

Local Constraint Market Service Terms

(LCM)

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Version	Effective Date	Change	Page
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Contents

1. Registration	3
2. Changes to these LCM Service Terms	3
3. LCM General Terms and Conditions and LCM Glossary of Terms and Rules of Interpretation	3
4. Warranty	3
5. Service Availability	4
6. Acceptance and Service Delivery	5
7. Service Payments	7
8. Payment Procedure	8
9. Grid Code and Distribution Code	8
10. Maintenance of Eligible Assets	8
11. Third Party Claims	8
12. Provision of Other Services	9
13. Communications	9
14. Suspension and Termination	10
15. Monitoring and Metering Data	10
16. Confidentiality and Market Reports	11
17. ABSVD	11

1. Registration

- 1.1 These **LCM Service Terms** shall apply to each **Service Provider** who has been registered on the **Platform** (“**Registered Service Provider**”), and with respect to each **Eligible Asset** registered by that **Registered Service Provider** for use in the procurement by **NGESO** of the **Local Constraint Service** in accordance with **Platform Provider Conditions** and the **Local Constraint Market Guidance Document**.
- 1.2 Each **Registered Service Provider** is referred to in these **LCM Service Terms** as a “**Service Provider**”. The **Local Constraint Service** may be delivered by the **Service Provider** as either **Generation Turn Down** or **Demand Turn Up**, in each case by reference to an **Offered Service Volume**, as notified by the **Service Provider** to **NGESO** by uploading to the **Platform** in accordance with the **Local Constraint Market Guidance Document**.
- 1.3 In order to qualify for registration as an **Eligible Asset**, **Apparatus** and **Equipment** must:
- i. be connected to a **Distribution Network** within the **Qualification Area**;
 - ii. be half-hourly metered (either alone or in aggregation with other **Eligible Assets**) by **Metering Equipment** registered in accordance with the **BSC** or with a **Metering Point** registered in accordance with the **Retail Energy Code**;
 - iii. not be registered as a **BM Unit** or otherwise active in the **Balancing Mechanism**;
 - iv. not be participating in or have contractual obligations to be available for or be contracted to provide any other balancing/flexibility or related services during **Settlement Periods** in which the **Local Constraint Service** is offered in a **LCM Declaration**;
 - v. not, as a condition of the relevant **Connection Agreement**, be required to participate in any **Active Network Management Scheme**; and
 - vi. otherwise comply with the eligibility requirements of the **Platform Provider Conditions** and those set out in the **Local Constraint Market Guidance Document**.
- 1.4 The **Platform** is operated by the **Platform Provider** and **NGESO** shall have no responsibility under these **LCM Service Terms** to any **Service Provider** for the operation or any malfunction of the **Platform**.
- 1.5 A **Service Provider** shall allow **NGESO** and its agents and contractors such access as it may from time to time reasonably require to its **Eligible Assets** and all relevant books and records to verify that the **Apparatus** and **Equipment** comprised in that **Eligible Asset** continues to meet the requirements set out or referred to in paragraph 1.3.
- 1.6 A **Service Provider** may register **Apparatus** and **Equipment** that is subject to a **Capacity Market Contract** as an **Eligible Asset** for the purposes of providing the **Local Constraint Service** but acknowledges that an updated **Relevant Balancing Services Statement** reflecting the **Local Constraint Service** is not expected to be published before 1 April 2023.

2. Changes to these LCM Service Terms

- 2.1 **NGESO** may update these **LCM Service Terms** from time to time by publication of an updated version on **NGESO**'s website, and each such updated version shall be effective from the date shown on its front cover.

3. LCM General Terms and Conditions and LCM Glossary of Terms and Rules of Interpretation

- 3.1 These **LCM Service Terms** are subject to the prevailing **LCM General Terms and Conditions** published by **NGESO** on the **NGESO** website.
- 3.2 Unless the context otherwise requires, any capitalised term used in these **LCM Service Terms** shall have the meaning given to it (if any) in the prevailing **LCM Glossary of Terms and Rules of Interpretation** published by **NGESO** on the **NGESO** website, and the rules of interpretation set out in that document shall also apply.

