



## Project-specific conditions

### 1. Definitions

1.1 In this Schedule 10 (*Project-specific conditions*), unless otherwise defined within this licence or the context otherwise requires, capitalised terms used in this Schedule 10 shall have the following meaning:

<b>"Additional Public Sector Control Requirement"</b>	has the meaning given to it in the Liaison Agreement;
<b>"Additional Public Sector Control Requirement Costs"</b>	means the costs of the Licensee associated with the Additional Public Sector Control Requirement Event;
<b>"Additional Public Sector Control Requirement Event"</b>	means where following Licence Award the Secretary of State requires the Licensee to comply with an Additional Public Sector Control Requirement pursuant to paragraph 6.1(a) of schedule 9 ( <i>Public Sector Control Requirements</i> ) of the Liaison Agreement;
<b>"Additional Public Sector Control Requirement Scope"</b>	means the scope of the Additional Public Sector Control Requirement, as may be updated pursuant to paragraph 3.7(h) ( <i>Uncertain Cost Events</i> ) of this Schedule 10;
<b>"Adjusted NR Land Agreement"</b>	means: <ul style="list-style-type: none"><li>(a) an amended NR Deed of Grant or NR Lease following an NR Land Agreement Change;</li><li>(b) a lease which replaces an NR Lease following an NR Land Agreement Change; or</li><li>(c) a grant of rights or lease which replaces the NR Deed of Grant following an NR Land Agreement Change;</li></ul>
<b>"Agreed Allowances (Early Works)"</b>	means the ex ante allowances set out in the "Agreed Allowances (£)" column of the first table set out in Appendix B of this Schedule 10;
<b>"Asset Transfer Agreement"</b>	means the agreement entered into between the Licensee and the Seller at or prior to Licence Award pursuant to which, amongst other things, certain assets transfer from the Seller to the Licensee for the purposes of the Project;
<b>"Challenge Free"</b>	means:

- (a) that no Challenge Proceedings have been commenced within the relevant Challenge Period;
- (b) that if any Challenge Proceedings are commenced within the relevant Challenge Period then:
  - (i) such Challenge Proceedings are abandoned, lost or finally disposed of, leaving in place a Planning Permission; or
  - (ii) if such Challenge Proceedings are successful and the subject matter of the Challenge Proceedings is referred back to the relevant Competent Authority for reconsideration, that in consequence of that reconsideration, a Planning Permission is granted which is also Challenge Free;

**"Challenge Period"** means six weeks and ten Business Days after the date of issue of a Planning Permission;

**"Challenge Proceedings"** means any application or appeal to any court, tribunal, person or forum against or in respect of a decision of a Competent Authority;

**"Code Accession Agreement"** has the meaning given to it in the CCS Network Code;

**"DCO Works Plans"** means the Works Plans for the HyNet Carbon Dioxide Pipeline DCO (Planning Act 2008; The Infrastructure Planning (Applications: Prescribed Forms and Procedure) Regulations 2009 – Regulations 5(2)(j); Document Reference Number D.2.4; Applicant: Liverpool Bay CCS Limited; Inspectorate Reference: EN070007);

**"Decommissioning Fund Obligation Date"** means the date which is 30 months before Scheduled COD;

**"Decommissioning Regulations Event"** means that:

- (a) the Initial Decommissioning Regulations have come into force; or

(b) the Initial Decommissioning Regulations have not come into force by the Decommissioning Fund Obligation Date;

<b>"Draft Mitigation Measures Event Re-opener Application"</b>	has the meaning given in paragraph 3.3(b)(i) of this Schedule 10;
<b>"DRE Review"</b>	has the meaning given in paragraph 8.7 ( <i>Decommissioning Regulations Event Re-opener</i> ) of this Schedule 10;
<b>"DRE Submission"</b>	has the meaning given in paragraph 8.6 of this Schedule 10;
<b>"Early Padeswood Works"</b>	has the meaning given to it in paragraph 4.1(c) ( <i>Commencement of Phase 2 Tranche B Handover Works and Phase 2 Tranche C Handover Works</i> ) of this Schedule 10;
<b>"Early Runcorn Works"</b>	has the meaning given to it in paragraph 4.2(e) of this Schedule 10;
<b>"Early Works"</b>	means the works and activities that form part of the works and activities described in Appendix A of this Schedule 10 but which are also identified and described as Early Works in the first table in Appendix B to this Schedule 10;
<b>"First Group of Phase 2D Devex Activities"</b>	has the meaning given to it in the APDP;
<b>"First Phase 2 Tranche D Uncertain Cost Event"</b>	has the meaning given in paragraph 3.6(f)(i) of this Schedule 10;
<b>"Flint AGI"</b>	has the meaning given to it in the APDP;
<b>"Flint-PoA Pipeline"</b>	has the meaning given to it in the APDP;
<b>"Flint-PoA Pipeline Minimum Allowable Operating Temperature"</b>	means a minimum operating temperature of $-6^{\circ}\text{C}$ within the Flint-PoA Pipeline;
<b>"Fourth Phase 2 Tranche D Uncertain Cost Event"</b>	has the meaning given in paragraph 3.6(i)(i) of this Schedule 10;
<b>"Hamilton Carbon Store"</b>	means the T&S Storage Site described as the "Hamilton Carbon Store" in the Storage Permit with reference number CS004A;

<b>"Hamilton Main" or "HM"</b>	has the meaning given to it in the APDP;
<b>"Hamilton North" or "HN"</b>	has the meaning given to it in the APDP;
<b>"Hamilton North Carbon Store"</b>	means the T&S Storage Site described as the "Hamilton North Carbon Store" in the Storage Permit with reference number CS004B;
<b>"Hamilton North Storage Permit Addendum"</b>	means the addendum to the Licensee's Storage Permit in respect to the Hamilton North Carbon Store, documenting the amendments approved by the NSTA as a result of the Hamilton North Storage Permit Addendum Application;
<b>"Hamilton North Storage Permit Addendum Application"</b>	means the application to be submitted by the Licensee to the NSTA to amend the Licensee's Storage Permit in respect to the Hamilton North Carbon Store, as described in sections 3.1(e)(vii)(A) and (B) of the APDP;
<b>"Hamilton Storage Permit Addendum"</b>	means the addendum to the Licensee's Storage Permit in respect to the Hamilton Carbon Store, documenting the amendments approved by the NSTA as a result of the Hamilton Storage Permit Addendum Application;
<b>"Hamilton Storage Permit Addendum Application"</b>	means the application to be submitted by the Licensee to the NSTA to amend the Licensee's Storage Permit in respect to the Hamilton Carbon Store, as described in sections 3.1(e)(vii)(A) and (B) of the APDP;
<b>"Hanson Commitment Event"</b>	means the entry by Hanson Padeswood into the following legally binding and unconditional agreements with the Licensee:  (a) Construction Agreement;  (b) Connection Agreement; and  (c) Code Accession Agreement;
<b>"Hanson Padeswood"</b>	has the meaning given to it in the APDP;
<b>"Initial Decommissioning Regulations"</b>	means the first statutory instrument made pursuant to section 92 of the Act, requiring that security for the performance of obligations relating to the future abandonment or decommissioning of offshore carbon dioxide-related sites, pipelines or installations must be provided by way of a decommissioning fund, and including provisions relating to the process for establishing the decommissioning fund;



Relocation Notice on the Licensee by National Highways under and in accordance with the relevant NH Lease, be required to permanently remove, relocate or reposition any section of online onshore pipeline which (i) forms part of the Approved T&S Network; and (ii) is located on the National Highways land which is the subject of the relevant NH Lease;

**"Mechanical Completion"**

has the meaning given to it in the APDP;

**"Mitigation Measures"**

means the increase in the injection rate and total capacity of the Hamilton Carbon Store and the Hamilton North Carbon Store (but only to the extent permitted by the NSTA pursuant to the Hamilton Storage Permit Addendum Application and the Hamilton North Storage Permit Addendum Application), in accordance with the Mitigation Measures Plan (including any Notified Early Works), with the objective of achieving the Mitigation Measures Objective;

**"Mitigation Measures Commissioning Activities"**

has the meaning given to it in paragraph 3.3 of Appendix A of this Schedule 10;

**"Mitigation Measures Event"**

means where:

- (a) a Phase 2 Tranche A Uncertain Cost Event has occurred; and
- (b) the NSTA has approved the Licensee's Hamilton Storage Permit Addendum Application and/or the Hamilton North Storage Permit Addendum Application (in whole or in part),

noting that:

- (c) where the Licensee has received approval from the NSTA (in whole or in part) in relation to one of the applications referred to in paragraph (b) above, paragraph (b) will not be satisfied until the Licensee has received a decision (which may be an approval or a rejection) from the NSTA in relation to the other application referred to in paragraph (b);
- (d) to constitute an approval for the purposes of paragraph (b), any approval from the NSTA is to be an approval that allows the Mitigation

Measures to be implemented (that is, to increase the injection rate/total capacity and not merely to drill additional wells); and

any reference to an application to the NSTA being approved "in whole or in part" in this Schedule 10 is a reference to the fact that the NSTA, in approving an increase in the injection rate and total capacity of a T&S Storage Site, may approve the application or may require the Licensee to amend its original application and only approve a partial increase;

**"Mitigation Measures Handover Works"**

has the meaning given to it in paragraph 2 of Appendix A of this Schedule 10;

**"Mitigation Measures Objective"**

the objective of delivering the Obligated Network Capacity set out in the APDP that would have been required to be delivered had the Phase 2 Tranche A Uncertain Cost Event not occurred;

**"Mitigation Measures Plan"**

means a plan which is aligned with the elements set out in Appendix A to this Schedule 10, setting out the works, activities and other steps (including any preparatory engineering activities) that need to be undertaken by the Licensee to implement the Mitigation Measures (other than the Mitigation Measures Preparatory Activities, but including all Early Works (even where such Early Works are Notified Early Works)), which shall include the Hamilton Acceptance Requirements (as defined in Appendix A to this Schedule 10);

**"Mitigation Measures Preparatory Activities"**

means the activities described in section 3.1(e)(vii) of the APDP;

**"Mitigation Measures Systems"**

has the meaning given in paragraph 1 of Appendix A of this Schedule 10;

**"Mitigation Measures Works and Activities"**

means the works, activities and other steps set out in the Mitigation Measures Plan;

**"National Highways" or "NH"**

means National Highways Limited (company number 09346363);

**"Network Rail" or "NR"**

means Network Rail Infrastructure Limited (company number 02904587) (or any successor entity, permitted assignee or transferee);

- "NH Lease"** means a lease entered into between National Highways and the Licensee which relates to land upon which part(s) of the Approved T&S Network are situated;
- "Notified Early Works"** means the Early Works that the Licensee has notified to the Regulator pursuant to paragraph 3.2(e)(ii) of this Schedule 10;
- "Notified Early Works Uncertain Cost Event"** means where:
- (a) a Phase 2 Tranche A Uncertain Cost Event has occurred; and
  - (b) the Licensee has made an application for an Uncertain Cost Event Re-opener in respect of a Phase 2 Tranche A Uncertain Cost Event in accordance with paragraph 3.1(d) of this Schedule 10;
- "NR Deed of Grant"** means the deed of grant between Network Rail and the Licensee, which was originally entered into between (1) Railtrack Plc; and (2) BHP Petroleum Limited on 25 June 2001, and which relates, amongst other things, to land upon which part(s) of the Approved T&S Network are situated;
- "NR Land Agreement Change"** means:
- (a) the terms of the NR Deed of Grant or an NR Lease are amended;
  - (b) an NR Lease is surrendered and a replacement lease is entered into; or
  - (c) the NR Deed of Grant is surrendered and replaced by a new grant of rights or lease in respect of the NR Talacre Pipeline;
- "NR Lease"** means each of the leases entered into between Network Rail and the Licensee which relate to land upon which part(s) of the Approved T&S Network are situated, such leases relating to land at and around:
- (a) the TRS-01 railway crossing on the Hapsford railway line at the location shown on for "Work No. 4" on drawing EN070007-D.2.4-WP-Sheet 1 of the DCO Works Plans;

- (b) the TRS-20 railway crossing on the Mollington railway line at the location shown on for "Work No. 24" on drawing EN070007-D.2.4-WP-Sheet 9 of the DCO Works Plans;
- (c) the TRS-29 railway crossing on the North Wales Coast railway line at the location shown on for "Work No. 32" on drawing EN070007-D.2.4-WP-Sheet 14 of the DCO Works Plans; and
- (d) the TRS-36 railway crossing on the Wrexham to Bidston (Borderlands) railway line at the location shown on for "Work No. 38" on drawing EN070007-D.2.4-WP-Sheet 17 of the DCO Works Plans,

and which leases are entered into on substantially the same terms as the Standard NR Lease;

**"NR Lease ARF"**

has the meaning given to it in paragraph 2.4 (*Availability Relief Factors*) of this Schedule 10;

**"NR Misalignment"**

has the meaning given to it in paragraph 5.3 (*NR-related FM Events*) of this Schedule 10;

**"NR-related FM Event"**

means:

- (a) the absolute determination of the rights granted under the NR Deed of Grant under and in accordance with a relevant NR Termination Provision;
- (b) Network Rail exercises its rights under an NR Talacre Pipeline Provision to require and/or undertake the removal of all or part of the NR Talacre Pipeline, including where Network Rail substitutes other convenient works (as referred to in the NR Deed of Grant); or
- (c) the termination of a relevant NR Lease by Network Rail under and in accordance with a relevant NR Termination Provision;

**"NR-related FM Notice"**

means:

- (a) where Network Rail notifies the Licensee, or otherwise makes the Licensee aware, of its intent to exercise its rights under an NR Talacre Pipeline Provision;

- (b) where Network Rail notifies the Licensee, or otherwise makes the Licensee aware, of its intent to take any action which will result in the determination of the rights granted under the NR Deed of Grant under and in accordance with an NR Termination Provision; or
- (c) a notice given to the Licensee by Network Rail under and in accordance with an NR Termination Provision;

**"NR Talacre Pipeline"**

means the section of online onshore pipeline which:

- (a) forms part of the Approved T&S Network; and
- (b) forms part of the "Works" (as such term is defined in the NR Deed of Grant);

**"NR Talacre Pipeline Provision"**

means the provision within the NR Deed of Grant pursuant to which Network Rail:

- (a) may require and/or undertake the removal of all or part of the NR Talacre Pipeline where such removal is required by Network Rail under and in accordance with the NR Deed of Grant for the purposes of the construction or erection of works that Network Rail deems necessary over, under or adjoining the NR Talacre Pipeline and/or the raising, widening and/or alteration of Network Rail's railway and works; and
- (b) where Network Rail requires and/or undertakes the removal of all or part of the NR Talacre Pipeline as referred to in limb (a) of this definition, shall, so far as it is practicable to do so, substitute other convenient works (as referred to in the NR Deed of Grant);

**"NR Termination Provision"**

means:

- (a) the provision within the NR Deed of Grant pursuant to which the rights granted to the Licensee under the NR Deed of Grant absolutely determine as a result of the complete removal of the "Works" (as such term is defined in the NR Deed of Grant); or
- (b) a provision within an NR Lease pursuant to which Network Rail may terminate the relevant

	NR Lease if Network Rail requires the land the subject of the NR Lease (or any part of it) for the purposes of its statutory undertaking;
<b>"ONC-related Change in Scope"</b>	has the meaning given to it in paragraph 11.3 ( <i>Obligated Network Capacity</i> ) of this Schedule 10;
<b>"Onerous Condition"</b>	means a condition on a Planning Permission which: <ul style="list-style-type: none"><li>(a) the Licensee has not agreed to be included in the grant of the relevant Planning Permission;</li><li>(b) the Licensee considers to be an unacceptable or onerous condition and so notifies the Regulator under paragraph 3.4(c)(ii)(A) or paragraph 3.5(c)(ii)(A) of this Schedule 10 (as applicable); and</li><li>(c) the Regulator determines under paragraph 3.4(c)(ii)(B) or paragraph 3.5(c)(ii)(B) of this Schedule 10 (as applicable) is an unacceptable or onerous condition;</li></ul>
<b>"Padeswood Appeal or Revision"</b>	has the meaning given to it in paragraph 3.4(e)(v) of this Schedule 10;
<b>"Padeswood Planning Permission"</b>	means a Planning Permission granted by a Competent Authority pursuant to a Padeswood TCPA Application;
<b>"Padeswood Spurline"</b>	has the meaning given to it in the APDP;
<b>"Padeswood TCPA Application"</b>	means a Planning Application for the Phase 2 Tranche B Systems;
<b>"Payment Date"</b>	means the date when the Seller pays the Seller's Decommissioning Fund Contribution to the Licensee in accordance with the terms of the Asset Transfer Agreement;
<b>"Phase 1 Onshore Pipelines"</b>	means the parts of the Onshore Transportation System which form part of the Phase 1 Systems as detailed in para. 3.1(d)(i) of the APDP;
<b>"Phase 1 Systems"</b>	has the meaning given to it in the APDP;
<b>"Phase 2 Systems"</b>	means <del>(as applicable);</del> <ul style="list-style-type: none"><li>(a) the Phase 2 Tranche B Systems; <del>or</del></li><li>(b) <del>the Phase 2 Tranche C Systems;</del></li></ul>

<b>"Phase 2 Tranche A"</b>	has the meaning given to it in the APDP;
<b>"Phase 2 Tranche A Systems"</b>	has the meaning given to it in the APDP;
<b>"Phase 2 Tranche A Uncertain Cost Event"</b>	means where the Licensee or Eni UK Limited sends a notice in accordance with clause 8.4 of the Asset Transfer Agreement, electing to remove all of the Lennox Assets from the scope of the Transferred Assets (where "Lennox Assets" and "Transferred Assets" have the meaning given to them in the Asset Transfer Agreement);
<b>"Phase 2 Tranche B"</b>	has the meaning given to it in the APDP;
<b>"Phase 2 Tranche B Handover Works"</b>	has the meaning give to it in the APDP;
<b>"Phase 2 Tranche B Planning Elements"</b>	means the elements of the relevant Phase 2 Tranche B Uncertain Cost Event described in paragraphs 3.4(d)(i)(A) and (B) of this Schedule 10;
<b>"Phase 2 Tranche B Systems"</b>	has the meaning given to it in the APDP;
<b>"Phase 2 Tranche B Uncertain Cost Event"</b>	has the meaning given in paragraph 3.4(a) of this Schedule 10;
<b>"Phase 2 Tranche C"</b>	has the meaning given to it in the APDP;
<b>"Phase 2 Tranche C Handover Works"</b>	has the meaning given to it in the APDP;
<b>"Phase 2 Tranche C Planning Elements"</b>	means the elements of the Phase 2 Tranche C Uncertain Cost Event described in paragraphs 3.5(d)(i)(A) and (B) of this Schedule 10;
<b>"Phase 2 Tranche C Systems"</b>	has the meaning given to it in the APDP;
<b>"Phase 2 Tranche C Uncertain Cost Event"</b>	has the meaning given in paragraph 3.5(a) of this Schedule 10;
<b>"Phase 2 Tranche D"</b>	has the meaning given to it in the APDP;
<b>"Phase 2 Tranche D Commissioning Activities"</b>	has the meaning given to it in the APDP;
<b>"Phase 2 Tranche D Handover Works"</b>	has the meaning given to it in the APDP;
<b>"Phase 2 Tranche D Uncertain Cost Events"</b>	means the First Phase 2 Tranche D Uncertain Cost Event, the Second Phase 2 Tranche D Uncertain Cost Event, the Third Phase 2 Tranche D Uncertain Cost

Event and the Fourth Phase 2 Tranche D Uncertain Cost Event (each a **"Phase 2 Tranche D Uncertain Cost Event"** and together the **"Phase 2 Tranche D Uncertain Cost Events"**);

<b>"Phase 2 User"</b>	has the meaning given to it in the APDP;
<b>"Phase 2B User"</b>	means the Phase 2 User identified in row 3 of the Planned Initial Users table at section 4.1(b) of the APDP;
<b>"Phase 2C User"</b>	means the Phase 2 User identified in row 1 of the Planned Initial Users table at section 4.1(b) of the APDP;
<b>"Phase 2D Devex Activities"</b>	has the meaning given in paragraph 3.6(a) of this Schedule 10;
<b>"Planned Initial Users"</b>	has the meaning given to it in the APDP;
<b>"Planning Application"</b>	means an application for full planning permission submitted by or on behalf of the Licensee under the Town and Country Planning Act 1990 to a relevant Competent Authority;
<b>"Planning Permission"</b>	means a full planning permission granted by a Competent Authority pursuant to a Planning Application;
<b>"Planning Refusal"</b>	means: <ul style="list-style-type: none"><li>(a) refusal to grant a Planning Permission;</li><li>(b) the non-determination by a Competent Authority of a Planning Application within the relevant statutory period (together with such extensions to such statutory period as the Licensee may have agreed with the Competent Authority); or</li><li>(c) the grant of a Planning Permission contains one or more Onerous Conditions;</li></ul>
<b>"PoA Terminal"</b>	has the meaning given to it in the APDP;
<b>"Potential Additional ARF"</b>	has the meaning given in paragraph 2 of this Schedule 10;
<b>"Pre-Licence Award Capex"</b>	means pre-Licence Award capital expenditure costs incurred in respect of the Approved T&S Network;

