



Balancing Services

Glossary of General Terms and Rules of Interpretation

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Consultation Draft

Contents

Part 1 – Introduction3

Part 2 – Rules of Interpretation.....3

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Part [34](#) - General Terms64

Consultation Draft

Part 1 – Introduction

1. This **Glossary of General Terms and Rules of Interpretation** shall apply to any document published or to be published by **NESO** which states (howsoever expressed) that it is governed by or subject to this **Glossary of General Terms and Rules of Interpretation** (in this document, a “**Relevant Balancing Services Document**”, [which terms shall include this document](#)).
2. Any capitalised term used in this **Glossary of General Terms and Rules of Interpretation** shall have the meaning given to it (if any) in Part [34](#) below.
3. Subject always to paragraph 4 below, **NESO** may update this **Glossary of General Terms and Rules of Interpretation** from time to time by publication of an updated version on its website, and each such updated version shall be effective from the date shown on its front cover provided always that any updated version shall not apply to any **Balancing Services Contract** extant at the date of publication except with the consent in writing of the relevant **Balancing Service Provider**.
4. To the extent required by the **Electricity Balancing Regulation** (and where relevant by reference to the provisions of any **Relevant Balancing Services Document** constituting all or part of terms and conditions approved by the **Authority** as the terms and conditions related to balancing pursuant to Article 18 of the **Electricity Balancing Regulation**), any variation to this **Glossary of General Terms and Rules of Interpretation** will be proposed and implemented in accordance with the applicable requirements in the **Electricity Balancing Regulation**.

Part 2 – Rules of Interpretation

5. [Unless the context otherwise requires, in each **Relevant Balancing Services Document**:](#)
 - 5.1. [the singular includes the plural and vice versa;](#)
 - 5.2. [reference to a gender includes the other gender and the neuter;](#)
 - 5.3. [references to an act of Parliament, statutory provision or statutory instrument include a reference to that act of Parliament, statutory provision or statutory instrument as amended, extended or re-enacted from time to time and to any regulations made under it;](#)
 - 5.4. [words denoting persons shall include any individual, partnership, firm, company, corporation, joint venture, trust, association, organisation or other entity, in each case whether or not having separate legal personality; and](#)
 - 5.5. [references to a company shall include a corporation or other body corporate and body corporate shall have the meaning given in section 1173 of the Companies Act 2006.](#)

6. A table of contents and headings are for convenience only and shall be ignored in construing the terms of a **AgreementRelevant Balancing Services Document**.
7. Any reference in a **Relevant Balancing Services Document** to the words “including”, “include”, “in particular” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
8. If a term or expression is defined within a **Service Terms- Relevant Balancing Services Document** relating to a particular service, the defined term or expression within that **Service TermsRelevant Balancing Services Document** shall apply to the relevant service.
9. All references in a **Relevant Balancing Services Document** to a particular paragraph or Annex shall be a reference to that paragraph or Annex in or to that **Relevant Balancing Services Document**.
10. All references in a **Relevant Balancing Services Document** to time will be to Coordinated Universal Time (UTC).

Priority of documents

11. If there is any conflict or ambiguity between any two (2) or more **Relevant Balancing Services Documents** of the documents comprising the **Agreement**, the following order of priority shall apply, but only to the extent of the conflict:
 - 11.1. the **Service Terms and Procurement Rules** (including any **Service Glossary**);
 - 11.2. the **Flexibility Services Standard Agreement** and this **Glossary of General Terms and Rules of Interpretation**; and
 - 11.3. the **Forms and Templates**.

Nothing in this paragraph 11 shall require a Party to act contrary to **Applicable Law**, any applicable licence condition, any applicable **Industry Code**, or any regulatory approval requirement.

Unless the context otherwise requires or expressly provided otherwise, all references in a **Relevant Balancing Services Document** to a particular paragraph or schedule shall be a reference to that paragraph or schedule in or to that **Relevant Balancing Services Document**.

A table of contents and headings inserted in this **Glossary of General Terms and Rules of Interpretation** and any **Relevant Balancing Services Document** is there for convenience only and shall be ignored in construing their terms.

In this **Glossary of General Terms and Rules of Interpretation** and the **Relevant Balancing Services Documents** all and any references to the words “include” or “including” are to be construed without limitation to the generality of the preceding words.

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8. Unless the context otherwise requires, any reference in this **Glossary of General Terms and Rules of Interpretation** or a **Relevant Balancing Services Document** to an Act of Parliament or any part or section or other provision of or section to an Act of Parliament shall be construed, at the particular time, as including a reference to any modification, extension or re-enactment thereof then in force and to all instruments, order or regulations then in force and made under or deriving validity from the relevant Act of Parliament.

All references in this **Glossary of General Terms and Rules of Interpretation** and the **Relevant Balancing Services Document** to the masculine shall include the feminine and references in the singular shall include the plural and vice versa and words denoting persons shall include any individual, partnership, firm, company, corporation, joint venture, trust, association, organisation or other entity, in each case whether or not having separate legal personality.

