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1. Introduction

1.1 These Static FFR Service Terms describe the requirements for provision of Static FFR procured by NGESO under Auctions and the basis upon which NGESO shall make payments in respect thereof, and shall apply to each Service Provider and Static FFR Unit the subject of a Static FFR Contract where, in accordance with the Static FFR Procurement Rules, and for any EFA Block, the Service Provider’s Sell Order for that Static FFR Unit is accepted by NGESO.

1.2 Each Static FFR Contract so formed shall create a legally binding obligation on the Service Provider to provide from the relevant Static FFR Unit, and for NGESO to pay for, Static FFR, to be delivered during the relevant Contracted EFA Block upon the terms of these Static FFR Service Terms. For the avoidance of doubt, neither a Service Provider nor NGESO shall be under any obligation or commitment to provide or pay for Static FFR except pursuant to Static FFR Contracts.

1.3 A Static FFR Contract shall relate to a single Static FFR Unit and shall apply only to a single EFA Block.

1.4 Neither Party may terminate a Static FFR Contract once formed except as provided or referred to in paragraph 14 or by agreement in writing between the Parties.

1.5 These Static FFR Service Terms should be read alongside the Static FFR Procurement Documentation of which they form a part.

2. Changes to these Static FFR Service Terms

2.1 Subject always to paragraph 2.2, NGESO may update these Static FFR Service Terms from time to time by publication of an updated version on its website, and each such updated version shall be effective from the date shown on its front cover provided always that any updated version shall not apply to any Static FFR Contract extant at the date of publication except with the consent in writing of the relevant Service Provider.

2.2 To the extent required by the Electricity Balancing Regulation (and by reference to those provisions of the Static FFR Procurement Documentation constituting terms and conditions approved by the Authority as the terms and conditions related to balancing pursuant to Article 18 of the Electricity Balancing Regulation), any variation to these Static FFR Service Terms will be proposed and implemented in accordance with the applicable requirements in the Electricity Balancing Regulation.

3. Defined Terms

3.1 Unless defined in paragraph 3.2 below or the context otherwise requires, any capitalised term used in these Static FFR Service Terms shall have the meaning given to it (if any) in the prevailing Static FFR Procurement Rules or Balancing Services Glossary of General Terms and Rules of Interpretation (as the case may be).

3.2 In these Static FFR Service Terms:

3.2.1 “Cancellation Notice” shall have the meaning given to it in paragraph 21.11;

3.2.2 “Maximum Response Period” shall mean the one thousand eight hundred (1800) seconds (thirty (30) minutes) immediately following an excursion of the System Frequency below the Frequency Trigger;

3.2.3 “Monthly Statement” shall have the meaning given to it in paragraph 1 of Schedule 3;

3.2.4 “On-Site Monitoring Equipment” shall mean means all and any monitoring and/or metering equipment in respect of any Static FFR Unit;

3.2.5 “Primary Service Provider” shall have the meaning given to it in paragraph 21.1;

3.2.6 “Reduced Availability” shall have the meaning given to it in paragraph 5.3;

3.2.7 “Retired Unit” shall have the meaning given to it in paragraph 5.6;

3.2.8 “Secondary Service Provider” shall have the meaning given to it in paragraph 21.1;
3.2.9 “Substitute Unit” shall have the meaning given to it in paragraph 5.6;

3.2.10 “Transfer Notice” shall have the meaning given to it in paragraph 21.4; and

3.2.11 “Transfer Period” shall mean the period described as such in a Transfer Notice as may be shortened upon the cancellation or withdrawal of that Transfer Notice or otherwise in accordance with paragraph 21.

3.3 For the purposes of paragraph 3.1, with respect to any Static FFR Contract, “prevailing” shall mean the latest version of the applicable document which is in effect at the time of formation of that Static FFR Contract.

4. Interpretation

4.1 The rules of interpretation set out in the Balancing Services Glossary of General Terms and Rules of Interpretation shall apply to these Static FFR Service Terms.

5. Service Availability

5.1 The Service Provider (or, where applicable, the Secondary Service Provider, and references in this paragraph 5 to “Service Provider” shall be construed accordingly) will procure that, with respect to each Static FFR Contract, Static FFR is made available from the Static FFR Unit for delivery throughout each Contracted EFA Block in the manner provided in paragraph 5.2 and paragraph 5.6. It is a requirement of each Static FFR Contract that, unless prevented by an unplanned outage or other unforeseen technical circumstances, a Static FFR Unit will be available to provide Static FFR in accordance with these Static FFR Service Terms continuously throughout the Contracted EFA Block.

5.2 Availability of Static FFR shall mean the Relay is capable of being armed [and disarmed] so as to provide Automatic Response of an amount equal to the Contracted Quantity, initiated by tripping of the Relay following a transgression of the System Frequency below the Frequency Trigger.