<b>"Pre-Licence Award Capex Allowance"</b>	means an allowance in respect of the Licensee's Pre-Licence Award Capex which is as set out in the Financial Settlement Document;
<b>"Pre-Licence Award Capex Costs"</b>	means the Pre-Licence Award Capex costs incurred by the Licensee in respect of the Approved T&S Network, excluding any Excluded Project Spend;
<b>"Relevant NR Definitions"</b>	has the meaning given to that term in paragraph 5.2 of this Schedule 10;
<b>"Relevant Padeswood Planning Refusal"</b>	means a Planning Refusal which relates: <ul style="list-style-type: none"><li>(a) to an Initial Padeswood TCPA Application; or</li><li>(b) where the Planning Refusal occurs under limb (c) of the definition of Planning Refusal, the Initial Padeswood Planning Permission;</li></ul>
<b>"Relevant Runcorn Planning Refusal"</b>	<del>means a Planning Refusal which relates: <ul style="list-style-type: none"><li>(a) to an Initial Runcorn TCPA Application; or</li><li>(b) where the Planning Refusal occurs under limb (c) of the definition of Planning Refusal, the relevant Initial Runcorn Planning Permission;</li></ul></del>
<b>"Relocation Notice"</b>	has the meaning given to that term in a relevant NH Lease;
<b>"Required Flint-PoA Pipeline Flow Rate"</b>	means a flow rate of at least 150.30 kg/s;
<b>"Resolving Modifications"</b>	has the meaning given to it in paragraph 5.6(a) of this Schedule 10;
<b>"RFS Agreement"</b>	means the Reverse Flow Services Agreement entered into between the Licensee and Eni CCUS Holding Limited (company number 14821773);
<b>"Runcorn Appeal or Revision"</b>	<del>has the meaning given to it in paragraph 3.5(e)(vi) of this Schedule 10;</del>
<b>"Runcorn Planning Permission"</b>	<del>means a Planning Permission granted by a Competent Authority pursuant to a Runcorn TCPA Application;</del>
<b>"Runcorn Planning Refusal"</b>	<del>means a Planning Refusal of a Runcorn TCPA Application (and, where relevant, the relevant Planning Permission is a Runcorn Planning Permission);</del>

<b>"Runcorn Spurline"</b>	has the meaning given to it in the APDP;
<b>"Runcorn TCPA Application"</b>	means each of: <ul style="list-style-type: none"><li>(a) a Planning Application submitted by or on behalf of the Licensee to Cheshire West and Chester Council <del>for such parts of the Phase 2 Tranche C Systems as are located in that Competent Authority's administrative area with reference number 25/02108/FUL</del>; and</li><li>(b) a Planning Application submitted by or on behalf of the Licensee to Halton Borough Council <del>for such parts of the Phase 2 Tranche C Systems as are located in that Competent Authority's administrative area with reference number 25/00293/FULEIA</del>;</li></ul>
<b>"Satisfactory Padeswood Planning Permission"</b>	means a Padeswood Planning Permission which is a Satisfactory Planning Permission;
<b>"Satisfactory Planning Permission"</b>	means a Planning Permission which contains no Onerous Conditions;
<del><b>"Satisfactory Runcorn Planning Permission"</b></del>	<del>means a Runcorn Planning Permission which is a Satisfactory Planning Permission;</del>
<b>"Scenario"</b>	has the meaning given to it in paragraph 3.2(e)(ii) of this Schedule 10;
<b>"Scheduled Phase 2 Tranche B Acceptance Date"</b>	has the meaning given in the Technical Details Document;
<b>"Scheduled Phase 2 Tranche B Handover Date"</b>	has the meaning given in the Technical Details Document;
<del><b>"Scheduled Phase 2 Tranche C Acceptance Date"</b></del>	<del>has the meaning given in the Technical Details Document; and</del>
<del><b>"Scheduled Phase 2 Tranche C Handover Date"</b></del>	<del>has the meaning given in the Technical Details Document.</del>
<b>"Scheduled Phase 2 Tranche D Acceptance Date"</b>	has the meaning given in the Technical Details Document;
<b>"Scheduled Phase 2 Tranche D Handover Date"</b>	has the meaning given in the Technical Details Document;

<b>"Second Group of Phase 2D Devex Activities"</b>	has the meaning given to it in the APDP;
<b>"Second Phase 2 Tranche D Uncertain Cost Event"</b>	has the meaning given in paragraph 3.6(g)(i) of this Schedule 10;
<b>"Seller"</b>	means Eni UK Limited;
<b>"Seller's Decommissioning Fund Contribution"</b>	means the Seller's Decommissioning Fund Contribution (as defined in the Asset Transfer Agreement), representing a financial contribution from the Seller towards the future decommissioning of the assets that are the subject of the Asset Transfer Agreement;
<b>"Standard NR Lease"</b>	means the form of lease set out in Appendix D ( <i>Standard NR Lease</i> ) to this Schedule 10;
<b>"Suspension Provision"</b>	means a provision of a relevant NR Lease the result of which is that Network Rail may cut-off, or procure the cut-off of, the flow of CO2 through any relevant section of online onshore pipeline (i) forming part of the Approved T&S Network; and (ii) which is located on Network Rail land which is the subject of the relevant NR Lease;
<b>"Third Group of Phase 2D Devex Activities"</b>	has the meaning given to it in the APDP;
<b>"Third Phase 2 Tranche D Uncertain Cost Event"</b>	has the meaning given in paragraph 3.6(h)(i) of this Schedule 10;
<b>"Track 1 Expansion Users"</b>	has the meaning given to it in the APDP;
<b>"Viridor Commitment Event"</b>	means the entry by Viridor (Runcorn) into the following legally binding and unconditional agreements with the Licensee:  (a) <del>Construction Agreement;</del>  (b) <del>Connection Agreement; and</del>  (c) <del>Code Accession Agreement; and</del>
<b>"Viridor (Runcorn)"</b>	has the meaning given to it in the APDP.

2. **Availability Relief Factors**

2.1 The following shall be an Availability Relief Factor under Special Condition H18.13(g) (*Availability incentive*):

- (a) any factor designated as an "Availability Relief Factor" under paragraph 2.2(c)(i) of this Schedule 10 (*Project-specific conditions*).

2.2 Where any of the events specified in paragraph 2.3 of this Schedule 10 (each a "**Potential Additional ARF**") occurs:

- (a) the Licensee must notify the Regulator as soon as reasonably practicable after having become aware of such occurrence, including in such notice:
  - (i) the details of the circumstance(s) of such Potential Additional ARF;
  - (ii) the Licensee's analysis of the likely impact of the relevant Potential Additional ARF on Availability, including a detailed justification in respect of the same; and
  - (iii) the Licensee's proposals to respond to the relevant Potential Additional ARF;
- (b) following submission of a notice by the Licensee under paragraph 2.2(a) of this Schedule 10, the Licensee must provide to the Regulator any Supporting Information that the Regulator considers appropriate and requests from the Licensee in respect of:
  - (i) the relevant Potential Additional ARF;
  - (ii) the Licensee's proposals to respond to the relevant Potential Additional ARF; and
  - (iii) the Licensee's analysis of the likely impact of the relevant Potential Additional ARF on Availability; and
- (c) following receipt of a notice from the Licensee under paragraph 2.2(a) of this Schedule 10 and all Supporting Information required under paragraph 2.2(b) of this Schedule 10, the Regulator will review the notice and the relevant Supporting Information and will either:
  - (i) determine that the relevant Potential Additional ARF is designated as an Availability Relief Factor for the purposes of Special Condition H18.13, provided that such designation shall only apply in respect of the circumstances included in the notice from the Licensee under paragraph 2.2(a) of this Schedule 10; or
  - (ii) determine that the relevant Potential Additional ARF is not designated as an Availability Relief Factor for the purposes of Special Condition H18.13,

in each case for the purposes of paragraph 2.1(a) of this Schedule 10. At the same time that the Regulator makes a determination under this limb (c), it may, in respect of

the Potential Additional ARF, make a determination as to the matters described in limbs (i) and (ii) of Special Condition H18.13 and their impact on the Potential Additional ARF.

2.3 The following events are each a Potential Additional ARF for the purposes of paragraph 2.2 of this Schedule 10:

- (a) during the Operational Period, the Licensee is required pursuant to a Lift and Shift Provision to remove, relocate or reposition any relevant section of online onshore pipeline forming part of the Approved T&S Network which is located on National Highways land which is the subject of the relevant NH Lease, provided that:
  - (i) the relevant Lift and Shift Provision was required by National Highways to be included in the relevant NH Lease notwithstanding the reasonable endeavours of the Licensee to exclude the relevant Lift and Shift Provision from the relevant NH Lease; and
  - (ii) the Licensee notifies the Regulator that the relevant NH Lease contains a Lift and Shift Provision, together with full details of the relevant Lift and Shift Provision, including the circumstances in which it can be exercised, either:
    - (A) where the relevant NH Lease is entered into between National Highways and the Licensee prior to Licence Award, by no later than Licence Award; and
    - (B) where the relevant NH Lease is entered into between National Highways and the Licensee at or following Licence Award, promptly (and in any event not later than 15 Business Days) following the date on which the Licensee and National Highways enter into the relevant NH Lease; and
- (b) during the Operational Period, the flow of CO<sub>2</sub> through any relevant section of online onshore pipeline forming part of the T&S Network which is located on Network Rail land which is the subject of the relevant NR Lease is cut-off for a continuous period of 24 hours or more by (or on behalf of or upon the instruction of) Network Rail as a result of Network Rail exercising its rights under a Suspension Provision, provided that:
  - (i) only the period of cut-off over and above the first continuous 24-hour period shall qualify as a Potential Additional ARF (and, therefore, if designated as an Availability Relief Factor under paragraph 2.2(c)(i) of this Schedule 10, would be taken into account for the purposes of Special Condition H18.13);
  - (ii) the relevant Suspension Provision was required by Network Rail to be included in the relevant NR Lease notwithstanding the reasonable endeavours of the Licensee to exclude the relevant Suspension Provision from the relevant NR Lease;

- (iii) the Licensee notifies the Regulator that the relevant NR Lease contains a Suspension Provision, together with full details of the relevant Suspension Provision, including the circumstances in which it can be exercised, either:
  - (A) where the relevant NR Lease is entered into between Network Rail and the Licensee prior to Licence Award, by no later than Licence Award; and
  - (B) where the relevant NR Lease is entered into between Network Rail and the Licensee at or following Licence Award, promptly (and in any event not later than 15 Business Days) following the date on which the Licensee and Network Rail enter into the relevant NR Lease; and
- (iv) the provisions of paragraph 2.4 of this Schedule 10 shall apply.

#### 2.4 **NR Lease ARFs**

- (a) This paragraph 2.4 shall apply in respect of any Potential Additional ARF which is:
  - (i) an event specified in paragraph 2.3(b) of this Schedule 10; and
  - (ii) designated as an "Availability Relief Factor" under paragraph 2.2(c)(i) of this Schedule 10,(each, once so designated as an "Availability Relief Factor", an "**NR Lease ARF**").
- (b) Where in respect of any Operational Charging Year, Confirmed Availability is equal to or above the Availability Target for such Operational Charging Year, the application of any NR Lease ARF and its impact on the definition of:
  - (i) Adjusted Constrained Registered Capacity; and
  - (ii) Adjusted Curtailed Nomination,shall not result in any positive adjustment to the Allowed Revenue pursuant to Special Condition H18.18(b)
- (c) Notwithstanding paragraph 2.4(b) of this Schedule 10:
  - (i) the Licensee's obligations under Special Condition H18.8 shall continue to apply in respect of any NR Lease ARF;
  - (ii) the Licensee's obligations under Special Condition H18.9 shall continue to apply in respect of any NR Lease ARF;
  - (iii) the evidence provided by the Licensee to the Regulator under Special Condition H18.10 must include notice of the occurrence of any NR Lease ARF, evidence satisfactory to the Regulator in respect of the nature, cause(s) and duration of any NR Lease ARF and the impact of such NR Lease ARF on Nominated Quantity and/or Registered Capacity, including the duration of such impact and the affected Delivery Periods; and

- (iv) the Regulator may, at any time, require further Supporting Information from the Licensee in respect of any NR Lease ARF and its impact on the Project and the Licensee must provide any such evidence to the Regulator promptly following such request.

### 3. **Uncertain Cost Events**

#### 3.1 **Uncertain Cost Event relating to Phase 2 Tranche A**

- (a) A Phase 2 Tranche A Uncertain Cost Event is an Uncertain Cost Event in respect of which Special Conditions J7.1 to J7.6 (*Variation Re-openers*) shall not apply.
- (b) No Change in Scope, Qualifying Change in Law or ONC-related Change in Scope shall arise for the purposes of this licence in connection with, or as a result of:
  - (i) a Phase 2 Tranche A Uncertain Cost Event; or
  - (ii) any circumstances or events giving rise to a Phase 2 Tranche A Uncertain Cost Event,

and the provisions of Part A (*Changes in Scope*) and Part B (*Qualifying Changes in Law*) of Special Condition J2 (*Supervening Event Re-openers, Insured Risk Events and Relief Events*) shall not apply in respect of the same.

- (c) For the purpose of Special Condition J6.6 (*Uncertain Cost Events*), the Regulator will determine the impact or expected impact (if any) of a Phase 2 Tranche A Uncertain Cost Event on the Project in accordance with this paragraph 3.1.
- (d) As soon as reasonably practicable following the occurrence of a Phase 2 Tranche A Uncertain Cost Event, the Licensee must submit an application for an Uncertain Cost Event Re-opener in respect of the Phase 2 Tranche A Uncertain Cost Event in accordance with Special Conditions J6.3 to J6.7 and paragraph 3.1(e) of this Schedule 10 (*Project-specific conditions*).
- (e) The Licensee must ensure that any application made for an Uncertain Cost Event Re-opener in respect of a Phase 2 Tranche A Uncertain Cost Event pursuant to Special Conditions J6.3(a) and J6.4 and this paragraph 3.1 shall include (as a minimum) a copy of the notice referred to in the definition of Phase 2 Tranche A Uncertain Cost Event, to evidence that the Phase 2 Tranche A Uncertain Cost Event has occurred.
- (f) Following submission of an application for an Uncertain Cost Event Re-opener in respect of a Phase 2 Tranche A Uncertain Cost Event under paragraph 3.1(d) of this Schedule 10, the Licensee must promptly provide to the Regulator any other Supporting Information that the Regulator considers appropriate and requests from the Licensee in respect of the Phase 2 Tranche A Uncertain Cost Event.

- (g) Provided that the Licensee has provided the relevant information required pursuant to paragraphs 3.1(e) and 3.1(f) of this Schedule 10 and Special Condition J6.4, where the Licensee has made an application for a Uncertain Cost Event Re-opener in respect of a Phase 2 Tranche A Uncertain Cost Event under this paragraph 3.1, the Regulator will determine:
  - (i) amendments to Annex A to Section A of this licence such that:
    - (A) paragraph 2.1(c) is amended to remove reference to:
      - (aa) the Lennox Carbon Store; and
      - (bb) the carbon dioxide appraisal and storage licence number CS004C (Lennox); and
    - (B) Exhibit B is amended to remove reference to the Lennox Carbon Store, the related T&S Storage Site and the related Offshore Pipeline Infrastructure;
  - (ii) amendments to update the APDP to reflect the impact of the Phase 2 Tranche A Uncertain Cost Event such that:
    - (A) the APDP is amended to remove all references to Phase 2 Tranche A, as follows:
      - (aa) deletion of the reference to "Lennox" in the definition of "Douglas CCS Platform" in section 1.1 of the APDP;
      - (bb) deletion of the definition of "Lennox" in section 1.1 of the APDP;
      - (cc) deletion of reference to the Phase 2 Tranche A Commissioning Activities in the definition of "Phase 2 Acceptance Punchlist Items" in section 1.1 of the APDP;
      - (dd) deletion of reference to the Phase 2 Tranche A Handover Works in the definition of "Phase 2 Handover Punchlist Items" in section 1.1 of the APDP;
      - (ee) amendment of section 2.5 of the APDP to refer to two T&S Storage Sites rather than three;
      - (ff) amendment of section 2.6(b) of the APDP to refer to four Phase 2 Tranches rather than five;
      - (gg) amendment of section 2.8 to refer to two reservoirs rather than three;
      - (hh) amendment of "Figure 1: Approved T&S Network" to remove references to "Lennox Wells", "Lennox CO2 WHP" and associated pipelines;

- (ii) amendment of section 2.9 of the APDP to refer to four tranches rather than five;
- (jj) amendment of "Figure 2: Phase 1 Scope" to remove references to "Lennox Wells", "Lennox CO2 WHP" and associated pipelines, as well as "\*\*\*\* Lennox platform may be commissioned after COD" and "\*\*\*\*Lennox wells may be perforated after COD";
- (kk) amendment of section 3.2(b) of the APDP to refer to four tranches rather than five;
- (ll) section 3.2(b)(i) of the APDP to be replaced with "Not used";
- (mm) "Figure 3: Phase 2A Scope" at section 3.2(c) of the APDP to be deleted and renamed "Figure 3: Not used";
- (nn) amendment of "Figure 4: Phase 2B Scope" to remove references to "Lennox Wells", "Lennox CO2 WHP" and associated pipelines;
- (oo) ~~NOT USED~~ amendment of "Figure 5: Phase 2C Scope" to remove references to "Lennox Wells", "Lennox CO2 WHP" and associated pipelines;
- (pp) amendment of "Figure 6: Phase 2D Scope" to remove references to "Lennox Wells", "Lennox CO2 WHP" and associated pipelines;
- (qq) deletion of reference to the Phase 2 Tranche A Systems in the definition of "Phase 2 Systems" in section 3.2(e) of the APDP;
- (rr) section 3.2(f) of the APDP to be replaced with "Not used";
- (ss) section 3.2(i)(ii)(C) of the APDP to be replaced with "Not used";
- (tt) deletion of reference to the Phase 2 Tranche A Handover Works in the definition of "Phase 2 Handover Works" in section 3.2(j)(i) of the APDP;
- (uu) section 3.2(j)(ii) of the APDP to be replaced with "Not used";
- (vv) deletion of reference to the Phase 2 Tranche A Commissioning Activities Works in the definition of "Phase 2 Commissioning Activities" in section 3.2(k)(i) of the APDP; and
- (ww) section 3.2(k)(ii) of the APDP to be replaced with "Not used";
- (B) section 3.2(i)(ii) of the APDP is deleted, to be replaced with "Not used";

(C) section 3.4 of the APDP is amended to read as follows:

	<b>Obligated Network Capacity</b>
<b>Maximum Flow Rates</b>	<b>Maximum Instantaneous Flow Rate:</b> 139.52 kg/s (4.4 MTPA instantaneous)
	<b>Maximum Annual Cumulative Flow:</b> 2.9 MtCO <sub>2</sub>
<b>Minimum Flow Rate</b>	6.34 kg/s (0.2 MTPA instantaneous)
<b>Overall Store Capacity</b>	71 MtCO <sub>2</sub>

(D) section 7.1(c) to be replaced with "Not used"; and

(E) any other consequential amendments as required to give effect to the amendments listed in paragraph 3.1(g)(ii) of this Schedule 10;

(iii) amendments to update the Financial Settlement Document to reflect the impact of the Phase 2 Tranche A Uncertain Cost Event such that:

(A) the SRAV Capex and Opex Construction Period Allowance is reduced by £133.1 million;

(B) the SRAV Capex and Opex Commissioning Period Allowance is reduced by £11.2 million;

(C) the Opex Allowances are reduced by:

(aa) £5.7 million in respect of Operational Charging Year 1;

(bb) £4.6 million in respect of Operational Charging Year 2; and

(cc) £13.2 million in respect of Operational Charging Year 3; and

(dd) £14.1 million in respect of Operational Charging Year 4.

- (iv) amendments to update the Technical Details Document to reflect the impact of the Phase 2 Tranche A Uncertain Cost Event such that the Technical Details Document is amended to remove all references to Phase 2 Tranche A, as follows:
  - (A) "Phase 2 Tranche A (Lennox)" is deleted under the "Phase 2 Activities" heading;
  - (B) the date of appointment of Independent Certifier for Phase 2 Tranche A is deleted;
  - (C) the Reporting Commencement Date for Phase 2 Tranche A is deleted;
  - (D) the P2/ExpA Reporting Period for Phase 2 Tranche A is deleted;
  - (E) the Scheduled Phase 2 Tranche A Handover Date is deleted;
  - (F) the Scheduled Phase 2 Tranche A Acceptance Date is deleted; and
  - (G) any other consequential amendments as required to give effect to the amendments listed in paragraph 3.1(g)(iv) of this Schedule 10.

### 3.2 **Uncertain Cost Event relating to Notified Early Works**

- (a) A Notified Early Works Uncertain Cost Event is an Uncertain Cost Event in respect of which Special Conditions J7.1 to J7.6 (*Variation Re-openers*) shall not apply.
- (b) No Change in Scope, Qualifying Change in Law or ONC-related Change in Scope shall arise for the purposes of this licence in connection with, or as a result of:
  - (i) a Notified Early Works Uncertain Cost Event; or
  - (ii) any circumstances or events giving rise to a Notified Early Works Uncertain Cost Event,

and the provisions of Part A (*Changes in Scope*) and Part B (*Qualifying Changes in Law*) of Special Condition J2 (*Supervening Event Re-openers, Insured Risk Events and Relief Events*) shall not apply in respect of the same.

