

**SCHEDULE 2 - EXHIBIT 2B**

**DATED [ \_\_\_\_\_ ]**

**NATIONAL GRID ELECTRICITY TRANSMISSION PLC (1)**

**and**

**[ \_\_\_\_\_ ] (2)**

---

**THE CONNECTION AND USE OF SYSTEM CODE**

**BILATERAL EMBEDDED GENERATION AGREEMENT (REGO USER)**

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**[USE OF SYSTEM FOR AN EMBEDDED POWER STATION]**

**[USE OF SYSTEM FOR A SMALL POWER STATION TRADING PARTY]**

**~~[DISTRIBUTION INTERCONNECTOR OWNER]~~**

**At [ \_\_\_\_\_ ]**

**Reference:[ \_\_\_\_\_ ]**

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THIS **BILATERAL EMBEDDED GENERATION AGREEMENT** is made on the [ ] day of [ ] 200[ ].

**BETWEEN**

- (1) National Grid Electricity Transmission plc a company registered in England with number 2366977 whose registered office is at 1-3 Strand, London, WC2N 5EH ("**The Company**", which expression shall include its successors and/or permitted assigns); and
- (2) [ ] a company registered in [ ] with number [ ] whose registered office is at [ ] ("**User**", which expression shall include its successors and/or permitted assigns).

**WHEREAS**

- (A) Pursuant to the **Transmission Licence**, **The Company** is required to prepare a Connection and Use of System Code (**CUSC**) setting out the terms of the arrangements for connection to and use of the **GB Transmission System** and the provision of certain **Balancing Services**.
- (B) The **User** has applied for use of the **GB Transmission System** and pursuant to the **Transmission Licence** **The Company** is required to offer terms for use of system.
- (C) The **User** has applied for use of the **GB Transmission System** in the capacity of [ ] as set out in Paragraph 1.2.4 of the **CUSC**. The Power Station is a REGO Power Station in respect of which the User has applied for DTEC.
- (D) As at the date hereof, **The Company** and the **User** are parties to the **CUSC Framework Agreement** (being an agreement by which the **CUSC** is made contractually binding between the parties). This **Bilateral Embedded Generation Agreement** is entered into pursuant to the **CUSC** and shall be read as being governed by it.

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**NOW IT IS HEREBY AGREED** as follows:

**1. DEFINITIONS, INTERPRETATION AND CONSTRUCTION**

Unless the subject matter or context otherwise requires or is inconsistent therewith, terms and expressions defined in Section 9 of the **CUSC** have the same meanings, interpretations or constructions in this **Bilateral Embedded Generation Agreement** and the following terms and expressions shall have the meaning set out below:-.

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"Construction Agreement" the agreement made between the parties of even date for the carrying

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<u>“Charging Date”</u>	<u>out of construction works.</u> as defined in the <b>Construction Agreement.</b>	Formatted: Font: Bold
<u>“DTEC Charging Date”</u>	as defined in the <b>Construction Agreement.</b>	Formatted: Indent: Left: 0"
<u>“DTEC Period”</u>	the period between and including the <b>[Operational Notification]</b> and the <b>WCW Completion Date.</b>	Formatted: Indent: Left: 0" Formatted: Font: Bold Formatted: Font: Bold
<u>“Operational Notification”</u>	the notification issued by <b>The Company</b> pursuant to Clause [7] of the <b>Construction Agreement.</b>	Formatted: Indent: Left: 0" Formatted: Font: Bold Formatted: Font: Bold
<u>“WCW Completion Date”</u>	as defined in the <b>Construction Agreement.</b>	Formatted: Font: Bold Formatted: Indent: Left: 0"

## 2. COMMENCEMENT

This **Bilateral Embedded Generation Agreement** shall commence on [ ].

## 3. THE SITE OF CONNECTION TO THE DISTRIBUTION SYSTEM

The site of **Connection** of the **Embedded Power Station [Distribution Interconnector]** to the **Distribution System** to which this **Bilateral Embedded Generation Agreement** relates is more particularly described in Appendix A.

[The sites of **Connection** of the **Embedded Power Stations [Distribution Interconnector]** to the relevant **Distribution Systems** to which this **Bilateral Embedded Generation Agreement** relates are more particularly described in Appendix A.]

## 4. CHARGING DATE

The date from which **Use of System Charges** shall be payable by the **User** (including **One-Off Charges** where applicable) shall be [the earlier of the **DTEC Charging Date** or the **Charging Date**].

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## 5. USE OF SYSTEM

The right to use the **GB Transmission System** shall commence on ~~and Use of System Charges shall be payable by the User from the date hereof~~ the issue of the **Operational Notification** and shall be by reference to **DTEC** during the **DTEC Period** (if any) and thereafter by reference to **Transmission Entry Capacity**.

