential and proprietary, shall preserve the secrecy of the Confidential Information and shall not use the Confidential Information for any purpose other than solely in connection with this Agreement.
- 13.2 For the purposes of this Clause 13, the term “Confidential Information” shall not include information which:
- 13.2.1 at the time of disclosure or at any time thereafter is in, or becomes part of, the public domain other than through a breach of the provisions of this Clause 13;
  - 13.2.2 the Party receiving the information can prove that the information was already known to it or was independently acquired or developed by it without being in breach of its obligations under this Clause 13;
  - 13.2.3 became available to the Party receiving the information from another source in a non-confidential manner otherwise than in breach of an obligation of confidentiality; or
  - 13.2.4 is published by or the publication of which is required by a Competent Authority.
- 13.3 Notwithstanding the provisions of Clause 13.1, Confidential Information may be disclosed by a Party:
- 13.3.1 to proposed and actual shareholders, owners, directors, officers, employees, agents, consultants, contractors, advisers, investors, assignees, insurers, lenders or bona fide prospective purchasers of all or substantially all of the shares of such Party or its Affiliates who need to know the Confidential Information provided that:
    - (a) the recipient agrees to keep the Confidential Information confidential on terms no less onerous than contained in this Clause 13; and
    - (b) the disclosing Party shall be responsible for ensuring that the recipient observes and complies with such obligation to keep the Confidential Information confidential and shall accordingly be responsible for any failure of the recipient to do so;
  - 13.3.2 as may be ordered or required by any applicable law or a Competent Authority;
  - 13.3.3 as may be required by the regulations of any recognised stock exchange upon which the share capital of the Party (or any parent undertaking of the Party) is or

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is proposed to be from time to time listed or dealt in, and the Party making the disclosure shall, if reasonably practicable prior to making the disclosure, and in any event as soon as reasonably practicable thereafter, supply the other Party with a copy of such disclosure or statement and details of the persons to whom the Confidential Information is to be, or has been, disclosed. Where a copy of such disclosure or statement has been supplied prior to making the disclosure, the other Party may give comments on that disclosure or statement to the Party proposing to make it. The Party proposing to make the disclosure shall, if reasonably practicable in the time available, consult with the other Party as to any such comments and consider whether the disclosure is to be amended to take into account the comments;

13.3.4 as may be permitted by or required to comply with the requirements of the Grid Code, Network Codes, Metering Code or the Trading and Settlement Code;

13.3.5 by either Party as may be necessary to comply with any obligation under any licence (or any document referred to therein) granted to it under the Order;

13.3.6 (by the Company) to the Other TSO and otherwise as may be necessary to enable the Company to operate the Transmission System and carry out its obligations in relation thereto in accordance with Good Industry Practice (including in relation to the application by any person for connection to the Transmission System), provided that:

(a) only Confidential Information which is necessary for such purpose is disclosed by the Company; and

(b) the Company notifies the recipient in advance of such disclosure that the information is confidential and should not be disclosed by the recipient to third parties;

13.3.7 as may be required by a Court, arbitrator or administrative tribunal or an expert in the course of proceedings before it to which the disclosing Party is a party; or

13.3.8 as may be agreed in writing by the Parties prior to disclosure by the Party disclosing such Confidential Information.

13.4 All information supplied by or on behalf of a Party shall remain the sole and exclusive property of such Party and this Agreement shall not operate to transfer ownership or any interest whatsoever therein, and the other Party shall, if requested by the Party disclosing the information following termination of this Agreement, promptly return to such Party all documents and any copies, extracts, notes or similar materials containing or based in whole on such information.



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- 13.5 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 this Clause 13. Those procedures shall be as follows:
- 13.5.1 the Confidential Information will be disseminated only to persons who need such information for the purpose of carrying out those functions which they are employed to carry out;
- 13.5.2 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 Party disclosing such Confidential Information;
- 13.5.3 employees, directors, Affiliates, agents, proposed assignees, bona fide prospective purchasers of all or substantially all of the shares of a Party, 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
- 13.5.4 any copies of the Confidential Information will, insofar as is reasonably practicable, whether in hard copy or computerised form, clearly identify the Confidential Information as confidential.
- 13.6 The provisions of this Clause 13 shall continue to bind a Party for five (5) years after termination of this Agreement.
- 13.7 Subject to Clause 13.3, no public announcement or statement regarding the signature, performance or termination of, or otherwise in relation to, the Agreement shall be issued or made by a Party unless the other Party shall have first been furnished with a written copy of the proposed announcement or statement and shall have approved it (such approval not to be unreasonably withheld or delayed).

### **14. Dispute Resolution**

- 14.1 If any dispute or difference arises between the Parties in connection with this Agreement, it shall, subject to any express provision to the contrary contained herein, be resolved in accordance with the provisions set out in the Dispute Resolution Procedure.

### **15. Miscellaneous**

- 15.1 Counterparts

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This Agreement may be executed in any number of counterparts and by each Party on a separate counterpart, each of which when executed and delivered shall be an original, but all the counterparts together shall constitute one and the same document.

### 15.2 Entire Agreement

This Agreement contains and expressly refers to the entire agreement between the Parties with respect to its subject matter and expressly excludes, to the extent permissible in law, any warranty, condition or other undertaking implied at law or by custom and with effect from the Effective Date supersedes all previous agreements and understandings between the Parties (other than as provided for in this Agreement) 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 this Agreement.

### 15.3 Severability

If any provision of this Agreement is or becomes invalid, unenforceable or illegal by a judgement or decision of any court of competent jurisdiction or any Competent Authority to which it is subject or by order of the relevant body of the European Union, the same shall be deemed severable and the remainder of this Agreement shall remain in full force and effect. 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 or unenforceable provision in order to give effect, so far as practicable, to the spirit of this Agreement.

### 15.4 Waivers

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.

### 15.5 Notices

Except for notices to be given pursuant to the Grid Code (as to which, for the avoidance of doubt, the provisions of the Grid Code shall apply), any notice given by one Party to the other under this Agreement shall be in writing (unless emergency conditions exist reasonably preventing such notice from being given in writing) and shall be sent or delivered to the address, and marked for the attention of the person specified in Schedule 6. Either Party may, by notice to the other, given in compliance with this

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Clause 15.5, change its address or the person in that Party to which such notices are to be sent or delivered.

All such written notices shall either be personally delivered or be sent by pre-paid registered post (airmail if overseas) or electronic transfer. Communication by electronic means shall be confirmed by forwarding a copy of same by pre-paid registered post.

Any notice so delivered, posted or transferred shall be deemed to have been given:

- 15.5.1 in the case of personal delivery, when delivered;
- 15.5.2 in the case of pre-paid registered post, on the second day following the date of posting (or, if airmailed to or from overseas, on the fifth day following the date of posting);

otherwise on the next following Business Day.

### 15.6 Compliance with the Law

The Parties agree that, in performing their respective obligations pursuant to this Agreement, the Company and the Service Provider shall be required to comply with relevant statutes, statutory instruments and the general law. Neither Party shall be liable for any failure to perform its obligations in accordance with this Agreement where to do so would put it in breach of any such statute, statutory instrument or general provision of law.

### 15.7 Survival

The cancellation, expiry or termination of this Agreement shall not affect any rights or obligations which may have accrued prior to such cancellation, expiry or termination and shall not affect any continuing obligations of either of the Parties under this Agreement including obligations that by their nature should survive such termination, cancellation or expiry or any other terms of this Agreement by which rights or obligations are expressed to continue after cancellation, expiry or termination of this Agreement.

### 15.8 Independent Contractors

The relationship between the Company and the Service Provider shall be that of two independent contracting parties. Each Party shall be solely liable for the payment of all wages, taxes and other costs related to the employment by that Party of persons to meet its obligations under this Agreement.

### 15.9 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, or partnership between the Service Provider and the Company. Neither the Service Provider nor the Company shall have any right, power or authority to enter into any

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agreement or undertaking for, or act on behalf of, or to act as or to be an agent or representative of, or to otherwise bind, the other Party.