- (c) For the purpose of Special Condition J6.6 (*Uncertain Cost Events*), the Regulator will determine the impact or expected impact (if any) of a Notified Early Works Uncertain Cost Event on the Project (in terms of the Licensee carrying out any Early Works) in accordance with this paragraph 3.2.
- (d) As soon as reasonably practicable following the occurrence of a Notified Early Works Uncertain Cost Event, the Licensee must submit an application for an Uncertain Cost Event Re-opener in respect of the Notified Early Works Uncertain Cost Event in accordance with Special Conditions J6.3 to J6.7 and paragraph 3.2(e) of this Schedule 10 (*Project-specific conditions*).

- (e) The Licensee must ensure that any application made for an Uncertain Cost Event Re-opener in respect of a Notified Early Works Uncertain Cost Event pursuant to Special Conditions J6.3(a) and J6.4 and this paragraph 3.2 shall include (as a minimum) the following information:
- (i) a copy of the notice referred to in the definition of Phase 2 Tranche A Uncertain Cost Event, to evidence that the Phase 2 Tranche A Uncertain Cost Event has occurred;
  - (ii) which scenario set out in the second table in Appendix B (each a "**Scenario**") applies (subject to paragraph 3.2(h) of this Schedule 10) and based on that Scenario, the Early Works corresponding to that Scenario, as set out in the second table in Appendix B, that the Licensee will be proceeding with (with such Early Works, notified in the application, being the "**Notified Early Works**");
  - (iii) Supporting Information to evidence the existence of the Scenario referred to in paragraph 3.2(e)(ii) of this Schedule 10; and
  - (iv) evidence that the Licensee has received all necessary approvals from the NSTA, pursuant to the Storage Licences relating to the Hamilton Carbon Store and/or the Hamilton North Carbon Store, which may be required to permit the Licensee to carry out the Notified Early Works.
- (f) Following submission of an application for an Uncertain Cost Event Re-opener in respect of a Notified Early Works Uncertain Cost Event under paragraph 3.2(d) of this Schedule 10, the Licensee must promptly provide to the Regulator any other Supporting Information that the Regulator considers appropriate and requests from the Licensee in respect of the Notified Early Works Uncertain Cost Event.
- (g) For the purpose of Special Condition J6.6, and provided that both (A) the Licensee has provided the relevant information required pursuant to paragraphs 3.2(e) and 3.2(f) of this Schedule 10 and Special Condition J6.4; and (B) the Regulator has made a determination pursuant to paragraph 3.1(g) of this Schedule 10, where the Licensee has made an application for a Uncertain Cost Event Re-opener in respect of a Notified Early Works Uncertain Cost Event under this paragraph 3.2, the Regulator will:
- (i) determine how the Agreed Allowances (Early Works) corresponding to the Notified Early Works are to be allocated to the different categories of ex ante allowances provided for under this licence and amendments to the Financial Settlement Document to reflect the same;
  - (ii) determine and make amendments to the APDP to incorporate the Notified Early Works as a new "Phase 2 Tranche F", which amendments shall include:
    - (A) insertion of reference to the Phase 2 Tranche F Commissioning Activities in the definition of "Phase 2 Acceptance Punchlist Items" in section 1.1 of the APDP;

- (B) insertion of reference to the Phase 2 Tranche F Handover Works in the definition of "Phase 2 Handover Punchlist Items" in section 1.1 of the APDP;
- (C) amendment of section 2.6(b) of the APDP to refer to five Phase 2 Tranches rather than four;
- (D) amendment of section 2.9 of the APDP to refer to five tranches rather than four;
- (E) amendment of section 3.2(b) of the APDP to refer to five tranches rather than four;
- (F) insertion of new section 3.2(b)(vi) of the APDP as follows:

**"Phase 2 Tranche F"**, being works and activities relating to the Notified Early Works, as more particularly described in sections 3.2(j)(vii) and 3.2(k)(vii).";
- (G) insertion of new "Figure 7: Phase 2F Scope" at section 3.2(c) of the APDP to reflect the scope of Phase 2 Tranche F;
- (H) insertion of reference to the Phase 2 Tranche F Systems in the definition of "Phase 2 Systems" in section 3.2(e) of the APDP;
- (I) insertion of new section 3.2(iA) of the APDP following section 3.2(i) of the APDP, as follows:

**"The "Phase 2 Tranche F Systems"**, being the Phase 2 Systems forming part of the Approved T&S Network to which the Phase 2 Activities forming part of Phase 2 Tranche F relate, being:

  - (i) *[insert elements of the "Mitigation Measures Systems" set out in paragraph 1 of Appendix A to this Schedule 10 which relate to the Notified Early Works]."*;
- (J) insertion of reference to the Phase 2 Tranche F Handover Works in the definition of "Phase 2 Handover Works" in section 3.2(j)(i) of the APDP;
- (K) insertion of new section 3.2(j)(vii) of the APDP, as follows:

**"The "Phase 2 Tranche F Handover Works"** include the following works and activities which relate to the Phase 2 Tranche F Systems:

  - (A) *[insert relevant elements of the "Mitigation Measures Handover Works" set out in paragraph 2 of Appendix A to this Schedule 10 which relate to the Notified Early Works]."*;

- (L) insertion of reference to the Phase 2 Tranche F Commissioning Activities Works in the definition of "Phase 2 Commissioning Activities" in section 3.2(k)(i) of the APDP;
  - (M) insertion of new section 3.2(k)(vii) of the APDP, as follows:

"The **"Phase 2 Tranche F Commissioning Activities"** include the following works and activities which relate to the Phase 2 Tranche F Systems:

    - (A) *[insert relevant elements of the "Mitigation Measures Commissioning Activities" set out in paragraph 3.1 of Appendix A to this Schedule 10 which relate to the Notified Early Works].*";  
and
  - (N) any other consequential amendments as required to give effect to the amendments listed in this paragraph 3.2(g)(ii);
- (iii) determine and make amendments to the Technical Details Document to reflect the inclusion of new Phase 2 Tranche F, such that the Technical Details Document is amended as follows:
- (A) a new section is included for "Phase 2 Tranche F (Notified Early Works)" under the "Phase 2 Activities" heading after the section for "Phase 2 Tranche E";
  - (B) a date of appointment of Independent Certifier for Phase 2 Tranche F is inserted, being the date of commencement of the Notified Early Works;
  - (C) the Reporting Commencement Date for Phase 2 Tranche F is inserted, being the date of commencement of the Notified Early Works;
  - (D) the P2/ExpA Reporting Period for Phase 2 Tranche F is inserted, being:

"From commencement of the Phase 2 Tranche F Handover Works until Handover of Phase 2 Tranche F, the P2/ExpA Reporting Period for Phase 2 Tranche F is a P2/ExpA Quarter.

From Phase 2 Tranche F Handover onwards, the P2/ExpA Reporting Period for Phase 2 Tranche F is a P2/ExpA Month."
  - (E) the Scheduled Phase 2 Tranche F Handover Date is inserted, being:

"25 January 2029 or such later date as the Regulator may direct";
  - (F) the Scheduled Phase 2 Tranche F Acceptance Date is inserted, being:

"4 July 2029 or such later date as the Regulator may direct"; and
  - (G) any other consequential amendments as required to give effect to the amendments listed in this paragraph 3.2(g)(iii).

- (h) Where the Regulator agrees, where the Licensee provides information to the Regulator pursuant to paragraph 3.2(e)(ii) of this Schedule 10 that a particular Scenario applies, the Licensee may proceed on the basis that a particular Scenario applies notwithstanding that not all the circumstances (such as the number of days) fully correspond with the details of that Scenario as set out in the second table in Appendix B.

### 3.3 Uncertain Cost Event relating to Mitigation Measures

#### (a) Mitigation Measures Preparatory Activities

- (i) The Licensee must:
  - (A) notify the Regulator as soon as reasonably practicable after Licence Award which (if any) of the Mitigation Measures Preparatory Activities have been completed prior to Licence Award;
  - (B) carry out and complete the Mitigation Measures Preparatory Activities (if not already completed prior to Licence Award) as soon as reasonably practicable following Licence Award, and in any event by no later than the end of November 2025 or such later date as directed by the Regulator;
  - (C) in carrying out the Mitigation Measures Preparatory Activities, the Licensee must use its best endeavours to secure that the NSTA's approval of the Hamilton North Storage Permit Addendum Application and Hamilton Storage Permit Addendum Application would allow the Licensee to achieve the Mitigation Measures Objective should a Phase 2 Tranche A Uncertain Cost Event occur; and
  - (D) notify the Regulator promptly upon:
    - (aa) completion of the Mitigation Measures Preparatory Activities; and
    - (bb) the Hamilton Storage Permit Addendum Application and the Hamilton North Storage Permit Addendum being approved by the NSTA (whether in whole or in part), or where the NSTA has notified the Licensee that either of its applications has been rejected.
- (ii) For the purposes of paragraph 3.3(a)(i)(C) of this Schedule 10 (*Project-specific conditions*), the Licensee shall be considered to have used its best endeavours to secure the NSTA's approval to the extent that it has taken all reasonable steps to implement all economic, efficient and effective solutions, including technical solutions, to secure such approval.

(b) **Draft Mitigation Measures Event Re-opener Application**

(i) Prior to the occurrence of a Mitigation Measures Event, the Licensee may submit to the Regulator a draft application for a re-opener under paragraph 3.3(c) of this Schedule 10 in respect of such Mitigation Measures Event, which draft application will include the particulars referred to in paragraph 3.3(c)(v) of this Schedule 10 (a "**Draft Mitigation Measures Event Re-opener Application**"), and following receipt of a Draft Mitigation Measures Event Re-opener Application:

(A) the Regulator will be entitled to request any Supporting Information that it considers appropriate in respect of such Draft Mitigation Measures Event Re-opener Application, which Supporting Information the Licensee shall promptly provide; and

(B) the Regulator will review and consider the relevant Draft Mitigation Measures Event Re-opener Application and may provide comments to the Licensee in respect of the same,

provided that any comments or other response made by the Regulator in respect of a Draft Mitigation Measures Event Re-opener Application shall not be construed as binding as to the Regulator's determination(s) in respect of any application for a re-opener submitted under paragraph 3.3(c)(iv) of this Schedule 10.

(c) **Mitigation Measures Event**

(i) A Mitigation Measures Event is an Uncertain Cost Event, and in respect of such Uncertain Cost Event Special Conditions J7.1 to J7.6 (*Variation Re-openers*) shall only apply where:

(A) the Mitigation Measures are intended to increase the Obligated Network Capacity (or any part of it) beyond the levels set out in the APDP as at Licence Award; or

(B) the cost of the Mitigation Measures increases the value of the SRAV or RAV (as the case may be) by £50 million (CPIH Indexed) or more (being a net increase, taking into account the reduction in the value of the SRAV as a result of the Phase 2 Tranche A Uncertain Cost Event).

(ii) No Change in Scope or Qualifying Change in Law shall arise for the purposes of this licence in connection with, or as a result of:

(A) a Mitigation Measures Event; or

(B) any circumstances or events giving rise to a Mitigation Measures Event,

and the provisions of Part A (*Changes in Scope*) and/or Part B (*Qualifying Changes in Law*) of Special Condition J2 (*Supervening Event Re-openers, Insured Risk Events and Relief Events*) shall not apply in respect of the same.

- (iii) For the purpose of Special Condition J6.6 (*Uncertain Cost Events*), the Regulator will determine the impact or expected impact (if any) of a Mitigation Measures Event (including the implementation of a Mitigation Measures Plan approved by the Regulator) on the Project in accordance with this paragraph 3.3(c).
- (iv) As soon as reasonably practicable following the occurrence of a Mitigation Measures Event, the Licensee must submit an application for an Uncertain Cost Event Re-opener in respect of the Mitigation Measures Event in accordance with Special Conditions J6.3 to J6.7 (*Uncertain Cost Events*) and paragraph 3.3(c)(v) of this Schedule 10.
- (v) The Licensee must ensure that any application made for an Uncertain Cost Event Re-opener in respect of a Mitigation Measures Event pursuant to Special Conditions J6.3(a) and J6.4 (*Uncertain Cost Events*) and this paragraph 3.3(c) shall include (as a minimum) the following information:
  - (A) a draft Mitigation Measures Plan for approval by the Regulator, which must align and be executable in accordance with the Licensee's amended Storage Permits (and must show any changes from any prior draft Mitigation Measures Plan provided to the Regulator pursuant to paragraph 3.3(b) of this Schedule 10);
  - (B) evidence that the Licensee has informed the NSTA, HSE and OPRED of such draft Mitigation Measures Plan and, where required by the NSTA, HSE and/or OPRED, that it has discussed any elements of the draft Mitigation Measures Plan with the NSTA, HSE and/or OPRED (as relevant);
  - (C) Supporting Information evidencing the Licensee's justification for:
    - (aa) the proposed works and/or activities contained within the draft Mitigation Measures Plan (including any alternative works and/or activities considered by the Licensee);
    - (bb) the proposed programme of such works and/or activities; and
    - (cc) any departures from the elements set out in Appendix A to this Schedule 10 where it is no longer possible for the draft Mitigation Measures Plan to be substantially aligned with the elements set out in Appendix A to this Schedule 10;

- (D) the Licensee's analysis of the effect(s), or likely effect(s), of the implementation of the draft Mitigation Measures Plan (if approved) on allowances, including:
    - (aa) any reasonable adjustments to any ex ante allowance(s) and/or any proposed new ex ante allowance(s); and
    - (bb) a detailed justification in respect of the same, including all cost estimates and any other information required to be provided pursuant to the Regulator's Cost Guidance; and
  - (E) copies of the Licensee's Storage Permits as amended by the Hamilton Storage Permit Addendum and the Hamilton North Storage Permit Addendum, and the Licensee's analysis of the updates (if any) that need to be made to each of the elements of the Obligated Network Capacity set out in section 3.4 of the APDP, such that the Obligated Network Capacity reflects the capacity and flow rates permitted under the Storage Permits.
- (vi) Following submission of an application for an Uncertain Cost Event Re-opener in respect of a Mitigation Measures Event under paragraph 3.3(c)(iv) of this Schedule 10, the Licensee must promptly provide to the Regulator any other Supporting Information that the Regulator considers appropriate and requests from the Licensee in respect of the Mitigation Measures Event and the application made for an Uncertain Cost Event Re-opener in respect of a Mitigation Measures Event (including the draft Mitigation Measures Plan).
- (vii) Where the Licensee has provided the relevant information required pursuant to paragraphs 3.3(c)(v) and 3.3(c)(vi) of this Schedule 10, the Regulator will review the draft Mitigation Measures Plan and the other information submitted and will:
- (A) determine that the application made for an Uncertain Cost Event Re-opener in respect of a Mitigation Measures Event (including the draft Mitigation Measures Plan) is approved;
  - (B) determine that the application made for an Uncertain Cost Event Re-opener in respect of a Mitigation Measures Event (including the draft Mitigation Measures Plan) is not approved and provide its reasons for such non-approval; or
  - (C) require further Supporting Information from the Licensee to determine whether to approve the application made for an Uncertain Cost Event Re-opener in respect of a Mitigation Measures Event (including the draft Mitigation Measures Plan).

- (viii) Where the Regulator:
- (A) determines under paragraph 3.3(c)(vii)(A) of this Schedule 10 that the application made for an Uncertain Cost Event Re-opener in respect of a Mitigation Measures Event (including the draft Mitigation Measures Plan) is approved, the draft Mitigation Measures Plan will constitute a Mitigation Measures Plan for the purposes of this licence; or
  - (B) determines under paragraph 3.3(c)(vii)(B) of this Schedule 10 that the application made for an Uncertain Cost Event Re-opener in respect of a Mitigation Measures Event (including the draft Mitigation Measures Plan) is not approved:
    - (aa) the Licensee must promptly amend and resubmit the application made for an Uncertain Cost Event Re-opener in respect of a Mitigation Measures Event (including the draft Mitigation Measures Plan) to the Regulator; and
    - (bb) the procedures in paragraph 3.3(c)(vii) of this Schedule 10 shall be repeated but this paragraph 3.3(c)(viii)(B) shall not apply.
- (ix) Where the Licensee has provided the relevant information required pursuant to paragraphs 3.3(c)(v) and 3.3(c)(vi) of this Schedule 10 and Special Condition J6.4 (*Uncertain Cost Events*) and the Regulator has determined that the Licensee's application made for an Uncertain Cost Event Re-opener in respect of a Mitigation Measures Event (including the draft Mitigation Measures Plan) is approved under paragraph 3.3(c)(vii)(A) of this Schedule 10, the Regulator will:
- (A) determine and make amendments to the APDP to incorporate the Mitigation Measures Works and Activities other than the Notified Early Works as part of the Phase 2 Tranche introduced into the APDP under paragraph 3.2(g)(ii) of this Schedule 10 (i.e. in addition to the Notified Early Works), which amendments shall include:
    - (aa) amendment of "Figure 7: Phase 2F Scope" at section 3.2(c) of the APDP to reflect the expanded scope of Phase 2 Tranche F;
    - (bb) amendment of section 3.2(iA) of the APDP following section 3.2(i) of the APDP to reflect the expanded scope of Phase 2 Tranche F, as follows:

"The **"Phase 2 Tranche F Systems"**, being the Phase 2 Systems forming part of the Approved T&S Network to which the Phase 2 Activities forming part of Phase 2 Tranche F relate, as set out at paragraph [1] (*Mitigation Measures Systems*) of the Mitigation Measures Plan.";

- (cc) amendment of section 3.2(j)(vii) of the APDP to reflect the expanded scope of Phase 2 Tranche F, as follows:

"The **"Phase 2 Tranche F Handover Works"** include [the works and activities set out at paragraph [2] (*Mitigation Measures Handover Works*) of the Mitigation Measures Plan].";
- (dd) amendment of section 3.2(k)(vii) of the APDP to reflect the expanded scope of Phase 2 Tranche F, as follows:

"The **"Phase 2 Tranche F Commissioning Activities"** include [the works and activities set out at paragraph [3] (*Mitigation Measures Commissioning Activities*) of the Mitigation Measures Plan].";
- (ee) any adjustment(s) to each of the elements of the Obligated Network Capacity set out in paragraph 3.4 of the APDP having regard to the capacity and flow rates permitted under the Licensee's Storage Permits as amended by the Hamilton Storage Permit Addendum and the Hamilton North Storage Permit Addendum (and having regard to any other conditions of this Schedule 10 that may impact the Obligated Network Capacity); and
- (ff) any other consequential amendments as required to give effect to the amendments listed in this paragraph 3.3(c)(ix)(A); and
- (B) determine any adjustments to be made to any ex ante allowances, or any new ex ante allowances, to reflect the impact of the implementation of the Mitigation Measures Plan as approved by the Regulator (taking into account any adjustments to allowances already made in relation to any Notified Early Works pursuant to paragraph 3.2(g) of this Schedule 10); and
- (C) determine and make any consequential adjustments or updates to be made to the Project-Specific Documents required to reflect the determinations referred to in this paragraph 3.3(c)(ix).
- (x) Without limiting the generality of the requirements under paragraph 3.3(c) of this Schedule 10, Special Conditions H22.14 and H22.15 (*Storage Site performance*) shall apply.

3.4 **Uncertain Cost Events relating to Phase 2 Tranche B**

(a) **Phase 2 Tranche B Uncertain Cost Events**

- (i) Each of the following constitutes a "**Phase 2 Tranche B Uncertain Cost Event**" in respect of which Special Conditions J7.1 to J7.6 (*Variation Re-openers*) shall not apply:
  - (A) together, the circumstances described in paragraph 3.4(d)(i)(A) to (C) of this Schedule 10 (*Project-specific conditions*);
  - (B) a Relevant Padeswood Planning Refusal; and

■ [REDACTED]

(b) **Regulator's determinations relating to Phase 2 Tranche B Uncertain Cost Events - general**

- (i) For the purpose of Special Condition J6.6 (*Uncertain Costs Events*), the Regulator will determine the impact or expected impact (if any) of a relevant Phase 2 Tranche B Uncertain Cost Event on the Project in accordance with this paragraph 3.4.
- (ii) The Regulator's determinations under this paragraph 3.4 will not:
  - (A) include any impact or expected impact on, nor any adjustment in respect of, the following:
    - (aa) Ongoing Devex Allowance(s), other than in the circumstances provided for under paragraphs 3.4(d)(iv)(C), 3.4(e)(iv) and 3.4(f)(vi) of this Schedule 10; or
    - (bb) [REDACTED]
  - (B) save where the Licensee expressly requests otherwise in its application for the relevant Phase 2 Tranche B Uncertain Cost Event, include any impact or expected impact on, nor any adjustment in respect of, the following:
    - (aa) pipeline route where it falls within the area within the red line boundary as shown at Exhibits C and D of Appendix C (*Phase 2B and 2C pipeline routes*) to this Schedule 10 ;
    - (bb) the start and end point of the Padeswood Spurline as shown at Exhibits C and D of Appendix C to this Schedule 10;

- (cc) pipe diameter as outlined in section 3.2(g)(i) of the APDP (i.e. nominal pipe diameter of 16");
- (dd) materials selection where such materials are consistent with those specified in 100002F0BXR08009 Rev01 dated 21 May 2024 "Material Selection Report Padeswood Pipeline";
- (ee) wall thickness selection where such wall thickness is consistent with those specified in section 4.1 of 100002F0BLRH80037 Rev01 dated 7 June 2024 "Padeswood Pipeline Mechanical Design Report"; and
- (ff) number and/or type of crossings where the number and type of crossings are consistent with those specified in Section 3.4.1 "Spur Pipelines Scope of Work" sub-section "Heidelberg Materials Padeswood Cement" of 000593\_DV\_CD.DPM.0220.003 Rev03 "CAC3 Submission CAPEX Report" dated 23 February 2024.