9. Save as may otherwise be expressly provided, in the event of a conflict or inconsistency between this **Glossary of General Terms and Rules of Interpretation** and the provisions of any **Service Glossary** relating to a **Balancing Service**, then with respect only to that **Balancing Service** the **Service Glossary** shall take precedence.

10. Unless expressly provided otherwise, all references in a **Relevant Balancing Services Document** to time will be to Coordinated Universal Time (UTC).

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Part 3 – Flexibility Services Standard Agreement

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11. Where a **Relevant Balancing Services Document** incorporates any provision(s) of the **Flexibility Services Standard Agreement**, the latter shall be read and construed as follows:

11.1. “**Affiliate**” shall have the meaning given in Part 4;

11.2. “**Annexes**” shall mean (as the context admits) the **Relevant Balancing Services Document**;

11.3. “**Applicable Law**” shall mean any applicable law, statute, by-law, regulation, order, regulatory policy, guidance or industry code, rule of court or directives or requirements of any regulatory body;

11.4. “**Business Day**” shall have the meaning given in Part 4;

11.5. “**Charge**” shall mean any charge or price offered from time to time by a **Registered Service Provider** with respect to any **Balancing Service** pursuant to the **Relevant Balancing Services Documents** or any of them;

11.6. “**Company**” shall mean **NESO**;

11.7. “**Company’s Network**” shall mean the part of the **System** (including **Distribution System**) adjacent to which the relevant **DER** and/or **Site** is located;

11.8. “**Confidential Information**” shall have the meaning given in Part 4;

11.9. “**Connection and Use of System Code**” or “**CUSC**” shall have the meaning given in Part 4;

- ~~14.10. “Contract” shall mean the applicable “Balancing Services Contract”;~~
- ~~14.11. “Distribution Energy Resources” or “DER” shall mean the electricity generators, electricity storage or electrical loads, and other Site equipment, machinery, apparatus, materials and other items used for the provision of the relevant Balancing Service;~~
- ~~14.12. “Distribution Limit” shall mean five hundred thousand pounds sterling (£500,000);~~
- ~~14.13. “Flexibility Service” shall mean the applicable Balancing Service;~~
- ~~14.14. “Force Majeure Event” shall have the same meaning as “Force Majeure” in Part 4;~~
- ~~14.15. “Industry Code” shall have the meaning given in the CUSC;~~
- ~~14.16. “Insolvency Event” has the meaning given in Part 4;~~
- ~~14.17. “Party” shall mean NESO or a Registered Service Participant or a Balancing Services Provider (as the context admits), and Parties shall be construed accordingly;~~
- ~~14.18. “Performance Data” shall mean as defined in the relevant Service Terms;~~
- ~~14.19. “Provider” shall mean a Registered Service Participant or a Balancing Services Provider (as the context admits);~~
- ~~14.20. “Service Requirement” shall mean the specification for the relevant Balancing Service as more particularly described in the Relevant Balancing Services Document;~~
- ~~14.21. “Service Terms” shall have the meaning given in Part 4;~~
- ~~14.22. “Sites” shall mean the locations of the items of Plant and Apparatus owned and/or operated by a Balancing Services Providers individually or in combination with other items providing the relevant Balancing Service;~~
- ~~14.23. “Term” shall mean the duration of the Balancing Services Contract;~~
- ~~14.24. “Transmission System” shall have the same meaning as “System” in Part 4; and~~
- ~~“Utilisation Instruction” shall mean an instruction by the Company to the Balancing Services Provider to deliver the relevant Balancing Service.~~

Part 34 - General Terms

12. In each **Relevant Balancing Services Document**, and in any provision of the **Flexibility Services Standard Agreement** which is incorporated therein (and unless given a meaning in Part 3), unless the context otherwise requires, any capitalised term used therein shall have the meaning given to it (if any) in this Part 34.

“ABSVD Methodology Statement”	the document entitled “Applicable Balancing Services Volume Data Methodology Statement” as published by NESO as the same may be amended from time to time;
“Accessible Site”	a Site that is not a domestic site;
“the Act”	the Electricity Act 1989;
“Active Power”	the product of voltage and the in-phase component of alternating current measured in units of Watts and standard multiples thereof i.e. 1000 Watts = 1kW 1000 kW = 1MW 1000 MW = 1GW 1000 GW = 1TW;
“Additional BM Unit”	as defined in the BSC ;
“Affiliate”	in relation to an entity, any person that it Controls , is Controlled by or under the Control of that entity, or with whom that entity is under common Control , and for these purposes “ Control ” means the right of one person or entity, or two or more persons and/or entities acting in concert, (the “first person”) to procure that the affairs of another person are conducted in accordance with the wishes of the first person, whether by virtue of holding equities, a partnership interest, membership of an unincorporated association, under contract or otherwise;
“Anti-Bribery Laws”	any and all statutes, statutory instruments, byelaws, orders, directives, treaties, decrees and laws (including any common law, judgment, demand, order or decision of any court, regulator or tribunal) which relate to anti-bribery and/or anti-corruption, including the Bribery Act and the US Foreign Corrupt Practices Act 1977 (as amended from time to time);