5.3 Notwithstanding its obligations under paragraph 5.1, the Service Provider shall notify NGESO by the method prescribed in the FFR Service Procedure forthwith upon becoming aware of any inability (howsoever caused) of any Static FFR Unit to provide Static FFR in all or any part of any Contracted EFA Block, including a reduction in the level of Contracted Quantity below the level set out in the applicable Sell Order ("Reduced Availability") and, subject to sub-paragraph 5.4, with effect from the start of such inability until otherwise notified by the Service Provider by the method prescribed in the FFR Service Procedure that the ability of the Static FFR Unit to provide Static FFR is fully restored, Static FFR shall be deemed to be unavailable from such Static FFR Unit for the purposes of paragraph 7.2.

5.4 Following receipt of a notice under sub-paragraph 5.3 indicating Reduced Availability, NGESO may, at its sole discretion and provided that the availability of Static FFR from the Static FFR Unit shall not be reduced to a level less than the greater of one (1) MW and five percent (5%) of the Contracted Quantity set out in the applicable Sell Order, agree that the Static FFR Unit shall continue to be treated as available, subject to reductions in the Availability Payment and the level of Contracted Quantity to be provided.

5.5 Where either:-

i. in the absence of notification from the Service Provider pursuant to paragraph 5.2, NGESO nonetheless has reasonable grounds for believing that a Static FFR Unit is unable to meet the requirements of the Static FFR Contract in all or any part of a Contracted EFA Block; or

ii. NGESO has reasonable grounds for believing that any notification from the Service Provider pursuant to paragraph 5.3 is for reasons other than related to an unplanned outage or other unforeseen technical circumstances,

then, for the purposes of paragraph 7.2, NGESO reserves the right to treat that Static FFR Unit as deemed unavailable to deliver Static FFR for the entirety of the Contracted EFA Block in question (including any part thereof prior to the commencement of unavailability) and shall be entitled to terminate the Static FFR Contract pursuant to paragraph 14.
If the Service Provider anticipates that Static FFR may become unavailable from a Static FFR Unit during all or any part of any Contracted EFA Block including due to technical unavailability of any one or more constituent Eligible Asset(s), the Service Provider may, subject always to sub-paragraphs 5.6 and 5.7 and (unless the unavailability is attributable to the technical capability of the relevant Eligible Asset(s)) no later than two hours prior to Gate Closure for the first Settlement Period in the affected Contracted EFA Block, request by the method prescribed in the FFR Service Procedure that NGESO agrees to the substitution of the affected Eligible Asset(s) ("the Retired Asset") by any other Eligible Asset at the same Grid Entry Point (or, as the case may be, Grid Supply Point) ("the Substitute Asset").

In any notification pursuant to sub-paragraph 5.6, the Service Provider shall indicate to NGESO the affected Contracted EFA Block in respect of which such substitution shall apply, provided always that:-

- an Eligible Asset may not be nominated as a Substitute Asset pursuant to sub-paragraph 5.7 where it is already allocated to a Static FFR Unit the subject of a Static FFR Contract for the Contracted EFA Block in question; and

- an Eligible Asset may not be nominated as a Substitute Asset for more than one Static FFR Unit at the same time.

NGESO shall, as soon as reasonably practicable and by the method prescribed in the FFR Service Procedure, at its sole discretion, either to agree to or decline the Service Provider’s request pursuant to paragraph 5.7.

The effect of substitution in accordance with paragraph 5.6 shall be to treat the Substitute Asset as the Retired Asset for all purposes of these Static FFR Service Terms, and for the duration of the relevant Contracted EFA Block the Static FFR Procurement Documentation shall be read and construed accordingly. Without limiting the foregoing, with respect to any Substitute Asset and for the duration of the relevant Contracted EFA Block(s), the technical, commercial and other parameters (including without limitation the Availability Payment) applicable to the Retired Asset shall continue to apply.

For the avoidance of doubt, with respect to any Transfer Period and for the purposes of this paragraph 5 and paragraph 7, all and any periods of unavailability of the applicable Static FFR Unit(s) Registered to the Secondary Service Provider shall be treated as deemed unavailability of the Static FFR Unit.

Further for the avoidance of doubt, the registration of Eligible Assets to a Static FFR Unit may not be changed so as to be effective during the subsistence of a Static FFR Contract.

Service Delivery

At the commencement of each Contracted EFA Block, and except to the extent the Static FFR Unit is deemed to be unavailable to deliver Static FFR pursuant to paragraph 5, the Service Provider (or, where applicable, the Secondary Service Provider, and references in this paragraph 6 to “Service Provider” shall be construed accordingly) shall arm the Relay and procure the delivery of Static FFR throughout the Contracted EFA Block in accordance with this paragraph 6, and (unless immediately followed by another Contracted EFA Block) at the expiry of the Contracted EFA Block shall disarm the Relay.

During operation of arming of the Relay (and not otherwise), the Service Provider shall, following a transgression in System Frequency below the Frequency Trigger, procure that the Contracted Quantity is delivered from the Static FFR Unit and initiated by tripping of the Relay and sustained until the expiry of the Maximum Response Period.