(iii) [REDACTED]

(iv) In making a determination under paragraph 3.4(d)(iv)(A) of this Schedule 10, the Regulator will take into account:

- (A) its determination (if any) under paragraph 4.1(e)(i) or paragraph 4.1(e)(ii) (*Commencement of Phase 2 Tranche B Handover Works and Phase 2 Tranche C Handover Works*) of this Schedule 10; and
- (B) any costs which have been properly and efficiently incurred by the Licensee in connection with any Early Padeswood Works which are the subject of a determination by the Regulator under paragraph 4.1(e)(i) or paragraph 4.1(e)(ii) of this Schedule 10.

(c) **Notification on grant of Padeswood Planning Permission**

- (i) Where a Padeswood Planning Permission is granted by a Competent Authority, the Licensee shall notify the Regulator as soon as reasonably practicable:
  - (A) that a Padeswood Planning Permission has been granted by a Competent Authority; and
  - (B) whether the Licensee considers that the grant of such Padeswood Planning Permission contains one or more condition(s) which is/are

onerous or unacceptable and therefore the relevant Padeswood Planning Permission will not be a Satisfactory Planning Permission for the purposes of this paragraph 3.4.

- (ii) Where the Licensee considers that the grant of a Padeswood Planning Permission contains one or more conditions which is/are onerous or unacceptable and therefore the relevant Padeswood Planning Permission should not be a Satisfactory Planning Permission for the purposes of this paragraph 3.4:
  - (A) the Licensee shall include in its notice under paragraph 3.4(c)(i) of this Schedule 10 a detailed justification, together with relevant Supporting Information, as to why the Licensee considers that the grant of the relevant Padeswood Planning Permission contains one or more condition(s) which is/are onerous or unacceptable; and
  - (B) the Regulator will, having reviewed and considered the notice issued by the Licensee, determine whether or not the relevant condition(s) is/are onerous or unacceptable and therefore whether the relevant Padeswood Planning Permission is a Satisfactory Planning Permission.
- (iii) Where the Licensee considers that the grant of a Padeswood Planning Permission contains one or more conditions which is/are onerous or unacceptable and therefore the relevant Padeswood Planning Permission will not be a Satisfactory Planning Permission, the Licensee may issue the notice under paragraph 3.4(c)(i) of this Schedule 10 at the same time that it issues any notice under paragraph 3.4(e) of this Schedule 10.
- (d) **Satisfactory Planning Permission granted [REDACTED] likely to be achieved**
  - (i) As soon as reasonably practicable following the last to occur of:
    - (A) the date on which a Satisfactory Padeswood Planning Permission is Challenge Free;
    - (B) the date on which the Licensee confirms to the Regulator that, in its opinion (acting reasonably), there is a high likelihood of successfully securing and retaining for the purposes of the Project all [REDACTED] required to enable the construction, operation and maintenance of the Phase 2 Tranche B Systems; and
    - (C) the date on which the Licensee has submitted to the Regulator the final cost estimate for the works and activities which form part of Phase 2 Tranche B, which estimate is a class 2 estimate (or a class 3 estimate, if so agreed by the Regulator), as required by the Regulator's Cost Guidance,

the Licensee must submit an application for an Uncertain Cost Event Re-opener in respect of the relevant Phase 2 Tranche B Uncertain Cost Event in

accordance with Special Conditions J6.3 to J6.7 and paragraph 3.4(d)(ii) of this Schedule 10.

- (ii) The Licensee must ensure that any application made in respect of a Phase 2 Tranche B Uncertain Cost Event pursuant to Special Conditions J6.3(a) and J6.4 and this paragraph 3.4(d) shall include (as a minimum) the following information:
  - (A) an analysis of any reasonable increases or decreases which the Licensee proposes are required to the SRAV Capex and Opex Allowances and/or Ongoing Capex Allowances as a result of the relevant Phase 2 Tranche B Uncertain Cost Event, and any associated proposed amendments to update the Financial Settlement Document;
  - (B) an analysis of any reasonable increases which the Licensee proposes are required to any Ongoing Devex Allowance(s) to reflect additional development costs which have been properly and efficiently incurred by the Licensee prior to the date of the relevant application in connection with the relevant Phase 2 Tranche B Planning [REDACTED] Elements as a direct result of a delay in the progression of Phase 2 Tranche B by the Licensee caused by the Phase 2B User, and any associated proposed amendments to update the Financial Settlement Document;
  - (C) any proposed adjustments to key milestone dates relating to Phase 2 Tranche B, including the relevant Scheduled Phase 2 Handover Date and Scheduled Phase 2 Acceptance Date, as a result of the relevant Phase 2 Tranche B Uncertain Cost Event, and any associated proposed amendments to update the Technical Details Document; and
  - (D) any proposed amendments required to update section 3.2(g) of the APDP as a result of the relevant Phase 2 Tranche B Planning [REDACTED] [REDACTED] Elements.
- (iii) Following submission of an application for a Phase 2 Tranche B Uncertain Cost Event under this paragraph 3.4(d):
  - (A) where the Licensee reasonably believes that it is, or shall be, delayed in the progression of Phase 2 Tranche B as a direct result of a delay which is directly caused (or will be directly caused) by the Phase 2B User, the Licensee may provide to the Regulator any Supporting Information relating to such delay by the Phase 2B User that the Licensee considers appropriate in the context of its application for a Phase 2 Tranche B Uncertain Cost Event under this paragraph 3.4(d); and
  - (B) the Licensee must provide to the Regulator any Supporting Information that the Regulator considers appropriate and requests from the

Licensee in respect of the relevant Phase 2 Tranche B Uncertain Cost Event and, where paragraph 3.4(d)(iii)(A) of this Schedule 10 applies, delay to the progression of Phase 2 Tranche B.

(iv) Subject to paragraph 3.4(b)(ii) of this Schedule 10, and provided that the Licensee has provided the relevant information required pursuant to paragraphs 3.4(d)(ii) and 3.4(d)(iii) of this Schedule 10 and Special Condition J6.4, where the Licensee has made an application for a Phase 2 Tranche B Uncertain Cost Event under this paragraph 3.4(d), the Regulator will determine:

(A) any adjustments to be made to:

- (aa) the SRAV Capex and Opex Allowances and/or Ongoing Capex Allowances; and
- (bb) any key milestone dates, including the Scheduled Phase 2 Tranche B Handover Date and the Scheduled Phase 2 Tranche B Acceptance Date,

in each case to reflect the impact of the relevant Phase 2 Tranche B Uncertain Cost Event (and any consequential adjustments or updates to be made to the Project-Specific Documents required to reflect the same);

(B) any adjustments to be made to the following:

- (aa) pipeline flow rate as outlined in section 3.2(g)(i) of the APDP;
- (bb) pipeline route where it falls outside the area within the red line boundary as shown at Exhibits C and D of Appendix C to this Schedule 10;
- (cc) the connection point between the Padeswood Spurline and the Phase 1 Onshore Pipelines;
- (dd) pipe diameter where the pipe diameter is inconsistent with the pipe diameter outlined in section 3.2(g)(i) of the APDP (i.e. nominal pipe diameter of 16");
- (ee) the design of the Padeswood AGI to exclude the high integrity pressure protection system ("**HIPPS**");
- (ff) the number and location of block valve stations which form part of the Phase 2 Tranche B Systems;
- (gg) materials selection where such materials are inconsistent with those specified in 100002F0BXR08009 Rev01 dated 21 May 2024 "Material Selection Report Padeswood Pipeline";

- (hh) wall thickness selection where such wall thickness is inconsistent with those specified in section 4.1 of 100002F0BLRH80037 Rev01 dated 7 June 2024 "Padeswood Pipeline Mechanical Design Report";
- (ii) the number and/or type of crossings where the number and type of crossings are inconsistent with those specified in Section 3.4.1 "Spur Pipelines Scope of Work" sub-section "Heidelberg Materials Padeswood Cement" of 000593\_DV\_CD.DPM.0220.003 Rev03 "CAC3 Submission CAPEX Report" dated 23 February 2024; and
- (jj) the APDP where the Licensee expressly requests adjustment(s) in its application for the relevant Phase 2 Tranche B Uncertain Cost Event,

in each case to reflect the impact of the relevant Phase 2 Tranche B Planning [REDACTED] Elements (and any consequential adjustments or updates to be made to the Project-Specific Documents required to reflect the same); and

- (C) at its discretion, and provided that the Licensee has provided a robust justification in respect of the same, any adjustments to be made to any Ongoing Devex Allowance(s) to reflect additional development costs which have been properly and efficiently incurred by the Licensee in connection with the relevant Phase 2 Tranche B Planning [REDACTED] [REDACTED] Elements as a direct result of a delay in the progression of Phase 2 Tranche B by the Licensee which delay is directly caused by the Phase 2B User (and any consequential adjustments or updates to be made to the Financial Settlement Document required to reflect the same).

(e) **Planning Refusal**

- (i) As soon as reasonably practicable following the date of a Relevant Padeswood Planning Refusal, the Licensee:
  - (A) must notify the Regulator whether the Licensee intends to address such circumstance by way of:
    - (aa) an appeal against such Relevant Padeswood Planning Refusal; or
    - (bb) submission of a revised Padeswood TCPA Application; and
  - (B) may submit an application for an Uncertain Cost Event Re-opener in respect of the relevant Phase 2 Tranche B Uncertain Cost Event in accordance with Special Conditions J6.3 to J6.7 and paragraph 3.4(e)(ii) of this Schedule 10.

- (ii) The Licensee must ensure that any application made in respect of a Phase 2 Tranche B Uncertain Cost Event pursuant to Special Conditions J6.3(a) and J6.4 and this paragraph 3.4(e) shall include (as a minimum):
  - (A) the Licensee's analysis of any reasonable increases or decreases which the Licensee considers necessary to any Ongoing Devex Allowance to reflect the impact of the relevant Phase 2 Tranche B Uncertain Cost Event (and any consequential adjustments or updates to be made to the Financial Settlement Document to reflect any such increases or decreases); and
  - (B) Supporting Information evidencing that the Licensee acted in accordance with Good Industry Practice in the preparation and submission of the relevant Padeswood TCPA Application.
- (iii) Following submission of an application for a Phase 2 Tranche B Uncertain Cost Event under this paragraph 3.4(e), the Licensee must provide any Supporting Information that the Regulator considers appropriate and requests from the Licensee in respect of the relevant Phase 2 Tranche B Uncertain Cost Event.
- (iv) Subject to paragraphs 3.4(b)(ii) and 3.4(e)(v) of this Schedule 10, and provided that the Licensee has provided the relevant information required pursuant to paragraphs 3.4(f) and 3.4(e)(iii) of this Schedule 10 and Special Condition J6.4, where the Licensee has made an application for a Phase 2 Tranche B Uncertain Cost Event under this paragraph 3.4(e), the Regulator will determine:
  - (A) any adjustments to be made to the Ongoing Devex Allowance(s) to reflect:
    - (aa) the impact of the relevant Phase 2 Tranche B Uncertain Cost Event on the Ongoing Devex Allowance(s); and
    - (bb) any failure by the Licensee to act in accordance with Good Industry Practice in the preparation and submission of the relevant Padeswood TCPA Application; and
  - (B) any associated amendments to update the Financial Settlement Document to reflect the same.



Schedule 10: Amendments to Project-Specific Documents

- [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]
- [REDACTED]  
[REDACTED]  
[REDACTED]
- [REDACTED]  
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[REDACTED]  
[REDACTED]
- [REDACTED]  
[REDACTED]  
[REDACTED]
- [REDACTED]  
[REDACTED]

3.5 **Uncertain Cost Events relating to Phase 2 Tranche C** ~~— NOT USED.~~

~~(a) Phase 2 Tranche C Uncertain Cost Events~~

~~(i) Each of the following constitutes a "Phase 2 Tranche C Uncertain Cost Event" in respect of which Special Conditions J7.1 to J7.6 (Variation Re-openers) shall not apply:~~

~~(A) together, the circumstances described in paragraph 3.5(d)(i)(A) to (B) of this Schedule 10 (Project-specific conditions);~~

~~(B) a Relevant Runcorn Planning Refusal; and~~

~~(C) [REDACTED]~~

~~(b) Regulator's determinations relating to Phase 2 Tranche C Uncertain Cost Events – general~~

~~(i) For the purpose of Special Condition J6.6 (Uncertain Costs Events), the Regulator will determine the impact or expected impact (if any) of a relevant Phase 2 Tranche C Uncertain Cost Event on the Project in accordance with this paragraph 3.5.~~

~~(ii) The Regulator's determinations under this paragraph 3.5 will not:~~

~~(A) include any impact or expected impact on, nor any adjustment in respect of, the following:~~

~~(aa) Ongoing Devex Allowance(s), other than in the circumstances provided for under paragraphs 3.5(d)(iv)(C), 3.5(e)(v) and 3.5(f)(vi) of this Schedule 10; and~~

~~(bb) [REDACTED]~~

~~(B) save where the Licensee expressly requests otherwise in its application for the relevant Phase 2 Tranche C Uncertain Cost Event, include any impact or expected impact on, nor any adjustment in respect of, the following:~~

~~(aa) pipeline route where it falls within the area within the red line boundary as shown at Exhibits A and B of Appendix C to this Schedule 10;~~

~~(bb) the start and end point of the Runcorn Spurline as shown at Exhibits A and B of Appendix C to this Schedule 10;~~

(cc) — pipe diameter as outlined in section 3.2(h)(i) of the APDP (i.e. nominal pipe diameter of 20");

(dd) — materials selection where such materials are consistent with those specified in 100002E0BXR08010 Rev01 dated 4 June 2024 "Material Selection Report for Runcorn Pipeline";

(ee) — wall thickness selection where such wall thickness is consistent with those specified in section 4.1 of 100002E0BLRH80143 Rev02 dated 28 November 2024 "Pipeline Mechanical Design Report"; and

(ff) — number and/or type of crossings where the number and type of crossings are consistent with those specified in Section 3.4.1 "Spur Pipelines Scope of Work" sub-section "VIRIDOR RUNCORN EFW" of 000593\_DV\_CD.DPM.0220.003 Rev03 "CAC3 Submission CAPEX Report" dated 23 February 2024.

(iii) — [REDACTED]

(iv) — In making a determination under paragraph 3.5(d)(iv)(A) of this Schedule 10, the Regulator will take into account:

(A) — its determination (if any) under paragraph 4.2(e)(i) or paragraph 4.2(e)(ii) (*Commencement of Phase 2 Tranche B Handover Works and Phase 2 Tranche C Handover Works*) of this Schedule 10; and

(B) — any costs which have been properly and efficiently incurred by the Licensee in connection with any Early Runcorn Works which are the subject of a determination by the Regulator under paragraph 4.2(e)(i) or paragraph 4.2(e)(ii) of this Schedule 10.

**(e) — Notification on grant of Runcorn Planning Permission(s)**

(i) — Where a Runcorn Planning Permission is granted by a Competent Authority, the Licensee shall notify the Regulator as soon as reasonably practicable:

(A) — that a Runcorn Planning Permission has been granted by a Competent Authority; and

(B) — whether the Licensee considers that the grant of such Runcorn Planning Permission contains one or more condition(s) which is/are onerous or unacceptable and therefore the relevant Runcorn Planning

Permission will not be a Satisfactory Planning Permission for the purposes of this paragraph 3.5.

(ii) — Where the Licensee considers that the grant of a relevant Runcorn Planning Permission contains one or more conditions which is/are onerous or unacceptable and therefore the relevant Runcorn Planning Permission should not be a Satisfactory Planning Permission for the purposes of this paragraph 3.5:

(A) — the Licensee shall include in its notice under paragraph 3.5(c)(i) of this Schedule 10 a detailed justification, together with relevant Supporting Information, as to why the Licensee considers that the grant of the relevant Runcorn Planning Permission contains one or more condition(s) which is/are onerous or unacceptable; and

(B) — the Regulator will, having reviewed and considered the notice issued by the Licensee, determine whether or not the relevant condition(s) is/are onerous or unacceptable and therefore whether the relevant Runcorn Planning Permission is a Satisfactory Planning Permission.

(iii) — Where the Licensee considers that the grant of a relevant Runcorn Planning Permission contains one or more conditions which is/are onerous or unacceptable and therefore the relevant Runcorn Planning Permission will not be a Satisfactory Planning Permission, the Licensee may issue the notice under paragraph 3.5(c)(i) of this Schedule 10 at the same time that it issues any notice under paragraph 3.5(e) of this Schedule 10.

(d) — **Satisfactory Planning Permissions granted [REDACTED] likely to be achieved**

(i) — As soon as reasonably practicable following the last to occur of:

(A) — the date on which both Runcorn Planning Permissions are:

(aa) — Satisfactory Runcorn Planning Permissions; and

(bb) — Challenge Free;

(B) — the date on which the Licensee confirms to the Regulator that, in its opinion (acting reasonably), there is a high likelihood of successfully securing and retaining for the purposes of the Project all [REDACTED] required to enable the construction, operation and maintenance of the Phase 2 Tranche C Systems; and

(C) — the date on which the Licensee has submitted to the Regulator the final cost estimate for the works and activities which form part of Phase 2 Tranche C, which estimate is a class 2 estimate (or a class 3 estimate, if so agreed by the Regulator), as required by the Regulator's Cost Guidance,

the Licensee must submit an application for an Uncertain Cost Event Reopener in respect of the relevant Phase 2 Tranche C Uncertain Cost Event in accordance with Special Conditions J6.3 to J6.7 and paragraph 3.5(d)(ii) of this Schedule 10.

(ii) The Licensee must ensure that any application made in respect of a Phase 2 Tranche C Uncertain Cost Event pursuant to Special Conditions J6.3(a) and J6.4 and this paragraph 3.5(d) shall include (as a minimum) the following information:

(A) an analysis of any reasonable increases or decreases which the Licensee proposes are required to the SRAV Capex and Opex Allowances and/or Ongoing Capex Allowances as a result of the relevant Phase 2 Tranche C Uncertain Cost Event, and any associated proposed amendments to update the Financial Settlement Document;

(B) [REDACTED]

(C) any proposed adjustments to key milestone dates relating to Phase 2 Tranche C, including the relevant Scheduled Phase 2 Handover Date and Scheduled Phase 2 Acceptance Date, as a result of the relevant Phase 2 Tranche C Uncertain Cost Event, and any associated proposed amendments to update the Technical Details Document; and

(D) any proposed amendments required to update section 3.2(h) of the APDP as a result of the relevant Phase 2 Tranche C Planning [REDACTED] Elements.

