

ELECTRICITY ACT 1989

SECTION 6(1)(b)

ELECTRICITY TRANSMISSION LICENCE

FOR

Mersey Reactive Power Limited

NOTE

The licence holder is subject to the
environmental obligations set out in Schedule 9
(Preservation of Amenity and Fisheries)
of the Electricity Act 1989

PART I. TERMS OF THE LICENCE

1. This licence, granted under section 6(1)(b) of the Electricity Act 1989 ("the Act"), authorises Mersey Reactive Power Limited (a company registered in England and Wales under company registration number 12650628) ("the licensee") whose registered office is situated at Gables Lodge, 62 Kenilworth Road, Leamington Spa, CV32 6JX to participate in the transmission of electricity within the area specified in Schedule 1 during the period specified in paragraph 3 below, subject to –
 - (a) the standard conditions of electricity transmission licences referred to in-
 - (i) paragraph 1 of Part II below, which shall have effect in the licence; and
 - (ii) paragraph 2 of Part II below, which shall only have effect in the licence if brought into effect in accordance with the provisions of standard conditions A2, A3, A5 and A6 subject to such amendments to those conditions, if any, as set out in Part III below (together "the conditions");
 - (b) such Schedules hereto, if any, as may be referenced in the conditions, the special conditions or the terms of the licence.
2. This licence is subject to transfer, modification or amendment in accordance with the provisions of the Act, or the conditions.
3. This licence, shall come into force on 1 April 2022 and shall continue in force until it is revoked in accordance with Schedule 2.
4. The provisions of section 109 (1) of the Act (Service of documents) shall have effect as if set out herein and as if for the words "this Act", there were substituted the words "this licence".
5. Without prejudice to sections 11 and 23(1) of the Interpretation Act 1978, Parts I to IV inclusive of, and the Schedules to this licence shall be interpreted and construed in like manner as an Act of Parliament passed after the commencement of the Interpretation Act 1978.
6. References in this licence to a provision of any enactment, where after the date of this licence -
 - (a) the enactment has been replaced or supplemented by another enactment, and
 - (b) such enactment incorporates a corresponding provision in relation to fundamentally the same subject matter, shall be construed, so far as the context permits, as including a reference to the corresponding provision of that other enactment.

PART II. THE STANDARD CONDITIONS

1. Standard conditions in effect in this licence

Section A	Section B	Section D
Standard Condition A1	Standard Condition B4	Standard Condition D1
Standard Condition A2	Standard Condition B5	Standard Condition D2
Standard Condition A3	Standard Condition B6	Standard Condition D6
Standard Condition A4	Standard Condition B8	
Standard Condition A5	Standard Condition B12	
Standard Condition A6	Standard Condition B21	
	Standard Condition B24	

2. Standard conditions not in effect in this licence

Section A	Section B	Section C	Section D	Section E
	Standard Condition B1	Standard Condition C1	Standard Condition D3	Standard Condition E1
	Standard Condition B3	Standard Condition C2	Standard Condition D4A	Standard Condition E2
	Standard Condition B7	Standard Condition C3	Standard Condition D4B	Standard Condition E3
	Standard Condition B9	Standard Condition C4	Standard Condition D5	Standard Condition E4
	Standard Condition B10	Standard Condition C5	Standard Condition D12	Standard Condition E5
	Standard Condition B11	Standard Condition C5A	Standard Condition D15	Standard Condition E6
	Standard Condition B15	Standard Condition C6	Standard Condition D16	Standard Condition E7
	Standard Condition B16	Standard Condition C6A	Standard Condition D17	Standard Condition E8
	Standard Condition B18	Standard Condition C7		Standard Condition E9
	Standard Condition B19	Standard Condition C8		Standard Condition E10

	Standard Condition B22	Standard Condition C9		Standard Condition E11
	Standard Condition B23	Standard Condition C10		Standard Condition E12
		Standard Condition C11		Standard Condition E13
		Standard Condition C12		Standard Condition E14
		Standard Condition C13		Standard Condition E15
		Standard Condition C14		Standard Condition E16
		Standard Condition C15		Standard Condition E17
		Standard Condition C16		Standard Condition E18
		Standard Condition C17		Standard Condition E19
		Standard Condition C18		Standard Condition E20
		Standard Condition C19		Standard Condition E21
		Standard Condition C20		Standard Condition E22
		Standard Condition C21		Standard Condition E23
		Standard Condition C22		Standard Condition E24
		Standard Condition C23		
		Standard Condition C24		

		Standard Condition C25		
		Standard Condition C26		
		Standard Condition C27		
		Standard Condition C28		

Note: A copy of the current standard conditions of electricity transmission licences can be inspected at the principal office of the Authority. The above lists are correct at the date of this licence but may be changed by subsequent amendments or modifications to the licence. The authoritative up-to-date version of this licence is available for public inspection at the principal office of the Authority.

