

SCHEDULE 2 - EXHIBIT 1

DATED []

~~NATIONAL ENERGY SYSTEM OPERATOR LIMITED~~~~NATIONAL GRID ELECTRICITY~~
~~SYSTEM OPERATOR LIMITED~~ (1)

and

[] (2)

THE CONNECTION AND USE OF SYSTEM CODE

BILATERAL CONNECTION AGREEMENT

[FOR A DIRECTLY CONNECTED POWER STATION]

[FOR A DIRECTLY CONNECTED DISTRIBUTION SYSTEM]

[FOR A NON-EMBEDDED CUSTOMER SITE]

[FOR AN INTERCONNECTOR OWNER]

At []

Reference: []

CONTENTS

1. **Definitions, Interpretation and Construction**
 2. **Commencement**
 3. **The Connection Site and Transmission Connection Assets**
 4. **Connection Charges**
 - [5. **Use of System]** *(power station only)*
 6. **Credit Requirements**
 7. **Connection Entry Capacity and Transmission Entry Capacity**
 8. **Compliance with Site Specific Technical Conditions**
 - [9. **Electrical Boundary]** *(Non Standard Boundary only)*
 - [10. **Restrictions on Availability]** *(power station with Design Variation and/or Offshore Standard Design only)* [and **ET Restrictions on Availability]** *(power station connected via an ET Offshore Transmission System only)*
 11. **Term**
 12. **Variations**
 13. **General Provisions**
 14. **Outage of GIS Assets**
 15. **OTSDUW Build** *offshore power station providing offshore transmission system under OTSDUW build arrangements only*
- Appendix A The Connection Site and Transmission Connection Assets**
- Appendix B Connection Charges**
- Appendix C Connection Entry Capacity and Transmission Entry Capacity (Power Stations and Interconnector Owners)**
- Appendix F1 Site Specific Technical Conditions - Agreed Balancing Services**
- Appendix F2 [Not Used]**
- Appendix F3 Site Specific Technical Conditions - Special Automatic Facilities**
- Appendix F4 Site Specific Technical Conditions - Protection and Control Relay Settings - Fault Clearance Times**
- Appendix F5 Site Specific Technical Conditions - Load Shedding Frequency Sensitive Relays**

THIS **BILATERAL CONNECTION AGREEMENT** is made on the [] day of [] 20[1]

BETWEEN

- (1) ~~National Energy System Operator Limited~~ a company registered in England with number 11014226 whose registered office is St Catherines Lodge, Bearwood Road, Sindlesham, Berkshire RG41 5BN (**"The Company"**), ~~National Grid Electricity System Operator Limited~~ a company registered in England with number 11014226 whose registered office is at 1-3 Strand, London, WC2N 5EH (**"The Company"**, which expression shall include its successors and/or permitted assigns); and
- (2) [] a company registered in [] with number [] whose registered office is at [] (**"User"**, which expression shall include its successors and/or permitted assigns)

WHEREAS

- (A) Pursuant to the ~~Transmission~~**ESO Licence**, **The Company** is required to prepare a Connection and Use of System Code (**CUSC**) setting out the terms of the arrangements for connection to and use of the **National Electricity Transmission System** and the provision of certain **Balancing Services**.
- (B) The **User** has applied for [Connection to] [and use of] [Modification of its existing **Connection** to [and use of]] the **National Electricity Transmission System** and pursuant to the ~~Transmission~~**ESO Licence** **The Company** is required to offer terms in this respect.
- (C) The **User** has applied for connection [and use] in the capacity of a [] as set out in Paragraph 1.2.4 of the **CUSC**.
- (D) **The Company** and the **User** are parties to the **CUSC Framework Agreement** (being an agreement by which the **CUSC** is made contractually binding between **CUSC Parties**).
- (E) This **Bilateral Connection Agreement** is entered into pursuant to the **CUSC** and shall be read as being governed by it.
- [(F) The parties are also on even date herewith entering into a **Construction Agreement**.]
- [(G) This **Bilateral Connection Agreement** is entered into on the basis of the **Connect and Manage Arrangements**. [*Directly Connected power Station and Distribution System where associated with Connect and Manage Power Station.*]

NOW IT IS HEREBY AGREED as follows:

1. DEFINITIONS, INTERPRETATION AND CONSTRUCTION

Unless the subject matter or context otherwise requires or is inconsistent therewith, terms and expressions defined in Section 11 of the **CUSC** have the same meanings, interpretations or constructions in this **Bilateral Connection Agreement** [and the following terms and expressions shall have the meaning set out below:-