Any failure of the Relay to trip (including where the Service Provider has failed to arm the Relay) or any failure by the Service Provider to disarm the Relay in each case in accordance with Clause 6.1 shall be taken into account in deriving a percentage performance measure pursuant to paragraph 15 and shall entitle NGESO to terminate the Static FFR Contract pursuant to paragraph 14.

Availability Payments

In respect of each Static FFR Contract, NGESO shall, in accordance with paragraph 8, pay to the Service Provider an Availability Payment calculated in accordance with the formula in Schedule 2.

No Availability Payment shall be made by NGESO to the Service Provider pursuant to this paragraph 7 in respect of any period or periods of deemed unavailability pursuant to paragraphs 5 or 6.
7.3 Without prejudice to its other rights and remedies, NGESO reserves the right to withhold payment of any Availability Payment where the Service Provider has failed to provide any requested access or data pursuant to paragraph 15.

7.4 With respect to any Transfer Period, and for the avoidance of doubt:-
   i. for the purposes of this paragraph 7, the availability and provision of Static FFR pursuant to the relevant Static FFR Contract shall be assessed by reference to the Static FFR Unit(s) Registered to the Secondary Service Provider and not to the Primary Service Provider’s Static FFR Unit; and
   ii. all and any Availability Payments accruing due pursuant to this paragraph 7 shall be payable to the Primary Service Provider and nothing in these Static FFR Service Terms shall create any liability or obligation on the part of NGESO to make any such payments to the Secondary Service Provider.

8. Payment Procedure

8.1 In respect of each calendar month during which the Service Provider has been party to one or more Static FFR Contracts, NGESO shall send to the Service Provider a Monthly Statement setting out, in respect of each such Static FFR Contract, its calculation of:
   i. the Availability Payments payable to the Service Provider pursuant to paragraph 7;
   ii. any adjustments made to previous Monthly Statements; and
   iii. the resulting net amount due to (or from, as the case may be) the Service Provider,

and in respect thereof the provisions of Schedule 3 shall apply.


9.1 The provision by the Service Provider of Static FFR shall not relieve it of any of its obligations or affect such obligations (where applicable) set out in the Grid Code (including its obligations (if any) to provide Mode A Frequency Response when instructed by NGESO pursuant to the CUSC and/or the Grid Code) or to provide Demand control when instructed by NGESO pursuant to Grid Code OC6) or 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 Contracted EFA Block, 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 Static FFR in accordance with each Static FFR Contract and these Static FFR Service Terms.

11. Third Party Claims

11.1 The Service Provider undertakes to NGESO that the availability and delivery of Static FFR from any Static FFR Unit pursuant to and in accordance with each Static FFR Contract and these Static FFR Service Terms (including during any Transfer Period) will not at any time during any Contracted EFA Block 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 any constituent Eligible Asset or any Plant and Apparatus associated with it.

11.2 Notwithstanding paragraph 11.1, in the event that the Service Provider (or, during any Transfer Period, any Secondary Service Provider) delivers Static FFR in accordance with these Static FFR 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 18 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 Static FFR from any Static FFR Unit pursuant to and in accordance with a Static FFR Contract and these Static FFR Service Terms will not at any time during any Contracted EFA Block (including during any Transfer Period) be impaired or otherwise prejudiced by the Service Provider’s (or, during any Transfer Period, any Secondary Service Provider’s) performance of any agreement with a third party (including another Service Provider) relating to any Eligible Asset or any associated Plant and Apparatus, 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 or pursuant to the Capacity Market Rules or otherwise).

12.2 Notwithstanding paragraph 12.1, and without prejudice to paragraph 12.6, in the event that the Service Provider (or, during any Transfer Period, any Secondary Service Provider) is unable to provide Static FFR (to any extent) in all or any part of any Contracted EFA Block for any reason described in paragraph 12.1, then the Service Provider shall (or shall procure that the Secondary Service Provider shall) give a full explanation to NGESO in its notification of unavailability pursuant to paragraph 5.2, and NGESO may in its absolute discretion (except where paragraph 12.5 applies) terminate the Static FFR Contract in question pursuant to paragraph 14).

12.3 Subject always to paragraph 12.4, and irrespective of whether or not NGESO elects to terminate the Static FFR Contract, 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 Static FFR Contract shall not exceed in aggregate the greater of (1) two hundred and fifty thousand pounds sterling (£250,000), and (2) an amount equal to the aggregate Availability Payments in respect of that Static FFR Contract calculated by reference to all Settlement Periods in the relevant Contracted EFA Block (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 a Contracted EFA Block, 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 to the extent that such service provision is inconsistent or in conflict with the delivery of Static FFR (as determined by NGESO acting reasonably) then Static FFR cannot be provided simultaneously with such other Balancing Service. Accordingly, unless pursuant to the terms for provision of and payment for such other Balancing Services the relevant Static FFR Unit is deemed unavailable to provide Static FFR or except as may otherwise be specified by NGESO, the relevant Static FFR Unit shall be deemed unavailable to provide such other Balancing Service, and availability of the Static FFR Unit to provide Static FFR pursuant to these Static FFR Service Terms shall prevail.

