

RESPONSE AUCTION TRIAL – GLOSSARY OF TERMS AND RULES OF INTERPRETATION
MODIFICATION HISTORY

Version	Publication Date	Effective From	Summary of Change(s)	Affected Provision(s)
1.0	11 May 2019	13 June 2019	First Version	N/A
1.1	4 June 2019	13 June 2019	Deletion of definition of 'Applicable Clearing Price' as not used in any of the Auction Trial Documents.	Section 4A
			Amendment of reference from "Auction Clearing Price" to "Market Clearing Price".	Change to Definition of 'Market Clearing Rules' in Section 4A.
1.2	13 June 2019	20 June 2019	Amendment of definition of "Response Unit" to include reference to a "Single GSP Group".	Definition of "Response Unit".
1.3	19 June 2019	11 July 2019	Correction of error in effective date of version 1.2 to 11 July 2019	"Effective From" date on front sheet

Response Auction Trial

Glossary of Terms and Rules of Interpretation

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Part 1 – Introduction

1. This **Glossary of Terms and Rules of Interpretation** shall apply to each document published or to be published by **NGESO** which states (howsoever expressed) that it is governed by or subject to this **Glossary of Terms and Rules of Interpretation** (in this document, a “**Related Balancing Services Document**”).
2. Any capitalised term used in this **Glossary of Terms and Rules of Interpretation** shall have the meaning given to it (if any) in Parts 3 or 4 below,
3. **NGESO** may update this **Glossary of Terms and Rules of Interpretation** from time to time by publication of the changes on its website which shall take effect from such time and date as may be specified by **NGESO**, save that unless otherwise required by **Law** no such changes shall apply to any extant **Balancing Services Contract** whose term shall not have expired by such time and date.
4. When publishing changes to this **Glossary of Terms and Rules of Interpretation**, **NGESO** may also publish a consolidated version of changes made to these this **Glossary of Terms and Rules of Interpretation**, but the consolidated version will not be a formal document and may not be relied upon in any way.

Part 2 – Rules of Interpretation

1. Unless the context otherwise requires or expressly provided otherwise, all references in a **Balancing Services Document** to a particular paragraph or Schedule shall be a reference to that paragraph or Schedule in or to that **Related Balancing Services Document**.
2. A table of contents and headings inserted in this **Glossary of Terms and Rules of Interpretation** and any **Balancing Services Document** is there for convenience only and shall be ignored in construing their terms.
3. In this **Glossary of Terms and Rules of Interpretation** and the **Balancing Services Documents** all and any references to the words “include” or “including” are to be construed without limitation to the generality of the preceding words.
4. Unless the context otherwise requires, any reference in this **Glossary of Terms and Rules of Interpretation** or a **Balancing Services Document** to an Act of Parliament or any part or section or other provision of or section to an Act of Parliament shall be construed, at the particular time, as including a reference to any modification, extension or re-enactment thereof then in force and to all instruments, order or regulations then in force and made under or deriving validity from the relevant Act of Parliament.
5. All references in this **Glossary of Terms and Rules of Interpretation** and the **Balancing Services Document** to the masculine shall include the feminine and references in the singular shall include the plural and vice versa and words denoting persons shall include any individual, partnership, firm, company, corporation, joint venture, trust, association, organisation or other entity, in each case whether or not having separate legal personality.
6. Save as may otherwise be expressly provided, in the event of a conflict of inconsistency between the provisions of any two or more **Related Balancing Services Documents**, the **Related Balancing Services Documents** shall take precedence in the order of priority (if any) shown in the applicable section of Part 4 below.

Part 3 - General Terms

In each **Related Balancing Services Document**, unless the context otherwise requires, any capitalised term used therein shall have the meaning given to it (if any) in this Part 3.