4. Warranty

- 4.1 The **Service Provider** warrants and undertakes to **NGESO** that none of its **Eligible Assets** will be **BM Participating** or connected to any active network management system or energy management system (including the Generation Export Management Scheme in South West Scotland) at any time during any

period of availability of **Generation Turn Down** or **Demand Turn Up** (as the case may be) notified in an **LCM Declaration**.

5. Service Availability

5.1 Each **Service Provider** shall in respect of each **Day** notify **NGESO**, by reference to a specified **Grid Supply Point**, of its load forecast for its **Eligible Assets** in respect of either **Service Window 1** or **Service Window 2**. Such notification shall be uploaded to the **Platform**:

- i. for **Service Window 1**, by not later than 17.00 on the previous **Day** and shall cover each **Settlement Period** of **Service Window 1** plus each **Settlement Period** covered by the **Baseline Output** or **Baseline Demand** (as the context requires); or
- ii. for **Service Window 2**, by not later than 10.00 on the **Day** and shall cover each **Settlement Period** of **Service Window 2** plus each **Settlement Period** covered by the **Baseline Output** or **Baseline Demand** (as the context requires).

5.2 Subject always to the provisions set out below, a **Service Provider** may offer to provide the **Local Constraint Service** to **NGESO** by reference to a specified **Grid Supply Point** by indicating to **NGESO** in the form set out or referred to in the **Local Constraint Market Guidance Document** ("**LCM Declaration**"), for its **Eligible Assets**:-

- i. by not later than 17.00 day-ahead for **Service Window 1**; and/or
- ii. by not later than 09.00 within day for **Service Window 2**,

in either case, specifying for each **Settlement Period** in the **Service Window**:

- iii. whether or not its **Eligible Assets** are available in each **Settlement Period** in a **Service Window** to provide **Generation Turn Down** or **Demand Turn Up** (as the case may be);
- iv. for each such **Settlement Period** of availability and, in the case of **Eligible Assets** with more than one **Meter Point**, aggregated in respect of all **Meter Points**, its **Offered Service Volume**; and
- v. the **Service Utilisation Fee** (in £/MW/h) applicable to the **Offered Service Volume**.

5.3 All **LCM Declarations** shall:-

- i. be notified to **NGESO** by email via the **Platform** in accordance with paragraph 13.2; and
- ii. include all associated data as required by **NGESO** in the **Local Constraint Market Guidance Document** or as required by the **Platform Provider Conditions**.

5.4 Where the **Service Provider** becomes aware that any **Eligible Asset** has or will become unable (for whatever reason) to provide the **Offered Service Volume** (either all or part) as **Generation Turn Down** or **Demand Turn Up** (as the case may be) in all or any part of any **Service Window**, then it shall promptly upload to the **Platform** (and, if uploaded during the hours 23.00 to 07.00, notify **NGESO** by email in accordance with paragraph 13.2), a revised **LCM Declaration** of the affected **Settlement Periods** and the amount of **Offered Service Volume** that will be unavailable, provided always that where the **Service Provider** becomes so aware after submission by **NGESO** of a **Service Instruction** then paragraph 6.3iv shall apply.

5.5 For the purposes of paragraphs 5.4 and 6.3iv, the circumstances where an **Eligible Asset** shall be deemed to be unable to provide the **Offered Service Volume** shall include (without limitation):-

- i. in the case of **Generation Turn Down**, where the aggregate **Output** of the **Eligible Asset** is reasonably expected to be zero due to planned or unplanned outage of **Apparatus** and **Equipment**;
- ii. in the case of **Generation Turn Down**, except where the **Offered Service Volume** comprises **Output** from an **Intermittent Renewable Power Station**, where the aggregate **Output** of the **Eligible Asset** is reasonably expected to result in an **Actual Service Volume** below the **Offered Service Volume**;

- iii. in the case of **Generation Turn Down**, where the aggregate **Output** of the **Eligible Asset** can only be partially curtailed;
- iv. in the case of **Demand Turn Up**, where the “headroom” between **Maximum Import Capability** and actual **Demand** is reasonably expected to result in an **Actual Service Volume** below the **Offered Service Volume** (subject to a +/- 10% tolerance); and
- v. in the case of **Generation Turn Down** or **Demand Turn Up**, where delivery of the **Offered Service Volume** would reasonably be expected to be impaired or otherwise prejudiced by the **Service Provider’s** performance of any agreement with a third party for flexibility or other services or by delivery by the **Service Provider** of any other **Balancing Service** which is inconsistent or otherwise in conflict with the delivery of **Generation Turn Down** or **Demand Turn Up**, as more particularly described in paragraphs 12.1 and 12.5.