12.6 For the avoidance of doubt, paragraph 12.5 shall not affect the submission by a Service Provider of bids and offers (and the issue of Bid-Offe Acceptances) under the Balancing Mechanism where not made
pursuant to terms agreed with NGESO for provision of any other Balancing Service. Further information regarding simultaneous provision of the Static FFR is contained in the Stacking Guidance as published by NGESO from time to time.

12.7 Where, during any one or more Settlement Periods in a Contracted EFA Block, a Service Provider (or, during any Transfer Period, any Secondary Service Provider) is making available and/or delivering services to a third party in breach of paragraph 12.1, then the relevant Static FFR Unit shall be deemed unavailable for the purposes of paragraph 7.

12.8 For the purposes of this paragraph 12 and for the avoidance of doubt, where a Static FFR Contract is formed with respect to a Static FFR Unit which is not registered as a BM Unit and with a Contracted Capacity which is less than the aggregate Registered Quantity of each component Eligible Asset, then the making available and/or delivery of services by the Service Provider to NGESO or a third party from such Eligible Assets or any of them with respect to any or all of that excess capacity shall be deemed to impair, and be inconsistent or in conflict with, the delivery of Static FFR pursuant to such Static FFR Contract unless such excess capacity is demonstrated to NGESO’s reasonable satisfaction to be separately metered so as to enable the production of Operational Data and Performance Data pursuant to paragraph 15.

13. Communications

13.1 Any communications required by these Static FFR Service Terms to be given in writing shall unless otherwise provided in this paragraph 13 be made and deemed to have been received in accordance with paragraph 26 (Notices) save as may be otherwise agreed by the Parties.

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

13.3 All notifications to be made by the Service Provider with respect to any unavailability (and restoration of availability) of a Static FFR Unit to provide Static FFR pursuant to paragraph 5 shall be made as part of Operational Data using a Data Concentrator (unless otherwise provided in paragraph 15).

14. Termination of Static FFR Contracts

14.1 Either Party shall have the right to terminate a Static FFR Contract in the circumstances set out in:-

i. paragraphs 5.5 and 6.3; and

ii. paragraph 8.1 of the prevailing Common Flexibility Service Terms and Conditions as if paragraphs 8.1 and 8.2 were set out in full herein.

14.2 Without prejudice to paragraph 14.1, and in addition to any other rights of termination available under the Static FFR Procurement Documentation, a Static FFR Contract shall automatically terminate with immediate effect if at any time NGESO notifies the Service Provider in accordance with paragraph 15 of the Static FFR Procurement Rules with the effect that an Eligible Asset comprised within the relevant Static FFR Unit has become ineligible to be allocated to any Static FFR Unit.

14.3 Paragraphs 8.4 to 8.6 inclusive of the prevailing Common Flexibility Service Terms and Conditions shall apply as if set out in full herein.

15. Monitoring

15.1 NGESO reserves the right to assess the delivery of the Static FFR Service by the Static FFR Unit in accordance with either or both of the methodologies set out below.

15.2 The Demand or Generation profile of the Static FFR Unit from time to time shall be ascertained by reference to a combination of second by second output data.

15.3 Where the Static FFR Unit provides low Frequency Response by automatic reduction of Demand, then NGESO shall, using its analysis software, derive a percentage performance measure for the Static FFR Unit for the Contracted EFA Block in question, based on the difference between (1) the Contracted Quantity by 30 seconds and (2) the lowest point in the Demand profile ascertained pursuant to sub-paragraph 15.2.
15.4 Where the Static FFR Unit provides low Frequency Response by automatic increase of Generation, then NGESO shall, using its analysis software, derive a percentage performance measure (PPM) for the Static FFR Unit for the Contracted EFA Block in question, based on the difference between (1) the Contracted Quantity by thirty (30) seconds and (2) the difference between the highest point in the Generation profile ascertained pursuant to sub-paragraph 15.2 and the Maximum Available Output.

15.5 NGESO also reserves the right to assess the delivery of Automatic Response from a Static FFR Unit in respect of any period during which the Relay is armed by the Service Provider in accordance with paragraph 6 and at any time during that period the System Frequency transgresses the Frequency Trigger in this sub-paragraph 15.5 “a Relevant Frequency Incident”, in accordance with the following methodology:-

   i. the level of Demand or Generation (as the case may be) immediately prior to, and for the remainder of the Contracted EFA Block after, the Relevant Frequency Incident shall be derived from second by second output data ascertained pursuant to sub-paragraph 15.2, in order to ascertain the Automatic Response delivered and sustained;

   ii. using its analysis software NGESO shall derive a percentage performance measure (PPM), where:

   \[
   \text{PPM} = \frac{C}{D} \times 100
   \]

   and where:

   C is the difference between the level of Demand or Generation (as the case may be) immediately prior to the Relevant Frequency Incident and a level being (i) in the case of low Frequency Response, the lowest level of Generation or the highest level of Demand (as the case may be) or (ii) in the case of High Frequency Response, the highest level of Generation or the lowest level of Demand (as the case may be), in each case during the period over which Automatic Response is required pursuant to sub-paragraph 15.2 to be sustained and derived from the operating profile ascertained pursuant to sub-paragraph 15.2, and

   iii. D is the Contracted Quantity.