“the Act”	the Electricity Act 1989;
“Active Power”	the product of voltage and the in-phase component of alternating current measured in units of Watts and standard multiples thereof i.e. 1000 Watts = 1kW 1000 kW = 1MW 1000 MW = 1GW 1000 GW = 1TW;
“Affiliate”	in relation to an entity, any person that it Controls , is Controlled by or under the Control

	of that entity, or with whom that entity is under common Control , and for these purposes " Control " means the right of one person or entity, or two or more persons and/or entities acting in concert, (the "first person") to procure that the affairs of another person are conducted in accordance with the wishes of the first person, whether by virtue of holding equities, a partnership interest, membership of an unincorporated association, under contract or otherwise;
"Agency"	The Agency for the Cooperation of Energy Regulators established by Regulation (EC) No 713/2009 of the European Parliament and of the Council of 13 July 2009;
"Anti-Bribery Laws"	any and all statutes, statutory instruments, bye-laws, orders, directives, treaties, decrees and laws (including any common law, judgment, demand, order or decision of any court, regulator or tribunal) which relate to anti-bribery and/or anti-corruption, including the Bribery Act and the US Foreign Corrupt Practices Act 1977 (as amended from time to time);
"Anti-Slavery Laws"	any and all statutes, statutory instruments, bye-laws, orders, directives, treaties, decrees and laws (including any common law, judgment, demand, order or decision of any court, regulator or tribunal) anywhere in the world which relate to anti-slavery or servitude, anti-forced or compulsory labour and/or anti-human trafficking, including the Modern Slavery Act 2015;
"Anti-Tax Evasion Laws"	the Criminal Finances Act 2017;
"Apparatus"	all equipment in which electrical conductors are used, supported or of which they may form a part;
"Automatic Logging Device"	any electronic apparatus or other device capable of relaying instructions and confirmations between NGESO and the Balancing Service Provider and/or memorising and storing any instructions and confirmations so given;
"Balancing and Settlement Code (BSC)"	has the meaning attributed to it in the Transmission Licence ;
"Balancing Services"	has the meaning attributed to it in the Transmission Licence ;
"Balancing Services Contract"	a legally binding contract entered into or otherwise formed between NGESO and a Balancing Services Provider for the provision by and payment for a Balancing Service ;
"Balancing Service Provider"	NGESO's counterparty to a Balancing Services Contract ;
"Base Rate"	in respect of any Day , the rate per annum which is equal to the base lending rate from time to time of Barclays Bank plc as at the close of business on the immediately preceding Business Day ;
"Bribery Act"	the Bribery Act 2010;
"Business Day"	a weekday other than a Saturday or Sunday on which banks are open for domestic business in the City of London;

“Capacity Market Rules”	as defined in paragraph 18 (<i>EMR</i>) of the General Terms and Conditions ;
“Competent Authority”	the Gas and Electricity Markets 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) or the member states of the European Union (acting within its authority) which have jurisdiction over NGESO or the subject matter of any Balancing Services Contract ;
“Confidential Information”	all confidential or proprietary information (however recorded or preserved) that is disclosed or made available (in any form or medium), directly or indirectly, by either NGESO and/or the Balancing Service Provider to the other for the purpose of an actual or prospective Balancing Services Contract ;
“Connection Agreement”	any agreement in respect of the connection (including the maintenance and modification of that connection) of Plant and Apparatus to a System ;
“Connection and Use of System Code (CUSC)”	the Connection and Use of System Code designated by the Secretary of State as from time to time modified;
“Day”	a calendar day;
“Defaulting Party”	the party who has defaulted on one or more of its obligations under the terms of any Balancing Services Contract as more particularly described therein;
“Demand”	the demand of MW and Mvar of electricity (i.e. both Active Power and Reactive Power), unless otherwise stated;
“Directive”	any present or future directive, request, requirement, instruction, code of practice, direction or rule of any Competent Authority and any modification, extension or replacement thereof;
“Distribution Code”	the Distribution Code(s) drawn up by Public Distribution System Operators pursuant to the terms of their respective Distribution Licence(s) as from time to time revised in accordance with those Distribution Licences ;
“Distribution Licence”	a Licence issued under section 6(1)(c) of the Act;
“EFA Block”	a four-hourly electricity forward agreement period falling in an EFA Day , save that any such period spanning across the March or October clock-change days shall be one hour shorter (on the short-clock change day) or one hour longer (on the long-clock change day) than normal;
“EFA Day”	the period commencing 23.00 hours on any Day and ending 23.00 hours on the next following Day , so that the start of one EFA Day coincides with the end of the previous EFA Day (and a Day shall be deemed to precede an EFA Day when it is the Day on which the EFA Day starts, and shall be deemed to correspond to the EFA Day when it is the Day on which the EFA Day ends);