Commented [A1]: Defined in the MFR as: “any holding company or subsidiary company of a Party, or any company which is a subsidiary of such holding company and “**holding company**” and “**subsidiary**” have the meanings given in section 1159 of the Companies Act 2006; ”

“Anti-Slavery Laws”	any and all statutes, statutory instruments, byelaws, orders, directives, treaties, decrees and laws (including any common law, judgment, demand, order or decision of any court, regulator or tribunal) anywhere in the world which relate to anti-slavery or servitude, anti-forced or compulsory labour and/or anti-human trafficking, including the Modern Slavery Act 2015;
“Anti-Tax Evasion Laws”	the Criminal Finances Act 2017;
“Apparatus”	all equipment in which electrical conductors are used, supported or of which they may form a part;
“Applicable Balancing Services Volume Data”	as defined in the BSC ;
“ <u>Applicable Law</u> ”	any applicable law, statute, by-law, regulation, order, regulatory policy, guidance or Industry Code, rule of court or directives or requirements of any regulatory body (including any health, safety and environmental legislation and approved codes of practice);
“Authority”	the Director General of Electricity Supply appointed for the time being pursuant to section 1 of the Act or, after the coming into force of section 1 of the Utilities Act 2000, the Gas and Electricity Markets Authority established by that section;
“ <u>Availability</u> ” or “ <u>Available</u> ”	that the Flexibility Services , in accordance with the Service Requirements and the Utilisation Instruction , and where applicable, are available to be delivered to NESO for the duration of the Service Window ;

“Availability Payment”	as may be defined in the Relevant Balancing Services Document (or by any equivalent term defining payments to be made by NESO to the Provider for making a Flexibility Service Available);
“Base BM Unit”	as defined in the BSC ;
“Base Rate”	in respect of any Day , the rate per annum which is equal to the base lending rate from time to time of the Bank of England as at the close of business on the immediately preceding Business Day ;
“Balancing and Settlement Code (BSC)”	has the meaning attributed to it in the Transmission Licence ;
“Balancing Mechanism”	as defined in the Grid Code ;
“Balancing Services”	has the meaning attributed to it in the Transmission Licence ;
“Balancing Services Contract”	a legally binding contract entered into or otherwise formed between NESO and a Balancing Services Provider for the provision of and payment for a Balancing Service ;
“Balancing Services Glossary of General Terms and Rules of Interpretation”	means this document as in force from time to time;
“Balancing Service Provider”	a market participant as defined by the Electricity Balancing Guidelines who is NESO’s counterparty to a Balancing Services Contract;
“Bid-Offer Acceptance”	as defined in the Grid Code ;
“Bid-Offer Data”	the meaning attributed to it in the BSC ;
“BM Participating”	in respect of any Plant and/or Apparatus relating to a Balancing Services Contract , that it is, or will, be registered as a BM Unit

Commented [A2]: Defined in the MFR as: "means the balancing and settlement code as administered by Elexon,"

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	during the term of that Balancing Services Contract ;
"BM Unit"	as defined in the BSC ;
"BM Unit Data"	the meaning attributed to it in the Grid Code ;
"Bribery Act"	the Bribery Act 2010;
"Business Day"	a weekday other than a Saturday or Sunday on which banks are open for domestic business in the City of London;
"Business Hours"	<u>between 9:00 am and 5:00 pm on a Business Day</u> ;
"Capacity Market Rules"	the rules made under section 34 of the Energy Act 2013 as modified from time to time in accordance with that section and the Electricity Capacity Regulations 2014 (as amended);
"Change in Ownership"	means: (a) <u>any sale, transfer or disposal of any legal, beneficial or equitable interest in fifty per cent (50%) or more of the shares in the Provider (including the control over the exercise of voting rights conferred on those shares, control over the right to appoint or remove directors or the rights to dividends); and/or</u> (b) <u>any other arrangements that have or may have or which result in the same effect as sub-clause a) above;</u>
"Charges"	as applicable, the Availability Payments and the Utilisation Payments ;
"CMZ"	<u>constraint managed zone</u> ;

Commented [A3]: Defined in the MFR as: "any Day other than a Saturday or Sunday or a bank holiday, in England and Wales where the Company is located in England and Wales and in the City of Edinburgh where the Company is located in Scotland;"