“Construction Agreement” the agreement made between the parties of even date herewith for the carrying out of construction works;

“Charging Date” as defined in the **Construction Agreement**;

[**“Circuit []”** [insert detailed description of circuit(s) affected by the **Design Variation**] (*power station with **Design Variation** and/or **Offshore Standard Design** and/or **Non Standard Boundary** only*);]

[**“ET Conditions”** any reduction in the **Maximum Export Capacity** and/or **Maximum Import Capacity** or disconnection or deenergisation of the **Offshore Transmission System** at the **ET Interface Point**;] (*power station connected via **ET Offshore Transmission System** only*)

[**“ET Condition Period”** the period of time during which the **ET Conditions** apply;] (*power station connected via **ET Offshore Transmission System** only*)

[**“ET Interface Point”** means [insert details];] (*power station connected via **ET Offshore Transmission System** only*)

“GIS Assets” the assets between the electrical boundary and the point within the **Gas Insulated Switchgear** where the busbar connects to the **Transmission** circuit which connects the **User** to the **National Electricity Transmission System**;

[where the boundary is in accordance with **CUSC** Paragraph 2.12.1(f) (i) only]

“GIS Asset Outage” the unavailability of the **GIS Assets** as a result of:

- (a) a planned or unplanned incident occurring directly on the **GIS Assets** or
- (b) the **GIS Assets** requiring to be **Deenergised** for health and safety reasons to allow for the planned or unplanned availability of a circuit in the immediate vicinity of the **GIS Assets**;

[where the boundary is in accordance with **CUSC** Paragraph 2.12.1(f) (i) only]

“GIS Asset Outage Period” the period of time during which the **GIS Asset Outage** applies;

[where the boundary is in accordance with **CUSC** Paragraph 2.12.1(f) (i) only]

[**“Maximum Export Capacity”** the figure specified as such in Appendix C Part 4;] (*power station connected via **ET Offshore Transmission System** only*);

[**“Maximum Import Capacity”** the figure specified as such in Appendix C Part 4;] (*power station connected via **ET Offshore Transmission System** only*)

[**“Outage Conditions []”** the unavailability of **Circuit []** as a result of

- (a) a [planned]/[unplanned]/[planned or unplanned] incident occurring directly on **Circuit []**; or
- (b) **Circuit []** requiring to be **Deenergised** for health and safety reasons to allow for the planned or unplanned availability of a circuit in the immediate vicinity of **Circuit []**; (*power station with **Design Variation** and/or **Offshore Standard Design** and/or **Non Standard Boundary** only*)

["**Outage Period**" the period of time during which the **Outage Conditions** and/or reduced circuit capability apply; *(power station with **Design Variation** and/or **Offshore Standard Design** and/or **Non Standard Boundary** only)*]

["**Notification of Circuit Restrictions**" means the notification issued by **The Company** to the **User** in accordance with Clause [10.8] of this **Bilateral Connection Agreement**; *(power station with **Design Variation** and/or **Offshore Standard Design** and/or **Non Standard Boundary** only)*]

"**Notification of GIS Asset Outage**" means the notification issued by **The Company** to the **User** in accordance with Clause [14.2] of this **Bilateral Connection Agreement**;

*[where the boundary is in accordance with **CUSC Paragraph 2.12.1(f) (i)** only]*

["**Notification of Outage Conditions**" means the notification issued by **The Company** to the **User** in accordance with Clause [10.4] of this **Bilateral Connection Agreement**; *(power station with **Design Variation** and/or **Offshore Standard Design** and/or **Non Standard Boundary** only)*]

["**Notification of Restrictions on Availability**" means a **Notification of Outage Conditions** and/or a **Notification of Circuit Restrictions** as applicable; *(power station with **Design Variation** and/or **Offshore Standard Design** and/or **Non Standard Boundary** only)*]

["**Notification of ET Restrictions on Availability**" means the notification issued by **The Company** to the **User** in accordance with Clause [10.11] of this **Bilateral Connection Agreement** advising of the **ET Conditions**;] *(power station via an **ET Offshore Transmission System** only)*

["**Relevant Circuits**" means [Circuit []]; *(power station with **Design Variation** and/or **Offshore Standard Design** and/or **Non Standard Boundary** only)*]

["**Transmission Related Agreement**" means the agreement of even date entered into between the parties for the provision of and payment for **Balancing Services** in respect of **Bid-Offer Acceptances**; *(power station with **Design Variation** and/or **Offshore Standard Design** and/or **Non Standard Boundary** and/or via an **ET Offshore Transmission System** only)*]

2. COMMENCEMENT

This **Bilateral Connection Agreement** shall commence on [].