(iii) Following submission of an application for a Phase 2 Tranche C Uncertain Cost Event under this paragraph 3.5(d):

(A) where the Licensee reasonably believes that it is, or shall be, delayed in the progression of Phase 2 Tranche C as a direct result of a delay which is directly caused (or will be directly caused) by the Phase 2C User, the Licensee may provide to the Regulator any Supporting Information relating to such delay by the Phase 2C User that the Licensee considers appropriate in the context of its application for a Phase 2 Tranche C Uncertain Cost Event under this paragraph 3.5(d); and

(B) the Licensee must provide to the Regulator any Supporting Information that the Regulator considers appropriate and requests from the Licensee in respect of the relevant Phase 2 Tranche C Uncertain Cost Event and, where paragraph 3.5(d)(iii)(A) of this Schedule 10 applies, delay to the progression of Phase 2 Tranche C;

(iv) Subject to paragraph 3.5(b)(ii) of this Schedule 10, and provided that the Licensee has provided the relevant information required pursuant to paragraphs 3.5(d)(ii) and 3.5(d)(iii) of this Schedule 10 and Special Condition J6.4, where the Licensee has made an application for a Phase 2 Tranche C Uncertain Cost Event under this paragraph 3.5(d), the Regulator will determine:

(A) any adjustments to be made to:

(aa) the SRAV Capex and Opex Allowances and/or Ongoing Capex Allowances; and

(bb) any key milestone dates, including the Scheduled Phase 2 Tranche C Handover Date and the Scheduled Phase 2 Tranche C Acceptance Date;

in each case to reflect the impact of the relevant Phase 2 Tranche C Uncertain Cost Event (and any consequential adjustments or updates to be made to the Project Specific Documents required to reflect the same);

(B) any adjustments to be made to the following:

(aa) pipeline flow rate as outlined in section 3.2(h)(i) of the APDP;

(bb) pipeline route where it falls outside the area within the red line boundary as shown at Exhibits A and B of Appendix C to this Schedule 10;

(cc) the connection point between the Runcorn Spurline and the Phase 1 Onshore Pipelines;

(dd) pipe diameter where the pipe diameter is inconsistent with the pipe diameter outlined in section 3.2(h)(i) of the APDP (i.e. nominal pipe diameter of 20");

(ee) the design of the Runcorn AGI to exclude the HIPPS;

(ff) the number and location of block valve stations which form part of the Phase 2 Tranche C Systems;

(gg) materials selection where such materials are inconsistent with those specified in 100002E0BXR08010 Rev01 dated 4 June 2024 "Material Selection Report for Runcorn Pipeline";

(hh) — wall thickness selection where such wall thickness is inconsistent with those specified in section 4.1 of 100002E0BLRH80143 Rev02 dated 28 November 2024 "Pipeline Mechanical Design Report";

(ii) — the number and/or type of crossings where the number and type of crossings are inconsistent with those specified in Section 3.4.1 "Spur Pipelines Scope of Work" sub-section "VIRIDOR RUNCORN EfW" of 000593\_DV\_CD.DPM.0220.003 Rev03 "CAC3 Submission CAPEX Report" dated 23 February 2024;

(jj) — presence or extent of trace heating; and

(kk) — the APDP where the Licensee expressly requests adjustment(s) in its application for the relevant Phase 2 Tranche C Uncertain Cost Event;

in each case to reflect the impact of the relevant Phase 2 Tranche C Planning [REDACTED] Elements (and any consequential adjustments or updates to be made to the Project Specific Documents required to reflect the same); and

(C) — at its discretion, and provided that the Licensee has provided a robust justification in respect of the same, any adjustments to be made to any Ongoing Devex Allowance(s) to reflect additional development costs which have been properly and efficiently incurred by the Licensee in connection with the relevant Phase 2 Tranche C Planning [REDACTED] Elements as a direct result of a delay in the progression of Phase 2 Tranche C by the Licensee, which delay is directly caused by the Phase 2C User (and any consequential adjustments or updates to be made to the Financial Settlement Document required to reflect the same);

**(e) — Planning Refusal(s)**

(i) — Subject to paragraph 3.5(e)(ii) of this Schedule 10, as soon as reasonably practicable following the last to occur of:

(A) — the date on which a decision has been issued by a Competent Authority in respect of both Initial Runcorn TCPA Applications; and

(B) — the date of a Relevant Runcorn Planning Refusal;

the Licensee:

(aa) must notify the Regulator whether the Licensee intends to address such circumstance by way of:

(a) an appeal against the relevant Relevant Runcorn Planning Refusal(s); or

(b) submission of a revised Runcorn TCPA Application(s); and

(bb) may submit an application for an Uncertain Cost Event Re-opener in respect of the relevant Phase 2 Tranche C Uncertain Cost Event in accordance with Special Conditions J6.3 to J6.7 and paragraph 3.5(e)(iii) of this Schedule 10.

(ii) Where Planning Refusals occur which are relevant for the purposes of paragraph 3.5(e)(i) of this Schedule 10 and which are Runcorn Planning Refusals in respect of both initial Runcorn TCPA Applications (and, where relevant, related Runcorn Planning Permissions), the Licensee shall consolidate its applications for Uncertain Cost Event Re-openers in respect of such Phase 2 Tranche C Uncertain Cost Events into one single application under paragraph 3.5(e)(iii) of this Schedule 10 as if they were a single Phase 2 Tranche C Uncertain Cost Event.

(iii) The Licensee must ensure that any application made in respect of a Phase 2 Tranche C Uncertain Cost Event(s) pursuant to Special Conditions J6.3(a) and J6.4 and this paragraph 3.5(e) shall include (as a minimum):

(A) the Licensee's analysis of any reasonable increases or decreases which the Licensee considers necessary to any Ongoing Devex Allowance to reflect the impact of the relevant Phase 2 Tranche C Uncertain Cost Event(s) (and any consequential adjustments or updates to be made to the Financial Settlement Document to reflect any such increases or decreases); and

(B) Supporting Information evidencing that the Licensee acted in accordance with Good Industry Practice in the preparation and submission of the relevant Runcorn TCPA Application(s).

(iv) Following submission of an application for a Phase 2 Tranche C Uncertain Cost Event under this paragraph 3.5(e), the Licensee must provide any Supporting Information that the Regulator considers appropriate and requests from the Licensee in respect of the relevant Phase 2 Tranche B Uncertain Cost Event.

(v) Subject to paragraphs 3.5(b)(ii) and 3.5(e)(vi) of this Schedule 10, and provided that the Licensee has provided the relevant information required pursuant to paragraphs 3.5(e)(iii) and 3.5(e)(iv) of this Schedule 10 and Special Condition J6.4, where the Licensee has made an application for a Phase 2 Tranche C Uncertain Cost Event(s) under this paragraph 3.5(e), the Regulator will determine:

(A) any adjustments to be made to the Ongoing Devex Allowance(s) to reflect:

(aa) the impact of the relevant Phase 2 Tranche C Uncertain Cost Event(s) on the Ongoing Devex Allowance(s); and

(bb) any failure by the Licensee to act in accordance with Good Industry Practice in the preparation and submission of the relevant Runcorn TCGPA Application(s); and

(B) any associated amendments to update the Financial Settlement Document to reflect the same.

(vi) Where the Regulator considers that any proposal made by the Licensee in accordance with paragraph 3.5(e)(i)(B)(aa)(a) and/or 3.5(e)(i)(B)(aa)(b) of this Schedule 10 (the "Runcorn Appeal or Revision") is not capable of being compatible with the economic, efficient and effective development and/or operation of the T&S Network, then the Regulator will:

(A) notify and consult the Secretary of State as to whether the Runcorn Appeal or Revision is capable of being compatible with the economic, efficient and effective development and/or operation of the T&S Network; and

(B) where:

(aa) the Secretary of State agrees that the Runcorn Appeal or Revision is not capable of being compatible with the economic, efficient and effective development and/or operation of the T&S Network, the Regulator will notify the Licensee and the Licensee must promptly notify the Regulator under Special Condition J2 (Part A) (*Supervening Event Re-openers, Insured Risk Events and Relief Events*) of a Change in Scope under limb (c) of the definition of Change in Scope to cancel Phase 2 Tranche C; or

(bb) the Secretary of State considers that the Runcorn Appeal or Revision is capable of being compatible with the economic, efficient and effective development and/or operation of the T&S Network, the Regulator will continue to make the determination described in paragraph 3.5(e)(v) of this Schedule 10.

(f) [Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

- (vi) [REDACTED]

### 3.6 Uncertain Cost Events relating to Phase 2 Tranche D

- (a) The Regulator and the Licensee acknowledge that:
  - (i) the Licensee shall undertake development activities in respect of Phase 2 Tranche D (the "**Phase 2D Devex Activities**");
  - (ii) the Phase 2D Devex Activities are not sufficiently certain at Licence Award to set a full and final Ongoing Devex Allowance in respect of the same at Licence Award; and
  - (iii) the works and activities in respect of Phase 2 Tranche D which comprise the Phase 2 Tranche D Handover Works and Phase 2 Tranche D Commissioning Activities are not sufficiently certain at Licence Award to reflect the same fully and finally in the Ongoing Capex Allowance(s) and Opex Allowance(s) at Licence Award.
- (b) The Licensee must conduct the Phase 2D Devex Activities in accordance with this paragraph 3.6 of this Schedule 10 (*Project-specific conditions*).
- (c) The Phase 2D Devex Activities shall be divided into three groups of activities (each a "**Group of Phase 2D Devex Activities**"), as set out in section 3.2(l) of the APDP.
- (d) For the purpose of Special Condition J6.6 (*Uncertain Costs Events*), the Regulator will make determinations:
  - (i) in the case of the First Phase 2 Tranche D Uncertain Cost Event, in accordance with paragraph 3.6(f)(iv) of this Schedule 10; and
  - (ii) in the case of all other Phase 2 Tranche D Uncertain Cost Events, in respect of the impact or expected impact (if any) of the relevant Phase 2 Tranche D Uncertain Cost Events on the Project, and specifically on:
    - (A) where relevant, any subsequent Phase 2D Devex Activities and Groups of Phase 2D Devex Activities; and

- (B) Phase 2 Tranche D, including the Phase 2 Tranche D Handover Works and the Phase 2 Tranche D Commissioning Activities,  
  
in accordance with paragraphs 3.6(f) to 3.6(i) of this Schedule 10.
  - (e) Each of the Phase 2 Tranche D Uncertain Cost Events is an Uncertain Cost Event in respect of which Special Conditions J7.1 to J7.6 (*Variation Re-openers*) shall not apply.
  - (f) **First Phase 2 Tranche D Uncertain Cost Event**
    - (i) Where the Licensee notifies the Regulator that it wishes to apply for the first Uncertain Cost Event Re-opener in respect of Phase 2 Tranche D in accordance with Special Condition J6.3(a), an Uncertain Cost Event shall be deemed to have occurred (which Uncertain Cost Event is the "**First Phase 2 Tranche D Uncertain Cost Event**").
    - (ii) As soon as reasonably practicable following the notification referred to in paragraph 3.6(f)(i) of this Schedule 10, and on no more than one occasion, the Licensee must submit an application for an Uncertain Cost Event Re-opener in respect of the First Phase 2 Tranche D Uncertain Cost Event in accordance with Special Conditions J6.3 to J6.7.
    - (iii) The Licensee must ensure that any application made pursuant to paragraph 3.6(f)(ii) of this Schedule 10 and Special Conditions J6.3(a) and J6.4 in respect of the First Phase 2 Tranche D Uncertain Cost Event shall include (as a minimum) the following information:
      - (A) any proposed changes to the First Group of Phase 2D Devex Activities and/or any subsequent Group(s) of Phase 2D Devex Activities, and any associated proposed amendments to update (where relevant) this paragraph 3.6 of this Schedule 10 and/or the APDP to reflect the same;
      - (B) a forecast of the Actual Ongoing Devex Costs that the Licensee envisages will be incurred in undertaking:
        - (aa) the First Group of Phase 2D Devex Activities; and
        - (bb) the subsequent Groups of Phase 2D Devex Activities (if any), which forecast may be (at the Licensee's election):
          - (a) an overall forecast for all subsequent Groups of Phase 2D Devex Activities; or
          - (b) a forecast for each of the subsequent Groups of Phase 2D Devex Activities,
- (as such Groups of Phase 2D Devex Activities may have been changed as proposed in paragraph 3.6(f)(iii)(A) of this Schedule 10), and any

associated proposed amendments to update the Financial Settlement Document to reflect the same; and

- (C) any proposed updates required to section 3.2(i) of the APDP.
- (iv) For the purpose of Special Condition J6.6, and provided that the Licensee has provided the relevant information required pursuant to paragraph 3.6(f)(iii) of this Schedule 10 and Special Condition J6.4, the Regulator will:
  - (A) determine whether the Licensee can proceed to undertake the First Group of Phase 2D Devex Activities; and
  - (B) where the Regulator determines under paragraph 3.6(f)(iv)(A) of this Schedule 10 that the Licensee can proceed to undertake the First Group of Phase 2D Devex Activities, (where relevant):
    - (aa) determine and make any changes to the First Group of Phase 2D Devex Activities and/or any subsequent Groups of Phase 2D Devex Activities, and any associated proposed amendments to update (where relevant) this paragraph 3.6 of this Schedule 10 and/or the APDP to reflect the same;
    - (bb) determine any positive or negative adjustments (and/or the grant of any new Ongoing Devex Allowance(s)) to be made in respect of:
      - (a) the First Group of Phase 2D Devex Activities; and
      - (b) the subsequent Groups of Phase 2D Devex Activities (if any),and any associated proposed amendments to update the Financial Settlement Document; and
    - (cc) determine any adjustments to be made to section 3.2(i) of the APDP, and any associated proposed amendments to update the APDP.
- (v) Where the Regulator determines under paragraph 3.6(f)(iv)(A) of this Schedule 10 that the Licensee may not proceed to undertake the First Group of Phase 2D Devex Activities, the Licensee must promptly notify the Regulator under Special Condition J2 (Part A) (*Supervening Event Re-openers, Insured Risk Events and Relief Events*) of a Change in Scope under limb (c) of the definition of Change in Scope to cancel Phase 2 Tranche D, including any remaining Phase 2D Devex Activities, the Phase 2 Tranche D Handover Works and the Phase 2 Tranche D Commissioning Activities.
- (vi) Where the Regulator considers that the analysis or information received under paragraph 3.6(f)(iii) of this Schedule 10 and Special Condition J6.4 is

insufficient to enable the Regulator to assess the Licensee's proposals then the Regulator can make a request for any Supporting Information that it considers appropriate and the Licensee must provide such information to the Regulator within ten Business Days of the request, or within such extended time as agreed by the Regulator.

(g) **Second Phase 2 Tranche D Uncertain Cost Event**

(i) The completion of the First Group of Phase 2D Devex Activities by the Licensee shall be an Uncertain Cost Event (which Uncertain Cost Event is the **"Second Phase 2 Tranche D Uncertain Cost Event"**).

(ii) As soon as reasonably practicable following the occurrence of the Second Phase 2 Tranche D Uncertain Cost Event, the Licensee must submit an application for an Uncertain Cost Event Re-opener in respect of the Second Phase 2 Tranche D Uncertain Cost Event in accordance with Special Conditions J6.3 to J6.7.

(iii) The Licensee must ensure that any application made pursuant to paragraph 3.6(g)(ii) of this Schedule 10 and Special Conditions J6.3(a) and J6.4 in respect of the Second Phase 2 Tranche D Uncertain Cost Event shall include (as a minimum) the following information:

(A) any proposed changes to the Second Group of Phase 2D Devex Activities and/or any subsequent Groups of Phase 2D Devex Activities (if any), and any associated proposed amendments to update (where relevant) this paragraph 3.6 of this Schedule 10 and/or the APDP to reflect the same;

(B) a forecast of the Actual Ongoing Devex Costs that the Licensee envisages will be incurred in undertaking:

(aa) the Second Group of Phase 2D Devex Activities; and

(bb) the subsequent Groups of Phase 2D Devex Activities (if any) which forecast may be (at the Licensee's election):

(a) an overall forecast for all subsequent Groups of Phase 2D Devex Activities; or

(b) a forecast for each of the subsequent Groups of Phase 2D Devex Activities,

(as such Groups of Phase 2D Devex Activities may have been changed as proposed in paragraph 3.6(g)(iii)(A) of this Schedule 10), and any associated proposed amendments to update the Financial Settlement Document to reflect the same; and

- (C) any proposed updates required to section 3.2(i) of the APDP,  
in each case to reflect the impact of the Second Phase 2 Tranche D Uncertain Cost Event.
- (iv) For the purpose of Special Condition J6.6, and provided that the Licensee has provided the relevant information required pursuant to paragraph 3.6(g)(iii) of this Schedule 10 and Special Condition J6.4, the Regulator will:
  - (A) determine whether the Licensee can proceed to undertake the Second Group of Phase 2D Devex Activities; and
  - (B) where the Regulator determines under paragraph 3.6(g)(iv)(A) of this Schedule 10 that the Licensee can proceed to undertake the Second Group of Phase 2D Devex Activities, (where relevant):
    - (aa) determine and make any changes to the Second Group of Phase 2D Devex Activities and/or any subsequent Groups of Phase 2D Devex Activities (if any), and any associated proposed amendments to update (where relevant) this paragraph 3.6 of this Schedule 10 and/or the APDP to reflect the same;
    - (bb) determine any positive or negative adjustments (and/or the grant of any new Ongoing Devex Allowance(s)) to be made in respect of:
      - (a) the Second Group of Phase 2D Devex Activities; and
      - (b) the subsequent Groups of Phase 2D Devex Activities (if any),and any associated proposed amendments to update the Financial Settlement Document; and
    - (cc) determine any adjustments to be made to section 3.2(i) of the APDP, and any associated proposed amendments to update the APDP,in each case to reflect the impact of the Second Phase 2 Tranche D Uncertain Cost Event.
- (v) Where the Regulator determines under paragraph 3.6(g)(iv)(A) of this Schedule 10 that the Licensee may not proceed to undertake the Second Group of Phase 2D Devex Activities, the Licensee must promptly notify the Regulator under Special Condition J2 (Part A) of a Change in Scope under limb (c) of the definition of Change in Scope to cancel Phase 2 Tranche D, including any remaining Phase 2D Devex Activities, the Phase 2 Tranche D Handover Works and the Phase 2 Tranche D Commissioning Activities.

- (vi) Where the Regulator considers that the analysis or information received under paragraph 3.6(g)(iii) of this Schedule 10 and Special Condition J6.4 is insufficient to enable the Regulator to assess the Licensee's proposals then the Regulator can make a request for any Supporting Information that it considers appropriate and the Licensee must provide such information to the Regulator within ten Business Days of the request, or within such extended time as agreed by the Regulator.
- (h) **Third Phase 2 Tranche D Uncertain Cost Event**
  - (i) The completion of the Second Group of Phase 2D Devex Activities by the Licensee shall be an Uncertain Cost Event (which Uncertain Cost Event is the "**Third Phase 2 Tranche D Uncertain Cost Event**").
  - (ii) As soon as reasonably practicable following the occurrence of the Third Phase 2 Tranche D Uncertain Cost Event, the Licensee must submit an application for an Uncertain Cost Event Re-opener in respect of the Third Phase 2 Tranche D Uncertain Cost Event in accordance with Special Conditions J6.3 to J6.7.
  - (iii) The Licensee must ensure that any application made pursuant to paragraph 3.6(h)(ii) of this Schedule 10 and Special Conditions J6.3(a) and J6.4 in respect of the Third Phase 2 Tranche D Uncertain Cost Event shall include (as a minimum) the following information:
    - (A) any proposed changes to the Third Group of Phase 2D Devex Activities and any associated proposed amendments to update (where relevant) this paragraph 3.6 of this Schedule 10 and/or the APDP to reflect the same;
    - (B) a forecast of the Actual Ongoing Devex Costs that the Licensee envisages will be incurred in undertaking the Third Group of Phase 2D Devex Activities, and any associated proposed amendments to update the Financial Settlement Document to reflect the same; and
    - (C) any proposed amendments required to update section 3.2(i) of the APDP,in each case to reflect the impact of the Third Phase 2 Tranche D Uncertain Cost Event.
  - (iv) For the purpose of Special Condition J6.6, and provided that the Licensee has provided the relevant information required pursuant to paragraph 3.6(h)(iii) of this Schedule 10 and Special Condition J6.4, the Regulator will:
    - (A) determine whether the Licensee can proceed to undertake the Third Group of Phase 2D Devex Activities; and

- (B) where the Regulator determines under paragraph 3.6(h)(iv)(A) of this Schedule 10 that the Licensee can proceed to undertake the Third Group of Phase 2D Devex Activities, (where relevant):
  - (aa) determine and make any changes to the Third Group of Phase 2D Devex Activities, and any associated proposed amendments to update (where relevant) this paragraph 3.6 and/or the APDP to reflect the same;
  - (bb) determine any positive or negative adjustments (and/or the grant of any new Ongoing Devex Allowance(s)) to be made in respect of the Third Group of Phase 2D Devex Activities, and any associated proposed amendments to update the Financial Settlement Document; and
  - (cc) determine any adjustments to be made to section 3.2(i) of the APDP, and any associated proposed amendments to update the APDP,

in each case to reflect the impact of the Third Phase 2 Tranche D Uncertain Cost Event.

- (v) Where the Regulator determines under paragraph 3.6(h)(iv)(A) of this Schedule 10 that the Licensee may not proceed to undertake the Third Group of Phase 2D Devex Activities, the Licensee must promptly notify the Regulator under Special Condition J2 (Part A) of a Change in Scope under limb (c) of the definition of Change in Scope to cancel Phase 2 Tranche D, including any remaining Phase 2D Devex Activities, the Phase 2 Tranche D Handover Works and the Phase 2 Tranche D Commissioning Activities.
- (vi) Where the Regulator considers that the analysis or information received under paragraph 3.6(h)(iii) of this Schedule 10 and Special Condition J6.4 is insufficient to enable the Regulator to assess the Licensee's proposals then the Regulator can make a request for any Supporting Information that it considers appropriate and the Licensee must provide such information to the Regulator within ten Business Days of the request, or within such extended time as agreed by the Regulator.

(i) **Fourth Phase 2 Tranche D Uncertain Cost Event**

- (i) The completion of the Third Group of Phase 2D Devex Activities by the Licensee shall be an Uncertain Cost Event (which Uncertain Cost Event is the **"Fourth Phase 2 Tranche D Uncertain Cost Event"**).

- (ii) As soon as reasonably practicable following the occurrence of the Fourth Phase 2 Tranche D Uncertain Cost Event, the Licensee must submit an application for an Uncertain Cost Event Re-opener in respect of the Fourth Phase 2 Tranche D Uncertain Cost Event in accordance with Special Conditions J6.3 to J6.7.
- (iii) The Licensee must ensure that any application made pursuant to paragraph 3.6(i)(ii) of this Schedule 10 and Special Conditions J6.3(a) and J6.4 in respect of the Fourth Phase 2 Tranche D Uncertain Cost Event shall include (as a minimum) the following information:
  - (A) the Licensee's analysis of any reasonable increases or decreases which the Licensee proposes are required to the Ongoing Capex Allowance(s), and any associated proposed amendments to update the Financial Settlement Document to reflect any such increases or decreases;
  - (B) any proposed adjustments to key milestone dates relating to Phase 2 Tranche D, including the Scheduled Phase 2 Tranche D Handover Date and the Scheduled Phase 2 Tranche D Acceptance Date, and any associated proposed amendments to update the Technical Details Document; and
  - (C) any proposed amendments required to update section 3.2(i) of the APDP,

in each case to reflect the impact of the Fourth Phase 2 Tranche D Uncertain Cost Event and any such determination including any associated amendments to update Project-Specific Documents will be implemented by way of a modification of the conditions of this licence in accordance with section 13 of the Act.