### 15.10 No Third Party Beneficiaries

This Agreement is intended solely for the benefit of the Parties to it. Other than as specifically provided in this Agreement, nothing in this Agreement shall be construed to create any duty to, or standard of care with reference to, or any liability to, any person or entity not a party to this Agreement.

### 15.11 Language

Each notification, notice, submission, demand, consent, request or other communication given by one Party to the other under this Agreement shall be in the English language.

### 15.12 Electronic Signature

Each Party agrees that this Agreement may be signed by electronic signature (whatever form the electronic signature takes) and that this method of signature is as conclusive of each Party's intention to be bound by this Agreement as if signed by each Party's manuscript signature.

## 16. Governing Law and Jurisdiction

16.1 This Agreement shall be interpreted, construed and governed by the laws of the Jurisdiction.

16.2 Subject to the terms of the Dispute Resolution Procedure, resolution of any dispute shall, unless the Parties otherwise agree, be subject to the non-exclusive jurisdiction of the courts of the Jurisdiction.

16.3 Each Party further agrees that a lawful finding or conclusion of the Regulatory Authority under this Agreement shall be conclusive and binding upon such Party and may be enforced in the courts of any jurisdiction.

16.4 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 the Jurisdiction shall be conclusive and binding upon each Party and may be enforced in the courts of any other jurisdiction.

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**IN WITNESS WHEREOF** this Agreement has been executed on the day and year first above written.

**Signed for and on behalf of:**

**SONI Limited**

**Signed for and on behalf of:**

**[ ]**

## Schedule 1

### Definitions

“**Act**” means the Electricity Regulation Act, 1999 (as amended);

“**Active Power**” has the meaning given to it in the Grid Code;

“**Additional Grid Code Characteristics Notice**” has the meaning given to it in the Grid Code;

“**Additional Reporting Milestones**” means a development milestone of the Providing Unit as set out in Schedule 4;

“**Affiliate**” means, in relation to either Party, any holding company or subsidiary or any subsidiary of a holding company of the relevant Party, in each case within the meaning of Section 1159 of the Companies Act 2006;

“**All-Island Transmission Network**” means the Transmission System together with the “transmission system” as defined in the licence granted to the Other TSO under Article 14(1)(e) of the Electricity Regulation Act 1999;

“**Approved Credit Rating**” means an A2 or an A rating of long-term debt given by Moody's and/or Standard & Poor's, or another equivalent internationally recognised credit rating agency reasonably satisfactory to the Company;

“**Automatic Voltage Regulator**” has the meaning given to it in the Grid Code;

“**Available Volume**” means the capability of the Providing Unit to provide Synchronous Inertia and, inherently Short-Circuit Contribution, to the Power System as calculated in accordance with the provisions of Schedule 2;

“**Availability**” means, at any given time the measure of Synchronous Inertia in MVA.s a Providing Unit is capable of delivering to the Connection Point and “Available” shall be construed accordingly;

“**Availability Notice**” has the meaning given to it in the Grid Code;

“**Availability Performance Scalar**” means a multiplicative factor which adjusts the payment for the Service to reflect a Providing Unit's historical Available Volumes for the provision of Service, as set out in Schedule 2 and the Protocol;

“**Balancing Market**” means the arrangements under the Trading and Settlement Code that provide for the market-based management of System Operator actions and processes to balance continuously generation and demand and to maintain the stable and secure operation of the electricity transmission systems on the island of Ireland;

**“Business Day”** means a weekday which is not a public holiday or bank holiday in the Jurisdiction;

**“Calendar Year”** means the period of three hundred sixty-five (365) days (or three hundred sixty-six (366) days in leap years) starting from the first of January;

**“Centrally Dispatched Generation Unit”** or **“CDGU”** has the meaning given to it in the Grid Code;

**“Charging Period”** means a period of one calendar month;

**“Competent Authority”** means the Regulatory Authority or any local, national or supra-national agency, authority, department, inspectorate, minister, official, Court, tribunal or public or statutory person (whether autonomous or not) of the United Kingdom (or the government thereof) which has jurisdiction over a Party on the subject matter of the Agreement;

**“Compliance Test”** as the meaning given to it in the Protocol;

**“Condition Precedent”** in relation to a Major Contract or Finance Document, means any condition (whether or not described as such in the Major Contract or Finance Document), where such condition, taken together with all other such conditions under the applicable Major Contract or Finance Document, must be either satisfied or waived in order for the Major Contract or Finance Document to enter into full force and effect;

**“Confidential Information”** has the meaning set out in Clause 13.1;

**“Commencement of Construction Works”** has the meaning given in paragraph 3 of Schedule 4;

**“Completion of Network Connection”** has the meaning given in paragraph 8 of Schedule 4;

**“Connection”** means where the Providing Unit is connected to the Transmission System;

**“Connection Agreement”** means in relation to a Providing Unit, the agreement between the Company and the Service Provider which provides the right for that Providing Unit to be and remain connected to the Transmission System;

**“Connection Offer”** means the offer letter issued to a Service Provider for a Connection Agreement;

**“Connection Point”** means the physical point where the Providing Unit is joined to the Power System;

**“Connection Site”** has the meaning given to it in the Grid Code;

**“Contracted Maximum Available Volume”** means the level of inertia for which the Providing Unit is contracted for payment under this Agreement set out in Schedule 9, as may be adjusted in accordance with Clause 3.6.1 and capped at 2,000 MVA.s;

**“Contracted Maximum Available Volume Threshold”** means 95% of the Contracted Maximum Available Volume;

**“Declaration”** has the meaning given to it in the Grid Code;

**“Declared”** means, in relation to a Trading Period, the Time-Weighted Average value, unless specified otherwise as the lowest value, for the capability of the Providing Unit to provide the Service during that Trading Period as notified by the Service Provider in accordance with the Grid Code or as stipulated by the Company (as appropriate). The **“Declared”** value must accurately reflect the true capability of the Providing Unit to provide the Service;

**“Decommission”** means cessation of use by the Service Provider of the Providing Unit at any given Connection Site for a continuous period exceeding 12 months and **“Decommissioned”** and **“Decommissioning”** shall be construed accordingly;

**“Demand”** has the meaning given to it in the Grid Code;

**“Directive”** means any present or future legislation, statutory instrument, directive, requirement, instruction, order, direction or rule of any Competent Authority binding on either or both of the Company and the Service Provider (but only, if not having the force of law, if compliance with the Directive is in accordance with the general practice of persons to whom the Directive is addressed) and includes any modification, extension or replacement thereof then in force;

**“Disconnection”** has the meaning set out in the Grid Code and **“Disconnected”** and **“Disconnect”** shall be construed accordingly;

**“Dispatch Instruction”** has the meaning given to it in the Grid Code;

**“Dispute Resolution Procedure”** means the procedure set out in Schedule 5;

**“EDIL”** means electronic dispatch instruction logger;

**“Effective Date”** means the date of this Agreement;

**“Event of Default”** means any one of the events or circumstances as set out in Clause 9;

**“Expected Installed Capability”** means the expected ~~namplatenameplate~~ capability of the Providing Units to provide Synchronous Inertia and, inherently Short-Circuit Contribution, to the Power System in accordance with this Agreement, (as specified in Schedule 9, Part 1);



**“Expert”** means the person appointed to determine a dispute under this Agreement in accordance with the Dispute Resolution Procedure;

**“Fail”** has the meaning given to it in the Protocol;

**“Final Operational Notification”** means a notification issued by the relevant System Operator to a power-generating facility owner, demand facility owner, distribution system operator who complies with the relevant specifications and requirements, allowing them to operate respectively a power-generating module, demand facility, or distribution system by using the grid connection;

**“Finance Documents”** means any finance facility, credit agreement or similar agreement entered into by the Service Provider or an Affiliate of the Service Producer with a financier or financiers to provide financial accommodation (whether in whole or in part) in relation to or in connection with a Providing Unit;

**“First Energy to Network”** has the meaning given in paragraph 9 of Schedule 4;

**“Force Majeure”** means any event or circumstance or number of events or circumstances or combination thereof which is beyond the reasonable control of a Party and which could not have been avoided and which results in or causes the failure of a Party to perform any of its obligations under this Agreement and includes but is not limited to the following events:

- (a) acts of terrorism; or
- (b) war (whether declared or undeclared), threat of war, act of public enemy, blockade, revolution, riot, insurrection, public demonstration, civil commotion, invasion or armed conflict; or
- (c) sabotage or acts of vandalism, criminal damage or the threat of such acts; or
- (d) extreme weather or environmental conditions including lightning, earthquake, flood, wind, drought, storm, fire, landslip, accumulation of snow or ice, natural disasters and phenomena including meteorites, the occurrence of pressure waves caused by aircraft or other aerial devices travelling at supersonic speeds, impact by aircraft, volcanic eruption, explosion including nuclear explosion, radioactive or chemical contamination or ionising radiation; or
- (e) any change of legislation, governmental order, restraint or Directive without justifiable cause by any relevant governmental authority having the effect of shutting down or reducing the supply of electricity to the Providing Unit or which prohibits (by rendering unlawful) the operation of the Providing Unit and such operation cannot be made lawful by a modification to the Providing Unit or a change in operating practice; or

(f) any strike which is part of a labour dispute of a national character occurring in Ireland or which is part of a national electrical industry strike within Ireland;~~or~~

~~(g) any strike which is part of a labour dispute of a national character occurring in the country where a person contracted by Service Provider to provide equipment for the Providing Unit is located; or~~

~~(g)(h)~~ the inability at any time or from time to time of the Transmission System to be capable of lawfully or safely importing Synchronous Inertia, Short-Circuit Contribution and Reactive Power from the Providing Unit; or

~~(h)(i)~~ failure or disruption of the systems for transferring funds between banks in Ireland;

**“Funder”** means the party providing finance for the development and/or operation of the Providing Unit which has been notified in writing by the Service Provider to the Company from time to time;

**“GBP”** or **“£”** means the currency of the United Kingdom;

**“Generation Licence”** means a licence to generate electricity granted pursuant to the Order;

**“Go-Live Date”** means the date on which the Service Provider’s Providing Unit commences provision of Service in accordance with the terms of this Agreement, provided that such date may be no earlier than [1 of October 2024]<sup>4</sup>;

**“Good Industry Practice”** means the exercise of that degree of skill, diligence, prudence and foresight which would be reasonably and ordinarily expected from a skilled and experienced operator engaged in the same type of undertaking under the same or similar circumstances;

**“Grid Code”** means the code for Northern Ireland prepared by the Company pursuant to the TSO licence and approved by the Regulatory Authority, as from time to time revised, amended, supplemented or replaced with the approval of or at the instance of the Regulatory Authority;

**“Implementation Progress Report”** means a report following a pre-defined template which provides information on a Performance Milestone or Additional Reporting Milestone as listed in Schedule 4;

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<sup>4</sup> **Note to Draft:** This date is subject to date of award of the contracts.

**“Individual Unit”** means a subset of the Providing Unit capable of providing a part of the Service contracted where the Providing Unit is composed of several units behind a single Connection Point;.

**“Injury Claim”** has the meaning given to it in Clause 12.3;

**“Installed Capability”** means the actual capability of the Providing Unit to provide Synchronous Inertia and, inherently Short-Circuit Contribution, to the Power System in accordance with this Agreement (as expressed in MVA.s);

**“Interim Operational Notification”** means a notification issued by the relevant System Operator to a power-generating facility owner, demand facility owner, or distribution system operator which allows them to operate respectively a power-generating module, demand facility, or distribution system by using the grid connection for a limited period of time and to initiate compliance tests to ensure compliance with the relevant specifications and requirements;

**“Invoice”** has the meaning given to it in Schedule 3;

**“Jurisdiction”** means Northern Ireland;

**“Legal Claim”** has the meaning given to it in Clause 12.1.2;

**“Letter of Credit”** means an irrevocable standby letter of credit in such form as the Company may reasonably approve in favour of the Company, allowing for partial drawings and providing for the payment to the Company forthwith on demand, by any bank which meets the following criteria:

- (a) banks with a long-term credit rating of at least AA (Standard and Poor) or AA2 (Moody’s) or equivalent. AA minus will not suffice, or
- (b) banks with total balance sheets assets of not less than £1,000 million equivalent or whose parent bank, where such a holder is a branch or subsidiary, has total balance sheet assets of not less than £10,000 million equivalent and a rating not less than A/A2, or
- (c) subsidiaries of branches of international banks, operating in the United Kingdom, provided that the parent bank meets the criteria at (a) or has total balance sheet assets of not less than £10,000 million or equivalent and a credit rating of at least A/A2;

**“Liability Cap”** for the purposes of Clause 12.1, means £100,000 per occurrence and an overall annual cap of £1,000,000 in any period of twelve consecutive calendar months during the term of this Agreement;

**“Locational Scalar”** means a multiplicative factor which adjusts the payment for the Service to incentivise the delivery of the Service within certain Zones, as set out in Schedule 2;

**“Low Carbon Inertia Service” or “LCIS”** means the provision of Synchronous Inertia, Reactive Power Support and Short-Circuit Contribution, without exporting Active Power to the Transmission System when synchronised and operating under normal system conditions, as further described in Schedule 2;

**“Major Contract”** means, for a Providing Unit:

- a) the agreement or agreements under which the engineering, procurement and construction (EPC) contractor (if any) is appointed to construct, commission, repower or refurbish the Providing Unit; and
- b) any other agreement or agreements for a major component of the construction, repowering or refurbishing works. For these purposes, a major component is one that represents at least 20 per cent of the Total Project Spend;

**“Mechanical Completion”** has the meaning given in paragraph 7 of Schedule 4;

**“Metering Code”** means the subset of the Grid Code pertaining to meter reading, meter data processing and meter data communications;

**“Metering Equipment”** has the meaning given to it in the Metering Code;

**“Meters”** has the meaning set out in the Metering Code;

**“Milestone Deadline”** means the date for the achievement of each Performance Milestone or Additional Reporting Milestone as set out in Schedule 4, and may be adjusted in accordance with Clause 4.2;

**“Monitoring Equipment”** means equipment used to assess the performance of a Providing Unit in providing the Service and shall include but not be limited to Meters, SCADA, State Estimators and high-speed recorders and their associated data storage and data communications equipment;

**“Monthly Trip Charge”** means the charge set out at Section 3.7 of Schedule 2;

**“MVA”** means mega Volt-Ampere;

**“MVA.s”** means mega Volt-Ampere second;

**“MVA<sub>r</sub>”** means mega Volt-Ampere reactive;

**“MW”** means megawatts;

**“Network Codes”** means present and future directly effective European Union Regulations which set the minimum standard for all users of the Distribution System and Transmission System including Commission Regulation (EU) 2017/2196, Commission Regulation (EU) 2017/2195, Commission Regulation (EU) 2016/1388, Commission Regulation (EU) 2016/631, Commission Regulation (EU) 2016/1447 and Commission Regulation (EU) 2017/1485;

**“Notifying Party”** has the meaning given to it in Clause 11.3.1;

**“Operating Parameters”** means the performance and operating specifications of each Providing Unit (certain of which are referred to in the Grid Code as Technical Parameters) for which values are specified, as are more fully set out in Schedule 8 in accordance with this Agreement;

**“Operational Certificate”** in relation to the Providing Unit, means a certificate issued by the relevant System Operator under the applicable Grid Code confirming that the Providing Unit has successfully completed compliance testing under the Grid Code and includes a notification, certificate, permit or authorisation having equivalent effect that is issued by the relevant System Operator instead of an operational certificate;

**“Operational Requirements”** means the Company’s standards that the Service Provider must satisfy in providing the Service from the Providing Unit as set out in the Protocol;

**“Order”** means The Electricity (Northern Ireland) Order 1992 as may be amended;

**“Other TSO”** means EirGrid plc., a limited liability company incorporated under the laws of Ireland with registered number 338522 and having its registered office at The Oval, 160 Shelbourne Road, Dublin 4, or any of its legal successors or assigns in its role as the Transmission System Operator in Ireland;

**“Party”** means, as the context requires, the Company or the Service Provider; and the term **“Parties”** shall be construed accordingly;