“Competent Authority”	the Secretary of State, the Authority , or any local, national or supra-national agency, authority, department, inspectorate, minister, official, court, tribunal or public or statutory person (whether autonomous or not) of the United Kingdom (or the government thereof, acting within its authority) which have jurisdiction over NESO or the subject matter of any Balancing Services Contract ;
“Confidential Information”	all confidential or proprietary information (however recorded or preserved) that is disclosed or made available (in any form or medium), directly or indirectly, by either NESO and/or the Balancing—Service Provider to the other for the purpose of an actual or prospective Balancing Services Contract ;
“Connection Agreement”	any agreement in respect of the connection (including the maintenance and modification of that connection) of Plant and Apparatus to a System ;
“Connection and Use of System Code (CUSC)”	as defined in the CUSC ;
“Connection Site”	as defined in the CUSC ;
“Contract Award”	<u>the execution and award by NESO of a contract for the provision of Flexibility Services by the Provider;</u>
“Contract Data”	<u>all data other than Performance Data associated with the Relevant Balancing Services Document;</u>
“Data Protection Law”	<u>any Applicable Law relating to the processing, privacy, and use of Personal Data, as applicable to NESO, the Provider and/or the Flexibility Services, including in the UK: (i) the Privacy and Electronic</u>

Commented [A4]: Defined in the MFR as: “any information, however it is conveyed, that relates to the business, affairs, developments, trade secrets, know-how, personnel, customers and/or suppliers of a Party (and/or any its Affiliates) together with all information derived from the above, and any other information clearly designated as being confidential (whether or not it is marked as “confidential”) or which ought reasonably to be considered to be confidential;”

Commented [A5]: Defined in the MFR as: “an agreement governing the terms of connection of any Plant or Apparatus to, and/or any agreement for the supply of electricity to the Plant or Apparatus or for the acceptance of electricity into, and its delivery from, the Company’s Distribution System or Transmission System (as the case may be).”

Commented [A6]: Defined in the MFR as: “the Connection and Use of System Code designated by the Secretary of State for Energy Security and Net Zero (DESNZ) as from time to time modified;”

	Communications (EC Directive) Regulations 2003 and any current laws or regulations implementing Council Directive 2002/58/EC ; and/or (ii) the General Data Protection Regulation (EU) 2016/679 ("GDPR") as retained in the laws of the United Kingdom by the European Union (Withdrawal) Act 2018 , and/or any corresponding or equivalent national laws or regulations, once in force and applicable, including the Data Protection Act 2018 , and includes any judicial or administrative interpretation of them, any guidance, guidelines, codes of practice, approved codes of conduct or approved certification mechanisms issued by any relevant supervisory authority;
"Day"	a calendar day;
"DCUSA" or "Distribution Connection and Use of System Agreement"	the Distribution Connection and Use of System Agreement entered into by the DCUSA Parties and DCUSA Limited;
"DCUSA Parties"	DCUSA Limited's counterparties to the Distribution Connection and Use of System Agreement ;
"Defaulting Party"	the party who has defaulted on one or more of its obligations under the terms of any Balancing Services Contract as more particularly described therein;
"Defect"	an issue that may arise with the DER equipment, metering or the communication interface between NESO and Provider which results in non-delivery of Flexibility Services or a misinformed delivery of Flexibility Services ;
"Demand"	the demand (in MW) of Mvar of Electricity;

Commented [A7]: Defined in the MFR as: "has the meaning given in paragraph 7.1 of the General Terms and Conditions,"

“Demand Response Active Power Control”	as defined in the Grid Code ;
“Demand Response Provider”	as defined in the Grid Code ;
“Demand Response Services Code”	as defined in the Grid Code ;
“ <u>Development Plan</u> ”	<u>the defined schedule of design, build and commissioning in respect of a DER project in development;</u>
“Directive”	any present or future directive, request, requirement, instruction, code of practice, direction or rule of any Competent Authority and any modification, extension or replacement thereof;
“ <u>Distributed Energy Resources</u> ” or “ <u>DER</u> ”	<u>the electricity generators, electricity storage or electrical loads (both in respect of domestic and non-domestic assets and including, but not limited to, electric vehicle charge points), and other Site equipment, machinery, Apparatus, materials and other items used for the provision of the Flexibility Services as described in the Relevant Balancing Services Document;</u>
“ <u>Distribution Code</u> ”	the Distribution Code(s) drawn up by Public Distribution System Operators pursuant to the terms of their respective Distribution Licence(s) as from time to time revised in accordance with those Distribution Licences ;
“Distribution Licence”	a Licence issued under section 6(1)(c) of the Act;
“ <u>Distribution System</u> ”	a distribution network owned and/or operated by the holder of a Distribution Licence ;

Commented [A8]: NESO to consider further whether DER is appropriate terminology for transmission connected assets.

Commented [A9]: Defined in the MFR as: “the Distribution Code of Licensed Distribution Network Operators of Great Britain;”

Commented [A10]: Defined in the MFR as: “a distribution network owned and/or operated by the holder of a Distribution Licence;”