- (iv) For the purpose of Special Condition J6.6, and provided that the Licensee has provided the relevant information required pursuant to paragraph 3.6(i)(iii) of this Schedule 10 and Special Condition J6.4, the Regulator will:
  - (A) determine whether the Licensee can proceed to carry out the Phase 2 Tranche D Handover Works and the Phase 2 Tranche D Commissioning Activities;
  - (B) where the Regulator determines under paragraph 3.6(h)(iv)(A) of this Schedule 10 that the Licensee can proceed to carry out the Phase 2 Tranche D Handover Works and the Phase 2 Tranche D Commissioning Activities, the Regulator will (where relevant) determine adjustments to be made to:
    - (aa) Ongoing Capex Allowance(s);
    - (bb) Opex Allowance(s);

(cc) the key milestone dates relating to Phase 2 Tranche D, including the Scheduled Phase 2 Tranche D Handover Date and the Scheduled Phase 2 Tranche D Acceptance Date; and

(dd) section 3.2(i) of the APDP,

and any consequential adjustments or amendments to be made to the Project-Specific Documents required to reflect the same,

in each case to reflect the impact of the Fourth Phase 2 Tranche D Uncertain Cost Event.

(v) Where the Regulator determines under paragraph 3.6(i)(iv)(A) of this Schedule 10 that the Licensee may not proceed to carry out the Phase 2 Tranche D Handover Works and the Phase 2 Tranche D Commissioning Activities, the Licensee must promptly notify the Regulator under Special Condition J2 (Part A) of a Change in Scope under limb (c) of the definition of Change in Scope to cancel Phase 2 Tranche D, including the Phase 2 Tranche D Handover Works and the Phase 2 Tranche D Commissioning Activities.

(vi) Where the Regulator considers that the analysis or information received under paragraph 3.6(i)(iii) of this Schedule 10 and Special Condition J6.4 is insufficient to enable the Regulator to assess the Licensee's proposals then the Regulator can make a request for any Supporting Information that it considers appropriate and the Licensee must provide such information to the Regulator within ten Business Days of the request, or within such extended time as agreed by the Regulator.

### 3.7 **Public Sector Control Requirement Event**

- (a) An Additional Public Sector Control Requirement Event is an Uncertain Cost Event in respect of which Special Conditions J7.1 to J7.6 (*Variation Re-openers*) shall not apply.
- (b) Where an Additional Public Sector Control Requirement Event occurs, the Licensee must submit an application for an Uncertain Cost Event Re-opener in accordance with Special Conditions J6.3 to J6.6 (*Uncertain Costs Events*).
- (c) Where paragraph 3.7(b) of this Schedule 10 (*Project-specific conditions*) applies, the Licensee must ensure that any application made pursuant to Special Conditions J6.3(a) and J6.4 shall include (as a minimum) the following information:
- (i) the Licensee's analysis of the likely impact of the relevant Additional Public Sector Control Requirement on the Project;

- (ii) the Licensee's analysis of the effect(s), or likely effect(s), of the relevant Additional Public Sector Control Requirement, including a detailed justification in respect of the same, on:
    - (A) any obligations of the Licensee under this licence and any proposed adjustments of such obligations; and/or
    - (B) the assumptions that were used in the setting of any allowance in relation to personnel or resourcing,
      - to take account of the potential Additional Public Sector Control Requirement.
- (d) For the purpose of Special Condition J6.6, the Regulator will determine the impact of the Additional Public Sector Control Requirement Event in accordance with paragraphs 3.7(e) to 3.7(h) (inclusive) of this Schedule 10.
- (e) Subject to paragraph 3.7(g) of this Schedule 10 provided that the Licensee has provided the relevant information required pursuant to paragraph 3.7(c) of this Schedule 10 and Special Condition J6.4, the Regulator will:
  - (i) determine the impact or expected impact (if any) on the Project of the relevant Additional Public Sector Control Requirement;
  - (ii) determine any adjustment to reflect the difference between the assumptions that were used in the setting of any allowance in relation to personnel or resourcing and the Additional Public Sector Control Requirement Costs;
  - (iii) determine any adjustments to be provided to the Licensee to reflect such impact or expected impact on the T&S Business of the relevant Additional Public Sector Control Requirement.
- (f) No adjustment shall be made by the Regulator pursuant to Special Condition J6.6 to the extent that the Regulator considers that:
  - (i) the Additional Public Sector Control Requirement Costs are not economic, efficient and effective; and/or
  - (ii) the Licensee's procurement or introduction (as appropriate) of the Additional Public Sector Control Requirement is not in accordance with Additional Public Sector Control Requirement Scope.
- (g) The Licensee may propose updates to the Additional Public Sector Control Requirement Scope by submitting a notice to the Regulator containing full particulars of the proposed updates to the Additional Public Sector Control Requirement Scope, which shall include a justification as to why such update to the Additional Public Sector Control Requirement Scope is reasonably required.

- (h) Where paragraph 3.7(g) of this Schedule 10 applies, the Regulator will consider the notice provided by the Licensee and will:
  - (i) determine that all, or part, of the proposed updates are approved and the Additional Public Sector Control Requirement Scope shall be amended accordingly; or
  - (ii) determine that all, or part, of the proposed updates are not approved and provide its reasons for such non-approval.

### 3.8 **Uncertain Cost Event relating to a Joule–Thomson Impact**

- (a) A Joule–Thomson Uncertain Cost Event is an Uncertain Cost Event in respect of which Special Conditions J7.1 to J7.6 (*Variation Re-openers*) shall not apply.
- (b) For the purpose of Special Condition J6.6 (*Uncertain Cost Events*), the Regulator will determine the impact or expected impact (if any) of a Joule-Thomson Uncertain Cost Event on the Project in accordance with this paragraph 3.8.
- (c) The Regulator's determinations under this paragraph 3.8 will not include any impact or expected impact on, nor any adjustment in respect of, any allowance, including those detailed in the Financial Settlement Document.
- (d) Where the Licensee concludes, acting reasonably and having undertaken such technical due diligence as would be undertaken by a reasonable and commercially prudent operator operating in similar circumstances, that there is a high likelihood that a Joule-Thomson Impact will occur:
  - (i) the Licensee must as soon as reasonably practicable notify the Regulator that, in its opinion, there is a high likelihood that a Joule-Thomson Impact will occur and therefore that a potential Joule-Thomson Uncertain Cost Event has occurred; and
  - (ii) as soon as reasonably practicable following a determination by the Regulator under Special Condition J2.8(a) (*Supervening Event Re-openers, Insured Risk Events and Relief Events*) pursuant to which the Regulator approves the implementation of a Change in Scope under limb (b) of the definition of Change in Scope for the proposed expansion or enhancement of the Approved T&S Network for at least one of the Track 1 Expansion Users, the Licensee may submit an application for an Uncertain Cost Event Re-opener in respect of the potential Joule-Thomson Uncertain Cost Event in accordance with Special Conditions J6.3 to J6.7 and paragraph 3.8(e) of this Schedule 10 (*Project-specific conditions*).

- (e) The Licensee must ensure that any application made for an Uncertain Cost Event Re-opener in respect of a potential Joule-Thomson Uncertain Cost Event pursuant to Special Conditions J6.3(a) and J6.4 and this paragraph 3.8 shall include (as a minimum) the following information:
  - (i) Supporting Information, including any studies undertaken by the Licensee, to evidence that there is a high likelihood that a Joule-Thomson Impact will occur and to evidence the direct impact of the Joule-Thomson effect on the Flint-PoA Pipeline; and
  - (ii) Supporting Information to evidence that the relevant Joule-Thomson Impact could not be avoided or overcome or otherwise mitigated by the Licensee acting in accordance with Good Industry Practice such that the Licensee would be able to convey the Required Flint-PoA Pipeline Flow Rate through the Flint-PoA Pipeline whilst maintaining the Flint-PoA Pipeline Minimum Allowable Operating Temperature.
- (f) Following submission of an application for an Uncertain Cost Event Re-opener in respect of a potential Joule-Thomson Uncertain Cost Event under paragraph 3.8(d)(ii) of this Schedule 10, the Licensee must promptly provide to the Regulator any other Supporting Information that the Regulator considers appropriate and requests from the Licensee in respect of the potential Joule-Thomson Uncertain Cost Event.
- (g) Provided that the Licensee has provided the relevant information required pursuant to paragraphs 3.8(e) and 3.8(f) of this Schedule 10 and Special Condition J6.4; where the Licensee has made an application for a Uncertain Cost Event Re-opener in respect of a potential Joule-Thomson Uncertain Cost Event under this paragraph 3.8, the Regulator determine whether there is a high likelihood that a Joule-Thomson Impact will occur (a "**Joule-Thomson Uncertain Cost Event**").
- (h) Where the Regulator has made a determination under paragraph 3.8(g) of this Schedule 10 that there is a high likelihood that a Joule-Thomson Impact will occur:
  - (i) a Joule-Thomson Uncertain Cost Event will have occurred; and
  - (ii) the Regulator will consider whether it is satisfied that the relevant Joule-Thomson Impact could not be avoided or overcome or otherwise mitigated by the Licensee acting in accordance with Good Industry Practice such that the Licensee would be able to convey the Required Flint-PoA Pipeline Flow Rate through the Flint-PoA Pipeline whilst maintaining the Flint-PoA Pipeline Minimum Allowable Operating Temperature; and
  - (iii) the Regulator will notify the Licensee as to whether or the Regulator is so satisfied.
- (i) Where the Regulator (i) makes a determination under paragraph 3.8(g) of this Schedule 10 that a Joule-Thomson Uncertain Cost Event has occurred; and (ii) is satisfied that the relevant Joule-Thomson Impact could not be avoided or overcome or

otherwise mitigated by the Licensee acting in accordance with Good Industry Practice (including taking into account whether to make a CiS Submission for a Change in Scope in accordance with this licence) such that the Licensee would be able to convey the Required Flint-PoA Pipeline Flow Rate through the Flint-PoA Pipeline whilst maintaining the Flint-PoA Pipeline Minimum Allowable Operating Temperature, the Regulator will also determine amendments to update the APDP to reflect the impact of the Joule-Thomson Uncertain Cost Event such that:

- (i) section 3.4 of the APDP is amended to state that the Maximum Instantaneous Flow Rate is at least 4.00 MTPA (126.84 kg/s); and
- (ii) section 3.1(d)(i)(D) of the APDP is amended to state that the Flint-PoA Pipeline is suitable to convey to convey a flow rate of at least 4.00 MTPA (126.84 kg/s),

and the Regulator's determination of amendments to the APDP as referred to in (i) and (ii) will be the only determinations made by the Regulator to reflect the impact of the Joule Thomson Uncertain Cost Event.

- (j) Where (i) the Regulator makes a determination under paragraph 3.8(g) of this Schedule 10 that a Joule-Thomson Uncertain Cost Event has not occurred; and/ or (ii) the Regulator is satisfied that the relevant Joule-Thomson Impact could not be avoided or overcome or otherwise mitigated by the Licensee acting in accordance with Good Industry Practice such that the Licensee would be able to convey the Required Flint-PoA Pipeline Flow Rate through the Flint-PoA Pipeline whilst maintaining the Flint-PoA Pipeline Minimum Allowable Operating Temperature:
  - (i) the Licensee may amend and resubmit its application for a Joule-Thomson Uncertain Cost Event, which application shall comply with the requirements of paragraph 3.8(e) of this Schedule 10; and
  - (ii) the procedures in paragraphs 3.8(f) to 3.8(j) of this Schedule 10 shall be repeated, but this paragraph 3.8(j) shall not apply.

#### 4. **Commencement of Phase 2 Tranche B Handover Works and Phase 2 Tranche C Handover Works**

##### 4.1 **Phase 2 Tranche B Handover Works**

- (a) Subject to paragraphs 4.1(c) to 4.1(f) of this Schedule 10 (*Project-specific conditions*), the Licensee shall not commence any Phase 2 Tranche B Handover Works before the occurrence of the Hanson Commitment Event.
- (b) The Licensee must promptly notify the Regulator of the occurrence of the Hanson Commitment Event, together with evidence of it and any other relevant Supporting Information.
- (c) The Licensee may notify the Regulator if the Licensee considers that, taking into consideration all relevant circumstances and acting in accordance with Good Industry Practice, it would be economic, efficient and effective to commence any part of the

Phase 2 Tranche B Handover Works before the occurrence of the Hanson Commitment Event (and once notified, those parts of the Phase 2 Tranche B Handover Works are referred to as the "**Early Padeswood Works**").

- (d) A notice issued by the Licensee to the Regulator under paragraph 4.1(c) of this Schedule 10 must give particulars of:
- (i) a detailed justification, together with relevant Supporting Information, as to why the Licensee considers that it would be economic, efficient and effective to commence the Early Padeswood Works prior to the occurrence of the Hanson Commitment Event, including any cost savings associated with carrying out the Early Padeswood Works before the occurrence of the Hanson Commitment Event instead of after the occurrence of the Hanson Commitment Event;
  - (ii) which of the Phase 2 Tranche B Handover Works make up the Early Padeswood Works;
  - (iii) an estimate of the costs associated with the Early Padeswood Works;
  - (iv) a timetable for the carrying out of the Early Padeswood Works; and
  - (v) such other Supporting Information that the Regulator has notified the Licensee that the Regulator requires.
- (e) Where paragraph 4.1(c) of this Schedule 10 applies the Regulator will review and consider the notice issued by the Licensee to the Regulator under paragraph 4.1(c) and may:
- (i) determine that the Licensee may commence all of the Early Padeswood Works before the occurrence of the Hanson Commitment Event;
  - (ii) determine that the Licensee may commence part of the Early Padeswood Works before the occurrence of the Hanson Commitment Event; or
  - (iii) determine that the Licensee may not commence any part of the Early Padeswood Works before the occurrence of the Hanson Commitment Event.
- (f) If:
- (i) the Regulator has made a determination under paragraph 4.1(e)(i) or paragraph 4.1(e)(ii) of this Schedule 10; and
  - (ii) a Change in Scope occurs under limb (c) of the definition of Change in Scope as a direct result of the Hanson Commitment Event not occurring;

in making a determination under Special Condition J2.9 (*Supervening Event Re-opens, Insured Risk Events and Relief Events*) in relation to such Change in Scope, the Regulator will take into account its determination under paragraph 4.1(e)(i) or paragraph 4.1(e)(ii) of this Schedule 10 (as the case may be).

#### 4.2 Phase 2 Tranche C Handover Works

- (a) Subject to paragraphs 4.2(c) to 4.2(f) of this Schedule 10, the Licensee shall not commence any Phase 2 Tranche C Handover Works before the occurrence of the Viridor Commitment Event.
- (b) The Licensee must promptly notify the Regulator of the occurrence of the Viridor Commitment Event, together with evidence of it and any other relevant Supporting Information.
- (c) The Licensee may notify the Regulator if the Licensee considers that, taking into consideration all relevant circumstances and acting in accordance with Good Industry Practice, it would be economic, efficient and effective to commence any part of the Phase 2 Tranche C Handover Works before the occurrence of the Viridor Commitment Event (and once notified, those parts of the Phase 2 Tranche C Handover Works are referred to as the "Early Runcorn Works").
- (d) A notice issued by the Licensee to the Regulator under paragraph 4.2(c) of this Schedule 10 must give particulars of:
  - (i) a detailed justification, together with relevant Supporting Information, as to why the Licensee considers that it would be economic, efficient and effective to commence the Early Runcorn Works prior to the occurrence of the Viridor Commitment Event, including any cost savings associated with carrying out the Early Runcorn Works before the occurrence of the Viridor Commitment Event instead of after the occurrence of the Viridor Commitment Event;
  - (ii) which of the Phase 2 Tranche C Handover Works make up the Early Runcorn Works;
  - (iii) an estimate of the costs associated with the Early Runcorn Works;
  - (iv) a timetable for the carrying out of the Early Runcorn Works; and
  - (v) such other Supporting Information that the Regulator has notified the Licensee that the Regulator requires.
- (e) Where paragraph 4.2(c) of this Schedule 10 applies the Regulator will review and consider the notice issued by the Licensee to the Regulator under paragraph 4.2(c) of this Schedule 10 and may:
  - (i) determine that the Licensee may commence all of the Early Runcorn Works before the occurrence of the Viridor Commitment Event;
  - (ii) determine that the Licensee may commence part of the Early Runcorn Works before the occurrence of the Viridor Commitment Event; or
  - (iii) determine that the Licensee may not commence any part of the Early Runcorn Works before the occurrence of the Viridor Commitment Event.

~~(f) If:~~

~~(i) the Regulator has made a determination under paragraph 4.2(e)(i) or paragraph 4.2(e)(ii) of this Schedule 10; and~~

~~(ii) a Change in Scope occurs under limb (c) of the definition of Change in Scope as a direct result of the Viridor Commitment Event not occurring;~~

~~in making a determination under Special Condition J2.9 in relation to such Change in Scope, the Regulator will take into account its determination under paragraph 4.2(e)(i) or paragraph 4.2(e)(ii) of this Schedule 10 (as the case may be).~~

## 5. NR-related FM Events

5.1 The definition of Force Majeure Event shall include the occurrence of an NR-related FM Event after Licence Award in respect of which J2 (Part C) (*Supervening Event Re-opens, Insured Risk Events and Relief Events*) shall apply:

(a) if and to the extent that the Licensee demonstrates to the Regulator that:

- (i) the occurrence of the relevant NR-related FM Event is beyond the Licensee's control; and
- (ii) the effects of the NR-related FM Event could not have been avoided or overcome or otherwise mitigated by the Licensee acting in accordance with Good Industry Practice; and

(b) provided that:

- (i) at Licence Award, the Licensee has not received any NR-related FM Notices from Network Rail or otherwise become aware, or been put on notice, that Network Rail intends to issue any NR-related FM Notices; or
- (ii) in the case of an NR Lease, the relevant NR Termination Provision was required by Network Rail to be included in the relevant NR Lease notwithstanding the reasonable endeavours of the Licensee to exclude the relevant NR Termination Provision from the relevant NR Lease;
- (iii) where the relevant NR Lease or the NR Deed of Grant (as the case may be) contains an NR Termination Provision and/or, in the case of the NR Deed of Grant, an NR Talacre Pipeline Provision, the Licensee notifies the Regulator:
  - (A) in the case of the NR Deed of Grant, by no later than Licence Award, that the NR Deed of Grant contains an NR Termination Provision and/or NR Talacre Pipeline Provision, together with full details of the relevant NR Termination Provision and/or NR Talacre Pipeline Provision; and

- (B) in the case of an NR Lease:
    - (aa) that the relevant NR Lease contains an NR Termination Provision, together with full details of the relevant NR Termination Provision; and
    - (bb) of the date of grant of the relevant NR Lease and, where the relevant NR Lease has been registered at the Land Registry, the title number of such NR Lease,
- such notification to be given either:
- (a) where the relevant NR Lease is entered into between Network Rail and the Licensee prior to Licence Award, by no later than Licence Award; and
  - (b) where the relevant NR Lease is entered into between Network Rail and the Licensee at or following Licence Award, no later than ten Business Days following the date on which the Licensee and Network Rail enter into the relevant NR Lease;
- (iv) where the relevant NR Lease contains an NR Termination Provision but, as at the date of the Licensee's notification to the Regulator under paragraph 5.1(b)(iii) of this Schedule 10 (*Project-specific conditions*), the relevant NR Lease is not registered at the Land Registry, the Licensee notifies the Regulator of the title number of such NR Lease as soon as reasonably practicable following any such registration (where applicable); and
  - (v) as soon as reasonably practicable following receipt by the Licensee of an NR-related FM Notice from Network Rail, the Licensee notifies the Regulator of such receipt and, where relevant, provides a copy of such notice to the Regulator.

5.2 The Licensee and the Regulator acknowledge that, at Licence Award, the definitions of "NR-related FM Event", "NR Talacre Pipeline Provision" and "NR Termination Provision" in paragraph 1.1 of this Schedule 10 (the "**Relevant NR Definitions**") reflect the terms of the NR Deed of Grant as at Licence Award and the Standard NR Lease (as applicable).

5.3 If at any time an NR Land Agreement Change occurs and the Licensee considers that such NR Land Agreement Change results in a misalignment between the drafting of the Relevant NR Definitions and the corresponding terms of the relevant Adjusted NR Land Agreement (an "**NR Misalignment**"), then the provisions of paragraphs 5.4 to 5.10 of this Schedule 10 shall apply.