3. THE CONNECTION SITE AND TRANSMISSION CONNECTION ASSETS

The **Connection Site** and **Transmission Connection Assets** to which this **Bilateral Connection Agreement** relates is more particularly described in Appendix A.

4. CONNECTION CHARGES

The **Connection Charges** payable by the **User** in accordance with the **CUSC** in respect of the **Transmission Connection Assets** set out in Appendix A [(including the **One-Off Charge**)] are set out in Appendix B. These **Connection Charges** shall be payable by the **User** from the [**CUSC Implementation Date**] [or] [**Charging Date**].

5. **[USE OF SYSTEM** (*power station only*)

The right to use the **National Electricity Transmission System** shall commence on and **Use of System Charges** shall be payable by the **User** from the [**CUSC Implementation Date**] [or] [**Charging Date**].]

6. **CREDIT REQUIREMENTS**

The amount to be secured by the **User** from [date] is set out in the **Secured Amount Statement** issued from time to time and as varied from time to time in accordance with Section 2 of the **CUSC**.

7. **CONNECTION ENTRY CAPACITY AND TRANSMISSION ENTRY CAPACITY**

7.1 The **Connection Entry Capacity** in relation to the **Generating Units** and the **Connection Site** and the **Transmission Entry Capacity** in relation to the **Connection Site**, are specified in Appendix C.

7.2 Appendix C Part 3 will set out the **BM Unit Identifiers** of the **BM Units** registered at the **Connection Site** under the **Balancing and Settlement Code**. The **User** will provide **The Company** with the information needed to complete details of these **BM Unit Identifiers** as soon as practicable after the date hereof and thereafter in association with any request to modify the **Transmission Entry Capacity** and **The Company** shall prepare and issue a revised Appendix C incorporating this information. The **User** shall notify **The Company** prior to any alteration in the **BM Unit Identifiers** and **The Company** shall prepared and issue a revised Appendix C incorporating this information.

7.3 **The Company** shall monitor the **Users** compliance with its obligation relating to **Transmission Entry Capacity** against the sum of metered volumes of the **BM Units** set out in Part 3 of Appendix C submitted by the **User** for each **Settlement Period**.

8. **COMPLIANCE WITH SITE SPECIFIC TECHNICAL CONDITIONS**

The site specific technical conditions applying to the **Connection Site** are set out in Appendices F1 to F5 to this **Bilateral Connection Agreement** as modified from time to time in accordance with Paragraph 6.9 of the **CUSC**.

9. **[ELECTRICAL BOUNDARY** (*Non Standard Boundary only*)

The division of ownership of **Plant** and **Apparatus** at the **Connection Site** shall be at [define ownership boundary]. For the avoidance of doubt, nothing in this Clause 9 shall effect any transfer of ownership in any **Plant** or **Apparatus**.]

10. [RESTRICTIONS ON AVAILABILITY (*power station with Design Variation and/or Offshore Standard Design and/or Non Standard Boundary only*)] [AND ET RESTRICTIONS ON AVAILABILITY - ET Offshore Transmission System only]
- 10.1 [The division of ownership of **Plant** and **Apparatus** in Clause 9 above is contrary to the principles of ownership set out in **CUSC** Paragraph 2.12.]
- 10.2 [In addition the] [The] **User** acknowledges that the connection design which provides for connection to the **National Electricity Transmission System** is [a variation to the connection design as provided for in Chapter 2 or Chapter 4 (as appropriate) of the **NETS SQSS**] [of an **Offshore Standard Design – User connected at Offshore Transmission System only**] [and the **User** further acknowledges that the **User** is connected at an **ET Offshore Transmission System** and that as such its rights under **CUSC** Paragraph 2.3 (Export of Power from Connection Site) and Paragraph 2.4 (Import of Power to Connection Site) are subject to the availability of the **Maximum Export Capacity** and **Maximum Import Capacity** and to the **ET Offshore Transmission System** not being disconnected from or deenergised at the **ET Interface Point- ET Offshore Transmission System only**] and the following provisions shall apply.
- [10.3 It is a condition of the **NETS SQSS** that any **Design Variation** satisfies the criteria set out in paragraphs 2.15 to 2.18 (inclusive) for an Onshore Connection or 7.21 to 7.24 (inclusive) for an Offshore Connection of the **NETS SQSS** and on that basis [and in light of the non standard principles of ownership] the following provisions will apply.
- power station with Design Variation and/or Non Standard Boundary only*]
- 10.4 **The Company** shall issue to the **User** a notice that advises the **User** of the occurrence of the **Outage Conditions** and where practicable the expected **Outage Period**. Such notice shall be issued:
- 10.4.1 In the event that the **Notification of Circuit Outage** relates to a **Planned Outage** on the **National Electricity Transmission System**, where practicable, be in accordance with **Grid Code** OC2 requirements; or
- 10.4.2 In the event that the **Notification of Circuit Outage** relates to something other than a **Planned Outage** on the **National Electricity Transmission System** or relates to a **Planned Outage** on the **National Electricity Transmission System** but it is not practicable for such notice to be in accordance with **Grid Code** OC2 requirements, as soon as reasonably practicable and **The Company** and the **User** shall agree as soon as practicable after the date hereof the method of such notification.
- 10.4.3 **The Company** shall promptly notify the **User** when the **Outage Period** will or has ceased.
- 10.5 **The Company** shall be entitled to revise the **Notification of Circuit Outage** given under Clause 10.4 above at any time.