"Electricity Supply Industry Arbitration Association"	the unincorporated members' club of that name formed inter alia to promote the efficient and economic operation of the procedure for the resolution of disputes within the electricity supply industry by means of arbitration or otherwise in accordance with its arbitration rules;
"Events of Default"	one or more events of default described as such and set out in the terms of any Balancing Services Contract ;
"Expert"	an independent expert appointed for the purposes of Expert Determination ;
"Expert Determination"	the process specified in paragraph 11 (<i>Dispute Resolution</i>) of the General Terms and Conditions ;
"Force Majeure"	in relation to either Party , any event or circumstance which is beyond the reasonable control of such Party (not being, without limitation an event or circumstance caused by the negligence or lack of care and attention of that Party or its officers or employees) but subject thereto including act of God, strike lockout or other industrial disturbance, act of the public enemy, war declared or undeclared, threat of war, terrorist act, blockade, revolution, riot, insurrection, civil commotion, public demonstration, sabotage, act of vandalism, lightning, fire, storm, flood, earthquake, accumulation of snow or ice, lack of water arising from weather or environmental problems, explosion, governmental restraint, Act of Parliament, other legislation, bye law and Directive (not being any order, regulation or direction under Section 32, 33, 34 and 35 of the Act);
"Frequency"	the number of alternating current cycles per second (expressed in Hertz) at which a System is running;
"Generating Unit"	any Apparatus which produces electricity, including for the avoidance of doubt a CCGT Unit;
"Generation"	the electrical output (in MW) of a Generating Unit ;
"Grid Code"	the Grid Code drawn up pursuant to the Transmission Licence as from time to time revised in accordance with the Transmission Licence (and references to any specific provision or part of the Grid Code shall be construed as references to such provision or part as from time to time amended);
"Insolvency Event"	in respect of a Party , the following events: (a) an order of the High Court is made or an effective resolution passed for its insolvent winding-up or dissolution; or (b) a receiver (which expression shall include (where relevant) an administrative receiver within the meaning of Section 29 of the Insolvency Act 1986) of the whole or any material part of its assets or undertaking is appointed; or (c) an administration order under Section 8 of the Insolvency Act 1986 is made or any other