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## 6. CREDIT REQUIREMENTS

[The amount to be secured by the **User** from [date] is set out in the **Secured Amount Statement** issued from time to time and as varied from time to time in accordance with Section 3 of the **CUSC**.]

## 7. ENTRY ACCESS CAPACITY

7.1 The ~~**DTEC and Transmission Entry Access Capacity**~~ of [each of the] site[s] of **Connection** ~~is [are]~~ and the ~~[ir]~~ value[s] for the purposes of Paragraph 3.2 of the **CUSC** are specified in Appendix C.

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

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

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## 8. COMPLIANCE WITH SITE SPECIFIC TECHNICAL CONDITIONS

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

## 9. TERM

Subject to the provisions for earlier termination set out in the **CUSC**, this **Bilateral Embedded Generation Agreement** shall continue until all of

the **User's** equipment [or **Equipment** for which the **User** is responsible (as defined in Section K of the **Balancing and Settlement Code**] is **Disconnected** from the relevant **Distribution System** at the site[s] of **Connection** as provided in Section 5 of the **CUSC**.

## 10. VARIATIONS

- 10.1 Subject to 10.2 and 10.3, no variation to this **Bilateral Embedded Generation Agreement** shall be effective unless made in writing and signed by or on behalf of both **The Company** and the **User**.
- 10.2 **The Company** and the **User** shall effect any amendment required to be made to this **Bilateral Embedded Generation Agreement** by the **Authority** as a result of a change in the **CUSC** or the **Transmission Licence**, an order or direction made pursuant to the **Act** or a **Licence**, or as a result of settling any of the terms hereof. The **User** hereby authorises and instructs **The Company** to make any such amendment on its behalf and undertakes not to withdraw, qualify or revoke such authority or instruction at any time.
- 10.3 **The Company** has the right to vary Appendix B in accordance with this **Bilateral Embedded Generation Agreement** and the **CUSC** including any variation necessary to enable **The Company** to charge in accordance with the **Charging Statements** or upon any change to the **Charging Statements**.

## 11. ~~RESTRICTIVE TRADE PRACTICES ACT~~OPERATIONAL NOTIFICATION

~~[Notwithstanding the provisions of **CUSC** Paragraph 3.6.2 the operational notification for the purposes of the right to use the **GB Transmission System** and the requirements before it is issued are as provided for in Clause [7] of the **Construction Agreement**. Any restriction or information provision (as each of those terms are defined or construed in Section 43(1) of the Restrictive Trade Practices Act 1976) contained in this **Bilateral Embedded Generation Agreement** shall not take effect or shall cease to have effect:~~

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~~11.1.1if a copy of this **Bilateral Embedded Generation Agreement** is not provided to the Department of Trade and Industry ("**DTI**") within 28 days of the date of this **Bilateral Embedded Generation Agreement**; or~~

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~~11.1.2if, within 28 days of the provision of that copy to the **DTI**, the **DTI** gives notice of objection to the party providing it.~~

## 12. GENERAL PROVISIONS

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

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

SIGNED BY )  
**[name]** )  
for and on behalf of )  
National Grid Electricity Transmission plc )

SIGNED BY )  
**[name]** )  
for and on behalf of )  
[User] )

**APPENDIX A**  
**THE SITE OF CONNECTION**

**1. SITE[s] OF CONNECTION**

**Company**

:

**Site[s] of Connection** :

**Owner[s] / Operator[s] of Distribution System:**

**APPENDIX B**  
**CHARGES AND PAYMENT**

Company :

Site of Connection:

1. PART 1: ONE-OFF CHARGES
  
2. PART 2: MISCELLANEOUS CHARGE(S)

## APPENDIX C

### TRANSMISSION ENTRY CAPACITY

#### **Part 1 Transmission Entry Capacity**

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

Power Station	TEC(MW)
	[       ]

#### **Part 2 DTEC**

DTEC expressed in average MW taken over a half hour settlement period

	DTEC(MW)
<u>Power Station</u>	<u>[       ]</u>

#### **Part 32 BM Units comprising Power Station**

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

**APPENDIX F1**  
**SITE SPECIFIC TECHNICAL CONDITIONS:**  
**AGREED BALANCING SERVICES**

**APPENDIX F2**

**[NOT USED]**

**APPENDIX F2**

**SITE SPECIFIC TECHNICAL CONDITIONS:**

**SPECIAL AUTOMATIC FACILITIES**

**APPENDIX F3**

**SITE SPECIFIC TECHNICAL CONDITIONS: PROTECTION**

**AND CONTROL RELAY SETTINGS**

**FAULT CLEARANCE TIMES**

**APPENDIX F4**

**SITE SPECIFIC TECHNICAL CONDITIONS:**

**OTHER**

**END OF SCHEDULE 2 - EXHIBIT 2**