- 5.4 Where an NR Land Agreement Change has occurred and the Licensee considers that an NR Misalignment has arisen therefrom, the Licensee must so notify the Regulator, which notice must give particulars of:
- (a) the NR Land Agreement Change that has occurred;
  - (b) a detailed explanation of the NR Land Agreement Change and a justification for such NR Land Agreement Change having been made (together with relevant Supporting Information);
  - (c) the NR Misalignment that the Licensee considers will arise as a result of the implementation of its proposals;
  - (d) any proposed modifications to this paragraph 5 (and/or any related definitions as set out in paragraph 1.1 of this Schedule 10) that the Licensee considers are required to resolve the NR Misalignment; and
  - (e) such other Supporting Information that the Regulator notifies the Licensee that the Regulator requires.
- 5.5 Where the Licensee has submitted a notice under paragraph 5.4 of this Schedule 10, the Regulator will review the submission and:
- (a) determine that an NR Misalignment has arisen as a result of the relevant NR Land Agreement Change; or
  - (b) determine that an NR Misalignment has not arisen as a result of the relevant NR Land Agreement Change.
- 5.6 Where the Regulator makes a determination under paragraph 5.5(a) of this Schedule 10, the Regulator will determine:
- (a) the extent to which it is possible for modifications to be made to this paragraph 5 (and/or any related definitions as set out in paragraph 1.1 of this Schedule 10) to resolve the NR Misalignment such that the Licensee is kept in no better nor worse position than it would have been in had the NR Land Agreement Change not occurred ("**Resolving Modifications**"); and
  - (b) where the Regulator determines that it is possible to make Resolving Modifications under paragraph 5.6(a) of this Schedule 10, the relevant Resolving Modifications to be made.
- 5.7 Where the Regulator makes a determination under paragraph 5.6(b) of this Schedule 10, the Regulator will modify this paragraph 5 (and/or any related definitions as set out in paragraph 1.1 of this Schedule 10) by direction to implement the intended Resolving Modifications.

5.8 Prior to making a direction under paragraph 5.7 of this Schedule 10, the Regulator will:

- (a) send a notice to the Licensee setting out the Resolving Modifications to be made to this paragraph 5 (and/or any related definitions as set out in paragraph 1.1 of this Schedule 10); and
- (b) state a period during which representations may be made on the proposed direction, which will not be less than 28 days.

5.9 Any direction under paragraph 5.7 of this Schedule 10 will set out:

- (a) the Resolving Modifications to be made to this paragraph 5 (and/or any related definitions as set out in paragraph 1.1 of this Schedule 10); and
- (b) the date on which such Resolving Modifications are to have effect.

5.10 Where the Regulator:

- (a) makes a determination under paragraph 5.5(b) of this Schedule 10; or
- (b) determines under paragraph 5.6(a) of this Schedule 10 that it is not possible to make Resolving Modifications,

no modifications shall be made to this paragraph 5 (and/or any related definitions as set out in paragraph 1.1 of this Schedule 10) as a result of the relevant NR Land Agreement Change.

## 6. **Pre-Licence Award Capex Costs**

6.1 The Licensee's Pre-Licence Award Capex Costs shall form part of the Day1 SRAV in real (Base Year) prices (and the definition of "**Day1 SRAV**" in Special Condition E1.1 (*Definitions*) shall be amended in accordance with paragraph 6.2 of this Schedule 10 (*Project-specific conditions*), provided that in the event that the Licensee's Pre-Licence Award Capex Costs exceed the amount of the Pre-Licence Award Capex Allowance, only the Pre-Licence Award Capex Costs up to (but not exceeding) the Pre-Licence Award Capex Allowance shall form part of the Day1 SRAV.

6.2 The definition of "**Day1 SRAV**" in Special Condition E1.1 shall include a new limb (c) as follows:

- "(c) any Pre-Licence Award Capex Costs which form part of the Day1 SRAV at Licence Award in accordance with paragraph 6.1 of Schedule 10;"

and any references in the licence to the "Day1 SRAV" shall be to the Day1 SRAV as amended by this paragraph 6.2.

6.3 The amount of the Pre-Licence Award Capex Costs that shall form part of the Day1 SRAV will be notified to the Regulator by the Secretary of State prior to the first End of Quarter Date falling on 30 June after Licence Award.

- 6.4 The Regulator shall determine at the first Annual Iteration Process a negative adjustment to the SRAV Capex and Opex Construction Period Allowance by an amount equal to the Pre-Licence Award Capex Costs added to the Day1 SRAV and shall make amendments to update the Financial Settlement Document to reflect any such adjustments.
- 6.5 No later than 15 Business Days following each End of Quarter Date falling between Licence Award and the first Annual Iteration Process after Licence Award, the Licensee must provide to the Regulator and the Secretary of State details of:
- (a) the Pre-Licence Award Capex Costs incurred by the Licensee; and
  - (b) the Pre-Licence Award Capex Allowance and the SRAV Capex and Opex Construction Period Allowance, with reference to the amount of Pre-Licence Award Capex Costs incurred by the Licensee which relate to the capital expenditure costs covered by such Pre-Licence Award Capex Allowance and SRAV Capex and Opex Construction Period Allowance.

7. **Standard condition B24 (*Procurement*)**

7.1 **Amendment to standard condition B24 (*Procurement*)**

- (a) During the Construction Period and the Commissioning Period only, limb (b) of the definition of "**Applicable Procurement Threshold**" is deemed to read as follows:  
  
"£5,000,000 (CPIH Indexed) for contracts for the procurement of goods and/or services".
- (b) The amendment in paragraph 7.1(a) of this Schedule 10 (*Project-specific conditions*) shall:
  - (i) cease to have any effect from the Commercial Operations Date; and
  - (ii) not have effect in relation to any subsequent periods of construction or commissioning under this licence.

7.2 **Conditions that apply in the context of the amendment to standard condition B24 (*Procurement*)**

- (a) When the Licensee is procuring goods and/or services during the Construction Period or the Commissioning Period, and the total value of the contract or modification thereto to be awarded is forecast to be:
  - (i) equal or less than the Applicable Procurement Threshold; and
  - (ii) greater than £500,000 (CPIH Indexed),then, where the Licensee has not carried out a competitive tender process, the Licensee must nonetheless incorporate appropriate procurement benchmarking in its procurement process.

## 8. Decommissioning Regulations Event Re-opener

### Introduction

- 8.1 The purpose of this condition is to set out:
- (a) when Standard Condition D2 (*Offshore Decommissioning Fund*) comes into force; and
  - (b) the provisions that apply in circumstances where the Licensee becomes aware of a Decommissioning Regulations Event.

### Structure

- 8.2 This condition is structured as follows:
- (a) Part A sets out when Standard Condition D2 comes into force;
  - (b) Part B provides that the coming into force of the Initial Decommissioning Regulations does not fall within the scope of the Qualifying Changes in Law regime;
  - (c) Part C sets out the trigger and process for a DRE Review; and
  - (d) Part D states that any modifications will be implemented in accordance with section 13 of the Act.

#### **Part A: Status of Standard Condition D2 (*Offshore Decommissioning Fund*)**

- 8.3 Standard Condition D2 will come into force on the date when the Initial Decommissioning Regulations come into force.

#### **Part B: Foreseeable Change in Law**

- 8.4 For the purposes of Special Condition J2 (*Supervening Event Re-openers, Insured Risk Events and Relief Events*), the coming into force of the Initial Decommissioning Regulations is a Foreseeable Change in Law.

#### **Part C: Trigger for a DRE Review**

- 8.5 Upon the occurrence of a Decommissioning Regulations Event and receipt of a DRE Submission from the Licensee, the Regulator will undertake a DRE Review in accordance with this Part C.
- 8.6 Where the Licensee becomes aware of a Decommissioning Regulations Event, the Licensee must submit to the Regulator a submission (a "**DRE Submission**") within 60 Business Days of the occurrence of the Decommissioning Regulations Event (or such longer period as the Regulator agrees) giving particulars of:
- (a) the nature of the Decommissioning Regulations Event;

- (b) the Licensee's analysis of the likely impact (if any) of the Decommissioning Regulations Event on arrangements relating to the Licensee's obligations pursuant to the Offshore Decommissioning Requirements, as compared to the arrangements in place as at Licence Award relating to such obligations;
- (c) the Licensee's analysis of the changes (if any) that the Licensee considers are appropriate to Standard Condition D2 as a result of the Decommissioning Regulations Event, including any changes to arrangements referenced in paragraph 8.6(b) of this Schedule 10 (*Project-specific conditions*);
- (d) detailed justification in relation to any matters referred to in paragraphs 8.6(b) and 8.6(c) of this Schedule 10, including the outcome of any consultation by the Licensee in relation to the matters referred to in paragraph 8.6(b) of this Schedule 10 with the Secretary of State, OPRED and/or the NSTA; and
- (e) the Licensee's assessment and satisfactory evidence of any additional costs as a result of the Decommissioning Regulations Event, including any additional costs arising from changes to the arrangements referenced in paragraph 8.6(b) of this Schedule 10.

8.7 Where a DRE Submission has been made by the Licensee, the Regulator will initiate a review (a "**DRE Review**") to make a determination in relation to the matters referred to in paragraphs 8.6(b) and 8.6(c) of this Schedule 10 and in carrying out its DRE Review, the Regulator will:

- (a) consider the Licensee's DRE Submission; and
- (b) consult the Secretary of State, OPRED and the NSTA for their views on the Licensee's DRE Submission.

8.8 Once the Regulator has completed its DRE Review, the Regulator will:

- (a) where the Initial Decommissioning Regulations come into force, determine whether and/or what modifications are required to Standard Condition D2 and associated defined terms to make the provisions of Standard Condition D2 consistent and aligned with the Initial Decommissioning Regulations;
- (b) where the Initial Decommissioning Regulations have not come into force by the Decommissioning Fund Obligation Date, determine whether and/or what modifications are required to Standard Condition D2 to ensure that the Licensee is able to establish the Offshore Decommissioning Fund contemplated by Standard Condition D2 in the absence of any Decommissioning Regulations; and

- (c) determine whether and/or what other adjustments under this licence or any Project-Specific Documents are required to address any additional costs of the Licensee to reflect the impact (if any) of the Decommissioning Regulations Event on arrangements relating to the Licensee's obligations pursuant to the Offshore Decommissioning Requirements as compared to the arrangements in place as at Licence Award relating to such obligations, such that the Licensee is put in a no better nor worse position than it would have been in had the Decommissioning Regulations Event not occurred (which may include new ex ante allowances).

**Part D: Process for modifications to licence conditions**

8.9 Any determination by the Regulator pursuant to paragraph 8.8 of this Schedule 10, including any associated amendments to update any Project-Specific Documents, will be implemented by the Regulator by way of a modification of the conditions of this licence in accordance with section 13 of the Act.

8.10 The Regulator shall not be required to undertake more than one DRE Review under this condition.

**9. RFS Agreement**

Prior to the Commercial Operations Date, any costs incurred by the Licensee in connection with the RFS Agreement including but not limited to any costs incurred in relation to the performance of any services under the RFS Agreement shall be at the Licensee's own expense and therefore constitute Excluded Project Spend pursuant to limb (o)(iii) of the definition of Excluded Project Spend.

**10. Payment of Seller's Decommissioning Fund Contribution**

**Introduction**

10.1 The purpose of this condition is to set out the Licensee's obligation to pay into the Offshore Decommissioning Fund the Seller's Decommissioning Fund Contribution received by the Licensee in accordance with the terms of the Asset Transfer Agreement.

**Obligation**

10.2 Subject to any requirements under the Decommissioning Regulations, if the Licensee receives the Seller's Decommissioning Fund Contribution from the Seller in accordance with the terms of the Asset Transfer Agreement, the Licensee must, as soon as is reasonably possible:

- (a) where, as at the Payment Date, the Licensee has established the Offshore Decommissioning Fund, pay the Seller's Decommissioning Fund Contribution into the Offshore Decommissioning Fund; or

- (b) where, as at the Payment Date, the Licensee has not yet established the Offshore Decommissioning Fund, ensure that the Seller's Decommissioning Fund Contribution is held:
- (i) in a separate blocked bank account to be segregated from any other assets or monies held by the Licensee; and
  - (ii) in compliance with the Interim Holding Arrangements approved by the Secretary of State, pursuant to the terms of the Asset Transfer Agreement, and not grant any security (or any right of set off or combination in favour of any person, including the account bank) over it or make any withdrawals or other disposals from it except:
    - (A) to comply with paragraph 10.3 of this Schedule 10 (*Project-specific conditions*); or
    - (B) for the purposes of carrying out any decommissioning of any part of the Offshore Infrastructure (or related activities) as required by OPRED or the NSTA in accordance with any Offshore Decommissioning Requirements; or
    - (C) to comply with any obligation under clause 5.1.2 of the Asset Transfer Agreement to make a payment back to the Seller, where, as contemplated by the terms of the Asset Transfer Agreement, OPRED makes a final determination which results in a reduction in the value of the Seller's Decommissioning Fund Contribution.

10.3 Subject to any requirements under the Decommissioning Regulations, where in accordance with paragraph 10.2(b) of this Schedule 10 the Licensee was not able to pay the Seller's Decommissioning Fund Contribution into the Offshore Decommissioning Fund upon receipt of the Seller's Decommissioning Fund Contribution, the Licensee must pay the Seller's Decommissioning Fund Contribution into the Offshore Decommissioning Fund as soon as reasonably possible after the Offshore Decommissioning Fund has been established.

## 11. **Obligated Network Capacity**

11.1 In accordance with its obligations under Standard Condition B14.3 (*Availability of resources*), the Licensee must at all times act in a manner designed to secure that it has available to itself such licences, permits, approvals and consents as may be required for the Licensee to achieve the Obligated Network Capacity.

11.2 No Qualifying Change in Law shall occur for the purposes of this licence in connection with, or as a result of, any ONC-related Change in Scope and the provisions of Part B (*Qualifying Changes in Law*) of Special Condition J2 shall not apply in respect of the same.

11.3 If a change to a licence, permit, approval or consent (including any Storage Permit) comes into effect following Licence Award, which:

- (a) prevents the Licensee from achieving the Obligated Network Capacity (or any part thereof), such change shall constitute grounds for a Change in Scope under limb (c) of the definition of the term "Change in Scope"; or
- (b) enables the Licensee to increase the Obligated Network Capacity (or any part thereof), such change shall constitute grounds for a Change in Scope under limb (b) of the definition of the term "Change in Scope", notwithstanding that there may be no associated requirement for (i) an allocation of an Ongoing Devex Allowance; and/or (ii) an increase to an SRAV Capex and Opex Allowance and/or the Ongoing Capex Allowances (as relevant)

(each an **"ONC-related Change in Scope"**), and the provisions of Part A (*Change in Scope*) of Special Condition J2 (*Supervening Event Re-opens, Insured Risk Events and Relief Events*) shall apply in respect of any such ONC-related Change in Scope.

11.4 In making a determination under Special Condition J2.9 in relation to a Change in Scope under limb (c) of the definition of Change in Scope (including any relevant ONC-related Change in Scope) or under Special Condition J2.18 in relation to a Qualifying Change in Law, the Regulator will take into account the extent to which the relevant Supervening Event:

- (a) could be, or could have been, avoided or overcome or otherwise mitigated by the Licensee acting in accordance with Good Industry Practice; and/or
- (b) is, or was, caused or contributed to by acts and/or omissions of the Licensee or of:
  - (i) any of its Affiliates, Related Undertakings or Ultimate Controllers; or
  - (ii) any of its agents, employees, contractors, subcontractors or other suppliers (of any tier) acting on its behalf,

save to the extent that any such Affiliate, Related Undertaking, Ultimate Controller, agent, employee, contractor, subcontractor or other supplier (of any tier) is (i) acting (or omitting to act) in its capacity as a User; and/or (ii) acting (or omitting to act) on behalf of a User.

## 12. **Re-use Assets Valuation**

12.1 In addition to any adjustments made to the Re-use Assets Valuation pursuant to Special Condition F5.3 (*Re-use Assets Valuation*) or Special Condition G8.3 (*Re-use Assets Valuation*) (as the case may be), the Regulator shall also make adjustments to the Re-use Assets Valuation to reflect any adjustments that are made in accordance with the provisions of the Asset Transfer Agreement to reflect:

- (a) the amount of the Seller's Decommissioning Fund Contribution; and/or
- (b) the occurrence of a Phase 2 Tranche A Uncertain Cost Event.

- 12.2 The Licensee must provide the Regulator with any information reasonably required to enable the Regulator to determine any adjustment to a Re-use Assets Valuation in accordance with paragraph 12.1 of this Schedule 10 (*Project-specific conditions*).

## Appendix A

### Basis for Mitigation Measures Plan

**The works, activities and other steps that need to be undertaken by the Licensee to implement the Mitigation Measures (other than the Mitigation Measures Preparatory Activities)**

1. **Mitigation Measures Systems:**

The "**Mitigation Measures Systems**" are as follows:

- (a) A fifth injection well on the Hamilton Carbon Store from Hamilton Main and all facilities required to inject into and operate the well; and
- (b) a third injection well on the Hamilton North Carbon Store from Hamilton North and all facilities required to inject into and operate the well.

2. **Mitigation Measures Handover Works:**

The "**Mitigation Measures Handover Works**" include, as relevant, the following works and activities which relate to the Mitigation Measures Systems:

- (a) design and engineering of the Mitigation Measures Systems, of which:
  - (i) the definition of the well design and well programme;
  - (ii) the definition of the HM and HN layouts, flowline size and materials and design of instrumentation and metering;
- (b) procurement of the Mitigation Measures Systems, including long lead items outlined as Early Works Item 3 (see first table in Appendix B);
- (c) execution planning of the Mitigation Measures Systems, including producing the construction and Mechanical Completion plans and procedures and compiling the associated dossiers, each in line with the detailed engineering deliverables and performance standards;
- (d) permitting the Mitigation Measures Systems - securing the approvals required to, as a minimum, construct and install the Mitigation Measures Systems, including any and all licences, permits, consents and approvals, including any regulatory and statutory approvals;
- (e) fabrication, construction and installation of the Mitigation Measures Systems, outlined as Early Works Items 1, 2, 4 and 6 (see first table in Appendix B) to the point of Mechanical Completion, including ensuring that fabrication, construction, erection, installation, testing, cleaning and hydrotesting of any assemblies or equipment forming part of the Mitigation Measures Systems have been satisfactorily completed and documented in accordance with specified design and Project requirements;
- (f) all drawings and documentation required for performance of the Mitigation Measures Commissioning Activities are modified in red-line mark-up; and
- (g) preparation of a punchlist containing the Licensee's proposed Phase 2 Handover Punchlist Items relating to Phase 2 Tranche F.

3. **Mitigation Measures Commissioning Activities:**

The "**Mitigation Measures Commissioning Activities**" include, as relevant, the following works and activities which relate to the Mitigation Measures Systems:

- (a) achievement of Handover of the Mitigation Measures Handover Works, as determined by the Regulator under Special Condition I2.19 (*T&S Network expansion and additional construction, commissioning and operational periods*);
- (b) the rectification, resolution and/or completion of all Phase 2 Handover Punchlist Items relating to Phase 2 Tranche F;
- (c) pre-commissioning of the Mitigation Measures Systems prior to the introduction of CO<sub>2</sub>, including:
  - (i) successful completion of site acceptance testing to the extent not completed as part of the Mitigation Measures Handover Works;
  - (ii) successful completion of functional testing of all equipment forming part of the Mitigation Measures Systems including successful operational testing of utilities and of the process systems in closed loop with inert fluids;
  - (iii) preparatory activities for CO<sub>2</sub> introduction into the Mitigation Measures Systems including dewatering, cleaning and pipeline drying, process lines leak testing with inert medium, well barriers testing, first fill of equipment with nitrogen;
  - (iv) calibration of allocation metering;
  - (v) successful completion of testing of all safety systems;
  - (vi) energisation (where appropriate) of the Mitigation Measures Systems;
  - (vii) well perforation, installation and successful completion of testing of Xmas trees, and flowline hook-up in respect of the Mitigation Measures Systems;
- (d) securing the following approvals required to, as a minimum, commission and operate the Mitigation Measures Systems, including any and all:
  - (i) licences;
  - (ii) permits;
  - (iii) consents;
  - (iv) approvals, including any and all regulatory and statutory approvals; and
  - (v) all relevant land agreements;
- (e) the following commissioning of the Mitigation Measures Systems:
  - (i) super drying of the Mitigation Measures Systems (for pressure containing equipment) to dew point specification (indicatively -30 to -40 degrees Celsius);
  - (ii) first fill of equipment forming part of the of the Mitigation Measures Systems with CO<sub>2</sub>;

- (iii) successful completion of functional testing of all equipment forming part of the Mitigation Measures Systems with CO<sub>2</sub>;
- (iv) successful completion of testing of all safety systems and achieving confirmation in respect of the functionality of the same from a qualified independent certification body;
- (v) commissioning of process systems with process fluid;
- (f) all drawings and documentation required for operations are modified are modified in red-line mark-up;
- (g) to the extent applicable procurement, implementation of the updates to, and subsequent successful completion of testing of, the Information Technology (IT) applications, databases and communication systems, including that of the T&S Network Portal (as defined in the CCS Network Code) in line with the requirements under the CCS Network Code;
- (h) successful completion of performance testing of the Mitigation Measures Systems to demonstrate at a minimum well performance multi-rate testing on each well including start-up and shutdown with CO<sub>2</sub>. The performance testing (the "**Hamilton Acceptance Requirements**") is required to demonstrate that the two wells which form part of the Mitigation Measures Systems (the "**Phase 2F Wells**"):
  - (i) can, in aggregate across the wells which form part of the Phase 1 Systems (the "**Phase 1 Wells**") and the Phase 2F Wells, accept the 4.74 MTPA (150.30 kg/s) peak instantaneous flow volumes (with such testing to be based on the data obtained as part of the well performance testing in respect of the Phase 1 Wells as detailed in section 3.1(f)(ix)(A) of the APDP) or such other peak instantaneous flow volumes as revised in the Hamilton Storage Permit Addendum and the Hamilton North Storage Permit Addendum and determined by the Regulator under paragraph 3.3(c)(ix)(A)(ee); and
  - (ii) across all eight injection wells (being the Phase 1 Wells and the Phase 2F Wells) are predicted to accept sufficient capacity of CO<sub>2</sub> to enable the Licensee to achieve the Availability Target in each Operational Charging Year:
    - (A) proven by physical injection to be able to inject a minimum of:
      - (aa) 0.58 instantaneous MTPA (18.39 kg/s) per well on average (i.e., not all wells tested at the same time, and some wells may be injecting at lower rates); and
      - (bb) at least 0.20 MTPA instantaneous (6.34 kg/s) per well,  
  
save where, at the time of testing, User flows are not capable of providing 0.58 MTPA instantaneous (18.39 kg/s) or such other flow volumes as revised in the Hamilton Storage Permit Addendum and the Hamilton North Storage Permit Addendum and determined by the Regulator under paragraph 3.3(c)(ix)(A)(ee), in which case the Phase 2F Wells:
        - (cc) must be proven by physical injection to be able to inject the actual flow rates delivery by the User(s); and

- (dd) must be predicated based on calibrated well models to be able to inject a minimum of 0.58 MTPA instantaneous (18.39 kg/s),  
  
(with such testing to be based on the data obtained as part of the well performance testing in respect of the Phase 1 Wells as detailed in section 3.1(f)(ix)(A) of the APDP); and
- (iii) across the Phase 2F Wells are predicted to accept sufficient capacity of CO<sub>2</sub> to enable the Licensee to achieve the Availability Target in each Operational Charging Year:
  - (A) predicted based on calibrated well models to be able to inject a minimum of 0.8 MTPA (25.37 kg/s) per Hamilton Carbon Store well on average and 0.6 MTPA (19.03 kg/s) per Hamilton North Carbon Store well on average (i.e., not all wells tested at the same time, and some wells may be injecting at lower rates) and at least 0.20 MTPA (6.34 kg/s) per well when the store conditions are 48bara at the Hamilton Carbon Store and 51bara at the Hamilton North Carbon Store; and
- (i) preparation of a punchlist containing the Licensee's proposed Phase 2 Acceptance Punchlist Items relating to relating to the Mitigation Measures Commissioning Activities.