<u>“Distribution System Operator”</u>	an owner and/or operator of a <u>Distribution System</u> holding a <u>Distribution Licence</u> ;
<u>“DSO Flexibility Services”</u>	flexibility services provided to a <u>Distribution System Operator</u> within the scope of the <u>Governance Framework Document</u> which give the <u>Distribution System Operator</u> the ability to manage the load at a specific point of its electricity network at certain points in time;
“Dynamic Parameters”	as defined in the Grid Code ;
“EFA Block”	a four-hourly electricity forward agreement period falling in an EFA Day , save that any such period spanning across the March or October clock change days shall be one hour shorter (on the short-clock change day) or one hour longer (on the long-clock change day) than normal;
“EFA Day”	the period commencing 23.00 hours on any Day and ending 23.00 hours on the next following Day , so that the start of one EFA Day coincides with the end of the previous EFA Day (and a Day shall be deemed to precede an EFA Day when it is the Day on which the EFA Day starts, and shall be deemed to correspond to the EFA Day when it is the Day on which the EFA Day ends);
“Electricity Balancing Regulation”	the English version of Commission Regulation (EU) 2017/2195 of 23 November 2017 as converted into Retained EU Law ;
“Electricity Transmission System Operation Regulation”	the English version of Commission Regulation (EU) 2017/1485 of 2 August 2017 as converted into Retained EU Law ;
“Events of Default”	one or more events of default described as such and set out in the terms of any Balancing Services Contract ;

“Expert”	an independent expert appointed for the purposes of Expert Determination ;
“Expert Determination”	the process specified in paragraph 17 of the Flexibility Services Standard Agreement ;
<u>“Flexibility Market Catalogue”</u>	<u>the catalogue of all relevant parameters (as defined in the Flexibility Market Rules), as set out in the Implementation Monitoring Governance Document;</u>
<u>“Flexibility Market Rule”</u>	<u>any rule, document or requirement designated by the Market Facilitator as a Flexibility Market Rule, as amended from time to time in accordance with the Market Facilitator Change Management Process, subject to any applicable regulatory approval.</u>
<u>“Flexibility Services”</u>	<u>the applicable NESO Services, as more particularly described in the Relevant Balancing Services Document;</u>
“Flexibility Services Standard Agreement”	<u>the document of that title titled “Flexibility Services Standard Agreement – General Terms and Conditions” as published by NESO as the same may be amended from time to time the glossary and general terms and conditions comprised within version 3.0 of the document of that title published by the Energy Networks Association in the form which is published on NESO's website;</u>
“Force Majeure”	in relation to either Party , any event or circumstance which is beyond the reasonable control of such Party (not being, without limitation an event or circumstance caused by the negligence or lack of care and attention of that Party or its officers or employees) but subject thereto including act of God, strike lockout or other industrial disturbance, act of the public enemy, war declared or undeclared, threat of war, terrorist act, blockade, revolution, riot,

Commented [A11]: Defined in the MFR as: “any event or circumstance which is beyond either the Company’s or the Provider’s (as the case may be) reasonable control or its employees and which results in or causes its failure to perform any of its obligations under the Agreement, provided that: (a) lack of funds; or (b) any failure or fault in the DER, including insufficient fuel, shall not constitute a Force Majeure Event;”

	insurrection, civil commotion, public demonstration, sabotage, act of vandalism, lightning, fire, storm, flood, earthquake, accumulation of snow or ice, lack of water arising from weather or environmental problems, explosion, governmental restraint, Act of Parliament, other legislation, bye law and Directive (not being any order, regulation or direction under Section 32, 33, 34 and 35 of the Act);
<u>“Forms and Templates”</u>	<u>where applicable, the relevant forms and templates associated with the onboarding, procurement, contract award or operation of Flexibility Services;</u>
“Frequency”	as defined in the CUSC ;
<u>“Fuel Security Code”</u>	<u>the document of that title designated as such by the Secretary of State for Energy Security and Net Zero as may be amended from time to time;</u>
<u>“General Terms and Conditions”</u>	
“Gate Closure”	in relation to a Settlement Period , the spot time one hour before the spot time at the start of that Settlement Period , or otherwise as may be defined from time to time in the BSC ;
“Generating Unit”	unless otherwise provided in any Relevant Balancing Services Document means any Apparatus which produces electricity including for the avoidance of doubt a CCGT Unit ;
“Generation”	the electrical output (in MW) of a Generating Unit ;
<u>“Good Industry Practice”</u>	in relation to any undertaking and any circumstances, the exercise of that degree of skill, diligence, prudence and foresight which

Commented [A12]: Defined in the MFR as: “the exercise of that degree of care, skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced operator engaged in the same type of undertaking and carrying out services of similar nature, scope and complexity as the Flexibility Services, under the same or similar circumstances or the standard which would reasonably and ordinarily be expected from systems used by a skilled and experienced operator engaged in the same type of undertaking and carrying out services of similar nature, scope and complexity as the Flexibility Services, under the same or similar circumstances;”

	would reasonably and ordinarily be expected from a skilled and experienced operator engaged in the same type of undertaking under the same or similar circumstances;
<u>"Governance Framework Document"</u>	<u>has the meaning given to it in the NESO Licence;</u>
<u>"Grid Code"</u>	the Grid Code drawn up pursuant to the Transmission Licence as from time to time revised in accordance with the Transmission Licence (and references to any specific provision or part of the Grid Code shall be construed as references to such provision or part as from time to time amended);
<u>"GSP"</u>	<u>grid supply point;</u>
<u>"Implementation Monitoring Governance Document"</u>	<u>as described in the Governance Framework Document;</u>
<u>"Industry Code"</u>	<u>the BSC, the CUSC, the Grid Code, STC, the Distribution Code, the DCUSA, the Smart Energy Code, the Retail Energy Code and the Fuel Security Code;</u>
<u>"Insolvency Event"</u>	in respect of a Party , the following events: (a) (c) an order of the High Court is made or an effective resolution passed for its insolvent winding-up or dissolution; or (b) (d) a receiver (which expression shall include (where relevant) an administrative receiver within the meaning of Section 29 of the Insolvency Act 1986) of the whole or any material part of its assets or undertaking is appointed; or