5.7 Each revised **LCM Declaration** submitted pursuant to paragraph 5.4 shall:-

- i. be notified to **NGESO** by email in accordance with paragraph 13.2; and
- ii. include all associated data as required by **NGESO** in the **Local Constraint Market Guidance Document** or the **Platform Provider Conditions**.

5.8 Where **NGESO** has reasonable grounds for believing that the **Service Provider’s Eligible Assets** are unable to provide **Generation Turn Down** or **Demand Turn Up** (as the case may be) in accordance the **Offered Service Volume**, as specified in the **LCM Declaration**, then notwithstanding that the **Service Provider** shall not have resubmitted a revised **LCM Declaration** in accordance with paragraph 5.5 or notified **NGESO** in accordance with paragraph 6.3iv (as the case may be), and for the purposes of paragraph 7, the **Service Provider’s Eligible Assets** shall be deemed to be unavailable to deliver **Generation Turn Down** or **Demand Turn Up** for the entirety of the **Service Window** in question (including any part thereof prior to the commencement of unavailability).

6. Acceptance and Service Delivery

6.1 **Offered Service Volumes** will be selected in merit order but subject to the requirements of the **NETS** and the **Local Distribution Network**. In respect of any one or more consecutive **Settlement Periods** for which there is **Offered Service Volume**, **NGESO** may notify the **Service Provider** of its acceptance of the **Offered Service Volume** at the **Service Utilisation Fee**, in accordance with paragraph 6.2.

6.2 Each notification to the **Service Provider** pursuant to paragraph 6.1 (a “**Service Instruction**”) shall:-

- (i) be submitted by email in accordance with paragraph 13.2 in respect of **Service Window 1**, not later than 21.00 on the **Day** prior to that in which **Service Window 1** commences and, in respect of **Service Window 2**, not later than 13.00 on the **Day** in which **Service Period 2** commences; and
- (ii) specify the **Instructed Service Period**, which shall be a consecutive period not shorter than three (3) hours.

6.3 Following submission by **NGESO** of a **Service Instruction**, the **Service Provider** shall:

- i. upload an acknowledgement of the **Service Instruction** to the **Platform** within sixty (60) minutes of receipt by way of confirmation that it will respond accordingly;
- ii. subject always to iii, iv and v below, procure that:-
 1. in the case of **Generation Turn Down**, the instantaneous values of aggregate **Output** of the **Eligible Assets** during each **Settlement Period** in the **Instructed Service Period** do not at any time exceed the **Baseline Output** less the **Instructed Service Volume** (subject to a +/- 10% tolerance), save for reasons relating to the safety of persons or the **Service Provider’s Apparatus and Equipment**; or
 2. in the case of **Demand Turn Up**, the aggregate **Demand** of the **Eligible Assets** during each **Settlement Period** represents an aggregate **Demand** of at least the **Instructed Service Volume** plus the **Baseline Demand**, and must be maintained at not less than such increased

level (subject to a +/- 10% tolerance) throughout the **Instructed Service Period**, save for reasons relating to the safety of persons or the **Service Provider's Apparatus and Equipment**;