- 10.6 The **User** will acknowledge receipt of such **Notification of Circuit Outage** and where practicable shall revise its **Output Useable** forecast for the affected **BM Unit** accordingly.
- 10.7 Following such **Notification of Circuit Outage** in accordance with Clause 10.4:
- 10.7.1 [(i) In respect of the **Outage Conditions []**, the **User** shall (i) ensure that the **Maximum Export Limit** and **Maximum Import Limit** for the **BM Units** relating to the **Power Station** reflects the outage of the **Relevant Circuits** and (ii) operate its **Power Station** to reflect the outage of the **Relevant Circuits** for all **Settlement Periods** or parts thereof falling within the **Outage Period**.]
- 10.7.2 In the event that the **User** does not comply with Clauses [] above, **The Company** shall issue **Bid-Offer Acceptances** to the **User** to reduce the export from and/or import to the affected **BM Unit** so that the effect is as if the **User** had complied with the relevant Clause, and the provisions of the **Transmission Related Agreement** shall apply.
- 10.8 **The Company** shall issue to the **User** a notice that advises the **User** of the occurrence of an event leading to a reduced circuit capability of **Circuit []** and where practicable the expected **Outage Period**. Such notice (including any revision) shall be issued:
- 10.8.1 In the event that the **Notification of Circuit Restriction** relates to a **Planned Outage** on the **National Electricity Transmission System**, where practicable, be in accordance with **Grid Code** OC2 requirements; or
- 10.8.2 In the event that the **Notification of Circuit Restriction** relates to something other than a **Planned Outage** on the **National Electricity Transmission System** or relates to a **Planned Outage** on the **National Electricity Transmission System** but it is not practicable for such notice to be in accordance with **Grid Code** OC2 requirements, such notice shall be given as soon as reasonably practicable and **The Company** and the **User** shall agree as soon as practicable after the date hereof the means of such notification.
- 10.8.4 **The Company** shall promptly notify the **User** when the period of reduced circuit capability will or has ceased.
- 10.9 **The Company** shall be entitled to revise the **Notification of Circuit Restriction** given under Clause 10.8 above at any time.
- 10.10 Following such **Notification of Circuit Restriction** in accordance with Clause 10.8:
- 10.10.1 [(i) In respect of the reduction in capability of **Circuit []**, the **User** shall (i) ensure that the **Maximum Export Limit** and **Maximum Import Limit** for the **BM Units** relating to the **Power Station** reflects the reduction in capability of the **Relevant Circuits** and (ii) operate its **Power Station** to reflect the reduction in capability of the **Relevant Circuits** for all **Settlement Periods** or parts thereof falling within the **Outage Period**.]
- 10.10.2 In the event that the **User** does not comply with Clauses [] above, **The Company** shall issue **Bid-Offer Acceptances** to the **User** to reduce the export from and/or

import to the affected **BM Unit** so that the effect is as if the **User** had complied with the relevant Clause, and the provisions of the **Transmission Related Agreement** shall apply.

10.11 **The Company** shall issue to the **User** a notice that advises the **User** of the occurrence of the **ET Conditions** and where practicable the expected **ET Condition Period**. Such notice shall be issued as soon as reasonably practicable and **The Company** and the **User** shall agree as soon as practicable after the date hereof the method of such notification.

10.12 **The Company** shall promptly notify the **User** when the **ET Condition Period** will or has ceased.