15.6 The percentage performance measure (PPM) derived pursuant to paragraphs 15.4 to 15.4 or paragraph 15.5 (or, where both measures are derived in respect of the same period, the lowest) shall be used to derive a deduction in the Availability Payment attributable to the duration of the relevant Contracted EFA Block(s), using the following table:-

<table>
<thead>
<tr>
<th>Percentage Performance Measure</th>
<th>% by which Availability Payment is reduced</th>
<th>K (as used in Schedule 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>≥95%</td>
<td>0%</td>
<td>1</td>
</tr>
<tr>
<td>≥60%, &lt;95%</td>
<td>25%</td>
<td>0.75</td>
</tr>
<tr>
<td>≥10%, &lt;60%</td>
<td>50%</td>
<td>0.5</td>
</tr>
<tr>
<td>&lt;10%</td>
<td>100%</td>
<td>0</td>
</tr>
</tbody>
</table>

15.7 The Service Provider shall provide to NGESO all information and reasonable assistance necessary for NGESO to derive output data for the purposes of this paragraph 15, and shall allow NGESO, its employees, agents, suppliers, contractors and sub-contractors necessary access to all constituent Eligible Assets of the Static FFR Unit(s) and any land and premises associated therewith for the purpose of enabling NGESO to verify that the Service Provider has complied with its obligations under the Static FFR Procurement Documentation. Without limitation the Service Provider hereby grants to NGESO the right to collect and record data from any [On-Site Monitoring Equipment].

15.8 The Service Provider shall maintain accurate and up to date records and data relevant to the provision of Static FFR from the Static FFR Unit pursuant to these Static FFR Service Terms (including Metered
Active Power Output or Demand (as the case may be) at a granularity of one (1) measurement per second (1 Hz), and upon request from NGESO shall promptly provide such records and data (or any of them) to NGESO.

15.9 Where in relation to any Contracted EFA Block the Availability Payment calculated for a Service Provider is affected by an active K factor (as more particularly described in Schedule 2), then no later than five (5) Business Days following request from NGESO the Service Provider shall provide to NGESO a report in writing (in such form as NGESO may reasonably require) setting out in reasonable detail an explanation for the underlying performance of the relevant Static FFR Unit(s) attributed to such K factor.

16. Not Used

17. Force Majeure

17.1 Save for paragraphs 10.2.2 and 10.4 which shall not apply, paragraph 10 of the prevailing Common Flexibility Service Terms and Conditions shall apply as if set out in full herein.

18. Liability, Indemnity and Insurance

18.1 Paragraph 11 of the prevailing Common Flexibility Service Terms and Conditions shall apply as if set out in full herein.

19. Records and Audits

19.1 Paragraph 5 of the prevailing Common Flexibility Service Terms and Conditions shall apply as if set out in full herein.

20. Assignment

20.1 Paragraph 12 of the prevailing Common Flexibility Service Terms and Conditions shall apply as if set out in full herein.

21. Transfer of Static FFR Contracts

21.1 At any time during the subsistence of a Static FFR Contract, a Service Provider (the “Primary Service Provider”) may nominate another Registered Response Participant (the “Secondary Service Provider”) to discharge its obligations to NGESO with respect to the delivery of Static FFR in the applicable Contracted EFA Block pursuant to that Static FFR Contract.

21.2 The effect of any such nomination once validated by NGESO pursuant to this paragraph 21 is to treat delivery of Response from one or more Static FFR Units registered to the Secondary Service Provider as if delivered by the Primary Service Provider from its Static FFR Unit for the purposes of these Static FFR Service Terms.

21.3 No nomination shall be valid unless:-

i. both entities are Registered Static FFR Participants;

ii. the Secondary Service Provider has Eligible Assets which are Registered to it and allocated to one or more Static FFR Units pursuant to the Static FFR Procurement Rules with sufficient aggregate Registered Quantity and proven capability to deliver Static FFR to enable the Static FFR Contract to be discharged during the applicable Contracted EFA Block;

iii. the specified Transfer Period during which the nomination is to be effective is a period which comprises the entire Contracted EFA Block created by a subsisting Static FFR Contract to which the Primary Service Provider is a party; and

iv. the nomination is validly notified to NGESO pursuant to paragraphs 21.4, 21.5 and 21.6 and the Transfer Notice validated by NGESO.

Transfer Notices
21.4 Each nomination shall be notified to NGESO by the Primary Service Provider by no later than one (1) hour prior to commencement of the applicable Contracted EFA Block, and each such nomination is referred to in these Static FFR Service Terms as a “Transfer Notice”.