- iii. the **Instructed Service Period** shall include the minimum period of time (if any) that the **Service Provider's Eligible Assets** take to ramp up and ramp down, and accordingly the aggregate **Output** or **Demand** (as the case may be) during the **Instructed Service Period** required pursuant to ii above shall be expected to deviate consistently with the **Ramping Rates** (but not otherwise);
- iv. without prejudice to its obligations under paragraph 5.5, notify **NGESO** by email (in such format as **NGESO** may specify from time to time), in each case in accordance with paragraph 13.2, if it reasonably expects or becomes aware that during all or any part of any **Settlement Periods** in the **Instructed Service Period** the relevant **Eligible Assets** are or will be unable (for whatever reason) to provide the **Instructed Service Volume**, whereupon the relevant **Eligible Assets** shall be deemed to be unavailable to deliver the **Instructed Service Volume** for the entirety of the **Instructed Service Period** in question (including any part thereof prior to the time of the **Service's Provider's** notification to **NGESO**);
- v. **NGESO** may at any time during the period covered by a **Service Instruction**, instruct (a "**Cease Instruction**") the **Service Provider** to cease the provision of **Generation Turn Down** or **Demand Turn Up** by not later than the third **Settlement Period** after the **Settlement Period** in which the **Cease Instruction** was issued (the "**Effective Time**"). A **Cease Instruction** shall be notified by email or by telephone and confirmed promptly thereafter by email (in such format as **NGESO** may specify from time to time), in each case, in accordance with paragraph 13.2 or, following notice from **NGESO** that such facility is available, by uploading confirmation to the **Platform**. The **Service Provider** shall use its reasonable endeavours to comply with any **Cease Instruction** as soon as possible after receipt and in any event not later than the **Effective Time**.

6.4 Where the **Service Provider** has either:-

- i. been unable to indicate in its acknowledgement of a **Service Instruction** pursuant to paragraph 6.3i that it will be responding in accordance with that **Service Instruction**; or
- ii. given such indication but has subsequently notified **NGESO** pursuant to paragraph 6.3iv of its inability to provide the **Instructed Service Volume**,

then it shall be treated as unavailable for the entire **Instructed Service Period**.

6.5 With respect to **Ramping Rates**:-

- i. the **Service Provider** shall notify **NGESO** if at any time the **Ramping Rates** submitted at the time of **Registration** no longer reflect the true operating characteristics of the relevant **Eligible Asset(s)** and shall provide updated values, reflecting its best estimate of the time taken (using all reasonable endeavours to minimise the same) to initiate the change in level of **Output** or **Demand** in response to a **Service Instruction**;
- ii. where the **Instructed Service Volume** will be provided from two or more **Eligible Assets**, **Ramping Rates** for each **Eligible Asset** shall (unless otherwise indicated by **Service Provider** in accordance with the **Local Constraint Market Guidance Document**) be assumed to be cumulative and applied consecutively in the order indicated by the **Service Provider** in accordance with the **Local Constraint Market Guidance Document** in order to derive the **Ramping Rates** for the relevant **Eligible Assets**; and
- iii. it is **NGESO's** expectation that, with respect to any **Service Instruction**, the **Service Provider** will not initiate the change in level of **Output** or **Demand** until the start of the **Instructed Service Period**.

7. Service Payments

7.1 Subject to paragraphs 7.2 and 7.4 and to the **Service Provider** complying in full with its obligations in respect of **Generation Turn Down** or **Demand Turn Up**, **NGESO** shall pay to the **Service Provider** for each **Instructed Service Period** in the calendar month a **Service Payment**, calculated as follows:-

$$SP = \sum_j^{ISP} [\{\text{Min}(AV_{CUj}, IV_{CUj})\} * TF_{CUj}] * F1$$

Where

SP is the **Service Payment** (expressed in £) for the **Instructed Service Period**;

\sum_j^{ISP} is the summation over each **Settlement Period j** in the **Instructed Service Period**;

AV_{CUj} is the **Actual Service Volume** (expressed in MWh) provided by the relevant **Eligible Assets** in response to the **Service Instruction**;

IV_{CUj} is the **Instructed Service Volume** (expressed in MWh) for **Settlement Period j**;

TF_{CUj} is the **Service Utilisation Fee** (expressed in £/MWh) for the **Offered Service Volume** for **Settlement Period j**;

F1 is 0 where the relevant **Eligible Assets** are treated as unavailable in accordance with these **LCM Service Terms** for **Generation Turn Down** or **Demand Turn Up** in any **Settlement Period**, otherwise 1.

7.2 Subject always to paragraph 7.3, the **Service Provider** shall not be entitled to a **Service Payment** for any **Instructed Service Period** pursuant to paragraph 7.1 where, in respect of any one or more **Settlement Periods** in that **Instructed Service Period**, the aggregate **Output** or **Demand** (as the case may be) of the relevant **Eligible Assets** at any time is inconsistent with the level required by paragraphs 6.3ii and 6.3iii above.