10.13 **The Company** shall be entitled to revise the **Notification of ET Restrictions on Availability** given under Clause 10.11 above at any time.

10.14 The **User** will acknowledge receipt of such **Notification of ET Restrictions on Availability** and where practicable shall revise its **Output Useable** forecast for the affected **BM Unit** to reflect the reduction in capability specified in the **Notification of Restrictions on Availability**.

10.15 Following such **Notification of ET Restrictions on Availability** in accordance with Clause 10.11:

10.15.1 the **User** shall (i) ensure that the **Maximum Export Limit** and **Maximum Import Limit** for the **BM Units** relating to the **Power Station** reflect the reduction in capability specified in the **Notification of ET Restrictions on Availability** and (ii) operate its **Power Station** to reflect the reduction in capability specified in the **Notification of ET Restrictions on Availability** for all **Settlement Periods** or parts thereof falling within the **ET Condition Period**.]

10.15.2 In the event that the **User** does not comply with Clause 10.15.1 above, **The Company** shall issue **Bid-Offer Acceptances** to the **User** to reduce the export from and/or import to the affected **BM Unit** so that the effect is as if the **User** had complied with the Clause, and the provisions of the **Transmission Related Agreement** shall apply.

10.16 Where the **User** becomes aware or is notified by **The Company** of any breach of Clauses 14.6 above the **User** shall forthwith take all reasonable steps to comply with the provisions of that Clause.

10.17 Where the **User** becomes aware or is notified by **The Company** of any breach of Clauses 10.7 or 10.10 [or 10.15] above the **User** shall forthwith take all reasonable steps to comply with the provisions of that Clause.

10.18 Where the **User** breaches in whole or in part the provisions of Clause 10.7 or Clause 10.10 [or 10.15] above, the **User** shall at **The Company's** request explain to **The Company's** satisfaction (acting reasonably) the reason for the breach and demonstrate to **The Company's** satisfaction that appropriate steps have been taken to ensure that such breach will not reoccur. In the event that the **User** does

not do this **The Company** may give notice to the **User** reducing the **Transmission Entry Capacity** of the **Connection Site** and Appendix C of this **Bilateral Connection Agreement** shall be varied accordingly. This **Transmission Entry Capacity** shall apply until such time as the **User** has explained to **The Company's** reasonable satisfaction the reason for the breach and has demonstrated that appropriate steps have been taken to ensure that such breach will not reoccur and Appendix C shall be automatically amended thereafter to reflect the reinstatement of the **Transmission Entry Capacity**.

10.19]If within 3 months of a breach of Clause 10.7 or Clause 10.10 [or 10.15] above which entitled **The Company** to take action under Clause 10.12\18 above, the **User** has still failed to provide the explanation and\or demonstration required by **The Company** under Clause 10.12\18 then **The Company** may treat such breach as an **Event of Default** for the purposes of Section 5 of the **CUSC** and following such breach may give notice of termination to the **User** whereupon this **Bilateral Connection Agreement** shall terminate and the provisions of **CUSC** Paragraph 5.4.7 shall apply.

10.20For the avoidance of doubt any **Deenergisation** resulting from the **Outage Conditions** as set out in the relevant **Notification of Restrictions on Availability** [or **ET Conditions** as set out in the relevant **Notification of ET Restrictions on Availability**] constitutes an **Allowed Interruption**.

10.21.1 **The Company** and the **User** shall act in accordance with **Good Industry Practice** to minimise so far as reasonably practicable the occurrence and duration of (i) the **Outage Conditions** and (ii) an **Event** leading to reduced circuit capability of the **Relevant Circuits**. **The Company** and the **User** will, recognising the effect of the **Outage Conditions** and the reduced circuit capability on the **User's** operations, coordinate the **Outage Conditions** and the reduced circuit capability on the **National Electricity Transmission System** (where they occur as a result of a **Planned Outage**) and the **User's Plant** and **Apparatus** in accordance with **Good Industry Practice** and to the extent practicable. **The Company** and the **User** acknowledge however that even where **Planned Outages** are coordinated and agreed that **The Company** and\or the **User** may need to cancel or change such **Planned Outage**.