**“Party Liable”** has the meaning given to it in Clause 12.3;

**“Party Not Liable”** has the meaning given to it in Clause 12.3;

**“Payment Rate”** means the rate (expressed in £/MVA.s per hour) for the calculation of payments for the Service as specified in Schedule 3;

**“Performance Assessment”** has the meaning given to it in the Protocol;

**“Performance Bond”** is the on demand bond provided in the form and as set out in Schedule 8 of this Agreement;

**“Performance Milestone”** means a development milestone of the Providing Unit as set out in Schedule 4;

**“Performance Scalar”** means a multiplicative factor which adjusts the payment for the Service to reflect a level of performance that is of value to the Power System or a reduced level performance that is of less value to the Power System, as set out in Schedule 2;

**“Planning Consent”** means in respect of the Providing Units, full planning permission required for the provision of the Service under the Agreement granted or issued without any appeals period, unacceptable conditions, judicial review or other legal proceedings pending;

**“Power System”** means the Transmission System or Distribution System;

**“Product Scalar”** means a multiplicative factor which adjusts the payment for the Service to reflect a Providing Unit with an enhanced performance that is of value to the Power System or a reduced performance that is of less value to the Power System, as set out in Schedule 2;

**“Protocol”** means the document entitled “LCIS Protocol” as published on the Company’s website ([www.soni.ltd.uk](http://www.soni.ltd.uk));

**“Providing Unit”** means the unit described in Part 1 of Schedule 9;

**“Provisional Acceptance / Completion of Performance Testing”** has the meaning given in paragraph 11 of Schedule 4;

**“Reactive Power”** means the product of voltage and current and the sine of the phase angle between them measured in units of volt-amperes reactive and standard multiples thereof;

**“Reactive Power (Lagging)”** means the production of Reactive Power by a Providing Unit;

**“Reactive Power (Leading)”** means the absorption of Reactive Power by a Providing Unit;

**“Reactive Power Support”** means Reactive Power (Leading) or Reactive Power (Lagging), operated under the control of an Automatic Voltage Regulator, following the issue of a Dispatch Instruction at any time by the Company to the Service Provider;

**“Regulatory Authority”** means the Northern Ireland Authority for Utility Regulation;

**“Related System Services”** means the provision of Synchronous Inertial Response (SIR) and/or Steady State Reactive Power (SSRP);

**“Relevant Legislation”** means Article 103 of the Insolvency (Northern Ireland) Order 1989 (and the Service Provider shall not be deemed to be unable to pay its debts if any demand for payment is being contested in good faith by the Service Provider with recourse to all appropriate measures

and procedures). For the purpose of this definition, Article 103 of the Insolvency (Northern Ireland) Order 1989 shall have effect as if for “£750” therein was substituted “£50,000” or such higher figure as the Company may from time to time notify in writing to the Service Provider;

“**SCADA**” (Supervisory Control and Data Acquisition) means the metering data collection system used by the Company for the storage, display and processing of metering data by the Company (currently comprising a communication system and computer system) or such other data collection system as the Company may reasonably specify to be used for such purpose with the prior agreement of the Regulatory Authority and after consultation;

“**Scaling Factor**” means, in relation to the Service, the scaling factor used in the calculation of payments for the Service, as described in Schedule 2, Schedule 3 and Schedule 4 of this Agreement;

“**Scheduled Outage**” has the meaning given to it in the Grid Code;

“**SCU Grid Code Modifications**” has the meaning given to it in Clause 3.1;

“**Service**” means the provision of the Low Carbon Inertia Service;

“**Service Payments**” means the payments described in Clause 5.1 and calculated in accordance with Schedule 2;

“**Service Provision Longstop Date**” means the date occurring twelve (12) months after the Target Go-Live Date;

“**Short-Circuit Contribution**” means the contribution of current by the Service Provider to the Transmission System during a fault;

“**Single Electricity Market**” has the meaning given to it in the Trading and Settlement Code (TSC) and shall include any replacement wholesale all-island electricity market for Ireland and Northern Ireland;

“**Start of Performance/ Acceptance Testing**” has the meaning given in paragraph 10 of Schedule 4;

“**Start of System Service Compliance Testing**” has the meaning given in paragraph 12 of Schedule 4;

“**State Estimator**” means a system for estimating the value of a parameter;

“**Steady State Reactive Power (SSRP)**” has the meaning given to it in the form of “DS3 System Services Agreement” as published on the Company’s website (www.soni.ltd.uk);

**“Substantial Completion”** has the meaning given in paragraph 4 of Schedule 4;

**“Substantial Financial Completion”** has the meaning given in paragraph 2 of Schedule 4;

**“Supply Licence”** means a licence to supply electricity granted under the Order to Northern Ireland Electricity plc. and transferred to NII Energy Limited on 1 November 2007 pursuant to a scheme made pursuant to the Electricity Regulations (Northern Ireland) 2007;

**“Synchronous Condenser Unit”** or **“SCU”** has the meaning given to it in Clause 3.1;

**“Synchronous Inertia”** means the instantaneous physical response of synchronous machines having directly coupled rotating mass, which acts to overcome the imbalance of supply and demand by changing the rotational speed (and the electrical frequency as well), providing kinetic energy;

**“Synchronous Inertial Response (SIR)”** has the meaning given to it in the form of “DS3 System Services Agreement” as published on the Company’s website ([www.soni.ltd.uk](http://www.soni.ltd.uk));

**“System”** has the meaning given to it in the Grid Code;

**“System Operator”** means the TSO;

**“System Services”** has the meaning given to “System Support Services” in the Grid Code;

**“System Services Agreement”** means an agreement in respect of the provision of System Services, including any System Services procured under the Delivering a Secure Sustainable Electricity System (DS3) programme;

**“System Service Compliance”** has the meaning given in paragraph 5 of Schedule 4;

**“Target Connection Date”** means the date specified in the Connection Offer (which date may be earlier or later than the Target Go-Live Date) for the connection for the Providing Unit to the Transmission System for the Providing Unit to provide the Service in accordance with this Agreement;

**“Target Go-Live Date”** means the date occurring ~~36~~42 months after the Effective Date, as may be adjusted in accordance with Clauses 4.2 and unless the context otherwise requires, means 00:00 hours on that date;

**“Technical Offer Data”** has the meaning given to it in the Trading and Settlement Code;

**“Technical Parameters”** has the meaning given to it in the Grid Code;

**“Technical Parameters Notice”** has the meaning given to it in the Grid Code;



**“Test Report”** means a report submitted to the TSO on behalf of the Providing Unit which assesses its compliance with the requirements for providing the Service;

**“Time Weighted Average”** means, in relation to a parameter (P) which has more than one value for a Trading Period, the time weighted average value of that parameter (“Parameter Value (Trading Period)”), calculated by the application of the following formula:

$$\text{Parameter Value (Trading Period)} = \sum_{Pv=1,N} \{(P_{V1} \times T_1)/TPD\}$$

Where:

$\sum_{Pv=1,N}$  is the summation for the N values of P during the Trading Period and where  $Pv=1$  denotes the first value of P during the Trading Period;

$T_1$  is the period (expressed in minutes) for which the value of P was equal to  $P_{V1}$  during the Trading Period; and

TPD is the Trading Period Duration;

**“Total Project Spend”** in respect of a Providing Unit, means the total amount of Capital Expenditure (excluding contingency) incurred, or expected in the reasonable opinion of the Service Provider to be incurred, either by the Service Provider or another person, in undertaking the relevant construction, repowering or refurbishment works and commissioning the Providing Unit so that it is in a position to provide the Service. For the purposes of this definition, Capital Expenditure shall be determined in accordance with International Accounting Standard 16;

**“Trading and Settlement Code”** or **“TSC”** means the Single Electricity Market Trading and Settlement Code or any replacement thereof which sets out the rules for trading in electricity and settling energy imbalances and the responsibilities of parties to the code;

**“Trading Period”** has the same meaning as Imbalance Settlement Period given to it in the Trading and Settlement Code (TSC);

**“Trading Period Duration”** means a period equal to the duration of ~~a Trading~~ the Imbalance Settlement Period under the Trading and Settlement Code (as at the date of this Agreement it is 0.5 hours);

**“Trading Period Payment”** means, in relation to the Service and in relation to a Trading Period, the payment to which a Service Provider is entitled for providing the Service from the Providing Unit in that Trading Period as calculated under the relevant Sections of Schedule 2;

**“Transmission System”** has the meaning given to it in the Grid Code;

**“Transmission System Operator”** or **“TSO”** has the meaning given to it in the Grid Code;

**“TSO Licence”** means the licence to operate the Transmission System granted pursuant to Article 1-(1)(b) of the Order;

**“Use of System Agreement”** means the agreement between the Company and the Service Provider which provides the right for the use of the All-Island Transmission Network;

**“Value Added Tax”** means the value added tax or any tax on the supply of goods and or services which may hereafter replace or supplement value added tax;

**“Zone”** means the applicable LCIS incentivised zone at which the Providing Units are connected to the Transmission System.