	<p>steps are taken to appoint an administrator or a voluntary arrangement is proposed under Section 1 of that Act; or</p> <p>(d) it enters into any scheme of arrangement (other than for the purpose of reconstruction or amalgamation upon terms and within such period as may previously have been approved in writing by the Authority); or</p> <p>(e) it is unable to pay its debts within the meaning of Section 123 (1) or (2) of the Insolvency Act 1986 save that, in respect of NGESO, such section shall have effect as if for seven hundred and fifty pounds sterling (£750.00) there was inserted two hundred and fifty thousand pounds sterling (£250,000) (and NGESO shall not be deemed to be unable to pay its debts if any demand for payment is being contested in good faith by it with recourse to all appropriate measures and procedures), and in any such case within twenty-eight (28) Days of appointment of the liquidator, receiver, administrative receiver, administrator, nominee or other similar officer, such person has not provided to the other Party a guarantee of future performance in such form and amount as may be reasonably required;</p>
“Law”	means any Act of Parliament, regulation, Licence or Directive of a Competent Authority ;
“Licence”	any one or more as appropriate of the Licences granted pursuant to Section 6 of the Act ;
“Mode A Frequency Response”	as defined in paragraph 4.1.3.3 in Section 4 of the CUSC ;
“Modern Slavery Practice”	<p>any practice that amounts to:</p> <p>(a) slavery or servitude (each as construed in accordance with Article 4 of the Convention for the Protection of Human Rights and Fundamental Freedoms of 4 November 1950, as amended);</p> <p>(b) forced or compulsory labour (as defined by the International Labour Organisation’s Forced Labour Convention 1930 (No. 29) and Protocol); and/or</p> <p>(c) human trafficking or (d) the arrangement or facilitation of the travel of another person with a view to that person being exploited;</p>
“Monthly Statement”	as defined in paragraph 4 (<i>Payments</i>) of the General Terms and Conditions ;
“National Electricity Transmission System”	as defined in the CUSC ;
“NGESO”	National Grid Electricity System Operator Limited, a company registered in England with number 11014226 whose registered office is at 1-3 Strand, London WC2N 5EH (and shall include its successors and/or permitted assigns);
“Parties”	with respect to any Balancing Services Contract , NGESO and a Balancing Services Provider , and “Party” shall be construed accordingly;
“Party Liable”	as defined in paragraph 5 (<i>Limitations of Liability</i>) of the General Terms and Conditions ;

"Plant"	fixed and movable items used in the generation and/or supply and/or transmission and/or distribution of electricity other than Apparatus ;
"Proceedings"	as defined in paragraph 12 (<i>Governing law and jurisdiction</i>) of the General Terms and Conditions ;
"Prohibited Act"	any one or more of the following acts: (a) a failure to comply with all applicable Anti-Bribery Laws and Anti-Slavery Laws ; (b) offering, promising, giving, requesting, agreeing to receive, receiving or accepting a bribe or financial or other advantage or committing any corrupt act or any offence involving bribery, corruption, fraud or dishonesty; (c) engaging in any Modern Slavery Practice ; (d) knowingly employ or engage in any practices that constitute or may constitute an offence under Anti-Slavery Laws ; (e) doing or omitting to do any act or thing which causes or may cause NGESO to be in breach of and/or to commit an offence under any Anti-Bribery Laws or Anti-Slavery Laws ; (f) without prejudice to clause (e) above, doing or omitting to do any act or thing which causes or may NGESO to be guilty of an offence under section 7 of the Bribery Act (or would or may do so if NGESO was unable to prove that it had in place adequate procedures designed to prevent persons associated with it from undertaking such conduct); and (g) defrauding, attempting to defraud or conspiring to defraud NGESO ;
"Public Distribution System Operator"	the legal holder of a Distribution Licence ;
"Reactive Power"	the product of voltage and current and the sine of the phase angle between them measured in units of voltamperes reactive and standard multiples thereof, ie: 1000 VAR = 1 kVAR 1000 kVAR = 1 Mvar
"Related Balancing Services Document"	when used in this Glossary of Terms and Rules of Interpretation or the General Term and Conditions , the meaning attributed to it therein, as the context admits;
"Relay"	an electrical measuring relay intended to operate when its characteristic quantity (Frequency) reaches the relay setting by an increase or decrease (as the case may be) in Frequency together with the associated and supporting equipment thereto;
"Response"	an automatic fluctuation in, or increase or reduction in, Generation or Demand , delivered by Plant and Apparatus in response to a change in System Frequency in a direction and within a timescale which assists NGESO in management of System Frequency , typically delivered as either dynamic or static response;
"Settlement Period"	a period of thirty (30) minutes ending on the hour or half hour in each hour during a Day ;
"Settlement Run"	as defined in the BSC ;

“System”	the National Grid Electricity Transmission System , as defined in the CUSC ;
“Transmission Licence”	the Licence granted to NGESO under Section 6(1)(b) of the Act ;
“User System”	as defined in the Grid Code ;
“Value Added Tax” or “VAT”	Value Added Tax as defined by the Value Added Tax Act 1994 and any modification or re-enactment thereof and any new tax of a similar nature.