Commented [A13]: Defined in the MFR as: "the technical code for connection and development of the national electricity transmission system as amended from time to time (available at www.nationalgrid.com/uk/electricity/codes/grid-code/code-documents);"

Commented [A14]: Defined in the MFR as: "means any pre-insolvency, creditor protection, or insolvency related actions, events, processes or proceedings, whether in or out of court, including the following (and any proceedings or steps leading to any of the following): any form of bankruptcy, liquidation, administration, receivership, voluntary arrangement, scheme of arrangement, restructuring plan or other compromise or arrangement or scheme with creditors, moratorium, stay or limitation of creditors' rights, interim or provisional supervision by a court or court appointee, winding up or striking off, or any distress, execution, commercial rent arrears recovery or other process levied or exercised; or any similar actions, events, processes or proceedings in any jurisdiction outside England and Wales where the Company is located in England and Wales or alternatively Scotland where the Company is located in Scotland;"

	<p>(e)(e) an administration order under Section 8 of the Insolvency Act 1986 is made or any other steps are taken to appoint an administrator or a voluntary arrangement is proposed under Section 1 of that Act; or</p> <p>(d)(f) it enters into any scheme of arrangement (other than for the purpose of reconstruction or amalgamation upon terms and within such period as may previously have been approved in writing by the Authority); or</p> <p>(e)(g) it is unable to pay its debts within the meaning of Section 123 (1) or (2) of the Insolvency Act 1986 save that, in respect of NESO, such section shall have effect as if for seven hundred and fifty pounds sterling (£750.00) there was inserted two hundred and fifty thousand pounds sterling (£250,000) (and NESO shall not be deemed to be unable to pay its debts if any demand for payment is being contested in good faith by it with recourse to all appropriate measures and procedures),</p> <p>and in any such case within twenty-eight (28) Days of appointment of the liquidator, receiver, administrative receiver, administrator, nominee or other similar officer, such person has not provided to the other Party a guarantee of future performance in such form and amount as may be reasonably required;</p>
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<u>“Intellectual Property Rights”</u>	all intellectual property, including patents, trade marks, service marks, domain names, business and trading names, styles, logos and get-ups, rights in goodwill, database rights and rights in data, rights in designs, copyrights and topography rights (whether or not any of these rights are registered, and including applications and the right to apply for registration of any such rights) and all inventions, rights in know-how, trade secrets and Confidential Information lists and other proprietary knowledge and information and all rights under licences and consents in relation to any such rights and all rights and forms of protection of a similar nature or having equivalent or similar effect to any of these that may subsist anywhere in the world for their full term, including any renewals and extensions;
“Law”	any Act of Parliament, regulation, Licence or Directive of a Competent Authority ;
“Lead Party”	as defined in the BSC ;
“Licence”	any one or more as appropriate of the Licences granted pursuant to Section 6 of the Act ;
“London Court of International Arbitration”	the London-based arbitral institution and not-for-profit company limited by guarantee of that name with a registered company number of 0204767 providing for the resolution of commercial disputes in accordance with its arbitration rules;
<u>“Market Facilitator”</u>	the Market Facilitator role performed in accordance with the Authority’s decision letter dated 29 July 2024 and pursuant to the Governance Framework Document;

<u>“Market Facilitator Change Management Process”</u>	the change management process as more particularly described in the Governance Framework Document ;
<u>“Material Adverse Effect”</u>	any event or circumstance which, in the opinion of NESO : (a) is likely to materially and adversely affect the Provider’s ability to perform or otherwise comply with all or any of its obligations under this agreement; or (b) is likely to materially and adversely affect the business, operations, property, condition (financial or otherwise) or prospects of NESO ;
<u>“MPAN”</u>	meter point administration number;
<u>“MSID”</u>	metering system identifier;
“Maximum Export Limit”	as defined in the Grid Code ;
“Maximum Import Limit”	as defined in the Grid Code ;
“Metered”	unless otherwise specified in any Relevant Balancing Services Document or by NESO in writing, measured by Metering Equipment designed for the measurement of quantities of Active Energy ;
“Minimum Non-Zero Time” or “MNZT”	as defined in the Grid Code (and which, in the case of a Generating Unit which is not BM Participating , shall be read and construed accordingly);
“Minimum Zero Time” or “MZT”	as defined in the Grid Code (and which, in the case of a Generating Unit which is not BM Participating , shall be read and construed accordingly);
“MSID Pair”	as defined in the BSC ;
“MSID Pair Data”	as defined in the BSC ;
“MSID Pair Delivered Volume”	as defined in the BSC ;