## Schedule 2

### Low Carbon Inertia Service

#### 1. Required Service

The provision of the Service is covered by this Schedule 2 and shall consist of the Low Carbon Inertia Service, being Synchronous Inertia, Reactive Power Support and Short-Circuit Contribution.

#### 2. Minimum Technical Requirements

The Service Provider must provide the Service in accordance with the relevant Operating Parameters and shall be compliant (or have received derogations from compliance) with all applicable legislation and codes which apply to the Providing Units' operation. This includes (without limitation):

- (a) the Grid Code;
- (b) the Metering Code;
- (c) the Trading and Settlement Code (insofar as applicable); and
- (d) all statutory and licence requirements.

Unless stated otherwise, all quantities used in calculations are referenced at the Connection Point and conversion factors will be used to convert values that are not so provided where necessary.

#### 3. Available Volume, Payment and Performance Assessment

The basis for payments for the Service is the Payment Rate and the MVA.s of Available Volume of the Providing Unit over a Trading Period. The payment for the Trading Period shall be adjusted by the Scaling Factor.

##### 3.1. Available Volume

The Available Volume of the Providing Unit to provide the Service is the lesser of:

- i. the Contracted Maximum Available Volume; and
- ii. the Declared Available Volume of the Providing Unit<sup>7.1</sup>

where:

- a) the Declared Available Volume of the Providing Unit, expressed in MVA.s, can be adjusted by the Company to reflect any restriction stated in the Connection Agreement that would limit the provision of the Service<sup>7.1</sup> and
- b) in the case the Providing Unit consists of several Individual Units connected to a single Connection Point, the Declared Available Volume of the Providing Unit is the summation of the Declared Available Volume of the Individual Units.

##### 3.2. Service Payments

The Service Provider will receive a payment for each MVA.s of Available Volume it provides from the Providing Unit in each Trading Period determined in accordance with the following provisions of this Section 3.2 (a “**Trading Period Payment**”). Unless stated otherwise, all parameters used in the calculation of such payments are the Time Weighted Average for a Trading Period.

The Service Payments in each Charging Period shall be the aggregate of the Trading Period Payments in ~~suchChargings~~such Charging Period.

The Trading Period Payment to the Service Provider for the Available Volume of the Providing Unit in a Trading Period is determined in accordance with the following formula:

$$\text{Trading Period Payment} = \text{Available Volume} \times \text{Payment Rate} \times \text{Scaling Factor} \times \text{Trading Period Duration}$$

Where:

- a) **Available Volume** (expressed in MVA.s) is the Available Volume of the Providing Unit in respect of the Service and is calculated in accordance with Section 3.1;
- b) **Payment Rate** is the Payment Rate (expressed in £/MVA.s per hour) applicable to the Service;
- c) **Scaling Factor** is determined in accordance with the following formula: Performance Scalar x Product Scalar x Locational Scalar; and
- d) the **Trading Period Duration** is expressed in hours.

In addition, a separate Monthly Trip Charge will apply in each Charging Period as set out in Section 3.7 of this Schedule.

### 3.3. Energy costs

For the avoidance of doubt, the Service Provider’s costs of energy shall not form part of the Services Payments.

### 3.4. Specification of Performance Scalars

The value of the Performance Scalar will be determined based on the following formula:

$$\text{Performance Scalar} = \text{Availability Performance Scalar} \times \text{Synchronisation Dispatch Performance Scalar} \times \text{Consumption Performance Scalar}$$

Where:

- a) **Availability Performance Scalar** is calculated in accordance with Section 3.4.1;
- b) **Synchronisation Dispatch Performance Scalar** is calculated in accordance with Section 3.4.2; and
- c) **Consumption Performance ~~Scalar~~ Scalar** is calculated in accordance with Section 3.4.3.

### 3.4.1. Availability Performance Scalar

The value of the Availability Performance Scalar will be determined in accordance with the Protocol.

### 3.4.2. Synchronisation Dispatch Performance Scalar

In order to assess the quality of delivery of the Service, the Providing Unit will be monitored and assessed following the issue of a Dispatch Instruction by the Company. The value of the Synchronisation Dispatch Performance Scalar will be determined in accordance with the Protocol.

### 3.4.3. Consumption Performance Scalar

In order to assess the energy consumption levels, the Providing Unit will be monitored and assessed following the Initial Compliance Test or after any additional Compliance Tests that the Company may carry out during the term of the agreement. The values of the Consumption Performance Scalar will be determined in accordance with the Protocol.

## 3.5. Specification of the Product Scalar

The value of the Product Scalar will be determined based on the following formula:

$$\text{Product Scalar} = \text{Inertia constant H Scalar} \times \text{Short Circuit (or fault) Contribution Scalar} \times \text{Reactive Power Product Scalar}$$

Where:

Product Scalar	Value <sup>5</sup>
Inertia constant H Product Scalar	[1.0] or [1.05] or [1.15] or [1.2] or [1.25]
Short Circuit (or fault) Contribution Product Scalar	[1.0] or [1.1] or [1.15]
Reactive Power Product Scalar	Dynamic calculation based on the Declared Reactive Power Capability leading and lagging, and calculated in accordance with the Protocol.

## 3.6. Specification of the Locational Scalar

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<sup>5</sup> **Note to Draft:** The values highlighted in yellow to be specified at agreement stage in line with the Product scalars specified in Annex 1-Table 6 of the SEMC Decision SEM-23-002.

The value of the Locational Scalar is determined based on the applicable Zone of the Providing Unit:

Locational Scalar	[1.0] or [1.2] <sup>6</sup>
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### 3.7. Calculation of the Monthly Trip Charge

The Monthly Trip Charge shall be determined in accordance with Section 8 of the Protocol. The Monthly Trip Charge will be charged to the Service Provider as a separate amount in accordance with Schedule 3.

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<sup>6</sup> Note to Draft: Value highlighted in yellow to be specified in line with the defined zones specified in Annex 1 of the SEMC Decision SEM-23-002.

## Schedule 3

### Billing and Payment

#### 1. Statement of Account and Invoicing

1.1 Within twenty five (25) Business Days after the end of each Charging Period, the Company shall submit to the Service Provider a statement of account (the “**Statement**”) specifying:

- (i) the volume of Service provided,
- (ii) the Service Payments due in respect of that Charging Period;
- (iii) the Monthly Trip Charge due to the Company (if applicable in accordance with Section 3.7 of Schedule 2); and
- (iv) the Shortfall Charge due to the Company (if applicable in accordance with Clause 3.6).

The Company shall use its reasonable endeavours to provide to the Service Provider such reasonable information as may be required to enable the Service Provider to verify the Service provided for that Charging Period. Such information shall be based on data from Meters and other systems the Company may use. If, following a Charging Period, the Company is unable to obtain all or part of the information necessary to prepare a Statement, in respect of that Charging Period, then the Company shall make such estimates as are necessary to prepare a Statement for the Charging Period and provide the Service Provider with the basis for such estimates.

1.2 Following confirmation by the Company of the actual Service provided and calculation of the correct payments due, then the Statement for the subsequent Charging Period will be revised up or down accordingly.