## Appendix B

### Early Works

The Early Works are described as follows:

			<b>Agreed Allowance (Early Works) (£)</b>	<b>Agreed Allowance (Early Works) (£)</b>
<b>Item no.</b>	<b>Early Work</b>	<b>Further details of the Early Work</b>	<b>2023/2024 money values</b>	<b>2021 money values</b>
1	Drilling of fifth injection well into Hamilton Carbon Store from Hamilton Main (as defined in the APDP)	Drilling injection well  Completion of injection well  NB installation of Xmas tree and well perforations not considered Early Works but to be included in MMP	Total £10,215,141*  *This amount is the net amount (i.e. the gross amount has been adjusted for the cost of items ordered / purchased in relation to Phase 2 Tranche A prior to Licence Award)	Total £8,897,608*  *This amount is the net amount (i.e. the gross amount has been adjusted for the cost of items ordered / purchased in relation to Phase 2 Tranche A prior to Licence Award)
2	Drilling of third injection well into Hamilton North Carbon Store from Hamilton North (as defined in the APDP)	Drilling injection well  Completion of injection well  NB installation of Xmas tree and well perforations not considered Early Works but to be included in MMP	Total £10,215,141*  *This amount is the net amount (i.e. the gross amount has been adjusted for the cost of items ordered / purchased in relation to Phase 2 Tranche A prior to Licence Award)	Total £8,897,608*  *This amount is the net amount (i.e. the gross amount has been adjusted for the cost of items ordered / purchased in relation to Phase 2 Tranche A prior to Licence Award)
3	Place order for long lead items for the second well (either	(a) 20" conductors. Estimated 8-12 months lead time.	Total £1,840,000	Total £1,602,680

			<b>Agreed Allowance (Early Works) (£)</b>	<b>Agreed Allowance (Early Works) (£)</b>
	Hamilton or Hamilton North) plus spare	(b) 13 3/8" casing. Estimated 6-8 months lead time from Tenaris  (c) Wellhead systems. Estimated 12 months lead time		
4	Flowline installation in construction yard	Procurement, fabrication, installation and fit out of flowlines and associated equipment and controls in construction yard prior to sail away. Performance of this Early Work precludes Item no. 6 which is the same activity but executed offshore.	£500,000 per well	£435,511 per well
5	Rig mobilisation	(a) Rig and spread rate based on 15 days  (b) Rig move vessels  (c) Rig move services  (d) Repeat site survey and site-specific assessment  (e) Rock dumping if required to remediate previous spud can depressions  (f) Platform interface costs	Total £6,110,000 per rig move  (This figure is based on:  (a) £2,000,000  (b) £1,040,000  (c) £120,000  (d) £450,000  (e) £2,000,000  (f) £500,000)	Total £5,321,942 per rig move
6	Offshore Installation of Flowlines	(a) Procurement of flowline  (b) Manpower, logistics and vessels required to offshore install and hook-up the flowlines.	Total £2,050,000 per well  (This figure is based on:	Total £1,785,594 per well

			<b>Agreed Allowance (Early Works) (£)</b>	<b>Agreed Allowance (Early Works) (£)</b>
		Based on a 12-day campaign per well  Performance of this Early Work precludes Item no. 4, which is the same activity but executed onshore, before the topsides leaves the construction yard.	(a) £400,000 per well  (b) £1,650,000 per well)	

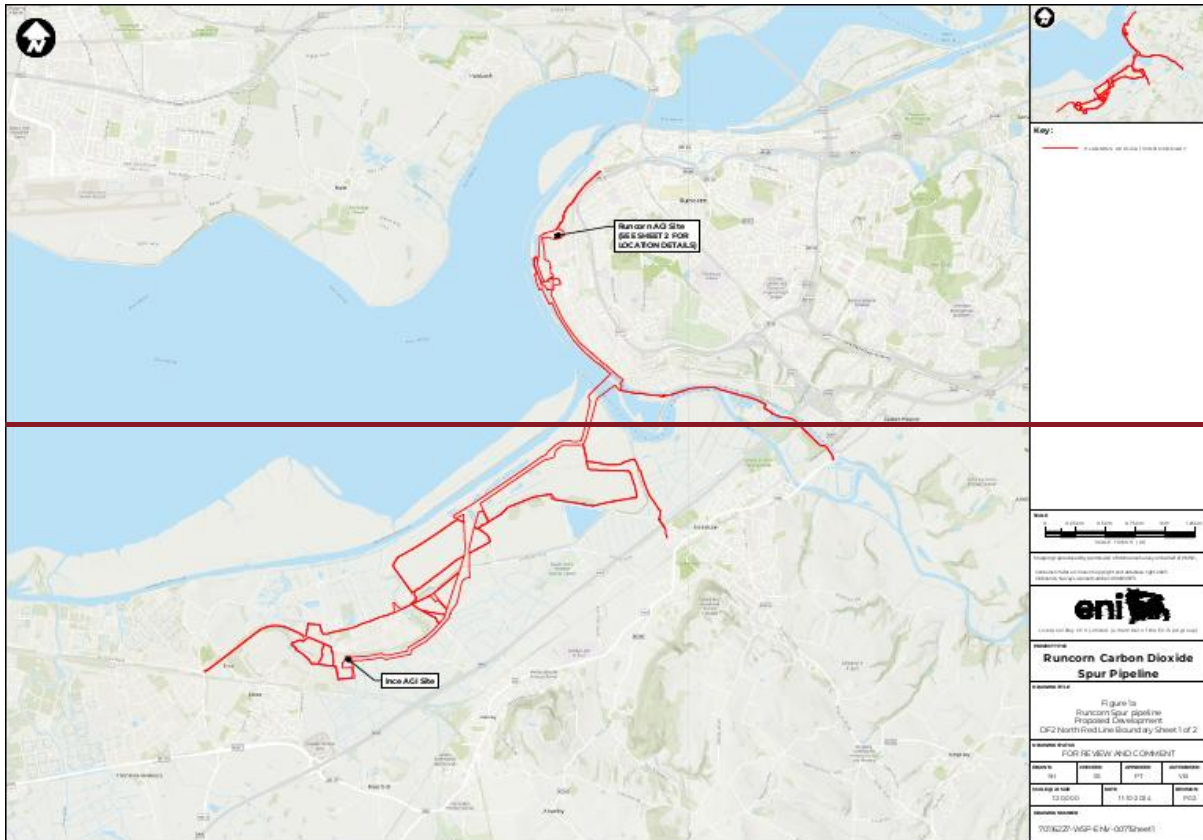
The different possible Scenarios and the corresponding Early Works (more particularly described above) are as follows:

<b>Scenario</b>	<b>Relative Timing</b>	<b>Early Works</b>
A	Regulator determinations under paragraph 3.1(g) of this Schedule 10 occur at least 28 days before the demobilisation of the drilling rig performing operations at Hamilton North is scheduled to take place based on the Licensee's most current project schedule.	1, 2, 3, 4
B1	Regulator determinations under paragraph 3.1(g) of this Schedule 10 occur:  (a) at least 28 days before the demobilisation of the drilling rig performing operations at Hamilton Main is scheduled to take place based on Licensee's most current project schedule; and  (b) at least 300 days before the new Hamilton Main topsides is scheduled to be ready for sail away based on the Licensee's most current project schedule.	1, 3, 4
B2	Regulator determinations under paragraph 3.1(g) of this Schedule 10 occur:  (a) at least 28 days before the demobilisation of the drilling rig performing operations at Hamilton Main is scheduled to take place based on the Licensee's most current project schedule; and  (b) less than 300 days before the new Hamilton Main topsides is scheduled to be ready for sail away, based on the Licensee's most current project schedule.	1, 3, 6

Scenario	Relative Timing	Early Works
C1	<p>Regulator determination under paragraphs 3.1(g) of this Schedule 10 occur:</p> <p>(a) less than 28 days before the demobilisation of the drilling rig performing operations at Hamilton Main is scheduled to take place based on the Licensee's most current project schedule; and</p> <p>(b) the Seller has confirmed that a rig is available to mobilise to Hamilton Main, spud a well and demobilise at least 100 days before the scheduled topsides removal at Hamilton Main based on Licensee's updated project schedule.</p>	1, 3, 5, 6
C2	<p>Regulator determinations under paragraph 3.1(g) of this Schedule 10 occur:</p> <p>(a) less than 28 days before the demobilisation of the drilling rig performing operations at Hamilton North is scheduled to take place based on the Licensee's most current project schedule; and</p> <p>(b) the Seller has confirmed that a rig is available to mobilise to Hamilton North, spud a well and demobilise at least 100 days before the scheduled topsides removal at Hamilton North based on Licensee's updated project schedule.</p>	2, 3, 5, 6
D	<p>Regulator determinations under paragraph 3.1(g) of this Schedule 10 occur:</p> <p>(a) less than 28 days before the demobilisation of the drilling rig performing operations at Hamilton North is scheduled to take place based on the Licensee's most current project schedule; and</p> <p>(b) less than 300 days before the new Hamilton Main or Hamilton North topsides is scheduled to be ready for sail away based on the Licensee's most current project schedule.</p>	3, 6

# Appendix C

## Phase 2B and 2C pipeline routes



**Exhibit A**

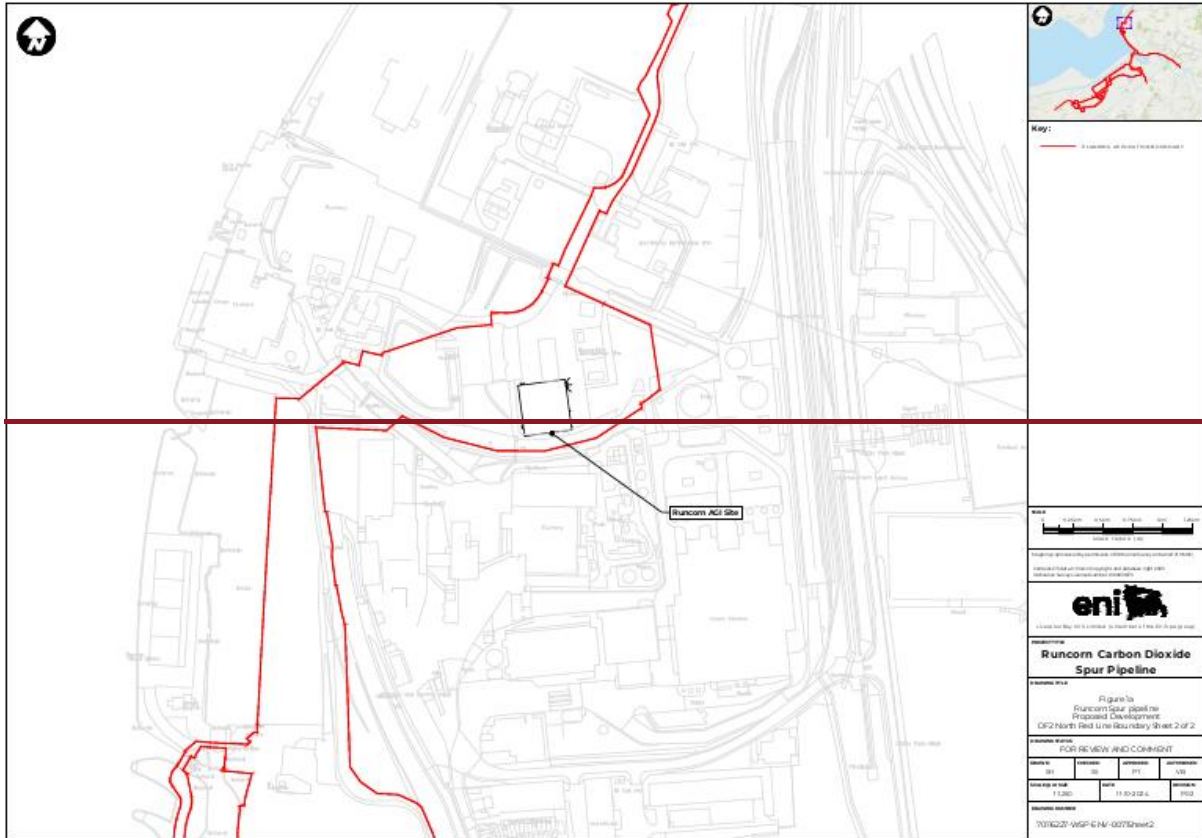


Exhibit B

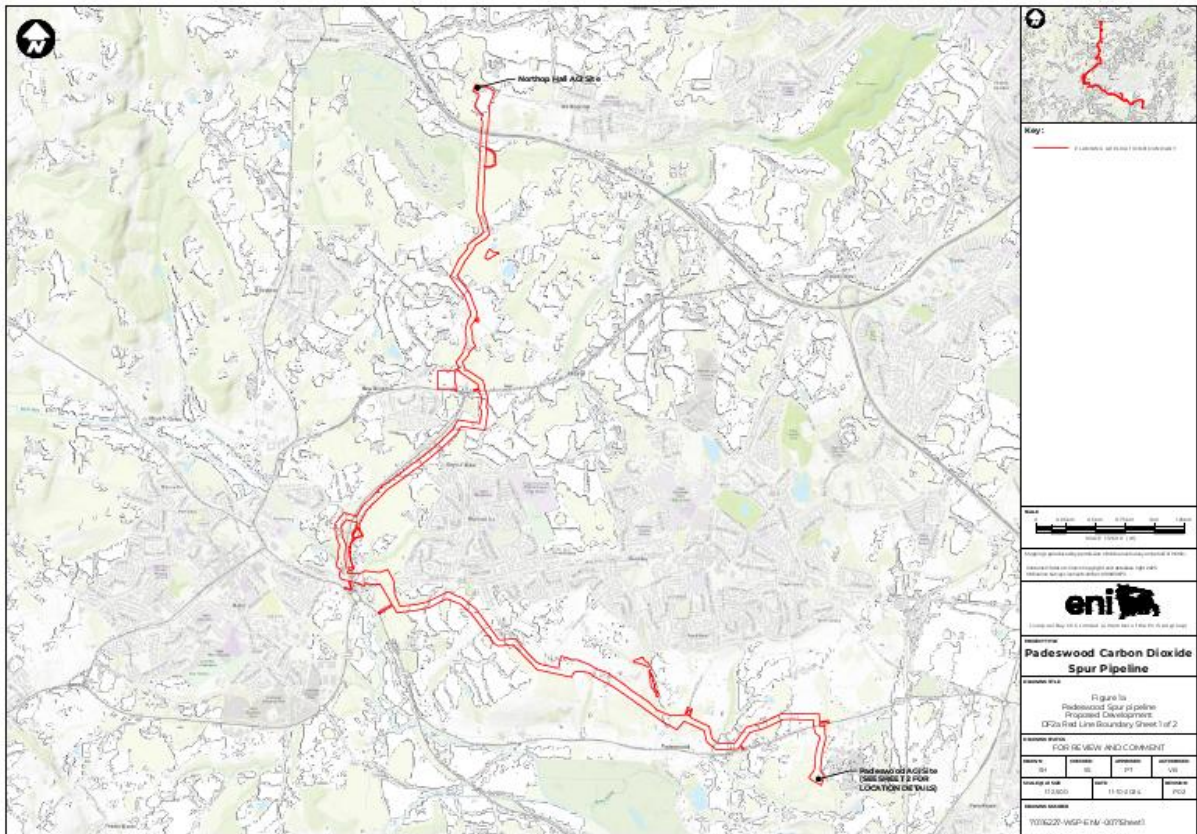


Exhibit C

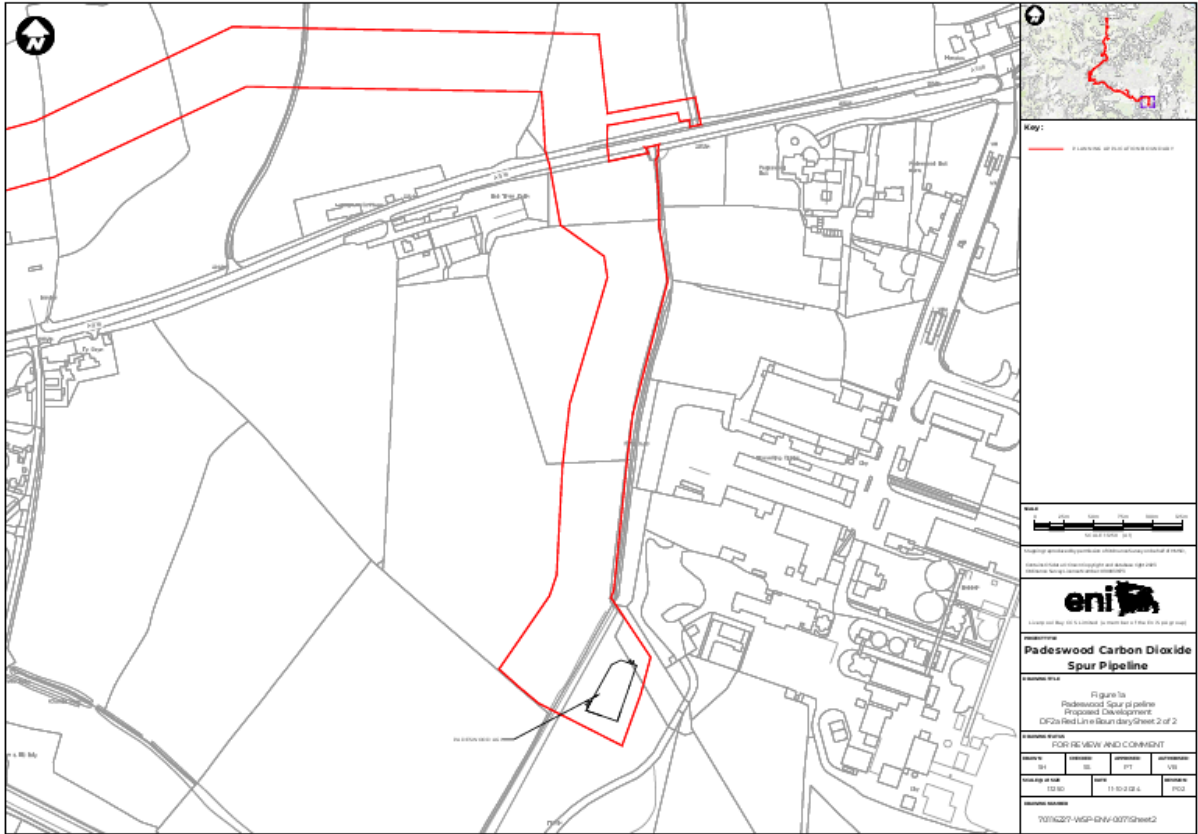


Exhibit D

## Appendix D

### Standard NR Lease

***[Note: to be populated on a project-specific basis.]***