7.3 Where, in response to a **Service Instruction**:

- i. the initial required level of **Output** or **Demand** is reached during the **Instructed Service Period** but:-
 1. sooner than implied by the **Ramping Rates**, then that shall be a permitted deviation from the required level of **Output** or **Demand** for the purposes of paragraphs 6.3iii and 7.2; or
 2. later than implied by the **Ramping Rates** (as may be extended in accordance with paragraph 6.5), then the **Service Provider** shall be entitled to a **Service Payment** but **NGESO** may (at its sole discretion) withhold fifty percent (50%) of that portion of the **Service Payment** attributable to the **Settlement Periods** from and including the start of the **Instructed Service Period** to and including that in which the required level of **Output** or **Demand** is reached.
- ii. the required level of **Output** or **Demand** is reached at the end of the **Instructed Service Period** but ramping commenced:-
 1. later than implied by the **Ramping Rates**, then that shall be a permitted deviation from the required level of **Output** or **Demand** for the purposes of paragraphs 6.3iii and 7.2; or
 2. sooner than implied by the **Ramping Rates** (as may be extended in accordance with paragraph 6.5), then the **Service Provider** shall be entitled to a **Service Payment** but **NGESO** may (at its sole discretion) withhold fifty percent (50%) of that portion of the **Service Payment** attributable to the **Settlement Periods** from and including that in which ramping commenced to and including the expiry of the **Instructed Service Period**.

7.4 No **Service Payment** shall be made by **NGESO** to the **Service Provider** pursuant to this paragraph 7 in respect of any **Instructed Service Period** to which paragraph 5.7 or 6.3iv applies.

8. Payment Procedure

- 8.1 For each calendar month in respect of which one or more **Service Instructions** have been given to the **Service Provider**, **NGESO** shall send to the **Service Provider** a **Monthly Statement** setting out its calculation of:-
- i. the **Service Payment** payable to the **Service Provider** pursuant to paragraph 7 in respect of each such **Service Instruction**; and
 - iii. the resulting amounts due to (or from, as the case may be) the **Service Provider**,
- and in respect thereof the provisions of paragraph 4 (*Payments*) of the **LCM General Terms and Conditions** shall apply.
- 8.2 Where necessary, **NGESO** shall re-issue a **Monthly Statement** to reflect any correction required in respect of the relevant month.

9. Grid Code and Distribution Code

- 9.1 The provision by the **Service Provider** of the **Local Constraint Service** in accordance with these **LCM Service Terms** shall not relieve it of any of its obligations or affect such obligations (where applicable) set out in the **Distribution Code** of its host **Public Distribution System Operator**.
- 9.2 Without limiting paragraph 9.1, each **Service Provider** that is or becomes a **DRSC Liable User** shall, for the duration of each **Instructed Service Period**, comply in all respects with the **Demand Response Services Code** as it refers to **Demand Response Active Power Control**.

10. Maintenance of Eligible Assets

The **Service Provider** shall maintain each **Eligible Asset** to such a standard that the **Service Provider** can meet its obligations to provide **Generation Turn Down** or **Demand Turn Up** in accordance with these **LCM Service Terms**.

11. Third Party Claims

- 11.1 The **Service Provider** undertakes to **NGESO** that the availability and delivery of **Instructed Service Volumes** from any **Eligible Asset** pursuant to and in accordance with these **LCM Service Terms** will not at any time during any **Instructed Service Period** cause the **Service Provider** to be in breach of or to otherwise be non-compliant with any **Connection Agreement** and/or any agreement for the supply of electricity or related services to or from the **Eligible Asset** or any **Apparatus** and/or **Equipment** associated with it.
- 11.2 Notwithstanding paragraph 11.1, in the event that the **Service Provider** provides **Generation Turn Down** or **Demand Turn Up** in accordance with these **LCM Service Terms** in consequence of which **NGESO** suffers or incurs any loss in respect of a claim brought by any third party related to any actual or alleged breach or non-compliance by the **Service Provider** as described in paragraph 11.1, then the **Service Provider** shall indemnify **NGESO** against all and any losses, liabilities, claims, expenses and demands suffered or incurred by **NGESO** in connection therewith. Such indemnity shall include any legal costs and expenses reasonably incurred in the contesting of such claims including the court costs and reasonable attorney's fees and other professional advisors' fees. The **Parties** agree and accept that, for the purposes of paragraph 5 (*Limitations on Liability*) of the **LCM General Terms and Conditions**, all such legal costs and expenses expressed to be the subject of such indemnity shall be treated as direct losses.
- 11.3 In the event of any such claim referred to in paragraph 11.2 being made against **NGESO**, **NGESO** shall as soon as reasonably practicable give notice of the claim together with all relevant supporting documentation to the **Service Provider**. The **Service Provider** shall be entitled, upon written notice to **NGESO** and subject to **NGESO** receiving from the **Service Provider** such reasonable undertakings as **NGESO** shall reasonably require to protect **NGESO** against damage to its name and reputation, to assume at its own expense the sole conduct of all proceedings relating to such claim including the right to contest such claim in the name of **NGESO**. **NGESO** shall supply the **Service Provider** with all information, assistance and particulars reasonably required by the **Service Provider** in connection therewith. **NGESO** shall not accept, settle, pay or compromise any such claim without the prior written approval of the **Service Provider** (not to be unreasonably withheld or delayed). The **Service Provider** shall reimburse to **NGESO** all of its reasonable