The electronic version of the Public Register is available on the Ofgem website (www.ofgem.gov.uk). While every effort has been made to ensure that the information on this electronic version is correct, please note that it does not replace the Public Register which can be inspected at the principal office of the Authority.

PART III. AMENDED STANDARD CONDITIONS

1. Standard conditions amended in this licence

Section
Standard Condition A1

Amended Standard Condition A1: Definitions and interpretation

1. In the standard conditions unless the context otherwise requires:

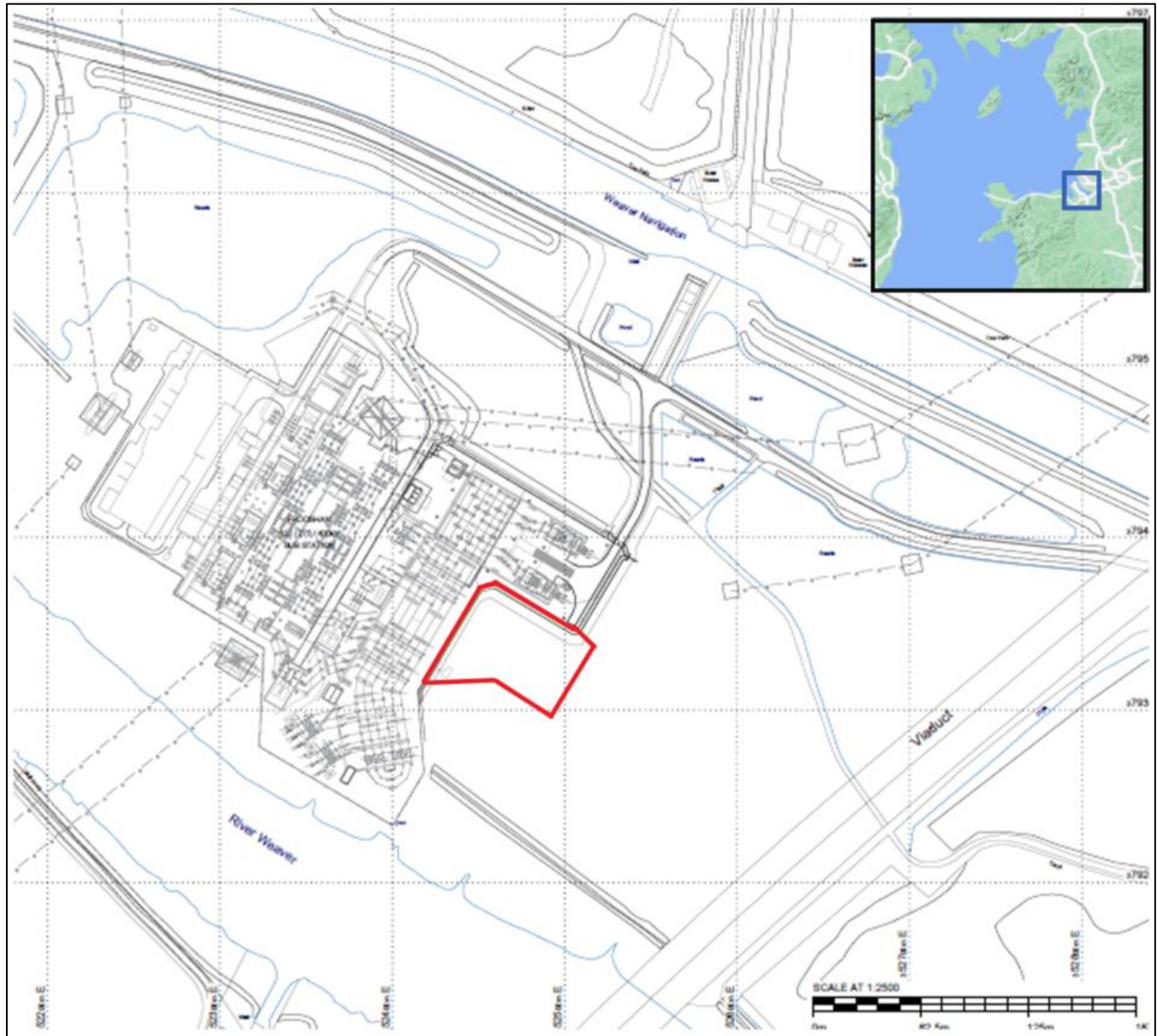
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|-------------------------|--|
| “transmission area” | means the area specified in Schedule 1 to the licensee’s transmission licence terms. |
| | |
| “transmission business” | <p>means the authorised business of the licensee or any affiliate or related undertaking in the planning or development or construction or operation or maintenance of a shunt reactor forming part of the national electricity transmission system, under contract with the system operator, but shall not include:</p> <ul style="list-style-type: none">(i) any business of the licensee or any affiliate or related undertaking in the provision of settlement services in connection with the BSC or the Pooling and Settlement Agreement; or(ii) any other business of the licensee or any affiliate or related undertaking, including any business or activity not specified within this definition, or the provision of such services to any person other than the system operator. |

PART IV. SPECIAL CONDITIONS

There are no Special Conditions

Schedule 1: Specified Area

The Specified Area is the geographical area marked out below in red relating to the operation of an installed shunt reactor. This site sits adjacent to the boundary of the 400kV substation at Frodsham.