“Mode A Frequency Response”	as defined in paragraph 4.1.3.3 in Section 4 of the CUSC ;
“Modern Slavery Practice”	any practice that amounts to: (a) slavery or servitude (each as construed in accordance with Article 4 of the Convention for the Protection of Human Rights and Fundamental Freedoms of 4 November 1950, as amended); (b) forced or compulsory labour (as defined by the International Labour Organisation’s Forced Labour Convention 1930 (No. 29) and Protocol); and/or (c) human trafficking or the arrangement or facilitation of the travel of another person with a view to that person being exploited;
“Monthly Statement”	as defined in the Relevant Balancing Services Document ;
“National Electricity Transmission System”	as defined in the CUSC ;
“NESO”	National Energy System Operator Limited, a company registered in England with number 11014226 whose registered office is at 13 Strand, London WC2N 5EH (and shall include its successors and/or permitted assigns);
“NESO Licence”	the Electricity System Operator Licence treated as granted to NESO under section 6(1)(da) of the Act ;
“NESO Service”	has the meaning given in the NESO Licence ;
“Network”	that part of the System (including a Distribution System) adjacent to which the relevant DER and/or Site is located ;

Commented [A15]: Defined in the MFR in the same way but called: “Transmission System”

<u>“Non-Terminating Party”</u>	
“Non-Working Day”	an Operational Day commencing at 05.00 hours on a Sunday or each of the Operational Days commencing at 05.00 hours on statutory bank holidays in England and Wales;
“Output”	Active Power output (in MW) achieved by Plant and/or Apparatus ;
“Parties”	with respect to any Balancing Services Contract , NESO and a Balancing Services Provider , and “ Party ” shall be construed accordingly;
<u>“Performance Data”</u>	<u>such data relating to the performance of the Plant, Apparatus and related infrastructure as may be notified by NESO to the Provider or by the Provider to NESO from time to time;</u>
“Performance Monitoring”	monitoring by NESO of performance by a Balancing Services Provider of its obligations pursuant to a Balancing Services Contract as more particularly described in the Relevant Balancing Services Document ;
<u>“Personal Data”</u>	<u>has the meaning given to it in Data Protection Law;</u>
“Physical Notification”	as defined in the Grid Code ;
“Plant”	fixed and movable items used in the generation and/or supply and/or transmission and/or distribution of electricity other than Apparatus ;
“Proceedings”	as defined in the Relevant Balancing Services Document ;

<p><u>“Procurement Rules”</u></p>	<p><u>the prevailing rules for procurement published applicable to any Balancing Service published by or on behalf of NESO from time to time;</u></p>
<p>“Prohibited Act”</p>	<p>any one or more of the following acts:</p> <ul style="list-style-type: none"> (a) a failure to comply with all applicable Anti-Bribery Laws and Anti-Slavery Laws; (b) offering, promising, giving, requesting, agreeing to receive, receiving or accepting a bribe or financial or other advantage or committing any corrupt act or any offence involving bribery, corruption, fraud or dishonesty; (c) engaging in any Modern Slavery Practice; (d) knowingly employ or engage in any practices that constitute or may constitute an offence under Anti-Slavery Laws; (e) doing or omitting to do any act or thing which causes or may cause NESO to be in breach of and/or to commit an offence under any Anti-Bribery Laws or Anti-Slavery Laws; (f) without prejudice to clause (e) above, doing or omitting to do any act or thing which causes or may NESO to be guilty of an offence under section 7 of the Bribery Act (or would or may do so if NESO was unable to prove that it had in place adequate procedures designed to prevent persons associated with it from undertaking such conduct); and <u>(g) defrauding, attempting to defraud or conspiring to defraud NESO;</u>
<p><u>“Provider”</u></p>	<p><u>NESO’s counterparty to a Balancing Services Contract;</u></p>
<p>“Public Distribution System Operator”</p>	<p>the meaning attributed to it in the CUSC;</p>

“Reactive Power”	the product of voltage and current and the sine of the phase angle between them measured in units of voltamperes reactive and standard multiples thereof, ie: 1000 VAR = 1 kVAr 1000 kVAr = 1 Mvar;
“Registration Procedure”	the procedure by which an applicant is registered as a Registered Service Participant as more particularly specified by NESO from time to time;
“Registered Service Participant”	an entity which has registered with NESO and is eligible to participate in the procurement of one or more Balancing Services ;
“Relevant Balancing Services Document”	the meaning given in paragraph 1 of Part 1 of this Balancing Services Glossary of General Terms and Rules of Interpretation document;
“Relay”	an electrical measuring relay intended to operate when its characteristic quantity (Frequency) reaches the relay setting by an increase or decrease (as the case may be) in Frequency together with the associated and supporting equipment thereto;
“Response”	an automatic fluctuation in, or increase or reduction in, Generation or Demand , delivered by Plant and Apparatus in response to a change in System Frequency in a direction and within a timescale which assists NESO in management of System Frequency , typically delivered as either dynamic or static response;
“Retail Energy Code”	the retail energy code administered by the Retail Energy Code Company Ltd.