expenses incurred in connection with the provision of any such information, assistance or particulars in the contesting of any such claim.

12. Provision of Other Services

- 12.1 The **Service Provider** undertakes to **NGESO** that the availability and delivery of **Generation Turn Down** or **Demand Turn Up** from any **Eligible Asset** pursuant to and in accordance with **LCM Service Terms** will not at any time during any **Instructed Service Period** be impaired or otherwise prejudiced by the **Service Provider's** performance of any agreement with a third party (including another **Service Provider**) relating to that **Eligible Asset** or any associated **Apparatus** and/or **Equipment**, including the making available and/or delivery of services to that third party by the **Service Provider** (whether by way of increases or reductions in **Generation** or **Demand** or stipulated running profiles, participation in any other services (including where part of a trial service) or otherwise, and whether to assist in the management, operation or protection of a **User System**.
- 12.2 Notwithstanding paragraph 12.1, and without prejudice to paragraph 12.6, in the event that the **Service Provider** is unable to provide **Instructed Service Volumes** (to any extent) in all or any part of any **Instructed Service Period** for any reason described in paragraph 12.1, then the **Service Provider** shall give a full explanation to **NGESO** when notifying its inability to provide **Instructed Service Volumes** pursuant to paragraph 6.3iv, and **NGESO** may in its absolute discretion (except where paragraph 12.5 applies) suspend the registration of the **Service Provider** pursuant to paragraph 14.1 and/or suspend the registration of the relevant **Eligible Assets** pursuant to paragraph 14.2.
- 12.3 Subject always to paragraph 12.4, and irrespective of whether or not **NGESO** elects to suspend the registration of the **Service Provider**, the **Service Provider** hereby agrees to reimburse to **NGESO** all and any additional costs and expenses incurred by it as a result of such inability including **NGESO's** additional costs of alternative or replacement service provision.
- 12.4 The amount or amounts for which the **Service Provider** may be liable to reimburse **NGESO** pursuant to paragraph 12.3 in respect of any single **Service Instruction** shall not exceed in aggregate the lesser of (1) two hundred and fifty thousand pounds sterling (£250,000), and (2) an amount equal to the aggregate **Service Payments** in respect of the relevant **Eligible Assets** calculated by reference to all **Instructed Service Periods** in respect of the relevant **Day** (ignoring any periods of unavailability and whether or not declared by the **Service Provider**).
- 12.5 Where, during any one or more **Settlement Periods** in an **Instructed Service Period**, a **Service Provider** is required under the terms of any agreement with **NGESO** to provide from any **Eligible Asset** any other **Balancing Service** (except with respect to **Reactive Power**) the **Parties** agree and acknowledge that **Generation Turn Down** or **Demand Turn Up** cannot be provided simultaneously with such other **Balancing Service** and to the extent that such service provision either overlaps to any extent with an **Instructed Service Period** and/or is otherwise inconsistent or in conflict with the delivery of **Generation Turn Down** or **Demand Turn Up**, then the relevant **Eligible Assets** shall be deemed unavailable for the purposes of paragraph 7.
- 12.6 Where, during any one or more **Settlement Periods** in an **Instructed Service Period**, a **Service Provider** is making available and/or delivering services to a third party in breach of paragraph 12.1, then the relevant **Eligible Assets** shall be deemed unavailable for the purposes of paragraph 7.

