

Schedule 2 – Exhibit 7

DATED [_____]

**NATIONAL ENERGY SYSTEM OPERATOR LIMITED~~NATIONAL GRID ELECTRICITY
SYSTEM OPERATOR LIMITED~~**

and

[_____] (2)

THE CONNECTION AND USE OF SYSTEM CODE

VLPA

VIRTUAL LEAD PARTY AGREEMENT

Reference: [_____]

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

BETWEEN

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

WHEREAS

- (A) Pursuant to the ~~Transmission 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**.
- (B) The **User** has applied to **The Company** in the capacity of a **Virtual Lead Party** who intends to operate one or more **Secondary BMU Units**.
- (C) As at the date hereof, **The Company** and the **User** are parties to the **CUSC Framework Agreement** (being an agreement by which the **CUSC** is made contractually binding between the parties).
- (D) This **Virtual Lead Party Agreement (“VLPA”)** is entered into pursuant to the **CUSC** and shall be read as being governed by it.

NOW IT IS HEREBY AGREED as follows:

1 DEFINITIONS, INTERPRETATION AND CONSTRUCTION

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

2 CONDITION PRECEDENTS AND COMMENCEMENT

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

3 OUTAGES & NETWORK MANAGEMENT

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

4 GRID CODE MATTERS

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

5 COMPLIANCE WITH TECHNICAL CONDITIONS

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

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

6 TERM

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

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

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

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

7 VARIATIONS

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

7.2 **The Company** and the **User** shall effect any amendment required to be made to this **VLPA** by the **Authority** as a result of a change in the **CUSC**, **Grid Code**, 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.

8 GENERAL PROVISIONS

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

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

SIGNED BY

.....

for and on behalf of

~~NATIONAL ENERGY SYSTEM OPERATOR LIMITED~~~~NATIONAL GRID ELECTRICITY~~
~~SYSTEM OPERATOR LIMITED~~

SIGNED BY

.....

for and on behalf of

[User]

APPENDIX F5

TECHNICAL CONDITIONS
OTHER TECHNICAL REQUIREMENTS