10.21.2 **The Company** and the **User** hereby acknowledge and agree that, where reasonably practicable, alternative operating arrangements shall be implemented to minimise the effect of **Outage Conditions** and reduced circuit capability [, including, but not limited to [describe potential arrangements]]. In the event that **The Company** and the **User** implement alternative operating arrangements in respect of an **Outage Condition** and reduced circuit capability, the provisions of Clauses 10.7 and 10.10 shall not apply to the extent that the alternative operating arrangements mitigate the restrictions (whether in whole or in part) that would otherwise apply to the **User** under this Clause 10 for all **Settlement Periods** or parts thereof falling within the **Outage Period** or period of reduced circuit capability.

[10.22 In the event that the **National Electricity Transmission System** conditions subsequently change such that the conditions required for a design variation under the **NETS SQSS** are no longer met then **The Company** shall be entitled to revise Clause 1, this Clause 10 and the **Outage Conditions** as necessary to ensure that such **NETS SQSS** conditions continue to be met. *power station with Design Variation only*]

11. TERM

Subject to the provisions for earlier termination set out in the **CUSC** this **Bilateral Connection Agreement** shall continue until the **User's Equipment** is **Disconnected** from the **National Electricity Transmission System** at the **Connection Site** (or in the case of **OTSDUW Build**, the **OTSUA** is **Disconnected** from the **National Electricity Transmission System** at the **Transmission Interface Site** prior to the **OTSUA Transfer Time**) in accordance with Section 5 of the **CUSC**.

12. VARIATIONS

12.1.1 Subject to Clause 12.2, 12.3, 12.4 [and 12.5 *Offshore only*] below, no variation to this **Bilateral Connection Agreement** shall be effective unless made in writing and signed by or on behalf of both **The Company** and the **User**.

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

12.3 **The Company** has the right to vary Appendices A and B in accordance with this **Bilateral Connection Agreement** and the **CUSC** including any variation necessary to enable **The Company** to charge in accordance with the **Charging Statements**, or upon any change to the **Charging Statements**.

12.4 Appendices A and B shall be varied automatically to reflect any change to the **Construction Works** or **Transmission Connection Assets** as provided for in the **Construction Agreement**.

[12.5 **The Company** has the right to vary this **Bilateral Connection Agreement** as necessary as provided for in Clause 1.2.3 of the **Construction Agreement**. *Offshore only*]

13. GENERAL PROVISIONS

Paragraph 6.10, Paragraphs 6.12 to 6.26 and Paragraph 6.38 of the **CUSC** are incorporated into this **Bilateral Connection Agreement** *mutatis mutandis*.

14. **[OUTAGE OF GIS ASSETS** (*power station/Non-Embedded Customer/DNO with boundary in accordance with **CUSC** Paragraph 2.12.1(f) (i) only*)
- 14.1 The division of ownership of **Plant** and **Apparatus** in Clause [9] above is in accordance with the principles of ownership set out in **CUSC** Paragraph 2.12.1 (f)(i) and as such the following provisions shall apply.
- 14.2 **The Company** shall issue to the **User** a notice that advises the **User** of the occurrence of the **GIS Asset Outage** and where practicable the expected **GIS Asset Outage Period**. Such notice shall be issued:
- 14.2.1 In the event that the **Notification of GIS Asset Outage** relates to a **Planned Outage** on the **National Electricity Transmission System**, where practicable, be in accordance with **Grid Code** OC2 requirements; or
- 14.2.2 In the event that the **Notification of GIS Asset Outage** relates to something other than a **Planned Outage** on the **National Electricity Transmission System** or relates to a **Planned Outage** on the **National Electricity Transmission System** but it is not practicable for such notice to be in accordance with **Grid Code** OC2 requirements, as soon as reasonably practicable and **The Company** and the **User** shall agree as soon as practicable after the date hereof the method of such notification.
- 14.3 **The Company** shall promptly notify the **User** when the **GIS Asset Outage Period** will or has ceased.
- 14.4 **The Company** shall be entitled to revise the **Notification of GIS Asset Outage** given under Clause 14.2 above at any time.
- 14.5 The **User** will acknowledge receipt of such **Notification of GIS Asset Outage** and in the case of a **User** in the category of a **Power Station** shall, where practicable, revise its **Output Useable** forecast for the affected **BM Unit** accordingly.
- 14.6 Following such **Notification of GIS Asset Outage** in accordance with Clause 14.2 a **User** in the category of a **Power Station** shall:
- 14.6.1 (i) ensure that the **Maximum Export Limit** and **Maximum Import Limit** for the **BM Units** relating to the **Power Station** reflects the outage of the **GIS Assets** and (ii) operate its **Power Station** to reflect the **GIS Asset Outage** for all **Settlement Periods** or parts thereof falling within the **GIS Asset Outage Period**.
- 14.6.2 In the event that the **User** does not comply with Clause 14.5 and Clause 14.6.1 above, **The Company** shall issue **Bid-Offer Acceptances** to the **User** to reduce the export from and/or import to the affected **BM Unit** to zero so that the effect is as if the **User** had complied with the Clauses and the provisions of the **Transmission Related Agreement** shall apply.