<u>“Rules of Interpretation”</u>	
<u>“Retained EU Law”</u>	as defined by section 6(7) of the European Union (Withdrawal) Act 2018 as amended by the European Union (Withdrawal Agreement Act) 2020;
<u>“Service Failure”</u>	as may be defined in the Relevant Balancing Services Document (or by any equivalent term defining a failure by the Provider to make available and/or deliver a Flexibility Service);
<u>“Service Glossary”</u>	any glossary of terms within the Relevant Balancing Services Document as applicable to a particular Flexibility Service ;
<u>“Service Period”</u>	as may be defined in the Relevant Balancing Services Document (or by any equivalent term defining a failure by the Provider to make available and/or deliver a Flexibility Service);
<u>“Service Requirements”</u>	the specification that the Flexibility Services must be capable of meeting, as defined in the Relevant Balancing Services Document ;
<u>“Service Terms”</u>	the prevailing service terms applicable to any Balancing Service published by or on behalf of NESO from time to time;
<u>“Service Window”</u>	the time periods during the Service Period during which the Provider agrees to make Available , and provide in accordance with the Relevant Balancing Services Document , the Flexibility Services to NESO , as may be defined in the Relevant Balancing Services Document (if applicable) (or by any equivalent term defining such time periods);

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Commented [A16]: Defined in the MFR as: “means the service-specific terms applicable to the provision of Flexibility Services for the relevant sub-market, as published by the Company, which may be set out in one or more documents and may include, where applicable, procurement rules, separate service-specific terms, and any other sub-market documents expressly stated to form part of the Agreement”

"Settlement Period"	a period of thirty (30) minutes ending on the hour or half hour in each hour during an Operational Day ;
"Settlement Run"	as defined in the BSC ;
"Service Glossary"	in relation to any Balancing Service , the defined terms contained in the relevant Related Balancing Services Document ;
<u>"Site"</u>	<u>the site or sites on which the DER is located;</u>
<u>"Smart Energy Code"</u>	<u>the smart energy code administered by the Smart Energy Administrator and Secretariat;</u>
"Stable Export Limit"	as defined in the Grid Code ;
"Stable Import Limit"	as defined in the Grid Code ;
<u>"Statutory Requirements"</u>	<u>the requirements placed on NESO and/or the Provider or affecting or governing the provision and/or use of the Flexibility Services by Applicable Law and/or NESO Licence and/or a regulator and/or any relevant codes of practice issued by any government agency or body including in relation to health, safety and environmental matters;</u>
"STC" or "System Operator – Transmission Owner Code"	as defined in the CUSC ;
"STTEC"	as defined in the CUSC ;
<u>"System"</u>	the National Electricity Transmission System , as defined in the CUSC ;
"System Frequency"	the Frequency of the System ;
"Target Frequency"	as defined in the CUSC ;

Commented [A17]: Defined in the MFR in the same way but called: "Transmission Code"

Commented [A18]: Defined in the MFR as: Transmission System: "the electricity transmission system, as defined in the Connection and Use of System Code;"

<u>“TCM”</u>	<u>transmission constraint management;</u>
<u>“Term”</u>	<u>the duration of the agreement as specified by NESO in the Relevant Balancing Services Document;</u>
<u>“Terminating Party”</u>	<u>has the meaning given in paragraph 7.1 of the Flexibility Services Standard Agreement;</u>
<u>“Termination Notice”</u>	
<u>“Transmission Entry Capacity”</u>	as defined in the CUSC;
<u>“Transmission Licence”</u>	the Licence granted to NESO under Section 6(1)(b) of the Act;
<u>“Transmission Limit”</u>	£500,000 (five hundred thousand pounds sterling) save as provided in the Relevant Balancing Services Document;
<u>“Unavailability” or “Unavailable”</u>	a status where the Flexibility Services, in accordance with the Service Requirements, are not Available to be delivered to NESO;
<u>“User System”</u>	as defined in the Grid Code;
<u>“Utilisation Instruction”</u>	an instruction by NESO to the Provider to deliver Flexibility Services;
<u>“Utilisation Payments”</u>	as may be defined in the Relevant Balancing Services Document (or by any equivalent term defining payments to be made by NESO to the Provider for delivery of energy including pursuant to a Utilisation Instruction);
<u>“Value Added Tax” or “VAT”</u>	Value Added Tax as defined by the Value Added Tax Act 1994 and any modification or re-enactment thereof and any new tax of a similar nature; and
<u>“Working Day”</u>	means an Operational Day commencing at 05.00 hours on either a Monday, Tuesday, Wednesday, Thursday, Friday or Saturday

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	but excluding statutory bank holidays in England and Wales.
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