13. Communications

- 13.1 Any communications required by these **LCM Service Terms** to be given in writing shall, unless required to be uploaded to the **Platform**, be made and deemed to have been received in accordance with paragraph 10 (**Notices**) of the **LCM General Terms and Conditions** save as may be otherwise agreed by the **Parties**.
- 13.2 All **LCM Declarations**, **Service Instructions** and other notifications from one **Party** to the other required by these **LCM Service Terms** to be made by email or telephone shall be submitted by the relevant **Party** to the other using the email addresses and telephone numbers which, for the **Service Provider**, shall be uploaded to the **Platform** and notified to **NGESO** in accordance with the **Local Constraint Market Guidance Document**, and for **NGESO** shall be as shown below (each as may be updated from time to time by notice in writing pursuant to paragraph 13.1):-

LCM Declarations: support@piclo.energy;

Acknowledgements of **Service Instructions:** to be uploaded to the **Platform**

Notification of unavailability (paragraphs 5.4 and 6.3iv): to be notified to the **Platform Provider** by email: support@piclo.energy

Notification of unavailability out of hours between 23:00 – 07:00 (paragraphs 5.4 and 6.3iv): to be notified to **NGESO**: CTR1.CCTA@nationalgrideso.com

Other operational: commercial.operation@nationalgrideso.com

13.3 The **Parties** consent to the recording of all telephone conversations between them relating in whole or in part to these **LCM Service Terms**, and each **Party** agrees to notify its employees of that consent and obtain their consent to that recording if required by **Law**.

13.4 All emails sent pursuant to these **LCM Service Terms** shall be deemed to be received one (1) hour after the time of transmission (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered.

14. Suspension and Termination

14.1 **NGESO** may, subject to the consent of the **Platform Provider**, suspend the registration of a **Service Provider** with immediate effect by notice in writing to the **Service Provider** in the following circumstances:-

- i. where the **Service Provider** is in breach of a warranty or declaration given when registering on the **Platform**; or
- ii. where **NGESO** (acting reasonably) determines that one or more **Eligible Assets** is not ready for commercial operation and/or delivery of **Generation Turn Down** or **Demand Turn Up** (and until such time as its capability to deliver **Generation Turn Down** or **Demand Turn Up** is demonstrated to **NGESO**'s reasonable satisfaction which may be by testing); or
- iii. where otherwise so provided in these **LCM Service Terms**.

14.2 Without prejudice to paragraph 14.1, where **NGESO** (acting reasonably) determines that the one or more **Eligible Assets** is not ready for commercial operation and/or delivery of **Generation Turn Down** or **Demand Turn Up**, then it may in its absolute discretion suspend the registration of the **Eligible Asset** with immediate effect until such time as its capability to deliver **Generation Turn Down** or **Demand Turn Up** is demonstrated to **NGESO**'s reasonable satisfaction which may be by testing.

14.3 The procurement by **NGESO** of **Generation Turn Down** or **Demand Turn Up** pursuant to these **LCM Service Terms** shall end with effect from such date as **NGESO** may notify to all **Service Providers** such that no **LCM Declarations** shall be capable of being submitted by **Service Providers** to **NGESO** with respect to any **Days** after that date.

14.4 For the avoidance of doubt, the operation of paragraph 14.3 and the ending of procurement by **NGESO** of **Generation Turn Down** or **Demand Turn Up** from the applicable date referred to shall be without prejudice to the rights and obligations of **NGESO** and **Service Providers** under these **LCM Service Terms** accrued as at such date including **Service Payments** falling due with respect to delivery of **Generation Turn Down** or **Demand Turn Up** in **Instructed Service Periods** prior to such date.