1.3 Within ten (10) Business Days after the date on which the Company submits to the Service Provider a Statement, the Service Provider shall either:

- (a) where the Service Provider agrees with the Statement’s accuracy, submit to the Company a written notice confirming the accuracy of the Statement; or
- (b) where the Service Provider disputes the Statement’s accuracy, submit to the Company a written notice setting out the alternative amount that the Service Provider, acting in good faith, believes is due in respect of the Charging Period, indicating whether it is an amount payable by the Service Provider or by the Company and specifying the grounds for claiming that such alternative amount is payable (the “**Claim**”).

- 1.4 Following submission of a written notice by the Service Provider in accordance with Section 1.3 (a) or (b), or ten (10) Business Days after the date on which the Company submits to the Service Provider a Statement, either:
- (a) the Company shall submit to the Service Provider an invoice for the same aggregate amount as is specified in the Statement if such is payable by the Service Provider to the Company; or
  - (b) the Service Provider shall submit to Company an invoice for the same aggregate amount as is specified in the Statement if such amount is payable by the Company to the Service Provider.

For the avoidance of doubt, the Service Provider or the Company (as applicable) is only permitted to issue an Invoice for the aggregate amount that is specified in the Statement. This does not prejudice the Service Provider's Claim for resettlement of disputed amounts. Any Claim under Section 1.3(b) shall be subject to the dispute resolution mechanism set out in Section 3 below.

- 1.5 The Service Provider shall be deemed to have agreed with the accuracy of the Statement if it fails to submit a Claim to the Company in accordance with Section 1.3.
- 1.6 Nothing in Sections 1.3 or 1.5 above shall prevent either Party from disputing information contained in or referred to in a Statement or an Invoice at any time where it is reasonable in all circumstances to do so, which includes in the case of fraud or manifest error. No dispute in respect of a Statement and/or Invoice shall be raised after the first anniversary of the date of such Statement or Invoice.

## 2. **Invoice Payment Date**

- 2.1 Subject to Clause 5.3, within ten (10) Business Days after the receipt by either Party (the "**Paying Party**") of an Invoice from the other Party (the "**Invoicing Party**"), the Paying Party shall pay to the Invoicing Party the sum due in respect of the Invoice by electronic transfer of funds to such bank account as may be specified in Schedule 6 or Schedule 7 or otherwise communicated in writing to the Paying Party, quoting the invoice number against which payment is made.
- 2.2 Subject to Section 3 of this Schedule, if any amount included in the Invoice remains unpaid after the time period stated in Section 2.1, then the Invoicing Party shall be entitled to charge interest on the amount unpaid, including interest on any Value Added Tax unpaid, in accordance with the Late Payments of Commercial Debts (Interest) Act 1998.

## 3. **Billing and Payment Reconciliation and Dispute Resolution Mechanism**

- 3.1 Where the Service Provider pursuant to Section 1.3 (b) disputes the Statement or the Invoice and submits a Claim to the Company:
- the Parties shall use reasonable endeavours to resolve the dispute in good faith; or



- (a) where the dispute remains unresolved forty (40) Business Days after the Company's receipt of the Claim, either Party may refer the dispute for resolution by the Expert in accordance with the Dispute Resolution Procedure; and
- (b) following resolution of the dispute, any amount agreed or determined to be payable shall be paid within ten (10) Business Days after such agreement or determination and interest shall accrue on such amounts plus Valued Added Tax (if any) from the date such amount was originally due until the date of payment in accordance with the Late Payments of Commercial Debts (Interest) Act 1998.

**4. Payment Rate**

- 4.1 The following Payment Rate will apply for the Service for the duration of the contract, subject to Section 4.2:

[£/MVA.s per hour]<sup>7</sup>

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<sup>7</sup> Note to Draft: Amount to be inserted.

## Schedule 4

### Performance Milestones

1. The Performance Milestones for the Providing Unit are detailed in the table below. The Service Provider is required to provide Implementation Progress Reports to the Company against each of these Performance Milestones as set out in Clause 4.1.4.

Performance Milestone:	Milestone Deadline:	Completion Information
Substantial Financial Completion	[ • ]	See Paragraph 2 in this Schedule
Commencement of Construction Works	[ • ]	See Paragraph 3 in this Schedule
Substantial Completion	[ • ]	See Paragraph 4 in this Schedule
System Service Compliance	[ • ]	See Paragraph 5 in this Schedule

2. **Substantial Financial Completion** is achieved when:

- a. all the Major Contracts and Finance Documents in respect of the construction, commissioning, repowering or refurbishment works for the Providing Unit are in full force and effect;
- b. every Condition Precedent under each of the documents referred to in sub-paragraph (a) has either been satisfied or waived in accordance with the terms of the relevant document;
- c. the Service Provider has, or will have, sufficient financial resources available to it or committed financing under the Finance Documents to meet the Total Project Spend;
- d. the directors of the Service Provider (or equivalent body, entity or person in the case of a Service Provider not being a company) have resolved, agreed or given approval (as the case may be) to complete (or procure the completion of) the relevant construction, commissioning, repowering or refurbishment works such that the Providing Unit will have reached Substantial Completion on or prior Target Go-Live Date (or such other date as the Company in its absolute discretion may specify); and
- e. all necessary consents, licences, authorisations and permits in respect of the construction, commissioning, repowering or refurbishment works for the Providing Unit (including any necessary planning consents, licences, authorisations and permits) have been obtained.

- 3. Commencement of Construction Works** is achieved when:
- a. an engineering, procurement and construction (EPC) contract (or any contract or suite of contracts having the same effect) is in full force and effect in respect of the Providing Unit; and;
  - b. work specific to on-site construction of the Providing Unit has commenced which, for the avoidance of doubt, does not include design work, minor civil works or works to prepare the site for construction work;
- 4. Substantial Completion** is achieved when:
- a. all the construction, repowering or refurbishment works associated with the Providing Unit are substantially complete (subject only to snag or punch list items or any other matters which do not prevent substantial completion or taking over the works taking place under the applicable Major Contracts);
  - b. an Operational Certificate or Final Operational Notification has been issued under the applicable Grid Code in respect of the Providing Unit;
  - c. the Providing Unit has met all Trading and Settlement Code and Grid Code requirements for participating in the Balancing Market, where participation in the Balancing Market is mandatory for the Providing Unit.
- 5. System Service Compliance** is achieved when:
- a. the Providing Unit has been issued a Company-approved [Test Report] which confirms the Providing Unit's ability to provide the Contracted Service under this Agreement.

### Additional Reporting Milestones

6. The Additional Reporting Milestones for the Providing Unit are detailed in the table below. The Service Provider is required to provide Implementation Progress Reports to the Company against each of these Additional Reporting Milestones as stated in Clause 4.1.4.

Additional Reporting Milestone:	Milestone Deadline:	Completion Information
Mechanical Completion	[ • ]	See Paragraph 7 in this Schedule
Completion of Network Connection	[ • ]	See Paragraph 8 in this Schedule
First Energy to Network	[ • ]	See Paragraph 9 in this Schedule
Start of Performance/ Acceptance Testing	[ • ]	See Paragraph 10 in this Schedule
Provisional Acceptance/ Completion of Performance Testing	[ • ]	See Paragraph 11 in this Schedule

7. **Mechanical Completion** is achieved when the Providing Unit's primary mechanism to provide Synchronous ~~Inertia~~Inertia is installed on-site.
8. **Completion of Network Connection** is achieved when the Providing Unit can be electrically connected to the Power System via activation of one or more switches and that all requirements for completion of network Connection under the applicable Grid Code and the applicable Connection Agreement are in place.
9. **First Energy to Network** is achieved when an Interim Operational Notification has been issued under the applicable Grid Code in respect of the Providing Unit;
10. **Start of Performance/ Acceptance Testing** is achieved when testing of the Providing Unit has commenced.
11. **Provisional Acceptance/ Completion of Performance Testing** is achieved when testing of the Providing Unit is successfully completed.
12. **Start of System Service Compliance Testing** is achieved when testing of the Providing Unit's capability for the delivery of the Service under this Agreement has commenced.