Part 4 – Service Specific Terms

In each **Related Balancing Services Document**, unless the context otherwise requires, any capitalised term used therein shall have the meaning given to it (if any) in the applicable section of this Part 4, and each section of this Part 4 may also set out the order of priority of **Related Balancing Services Documents**.

Section 4A – Auction Trial Response (Phase 1)

Order of priority of **Related Balancing Services Documents**

- (a) **Response Auction Rules;**
- (b) **Response Auction Service Terms;**
- (c) **Registration Documents;**
- (d) **Testing Guidelines.**

“Auction”	the forty two (42) separate auctions for LFS run in a Service Week ;
“Auction Clearing Quantity”	for each EFA Block , the sum of the quantities (MW) of all executed Sell Orders (being the aggregate Maximum Response Capacity for all such Sell Orders as reduced by any part accepted Sell Order);
“Auction Closing Time”	12:00 hours on the Auction Day or such earlier or later time as NGESO may notify from time to time;
“Auction Day”	each Thursday during the Auction Trial Period or as may otherwise be notified by NGESO ;
“Auction Opening Time”	10:00 hours on the Auction Day or such earlier or later time as NGESO may notify from time to time;
“Auction Results Time”	12:00 hours on the Day which immediately follows the Auction Day or such later time as NGESO may notify from time to time;
“Auction Trial Documents”	the following documents: <ul style="list-style-type: none"> (a) Registration Documents; (b) Response Auction Rules; (c) Response Auction Service Terms; (d) General Terms and Conditions; (e) these Glossary of Terms and Rules of Interpretation; (f) Testing Guidelines;

“ Auction Trial Period ”	the period commencing at the start of the Phase 1 Period ending twenty four (24) calendar months after its expiry (or as may otherwise be notified by NGESO);
“ Availability Payment ”	with respect to a Response Auction Contract , an amount calculated in accordance with the applicable formula in the Schedule to the Response Auction Service Terms ;
“ Buy Order ”	an Order submitted by NGESO in accordance with paragraph 6 of the Response Auction Terms comprising its requirement for the procurement of LFS in each EFA Block during the next following Service Week , validly registered as such on the NGESO Auction Platform , with each having an associated Buy Order Price Limit ;
“ Buy Order Price Limit ”	in respect of each Auction , the maximum price (in £/MW/h) associated with a Sell Order that NGESO will accept by way of a Buy Order with respect to the applicable EFA Block
“ Contracted EFA Block ”	each and every EFA Block(s) the subject of the Response Auction Contract , and “ Contracted EFA Blocks ” shall be construed accordingly;
“ Contracted Response Capacity ”	in relation to any Response Unit and Contracted EFA Block , the Maximum Response Capacity (or part thereof where partial acceptance applies);
“ Delivery Period ”	in respect of each EFA Block , a continuous thirty (30) minute period of Response delivery or such alternative period of Response delivery notified by NGESO via the Designated Auction Platform from time to time (but no later than 12:00 hours on the Day falling seven (7) Days prior to the Day on which the Auction Opening Time in respect of the applicable Auction falls);
“ Designated Auction Platform ”	the auction platform(s) from time to time designated by NGESO for use in connection with the Auction ;
“ Eligible Asset ”	an item of Plant and Apparatus which has been validated by NGESO pursuant to the Testing Guidelines as capable (either individually or in combination with one or more other Eligible Assets) of providing the Response Auction Products or any of them;
“ General Terms and Conditions ”	the prevailing document titled “Balancing Services General Terms and Conditions” published by or on behalf of NGESO from time to time;
“ LF Trigger Level ”	49.60Hz;
“ Low Frequency Static ” or “ LFS ”	a form of Response which is initiated by the tripping of a Relay following a transgression of the System Frequency below the LF Trigger Level , as more particularly described in paragraph 6.2 of the Response Auction Service Terms ;
“ Market Clearing Price ”	for each EFA Block , the price (£/MW/h) of the highest executed Sell Order (so that, in each Service Week , there shall be forty two (42)