14.7 For the avoidance of doubt any **Deenergisation** resulting from the **GIS Asset Outage** as set out in the relevant **Notification of GIS Asset Outage** constitutes an **Allowed Interruption** in the case of a **User** in the category of a **Power Station** and shall relieve **The Company** from its obligations under **CUSC** Section 2 Paragraphs 2.2.1 and 2.4 in the case of a **User** in the category of a **Non-Embedded Customer** or a **Distribution System** directly connected to the **National Electricity Transmission System**.

15 OTSDUW Build

15.1 Where the **Transmission Interface Site** is to be **Operational** prior to the **OTSUA Transfer Time**, during such period the following provisions shall apply and the other provisions of this **Bilateral Connection Agreement** shall be construed accordingly.

15.2 The **OTSUA** will be connected to the **National Electricity Transmission System** at the **Transmission Interface Point** and:

- (i) until the **OTSUA Transfer Time** the provisions of **CUSC** Paragraphs 2.2, 2.3 and 2.4 shall apply by reference to the **Transmission Interface Site** rather than the **Connection Site**;
- (ii) until the **OTSUA Transfer Time** the obligation at **CUSC** Paragraph 2.5 shall apply by reference to the **Transmission Plant** and **Transmission Apparatus** at the **Transmission Interface Site**;
- (iii) until the **OTSUA Transfer Time**, in addition to its obligations at Clause 8 of this **Bilateral Connection Agreement**, the **User** shall operate the **OTSUA** in accordance with Appendices OF3 and OF4 to the **Construction Agreement**;
- (iv) until the **OTSUA Transfer Time** the **User** shall comply with the site specific technical conditions set out in Appendix OF5 to the **Construction Agreement** and **CUSC** Paragraph 2.9.3 shall also apply by reference to Appendices OF1, OF3, OF4 and OF5 as attached to the **Construction Agreement**;
- (v) the division of ownership of **Plant** and **Apparatus** at the **Transmission Interface Site** shall be at *[describe electrical or other boundary]* and where there are **GIS Assets** at the **Transmission** substation at the **Transmission Interface Site** the **GIS Outage Restrictions** will apply depending on such boundary;
- (vi) until the **OTSUA Transfer Time** the **Connection Charges** and **Use of System Charges** shall not take account of any **OTSUA** that will, at the **OTSUA Transfer Time**, become **Transmission Connection Assets**;

(vii) at and after the **OTSUA Transfer Time** the **Connection Charges** and **Use of System Charges** shall take account of the **OTSUA** (including any **OTSUA** that will become **Transmission Connection Assets**);

(viii) until the **OTSUA Transfer Time** the **Offshore Restrictions on Availability** shall not apply;

(ix) at the **OTSUA Transfer Time** the **Offshore Restrictions on Availability** shall apply.

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

SIGNED BY)

[name])

for and on behalf of)

~~National Energy System Operator Limited~~, ~~National Grid Electricity System Operator Limited~~

)

SIGNED BY)

[name])

for and on behalf of)

[User])

APPENDIX A

TRANSMISSION CONNECTION ASSET/CONNECTION SITE

Company: []

Connection Site: []

Type: []

Part 1 - Pre-Vesting Assets

<u>Allocation</u>	<u>Description</u>	<u>Age</u>	<u>Year</u>
--------------------------	---------------------------	-------------------	--------------------

(As at [])

Part 2 - Post-Vesting Assets

<u>Allocation</u>	<u>Description</u>	<u>Age</u>	<u>Year</u>
--------------------------	---------------------------	-------------------	--------------------

(As at [])

Part 3 - Energy Metering Systems (*)

<u>Allocation</u>	<u>Description</u>	<u>Age</u>	<u>Year</u>
-------------------	--------------------	------------	-------------

(As at [])

(*) FMS, Energy Metering Systems - The Electronics components have a 15 year replacement period. The Non-Electronics components have a 40 year replacement period.

All the above are inclusive of civil engineering works. At double busbar type substations, ownership of main and reserve busbars follows ownership of section switches.