## Schedule 5

### Dispute Resolution Procedure

- 1 Either Party may notify the other Party following the occurrence or discovery of any item or event which the notifying Party acting in good faith considers to be a dispute under this Agreement.
- 2 Within fifteen (15) Business Days of the notice in section 1, either Party ("**first Party**") may, if considered appropriate and by further notice to the other Party ("**second Party**"), appoint a senior company official with expertise in the area of dispute to represent it. The second Party shall then also appoint a senior company official with expertise in the area of dispute to represent it and shall notify the first Party accordingly within a further ten (10) Business Days. The Parties shall procure that their respective representatives meet within ten (10) Business Days after the date of the second Party's notice and attempt in good faith to satisfactorily resolve the dispute.
- 3 If the dispute shall fail to be resolved pursuant to section 2 within thirty (30) Business Days of the meeting referred to then, save where expressly stated to the contrary, either Party may refer the matter to the Regulatory Authority for resolution.
4. If the dispute is of a type which a provision of this Agreement states may be referred for resolution by an Expert, the following provisions shall apply between the Parties in relation to such dispute:
  - a) The Expert shall be appointed by the Parties, or in default of agreement upon such appointment within seven (7) days of a Party notifying the other Party of its decision to refer the matter to an Expert, the Expert shall be appointed by the President for the time being of Electricity Arbitration Association.
  - b) The Parties will refer matters, differences or disputes in issue between them to the appropriate Expert as determined by the reasonable agreement of the Parties. If the Parties do not agree upon whether the dispute is a technical or financial dispute within seven (7) days of a Party notifying the other Party of its decision to refer the matter to an Expert, the Expert shall be appointed by the President for the time being of Electricity Arbitration Association.
  - c) The Expert will resolve or settle such matter or dispute in such manner as he shall in his absolute discretion see fit. The Expert shall reach his determination within thirty (30) days of the matter being referred to him. Any decision of the Expert shall be final and binding on the Parties.

- d) Unless otherwise determined by the Expert, the costs of the Expert in settling or determining such matter or dispute shall be borne equally by the Parties.
- e) The Expert shall act as an expert and not as an arbitrator and the arbitration acts shall not apply.

**Schedule 6**

**Address Details, Billing Address of SONI and Address Details of the Service Provider**

**1. SONI Limited**

**a) Registered Address**

SONI Limited

Castlereagh House,

12 Manse Road,

Belfast BT6 9RT

Northern Ireland

For the attention of

Chief Executive

**b) Billing Address**

Accounts Payable

SONI Limited

Castlereagh House,

12 Manse Road,

Belfast BT6 9RT

Northern Ireland

For the attention of

Accounts Payable

**2. [Party Name]**

[Address 1]

[Address 2]

[Address 3]

For the attention of

[Contact Person or  
Department]

[email address of Contact  
Person or Department]

## Schedule 7

### Banking Details of the Service Provider<sup>8</sup>

[Party Name]

Bank Name

Address

Account Name

Sort Code

Account Number

[To be provided by the Service Provider in advance of the first invoice payment date]

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<sup>8</sup> **Note to Draft:** To be inserted.



## Schedule 8

### Performance Bond

[To be issued on headed paper of financial institution]

To: SONI Limited

Castlereagh House,

12 Manse Road,

Belfast

BT6 9RT

Northern Ireland

Dear Sirs,

#### **On Demand Bond Issued Pursuant to the [Service Capped Agreement]**

##### **1. Background**

We understand that:

- 1.1. Under the [Low Carbon ~~Intertial~~Inertia Service Agreement] between SONI Limited (the “**Beneficiary**”) which includes its legal successors and any person whom the Beneficiary assigns or transfers all its rights and obligations under the Low Carbon ~~Intertial~~Inertia Service Agreement and [Applicant name] (the “**Applicant**”), which expression includes its legal successors and any person whom the Applicant assigns or transfers all its rights and obligations under the Low Carbon ~~Intertial~~Inertia Service ~~Agreement~~AgreementAgreement it was agreed that the Applicant would procure the issue of a Bond in favour of the Beneficiary in the form of this document.

##### **2. Bond**

Further to the Applicant’s obligations under the Low Carbon ~~Intertial~~Inertia Service Agreement and at the request of the Applicant, we [insert name and registered address of issuer of credit institution of an approved credit rating] (the “**Issuer**”) with an Approved Credit Rating, irrevocably and unconditionally promise to pay, as primary obligor, to the Beneficiary on a first written demand received from the Beneficiary the Demand Amount provided that the Beneficiary complies with the provisions of this bond instrument. For the avoidance of doubt, nothing in this bond instrument shall confer any third party any benefit or the right to enforce any terms of this bond instrument.

##### **3. Definitions**

In this Low Carbon ~~Inertia~~Inertia Service Agreement Bond (and every Demand), unless the context otherwise requires:

**“Approved Credit Rating”**

means an A2 or an A rating of long-term debt given by Moody’s and/or Standard & Poor’s, or another equivalent internationally recognised credit rating agency reasonably satisfactory to the Beneficiary.

**“Authorised Signatory”**

means an officer of the Beneficiary having authority to execute a Demand and whose name and specimen signature have been notified to the Issuer by the Beneficiary before service of the Demand.

**“Demand”**

means a written notice of demand served by the Beneficiary on the Issuer in the form set out in the Appendix to this Low Carbon ~~Inertia~~Inertia Service Agreement.

**“Demand Amount”**

means in relation to any Demand the amount specified in the Demand not exceeding in aggregate the maximum amount of the bond as set out in paragraph 5.

**“Expiry Date”**

means the earlier of the date falling twelve (12) months after the ~~Target~~ Go-Live Date or the date falling twelve (12) months after the Service Provision Longstop Date.

**“URDG Rules”**

means the contractual rules set out in the International Chamber of Commerce (ICC) Uniform Rules for Demand Guarantees, 2010 revision, ICC Publication No. 758 (URDG 758)

This Bond is subject to the URDG Rules except where otherwise stated.

4. The Issuer irrevocably and unconditionally undertakes that it will, on service of a Demand in paper form at the address specified below in Clause 9 (or such other address as agreed with the Beneficiary and the Issuer) before the Expiry Date, and within three (3) Business Days of service of the Demand pay to the Beneficiary the specified amount, unless in so doing the aggregate limit set out in paragraph 5 of this Bond would be exceeded, in which case the Issuer shall pay to the Beneficiary so much of the Demand Amount as may be paid without exceeding such limit.

5. The Beneficiary may make one or more Demands under this Bond provided that the aggregate amount of all Demands and the aggregate liability of the Issuer under this Bond shall not exceed ~~€~~ <sup>9</sup>.
6. Any payment under this Bond shall be made without set-off or counterclaim and free from any deduction or withholding in Euro in immediately available, fully transferable, cleared funds by transfer to the following account in the Beneficiary's name;

Account Name: [Details to be inserted ~~SONI~~EirGrid]

Account Number:

Bank Name:

Bank Address:

Sort Code:

Swift Code:

IBAN:

or in such other manner or to such other account at ~~a United Kingdom an Irish~~ financial institution as the Beneficiary may from time to time notify to the Issuer in writing.

Where any such deduction or withholding is required by law to be made (whether by the Applicant, Issuer or otherwise) the Issuer shall pay in the same manner and at the same time such additional amounts as will result in receipt by the Beneficiary of the amount it would have received had no such deduction or withholding been required.

7. The obligations of the Issuer under this Bond shall cease on the Expiry Date, except:
- 7.1 in respect of any Demand received by the Issuer prior to the Expiry Date in relation to which the Issuer shall be obliged (subject to the terms of this Bond) to pay to the Beneficiary the Demand Amount.
- 7.2 as provided in paragraph 13 of the Bond
- and the provisions of this paragraph 7 shall survive the expiration of this Bond accordingly.
8. The liability of the Issuer shall not in any way be affected by:
- 8.1 any time, indulgence or relief being given to or by the Beneficiary or the Applicant;

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<sup>9</sup> Note to Draft: to be specified based on £442 per MVA.s of the Providing Unit's Contracted Maximum Available Volume.