21.5 Unless otherwise specified in writing by NGESO from time, each Transfer Notice shall comprise the entirety of a Contracted EFA Block, and shall specify:-
   i. the identity of the Primary Service Provider and Static FFR Unit; and
   ii. the identity of the Secondary Service Provider and its Static FFR Unit(s) and Eligible Assets.

21.6 Each nomination shall comprise the entire Contracted Quantity associated with the Static FFR Contract during the relevant Transfer Period, and for the avoidance of doubt the Contracted Quantity shall not be capable of being split amongst two or more Secondary Service Providers.

21.7 In giving a Transfer Notice, the Primary Service Provider warrants that the Secondary Service Provider accepts the nomination.

21.8 NGESO shall notify the Primary Service Provider as soon as reasonably practicable following receipt of the Transfer Notice whether or not the Transfer Notice has been validated. In the absence of any notification by NGESO of validation of the Transfer Notice by commencement of the relevant Contracted EFA Block the Transfer Notice shall be deemed not to have been validated.

21.9 Where in NGESO’s reasonable opinion the delivery of Response pursuant to the Static FFR Contract during the Transfer Period by the Secondary Service Provider’s designated Static FFR Unit(s) would or might endanger operational security within the meaning of the Electricity Transmission System Operation Regulation, then NGESO shall so notify both Registered Static FFR Participants whereupon the Transfer Notice shall be deemed withdrawn.

21.10 A Transfer Notice shall be invalid if the Secondary Service Provider’s designated Static FFR Unit or any Eligible Asset allocated to it is the subject of a Static FFR Contract for the same Contracted EFA Block, in which case NGESO shall so notify both whereupon the Transfer Notice shall be deemed withdrawn.

Cancellation Notice

21.11 A Transfer Notice may be cancelled by the Primary Service Provider (but not under any circumstances by the Secondary Service Provider) by notification to NGESO in writing (“Cancellation Notice”) specifying the date and time form which the cancellation is to be effective.

Effect of Transfer Notice

21.12 For the duration of each Transfer Period (or any earlier period where the Transfer Period comes to an end pursuant to the foregoing provisions), NGESO consents to the Primary Service Provider’s obligation to deliver Response pursuant to the relevant Static FFR Contract being discharged on its behalf by the Secondary Service Provider from its Static FFR Unit(s).

Form of notifications

21.13 All Transfer Notices and Cancellation Notices and other notifications related thereto between the Parties referred to in this paragraph 21 shall be made using the method of communication specified from time to time by NGESO.

22. Confidentiality

22.1 The provisions of paragraph 12 of the prevailing Common Flexibility Service Terms and Conditions shall apply to all and any information provided by NGESO or any Registered Static FFR Participant to the other (whether orally or in writing) pursuant to or in connection with these Static FFR Service Terms as if set out in full herein.

23. Intellectual Property Rights

23.1 The provisions of paragraph 14 of the prevailing Common Flexibility Service Terms and Conditions shall apply to all Intellectual Property Rights owned by or licensed to either Party as if set out in full herein.
24. **Data Protection**

24.1 The provisions of paragraph 15 of the prevailing *Common Flexibility Service Terms and Conditions* shall apply as if set out in full herein.

25. **Modern Slavery, Anti-bribery and Living Wage**

25.1 The provisions of paragraph 16 of the prevailing *Common Flexibility Service Terms and Conditions* shall apply as if set out in full herein, and without limitation as at the date of formation of each *Static FFR Contract* the Service Provider warrants, represents and undertakes to NGESO in the manner set out in paragraph 16.1 thereof and indemnifies NGESO as provided in paragraphs 16.2 and 16.7 thereof.

25.2 Any breach of this paragraph 25 by the Service Provider shall be deemed a material breach of all and any relevant *Static FFR Contracts* for the purposes of paragraph 14.1.

26. **Notices**

26.1 Save to the extent the manner of communication between the Parties is otherwise stipulated in these *Static FFR Service Terms*, paragraph 17 of the prevailing *Common Flexibility Service Terms and Conditions* shall apply to any notice required to be submitted under these *Static FFR Service Terms* by either NGESO or the Registered Static FFR Participant to the other as if set out in full herein.

26.2 For the purposes of paragraph 26.1, the relevant contact details and addresses of each Party shall be those notified from time to time by that Party to the other pursuant to the Registration and Pre-Qualification Procedure.

27. **Dispute Resolution**

27.1 The provisions of paragraph 18 of the prevailing *Common Flexibility Service Terms and Conditions* shall apply in relation to any dispute or difference of whatever nature however arising under, out of, or in connection with these *Static FFR Service Terms* as if set out in full herein, save that:-

i. no Party shall have any right to refer any dispute to an Expert for determination except where the dispute is stated in these *Static FFR Service Terms* to be referable to an Expert for determination or otherwise agreed in writing by the Parties to be so referable;

ii. nothing in this paragraph 27.1 shall prevent the Parties from agreeing to resolve any dispute or difference through the courts in which case paragraph 28.2 shall apply; and

iii. where any dispute is referred to arbitration, the rules of the Electricity Arbitration Association shall apply unless otherwise agreed in writing by the Parties (and paragraph 18 of the prevailing *Common Flexibility Service Terms and Conditions* shall be read and construed accordingly).