Schedule 2: Revocation

1. The Authority may at any time revoke the licence by giving not less than 30 days' notice (24 hours' notice, in the case of a revocation under sub-paragraph 1(f)) in writing to the licensee:
 - (a) if the licensee agrees in writing with the Authority that the licence should be revoked;
 - (b) [not used];
 - (c) if the licensee fails:
 - (i) to comply with a final order (within the meaning of section 25 of the Act) or with a provisional order (within the meaning of that section) which has been confirmed under that section and (in either case) such failure is not rectified to the satisfaction of the Authority within three months after the Authority has given notice of such failure to the licensee - provided that no such notice shall be given by the Authority before the expiration of the period within which an application under section 27 of the Act could be made questioning the validity of the final or provisional order or before the proceedings relating to any such application are finally determined; or
 - (ii) to pay any financial penalty (within the meaning of section 27A of the Act) by the due date for such payment and such payment is not made to the Authority within three months after the Authority has given notice of such failure to the licensee - provided that no such notice shall be given by the Authority before the expiration of the period within which an application under section 27E of the Act could be made questioning the validity or effect of the financial penalty or before the proceedings relating to any such application are finally determined;
 - (d) if the licensee fails to comply with:
 - (i) an order made by the court under section 34 of the Competition Act 1998;
 - (ii) an order made by the Authority under sections 158 or 160 of the Enterprise Act 2002;
 - (iii) an order made by the Competition and Markets Authority under sections 158 or 160 of the Enterprise Act 2002; or
 - (iv) a decision, action or order made by the Secretary of State under sections 66, 147, 160 or 161 of the Enterprise Act 2002;
 - (e) if :
 - (i) the licensee has ceased to carry on the transmission business;
 - (ii) the licensee has not commenced carrying on the transmission business within 5 years of the date on which the licence comes into force;

- (iii) the licensee has not been certified by the Authority in accordance with section 10D of the Act as complying with the requirement of the section 10A of the Act;
 - (iv) the licensee has not continued to be certified by the Authority in accordance with section 10I and section 10L of the Act as complying with the requirement of section 10A of the Act;
 - (v) the licensee's contract with the system operator is terminated for any reason; or .
 - (vi) the licensee's contract with the system operator is modified such that the licensee is no longer required to carry on the transmission business.
 - (f) if the licensee:
 - (i) is unable to pay its debts (within the meaning of section 123(1) or (2) of the Insolvency Act 1986, but subject to paragraphs 2 and 3 of this schedule) or has any voluntary arrangement proposed in relation to it under section 1 of that Act or enters into any scheme of arrangement (other than for the purpose of reconstruction or amalgamation upon terms and within such period as may previously have been approved in writing by the Authority);
 - (ii) has a receiver (which expression shall include an administrative receiver within the meaning of section 251 of the Insolvency Act 1986) of the whole or any material part of its assets or undertaking appointed;
 - (iii) has an administration order under section 8 of the Insolvency Act 1989 made in relation to it;
 - (iv) passes any resolution for winding-up other than a resolution previously approved in writing by the Authority; or
 - (v) becomes subject to an order for winding-up by a court of competent jurisdiction;
 - (g) if the licensee is convicted of having committed an offence under section 59 of the Act in making its application for the licence; or
 - (h) if the licensee no longer requires a transmission licence as a result of a review of the regulatory framework for standalone ancillary services, for example because another type of licence more specific to the licensee's transmission business is granted to the licensee.
2. For the purposes of sub-paragraph 1(f)(i), section 123(1)(a) of the Insolvency Act 1989 shall have effect as if for "£750" there was substituted "£250,000" or such higher figure as the Authority may from time to time determine by notice in writing to the licensee.
 3. The licensee shall not be deemed to be unable to pay its debts for the purposes of sub-paragraph 1(f)(i) if any such demand as is mentioned in section 123(1)(a) of the Insolvency Act 1989 is being contested in good faith by the licensee with recourse to all appropriate measures and procedures or if any such demand is satisfied before the

expiration of such period as may be stated in any notice given by the Authority under paragraph 1.