15. Monitoring and Metering Data

15.1 To enable **NGESO** to monitor the availability and delivery of **Generation Turn Down** or **Demand Turn Up** pursuant to these **LCM Service Terms**, the **Service Provider** shall procure and retain for a period of twelve (24) months the following data ("**Relevant Data**") for each **Eligible Asset** or group of **Eligible Assets**:-

- i. half hourly metered **Output** for each **Settlement Period** in an **Instructed Service Period**, derived from **Relevant Metering**;
- ii. half hourly metered **Output** for each of the 24 consecutive **Settlement Periods** falling immediately before and each of the 24 consecutive **Settlement Periods** falling immediately after the **Instructed Service Period**, derived from **Relevant Metering**; and

- iii. such other data as may be specified by **NGESO** in the **Local Constraint Market Guidance Document** or as may otherwise be required under the **Platform Provider Conditions**.

15.2 The **Service Provider** shall upload to the **Platform** all **Relevant Data**, in the case of paragraphs 15.1i and 15.1ii in respect of each **Eligible Asset** or group of **Eligible Assets** utilised by the **Service Provider** in responding to a **Service Instruction** by no later than the end of the fifth (5th) **Business Day** after expiry of that **Instructed Service Period**, and in all other cases within five (5) **Business Days** of **NGESO's** written (which shall include email) request, in each case in such format as **NGESO** may specify from time to time.

16. Confidentiality and Market Reports

16.1 Subject always to paragraphs 16.2 and 16.3, the provisions of paragraph 8 (*Confidentiality and Announcements*) of the **LCM General Terms and Conditions** shall apply to all and any information provided by **NGESO** or any **Service Provider** to the other (whether orally or in writing) pursuant to or in connection with these **LCM Service Terms**.

16.2 Each **Service Provider** agrees that **NGESO** shall be permitted to publish in market reports information related to its participation in procurement of the **Local Constraint Service**, which information may include:-

- i. the identity of the **Service Provider** and each of its **Eligible Assets** from time to time;
- ii. in relation to the relevant **Eligible Assets**, the **Instructed Service Volume** for each **Settlement Period** in each **Instructed Service Period** and **Ramping Rates**, delivery method and technology type;
- iii. the **Service Utilisation Fee** submitted by the **Service Provider** for each **Settlement Period** and periods of availability; and
- iv. for the duration of each **Instructed Service Period**.

16.3 Without prejudice to paragraph 16.2, and for the purposes of facilitating proper coordination, operation and management of the **System**, **NGESO** shall further be permitted to disclose to **Public Distribution System Operators** the contents of **LCM Declarations** (except **Service Utilisation Fees**), together with **Instructed Service Volumes** and delivery method (being either **Generation Turn Down** or **Demand Turn Up**), which for the avoidance of doubt may be on a locational and non-anonymised basis (including by MPAN).

16.4 All and any information provided by **NGESO** to **Service Providers** for the purpose of these **LCM Service Terms**, including in the market reports referred to in paragraph 16.2, is provided in good faith, but no representation or warranty is given by **NGESO** (or any of its employees, offers agents or advisers) as to the accuracy or completeness of such information.

17. ABSVD

17.1 For the purposes of the **ABSVD Methodology Statement**, the **Service Provider** hereby consents (where applicable for and on behalf of the **Lead Party** of all relevant **BM Units**) to all and any energy volumes associated with delivery of **Generation Turn Down** or **Demand Turn Up** pursuant to these **LCM Service Terms** not being included within the **Applicable Balancing Services Volume Data** save to the extent the relevant **Meter Points** are **Half-Hourly Settled**, in which case energy volumes will be included within the **Applicable Balancing Services Volume Data**.

17.2 Where and for so long as **NGESO** and/or **Elexon** is unable to facilitate the treatment of the **Local Constraint Service** as an **Applicable Balancing Service**, **NGESO** shall so notify all **Service Providers** and for such period the **Energy Imbalance Cashflows** attributable to the relevant energy volumes shall be settled between the **Parties** in the **Monthly Statement** issued by **NGESO** in accordance with paragraph 4 (*Payments*) of the **LCM General Terms and Conditions**, on the basis that amounts attributable to **Energy Imbalance Cashflow** which are payable by the **Service Provider** shall be reimbursed to the **Service Provider** by **NGESO** and amounts attributable to **Energy Imbalance Cashflow** which are receivable by the **Service Provider** shall be paid by the **Service Provider** to **NGESO**. For such purpose, the **Service Provider** shall provide to **NGESO** reasonable evidence of its liability (or entitlement) to amounts attributable to **Energy Imbalance Cashflows** in its commercial arrangements with the relevant **Lead Party**.