	separate Market Clearing Prices each attributable to a single EFA Block);
“Market Clearing Rules”	the rules for matching Sell Orders and Buy Orders and determining Market Clearing Prices and the Auction Clearing Quantity for individual EFA Blocks as set out in paragraph 8 of the Response Auction Rules , to enable the formation and operation of Response Auction Contracts ;
“Maximum Response Capacity”	the maximum available quantity of LFS comprised in a Sell Order ;
“Minimum Response Capacity”	the minimum available quantity of LFS comprised in a Sell Order ;
“NGESO Auction Platform”	the auction platform hosted by NGESO ;
“Order”	a Buy Order or a Sell Order (as the context admits);
“Phase 1 Period”	that initial phase of the Auction Trial Period commencing and ending on such dates as shall be specified by NGESO ;
“Registered Auction Participant”	an entity registered with NGESO as eligible to participate in the Response Auction Trial ;
“Registered Service Provider”	an entity who has submitted Form A of the Registration Documents and to whom NGESO has confirmed is subsequently registered as such;
“Registration Documents”	the prevailing Forms A, B and/or C as applicable (including all and any accompanying declarations) published by or on behalf of NGESO from time to time relating to the registration of an entity as a Registered Service Provider and Registered Auction Participant ;
“Relevant Metering”	the BSC accredited half hourly metering registered to each Eligible Asset ;
“Response Auction Contract”	a Balancing Services Contract for the delivery of LFS from a Response Unit in one or more Contracted EFA Blocks during a Service Week formed in accordance with the Market Clearing Rules and as more particularly described in the Response Auction Service Terms ;
“Response Auction Products”	LFS and any other response product that NGESO may specify from time to time that it wishes to procure through the Auctions ;
“Response Auction Rules”	the prevailing document titled “Response Auction Trial Auction Rules” published by or on behalf of NGESO from time to time governing use and operation of the Designated Auction Platform and the formation of Response Auction Contracts ;
“Response Auction Service Terms”	the prevailing document titled “Response Auction Service Terms” published by or on behalf of NGESO from time to time containing the terms and conditions governing Response Auction Contracts ;
“Response Auction Trial”	the trial being run by NGESO for procurement of the Response ;
“Response Unit”	a collection of one or more Eligible Assets associated with a single GSP Group (as that term is defined in the Balancing and Settlement

	Code) and registered as such by a Registered Service Provider at the relevant time in accordance with the prevailing rules published by NGESO for such purpose;
"Sell Order"	in respect of a Response Unit and an EFA Block , an Order submitted by a Registered Auction Participant in accordance with paragraph 7 of the Response Auction Terms for the delivery of LFS from that Response Unit in that EFA Block upon and subject to the Response Auction Service Terms , validly registered as such on the NGESO Auction Platform ;
"Service Provider"	NGESO's counterparty to a Response Auction Contract ;
"Service Week"	the week during which Response is, or is to be, delivered, commencing every Friday at 23:00 hours and continuing up to the instant in time before 23:00 hours on the following Friday;
"Test Certificate"	as defined in the Testing Guidelines ;
"Testing Guidelines"	the prevailing document titled "Frequency Response Auction Trial Test Guidance for Low Frequency Non-Dynamic Service", published by or on behalf of NGESO from time to time governing the testing of Eligible Assets for participation in Auctions ;
"Unique Identifier Code"	the discrete and unique code generated and allocated to each Registered Service Provider ;
"Weekly Auction Report"	the report (which may comprise more than one document, published separately) published by NGESO pursuant to paragraph 9 of the Response Auction Rules .