Diagram Reference: []

Appendix Reference: []

Agreement Reference: []

APPENDIX B

CONNECTION CHARGES/PAYMENT

Company: []

Connection Site: []

Type: []

(1) Connection Charges

The Connection Charges set out below may be revised in accordance with the terms of this Bilateral Connection Agreement and/or the Construction Agreement and/or the CUSC and/or the Charging Statements

Part 1 - Pre-Vesting Assets

The Connection Charge for those assets extant at 31st March 1990 and specified in Appendix A Part 1 will be at an annual rate for the period [] to [] of £[] where

Rate of Return = []%

Transmission Costs

Part A Site specific maintenance element = £[]

Part B Other transmission costs element = £[]

Part 2 - Post-Vesting Assets

The Connection Charge for those assets installed for this agreement after 31st March 1990 and specified in Appendix A Part 2 will be at an annual rate for the period [] to [] of £[] where

Rate of Return = []%

Transmission Costs

Part A Site specific maintenance element = £[]

Part B Other transmission costs element = £[]

Part 3 - Energy Metering Systems

For FMS, Energy Metering Systems assets, installed for this agreement as specified in Appendix A Part 3 the Connection Charge will be at an annual rate for the period from [] to [] of £[]

Part 4 - Miscellaneous Charges

The miscellaneous charge shall be £[] in respect of the period from [] to [] payable as an estimated indexed charge in twelve monthly instalments subject to adjustment in accordance with the terms of this Bilateral Connection Agreement and/or the CUSC and/or the Charging Statements

Part 5 - One-off / Transmission Charges

The transmission charge shall be £[] in respect of the period from [] to [] payable as an estimated indexed charge in twelve monthly instalments subject to adjustment in accordance with the terms of this Bilateral Connection Agreement and/or the CUSC and/or the Charging Statements

(2) Payment

The Connection Charges for Parts 1 to 6 shall be payable in equal monthly instalments as specified in Paragraph 6.6 of the CUSC

Appendix Reference: []

APPENDIX C (Power Stations)

CONNECTION ENTRY CAPACITY AND TRANSMISSION ENTRY CAPACITY [AND MAXIMUM EXPORT CAPACITY AND MAXIMUM IMPORT CAPACITY - ET Offshore Transmission System only]

Company:

Grid Supply Point/Connection Site:

Part 1 Connection Entry Capacity

Connection Entry Capacity (CEC) expressed as an instantaneous MW figure

	CEC(MW)
Power Station	[]
Generating Unit	
Genset 1	[]
Genset 2	[]
Genset 3	[]
Genset 4	[]

Part 2 Transmission Entry Capacity

Transmission Entry Capacity (TEC) expressed in average MW taken over a half hour settlement period

	TEC(MW)
Power Station	[]

Part 3 BM Units comprising Power Station

T_BMU 1	(Associated with Genset 1)
T_BMU 2	(Associated with Genset 2)
T_BMU 3	(Associated with Genset 3)
T_BMU 4	(Associated with Genset 4)
T_BMU SD-1	(Station Demand)
T_BMU AD-1	(Additional Trading Site Demand)

[Part 4 Maximum Export Capacity and Maximum Import Capacity – ET Offshore Transmission System only]

APPENDIX C (Interconnector Owners)

CONNECTION ENTRY CAPACITY AND TRANSMISSION ENTRY CAPACITY

Company:

Connection Site:

Part 1 Connection Entry Capacity

Connection Entry Capacity (CEC) expressed as an instantaneous MW figure

	CEC(MW)
Interconnector	[]

Part 2 Transmission Entry Capacity

Transmission Entry Capacity (TEC) expressed in average MW taken over a half hour settlement period

Interconnector	[]
----------------	---------

Part 3 BM Units comprising Interconnector

All BMU's starting with an identifier [I_FRA for example]. No need to list all individual BMU's

Part 4 Figure for the Purposes of CUSC Paragraph 9.6

APPENDIX F1

SITE SPECIFIC TECHNICAL CONDITIONS:

AGREED BALANCING SERVICES

APPENDIX F2

[NOT USED]

APPENDIX F3

SITE SPECIFIC TECHNICAL CONDITIONS:

SPECIAL AUTOMATIC FACILITIES

APPENDIX F4

SITE SPECIFIC TECHNICAL CONDITIONS:

PROTECTION AND CONTROL RELAY SETTINGS

FAULT CLEARANCE TIMES

APPENDIX F5

SITE SPECIFIC TECHNICAL CONDITIONS:

LOAD SHEDDING FREQUENCY SENSITIVE RELAYS

END OF SCHEDULE 2 - EXHIBIT 1