

Schedule 2 – Exhibit 7

DATED [_____]

NATIONAL GRID ELECTRICITY SYSTEM OPERATOR LIMITED

and

[_____] (2)

THE CONNECTION AND USE OF SYSTEM CODE

VLPA

VIRTUAL LEAD PARTY AGREEMENT

Reference: [_____]

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THIS **VIRTUAL LEAD PARTY AGREEMENT** is made on the [] day of [] 20[XX]

BETWEEN

- (1) **NATIONAL GRID ELECTRICITY SYSTEM OPERATOR LIMITED** a company registered in England with company number 11014226 whose registered office is at 1-3 Strand, London, WC2N 5EH ("**The Company**", which expression shall include its successors and/or permitted assigns); and
- (2) [] a company registered in [] with number [] whose registered office is at [] (the "**User**", which expression shall include its successors and/or permitted assigns).

WHEREAS

- (A) Pursuant to the **Transmission Licence**, **The Company** is required to prepare a Connection and Use of System Code ("**CUSC**") setting out the terms of the arrangements for connection to and use of the **National Electricity Transmission System**.
- (B) The **User** has applied to **The Company** in the capacity of a **Virtual Lead Party** who intends to operate one or more **Secondary BMU Units**.
- (C) As at the date hereof, **The Company** and the **User** are parties to the **CUSC Framework Agreement** (being an agreement by which the **CUSC** is made contractually binding between the parties).
- (D) This **Virtual Lead Party Agreement ("VLPA")** is entered into pursuant to the **CUSC** and shall be read as being governed by it.

NOW IT IS HEREBY AGREED as follows:

1 DEFINITIONS, INTERPRETATION AND CONSTRUCTION

Unless the subject matter or context otherwise requires or is inconsistent therewith, terms and expressions defined in Section 11 of the **CUSC** have the same meanings, interpretations or constructions in this **VLPA**.

2 CONDITION PRECEDENTS AND COMMENCEMENT

- 2.1 This **VLPA** shall commence on the date hereof.
- 2.2 It is a condition of this **VLPA** that the **VLP Assets** operated by the **User** are associated to a **SMRS** registered **Boundary Point Metering System** as per the **Balancing and Settlements Code**.

3 OUTAGES & NETWORK MANAGEMENT

- 3.1 Subject to the provisions of the **Grid Code**, **The Company** and the **User** shall be entitled to plan and execute outages on parts of, in the case of **The Company**, the **National Electricity Transmission System** or **Transmission Plant** or **Transmission Apparatus** and in the case of the **User**, its **VLP Assets**, at any time and from time to time.

4 GRID CODE MATTERS

- 4.1 The **User** is required (as per paragraph 6.3.1 of the **CUSC**) to comply with the relevant parts of the **Grid Code** which apply in respect of the relevant **Boundary Point Metering Systems** associated with the **VLP Assets**, as amended in accordance with the following provisions of this Clause 4.
- 4.2 The provisions in BC1 and BC2 of the **Grid Code** provide that compliance is required with such provisions in respect of those **VLP Assets** in this **VLPA**.

5 COMPLIANCE WITH TECHNICAL CONDITIONS

- 5.1 **The Company** and the **User** shall operate respectively the **National Electricity Transmission System** and the **User System** with the special automatic facilities and schemes set out in Appendix F5 to this **VLPA**.
- 5.2 The **User** shall ensure that the **VLP Assets** which it operates for the purposes of this **VLPA** complies with the technical conditions set out in Appendix F5 to this **VLPA**.

5.3 **The User** shall use all reasonable endeavours to ensure that the **VLP Assets** shall continue to comply with the technical conditions set out in Appendix F5 of this **VLPA**.

6 TERM

6.1 Subject to the provisions for earlier termination set out in the **CUSC**, this **VLPA** shall continue until;

i) the **User** notifies **The Company** in writing, providing no less than 28 days notice, of its wish to terminate this **VLPA**, or;

ii) the **User** has no **VLP Assets** registered to a **Secondary BMU** and so **The Company** may give notice of termination in writing to the **User** whereupon this **VLPA** shall terminate 28 days from such notice.

6.2 Once an **Event of Default** has occurred and is continuing **The Company** may give notice of termination to the **User** whereupon this **VLPA** shall forthwith terminate.

7 VARIATIONS

7.1 Subject to 7.2 no variation to this **VLPA** shall be effective unless made in writing and signed by or on behalf of both **The Company** and the **User**.

7.2 **The Company** and the **User** shall effect any amendment required to be made to this **VLPA** by the **Authority** as a result of a change in the **CUSC**, **Grid Code** or the **Transmission Licence**, an order or direction made pursuant to the **Act** or a **Licence**, or as a result of settling any of the terms hereof. The **User** hereby authorises and instructs **The Company** to make any such amendment on its behalf and undertakes not to withdraw, qualify or revoke such authority or instruction at any time.

8 GENERAL PROVISIONS

Paragraph 6.10 and Paragraphs 6.12 to 6.26 of the **CUSC** are incorporated into this **VLPA** *mutatis mutandis*.

IN WITNESS WHEREOF the hands of the duly authorised representatives of the parties hereto
at the date first above written

SIGNED BY

.....

for and on behalf of

NATIONAL GRID ELECTRICITY SYSTEM OPERATOR LIMITED

SIGNED BY

.....

for and on behalf of

[User]

APPENDIX F5

TECHNICAL CONDITIONS
OTHER TECHNICAL REQUIREMENTS