28. **Governing Law and Jurisdiction**

28.1 Any claim, dispute or matter (whether contractual or non-contractual) arising under or in connection with these *Static FFR Service Terms* or their enforceability shall be governed by and construed in accordance with the laws of England and Wales.

28.2 Subject always to paragraph 27.1, NGESO and each Registered Static FFR Participant submits to the exclusive jurisdiction of the courts of England and Wales over any claim, dispute or matter arising under or in connection with these *Static FFR Service Terms* or their enforceability and waives any objection to proceedings being brought in such courts or on the grounds that proceedings have been brought in an inconvenient forum.

29. **Severance**

29.1 The provisions of paragraph 19 of the prevailing *Common Flexibility Service Terms and Conditions* shall apply as if set out in full herein.
30. **Third Party Rights**

30.1 The provisions of paragraph 20 of the prevailing *Common Flexibility Service Terms and Conditions* shall apply as if set out in full herein with the exception of the words “other than the Distribution and Transmission Licensees (the Company) who shall be entitled to independently enforce all of the terms of the Contract”.

31. **No Agency or Partnership**

31.1 The provisions of paragraph 21 of the prevailing *Common Flexibility Service Terms and Conditions* shall apply as if set out in full herein.

32. **Waiver**

32.1 The provisions of paragraph 22 of the prevailing *Common Flexibility Service Terms and Conditions* shall apply as if set out in full herein.

33. **Entire Agreement**

33.1 The provisions of paragraph 23 of the prevailing *Common Flexibility Service Terms and Conditions* shall apply as if set out in full herein.

34. **EMR**

34.1 Notwithstanding any confidentiality obligations and any restriction on the use or disclosure of information set out in the *Static FFR Procurement Documentation*, the Services Provider consents to NGESO and each of its subsidiaries using all and any information or data supplied to or acquired by it in any year under or in connection with any *Balancing Services Contract* for the purpose of carrying out its *EMR Functions*.

34.2 For the purposes of this paragraph 34 only:

i. “**AF Rules**” has the meaning given to “allocation framework” in section 13(2) of the Energy Act 2013;

ii. “**Capacity Market Rules**” means the rules created pursuant to section 34 of the Energy Act 2013 as modified from time to time in accordance with The Electricity Capacity Regulations 2014;

iii. “**EMR Functions**” has the meaning given to “EMR functions” in Chapter 5 of Part 2 of the Energy Act 2013; and

SCHEDULE 1 - CAPABILITY DATA TABLES
SCHEDULE 2 - AVAILABILITY PAYMENTS

Calculation of Settlement Value

A settlement value shall be established for Static FFR in accordance with the following formula:

\[ S_{ie} = \left( \sum_{j}^{\text{CEB}} \text{Round} \left( P_{ij} x V_{ij} x 0.5, 2 \right) x F_{ij} \right) x K_e \]

Where

- \( S_{ie} \) is the settlement value for Static FFR calculated in respect of Static FFR Unit \( i \) for the applicable Contracted EFA Block \( e \)
- \( \sum_j \) is the summation over the Settlement Period \( j \) in the relevant Contracted EFA Block \( e \)
- \( P_{ij} \) is the applicable Market Clearing Price, in GBP/MW/h, attributable to Settlement Period \( j \) for the relevant Contracted EFA Block \( e \)
- \( V_{ij} \) is the Contracted Quantity in megawatts, in respect of Static FFR Unit \( i \) and Settlement Period \( j \), for the relevant Contracted EFA Block \( e \)
- \( F_{ij} \) is zero where there is any period or periods of unavailability within Settlement Period \( j \) during the relevant Contracted EFA Block \( e \), otherwise is 1
- \( K_e \) is derived from the applicable performance measurement factor shown in paragraph 15.6.
SCHEDULE 3 - PAYMENT PROVISIONS

Where amounts falling due by or to NGESO under these Static FFR Service Terms are expressed to be payable in accordance with this Schedule 3, then with respect to all and any such amounts the following provisions shall apply.

1. On the eighth (8th) Business Day of each calendar month NGESO shall send to the Service Provider a statement (the “Monthly Statement”) setting out, for each Static FFR Contract, details of the following (to the extent applicable) in respect of the preceding calendar month, together with such other information as may be required to be provided under the these Static FFR Service Terms:-
   a. the aggregate number of hours of service provision, together with any Applicable Balancing Services Volume Data, with respect to both availability and utilisation (as applicable);
   b. details of events of default or service failures, and any consequential amounts withheld by or payable to NGESO with respect thereof;
   c. the amounts payable by or to NGESO as a result; and
   d. in relation to all Static FFR Contracts, the total net amount falling due to or from the Service Provider.