- 8.2 any amendment or extension of or supplement to the Low Carbon ~~Inertia~~Inertia Service Agreement;
  - 8.3 any invalidity in, or irregularity or unenforceability of the obligations of any person under the Low Carbon ~~Inertia~~Inertia Service Agreement;
  - 8.4 anything done or omitted which but for this provision might constitute a legal or equitable discharge or release of, or defence for, the Issuer.
9. Any notices or notifications (including any Demand and the requirement for supporting statement under Article 15(a) and (b) of the ICC Uniform Rules for Demand Guarantees, URDG Rules given under this Bond shall be in writing and shall be served by sending the same by post or leaving the same at:

If to the Issuer: [ ]

Attention: The Company Secretary

If to the Beneficiary: SONI Limited  
Castlereagh House,  
12 Manse Road,  
Belfast  
BT6 9RT  
Northern Ireland

Attention: The Company Secretary

The Beneficiary and the Issuer may change its nominated address to another address in Northern Ireland by prior written notice to the other party. Any written notices shall be effective upon the earlier of:

- 9.1 actual receipt; or
  - 9.2 two (2) days after mailing or despatch.
10. This Bond may be amended only by an instrument in writing signed on behalf of the Beneficiary or the Issuer.
11. The governing law for the purposes of this Bond shall be the laws of the United Kingdom. The Competent Courts shall be the Courts of the United Kingdom.

12. The Beneficiary, without the consent of the Issuer, may transfer and assign all its rights and obligations under the Bond and the relevant URDG Rules related to transfer and assignment by the Applicant is hereby expressly excluded to the extent that it precludes such an assignment.
13. If this Bond expires during any interruption of the business of a kind referred to in Article 26 of the URDG Rules, the Issuer shall remain liable to make payment under this Bond in respect of any Demand served not later than fifteen (15) Business Days after the Issuer has notified the Beneficiary that its business has ceased to be so interrupted. The Issuer undertakes that it shall, within two (2) Business Days of the cessation of any interruption of business referred to in Article 26 of the URDG Rules (during which this Bond expires) notify the Beneficiary of that cessation. Article 26 of the URDG Rules is hereby amended.
14. All charges and fees under this Bond shall be for the account of the Applicant.

Present when the Commons Seal of Issuer was affixed

Hereto and this deed was delivered:

----- (Director)

----- (Director/Secretary)

Or

Executed as a deed by Issuer on being signed by two

Directors or a director and secretary

----- (Director)

----- (Director/Secretary)

## Form of Demand

To: The Issuer

**The Bond Number [ ] dated [ ] (“Bond”)**

We refer to the Bond dated [ ] and issued by you in our favour. In accordance with paragraph 4 of the Bond, we hereby make demand in the sum of the GBP [£ ] and request that you pay the same immediately to the account referred to in paragraph 6.

---

For SONI Limited

Dated this [ ] of [ ] 202[ ]

[Authorised signatory]

## Schedule 9

### Providing Unit and Operating Parameters

#### Part 1 – Providing Unit

The Providing Unit shall consist of a [type of facility] facility, named [name of facility], with Expected Installed Capability of [amount of MVA.s] MVA.s and located at [facility location].<sup>10</sup>

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<sup>10</sup> **Note to Draft:** Project specific details to be inserted.

## Part 2 - Operating Parameters <sup>11</sup>

### 1. Additional Operating Parameters

Name	Description	Units	Value
Declaration Flag for MDMW (Declared Generation Available)	Flags whether the Providing Unit sends Declarations for MDMW through EDIL	N/A	
Declaration Flag for MDLD (Maximum MVAR Leading)	Flags whether the Providing Unit sends Declarations for MDLD through EDIL	N/A	
Declaration Flag for MDLG (Maximum MVAR Lagging)	Flags whether the Providing Unit sends Declarations for MDLG through EDIL	N/A	
Declaration Flag for AVR (Ability to act under AVR)	Flags whether the Providing Unit sends Declarations for AVR through EDIL	N/A	
Initial Availability Performance Scalar	Value of the Initial Availability Performance Scalar.	N/A	1
Initial Reactive Power Product Scalar	Value of the Initial Reactive Power Dispatch Performance Scalar.	N/A	1
Initial Synchronisation Dispatch Performance Scalar	Value of the Initial Synchronisation Dispatch Performance Scalar.	N/A	1
Locational Scalar	Value of the Locational Scalar.	N/A	[1 or 1.2]
Product Scalar for Inertia Constant (h)	Value of the Product Scalar for Inertia Constant (h)	N/A	
Product Scalar for Reactive Power Capability	Value of the Product Scalar for Reactive Power Capability	N/A	
Product Scalar for Short-Circuit Contribution	Value of the Product Scalar for Short-Circuit Contribution	N/A	
Providing Unit Type	Defines the Providing Unit type as one of the following categories:  3 = CDGU with sync comp	N/A	
Kinetic Energy/Installed Capability	The product of Base MVA and Inertial Constant	MVA.s	

<sup>11</sup> **Note to Draft:** Operating Parameters are based on those used for centrally dispatched generation units and might need to be amended by the time the Providing Unit will go-live to consider the most up to date arrangements regarding the Scheduling and Dispatch of the Providing Unit and associated Grid Code requirements.



Name	Description	Units	Value
Base MVA used for Kinetic Energy calculation	Sets the kinetic <del>energy</del> energy of the Providing Unit	MVA	
Inertial Constant (h)	Sets the kinetic <del>energy</del> energy of the Providing Unit	s	
Minimum MW for Synchronisation	Negative MW threshold value, for full synchronisation of the Providing Unit.	MW	
<del>Threshold</del> Threshold for MW export	The contracted value of the MW limit beyond which the Providing Unit is deemed to be providing power to the system. Used to determine if a unit is operating at 0MW within tolerances.	MW	
Contracted Maximum Dispatchable MVAR Leading	The contracted value of MVAR Leading for a Providing Unit.	MVAR	
Contracted Maximum Dispatchable MVAR Lagging	The contracted value of MVAR Lagging for a Providing Unit.	MVAR	
Contracted Maximum Available Volume of Inertia	The contracted value is the Kinetic Energy of the Providing Unit capped at 2000 MVA.s	MVA.s	
Contracted Maximum Reactive Power range	The Maximum Reactive Power range of the Providing Unit	MVAR	
Declared Energy Consumption Leading	The energy consumed at 20% of rated reactive power consumption (leading) declared at procurement stage.	MWh	
Declared Energy Consumption Lagging	The energy consumed at 20% of rated reactive power production (leading) declared at procurement stage.	MWh	
Actual Energy Consumption Leading	The actual energy consumed in MWh at 20% of rated reactive power consumption (leading) measured during performance testing.	MWh	
Actual Energy Consumption Lagging	The actual energy consumed in MWh at 20% of rated reactive power production (lagging) measured during performance testing.	MWh	

**Note:** The Operating Parameters table above is a generic list of Providing Unit Operating Parameters and may be amended on a Providing Unit basis. **Note:** The above ~~parameters~~parameters are indicative and subject to an assessment of the capability of the unit through testing.

**Note:** In the case that the Providing Unit consists of several Individual Units connected to the same Connection Point, the Operating Parameters shall be provided for each Individual Unit.

## CALCULATION VALUES TABLE

### Input

All values entered through EDIL which are required for calculations in this Agreement have the precision detailed in the table below.

<del>EDIL Parameter</del> All values entered through EDIL which are required for calculations in this Agreement have the precision detailed in the table below. <b>EDIL Parameter</b>	Acronym as displayed in EDIL GUI	Data Type	Unit of Measurement	Precision
Minimum Generation Available	MNMW	Integer	MW	0
Maximum MVAR Leading	MDLD	Float	MVAr	1
MVAR Lagging	MDLG	Float	MVAr	1
to act under AVR	AVR	Binary	None	Yes = 1 / No = 0

### 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.

Where payment data is reflected in output report, the payment data shall be displayed to two decimal places.

Where payment data is calculated by the settlement system, at both the Trading Period and monthly level, it will be calculated to floating point precision (7 digits).

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

### Calculations

All calculations within the software used by the Company for the Service shall be calculated to floating point precision (7 digits).