2. If the Service Provider disagrees with the content of any Monthly Statement, it may notify NGESO in writing, with evidence upon which it relies in support of such disagreement, no later than the date falling ten (10) Business Days after receipt thereof, but in the absence of any such notification by such date the Monthly Statement shall be final and binding on the Parties subject only to paragraph 4.

3. Where a disagreement is notified by the Service Provider pursuant to paragraph 2, the Parties shall discuss and endeavour to resolve the same in good faith, and any revisions to a Monthly Statement agreed as a result thereof shall be reflected in a revised Monthly Statement, which shall promptly be issued by NGESO. In the absence of agreement, the Monthly Statement shall be binding upon the Parties until such time as otherwise agreed in writing between the Parties or as may otherwise be determined by an Expert following a referral by either Party to an Expert for determination, and which in each case shall be reflected in a revised Monthly Statement which shall promptly be issued by NGESO.

4. Where, having regard to any Settlement Run or to the results of any other monitoring by NGESO of service delivery, NGESO or the Service Provider discovers that some or all of any calculations and/or amounts falling due shown in any Monthly Statement are incorrect, then it shall promptly notify the other in writing whereupon NGESO shall, at its discretion, revise the Monthly Statement and re-issue the same to the Balancing Service Provider, and the provisions of paragraphs 2 and 3 shall apply mutatis mutandis to such revised Monthly Statement.

5. In the absence of fraud, neither NGESO nor the Balancing Service Provider may invoke the provisions of paragraph 4, with respect to the contents of any Monthly Statement (including any revised Monthly Statement) after the period of twelve (12) months has elapsed following submission of the original Monthly Statement in which the calculations and/or amounts in question were first stated, after which date such calculations and/or amounts shown in the last Monthly Statement (including any revised Monthly Statement) issued by NGESO shall be final and conclusive.

6. No later than the eighteenth (18th) Business Day of each month, NGESO will issue a self-billing invoice (or credit note) in accordance with paragraph 11 reflecting the Monthly Statement issued pursuant to paragraph 1 (as may have been revised pursuant to the foregoing provisions), and no later than five (5) Business Days after such date of issue NGESO shall pay to the Service Provider (or the Service Provider shall pay to NGESO, as the case may be) the net amount shown as due from NGESO to the Service Provider (or from the Service Provider to NGESO, as the case may be) in that Monthly Statement (or revised Monthly Statement).

7. All payments shall be made in pounds sterling by direct bank transfer or equivalent transfer of immediately available funds to the other Party’s bank account, details of which shall be as notified by each Party to the other from time to time in accordance with these Static FFR Service Terms.

8. If by virtue of the foregoing provisions, it is determined or agreed that:-
   a. the Service Provider was entitled to a further payment from NGESO, then the Service Provider shall be entitled to interest at the Base Rate on the amount of such further payment from the due date until the date of actual payment; or
   b. the Service Provider was not entitled to any payment it has received, then NGESO shall be entitled to interest at the Base Rate on such amount from the date of payment by NGESO until the date of repayment by the Service Provider (or, as the case may be, until the date when NGESO makes a payment to the Service Provider pursuant to paragraph 6 against which such amount is offset).

9. All amounts specified falling due and payable pursuant to these Static FFR Service Terms shall be exclusive of any Value Added Tax or other similar tax and NGESO shall pay to the Service Provider Value Added Tax at the
rate for the time being and from time to time properly chargeable in respect of the making available and/or provision of Static FFR under these Static FFR Service Terms.

10. Sums payable by one Party to the other pursuant this Schedule 3 whether by way of charges, interest or otherwise, shall (except to the extent permitted by these Static FFR Service Terms or otherwise required by Law) be paid in full, free and clear of and without deduction, set-off or deferment in respect of any disputes or claims whatsoever provided that either Party shall be entitled to set off any payment due and payable by the other Party under this Schedule 3 against any payment it makes to that Party under this Schedule 3.

11. For so long as the Service Provider is a Registered Response Participant, the Service Provider agrees that NGESO shall maintain a self-billing system whereby each Monthly Statement shall constitute a self-billing invoice for VAT purposes. Accordingly, NGESO and the Balancing Service Provider shall enter into a self-billing agreement in accordance with VAT legislation and published guidance from HM Revenue and Customs from time to time, and agree to comply with all relevant requirements in relation to self-billing, and for such purpose the Service Provider hereby warrants and undertakes to NGESO that:-
   a. it is registered for VAT and will inform NGESO forthwith if its ceases to be so registered or changes its VAT registration number;
   b. it will account to HM Revenue and Customs for the VAT paid by NGESO pursuant to paragraph 9; and
   c. it will not issue its own VAT invoices for provision of Static FFR.

12. The provisions of this Schedule 3 shall survive the termination of any Static FFR Contract.