

[Study Provider Name]
[Address]
[Postcode]

[Provider Company Number]

(the "Study Provider")

Date []

For the Attention of : []

Dear [Sir/ Madam]

BLACK START FEASIBILITY STUDY

This letter sets out the basis of the agreement reached between us whereby you will undertake a feasibility study to ascertain the Black Start Capability of your [asset/site name], and we will make certain payments to you with respect thereto.

We have agreed that our Black Start Feasibility General Conditions (as amended by this letter) shall apply (attached hereto as Appendix 1), and for such purpose, we have agreed that:

1. the precise technical specification for the Black Start Feasibility Study is attached hereto as Appendix 2 and includes clarifications ;
2. the Commencement Date is the date on which we received from you as a copy of this letter duly counter signed;
3. the Target Date shall be on or before [xxxxxx]
4. the Contribution Sum shall be comprised of the following and in any case shall not exceed £150,000:-
 - an amount (not exceeding [£xxx]) by way of reimbursement of costs directly associated with work to be undertaken by [Study Provider]; and/or
5. Notwithstanding Condition 3 of the Black Start Feasibility General Conditions, we have agreed that the Contribution Sum (together with any VAT thereon) shall be paid to you within 42 days following approval by us of the Black Start Feasibility Study, and validation of the invoice and supporting evidence referred to in Condition 3 of the Black Start Feasibility General Conditions.

In the event of a conflict between the provisions of this letter and the provisions of the Black Start Feasibility General Conditions, the provisions of this letter shall prevail.

Please confirm your agreement to the terms of this letter by signing and dating the enclosed copy of this letter and returning to us no later than [xxxx] (failing which this letter shall have no force and effect).

Yours faithfully,

Signed.....

For and on behalf of National Grid Electricity System Operator Limited

We hereby confirm receipt of and agreement to the terms of the letter of which this is a copy.

Signed.....

For and on behalf of [STUDY PROVIDER]

Dated.....

APPENDIX (1)
BLACK START FEASIBILITY STUDY

GENERAL CONDITIONS

1. PART I - DEFINITIONS

1.1 In these General Conditions unless the subject matter or context otherwise requires or is inconsistent therewith, or unless expressly defined herein the definitions set out in this clause 1.1 shall apply.

"Black Start"	means the procedure necessary for a recovery from a Total Shutdown or Partial Shutdown;
"Black Start Capability"	means an ability in respect of Black Start Plant to Start-Up from Shutdown and to energise a part of the System upon instruction from National Grid, within two hours, without an external electrical energy supply;
"Black Start Feasibility Study"	has the meaning specified in Condition 2.1;
Black Start Plant	means a power-generating facility or HVDC System, which includes the relevant site and specific technical requirements for the power-generating facility, or HVDC System to provide the Black Start service;
"Commencement Date"	shall be agreed between the Parties as stated in the Black Start Feasibility Study Letter;
"Connection and Use of System Code (CUSC)"	means the Connection and Use of System Code designed by the Secretary of State as from time to time modified;
"Consultants"	has the meaning specified at Condition 2.4;
"Contribution Sum"	shall be agreed between the Parties as stated in clause 4 of the Black Start Feasibility Study Letter;
"CUSC Framework Agreement"	has the meaning attributed to it in the Transmission Licence;
"External Appointments"	has the meaning specified at Condition 2.3;
"External Interconnection"	has the meaning attributed to it in the Grid Code;
"F2 Scope"	has the meaning attributed to it in Condition 2.2;
"Generating Unit"	has the meaning attributed to it in the Grid Code;
"Grid Code"	means the Grid Code drawn up pursuant to the Transmission Licence as from time to time revised in accordance with the Transmission Licence (and references in the General Conditions 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);
"HVDC System"	has the meaning attributed to it in the Grid Code;
"National Electricity Transmission System"	has the meaning attributed to it in the Grid Code;
"National Grid"	means National Grid Electricity System Operator Limited a company registered in England with Number 11014226 whose registered office is at 1-3 Strand, London, WC2N 5EH (including its permitted successors and/or assigns);
"Partial Shutdown"	means the same as a Total Shutdown except that all generation has ceased in a separate part of the Total System and there is no supply from External Interconnections or other parts of the Total System to that

part of the Total System and, therefore, that part of the Total System is shutdown, with the result that it is not possible for that part of the Total System to begin to function again without National Grid's directions relating to a Black Start;

"Parties"	means National Grid and the Study Provider;
"Asset"	means the power-generating facility or HVDC System owned and / operated by the Study Provider in respect of which the Parties have agreed to be bound by these General Conditions;
"Secretary of State"	has the meaning attributed to it in the Act;
"Shutdown"	has the meaning attributed to it in the Grid Code;
"Start-Up"	means: in relation to a Generating Unit, the action of bringing the Generating Unit from Shutdown to Synchronous Speed; or, in the case of a HVDC System, the action of closing the DC circuit;
"Study Provider"	means the Party with which National Grid has agreed to be bound by these General Conditions with respect to the Asset;
"Synchronous Speed"	has the meaning attributed to it in the Grid Code;
"System"	means any User System or the National Electricity Transmission System as the case may be;
"Target Date"	shall be agreed between the Parties;
"the Act"	means the Electricity Act 1989;
"Total Shutdown"	means the situation existing when all generation has ceased and there is no electricity supply from External Interconnections and, therefore, the Total System has shutdown with the result that it is not possible for the Total System to begin to function again without National Grid's directions relating to a Black Start;
"Total System"	means the National Electricity Transmission System and all User Systems in Great Britain;
"Transmission Licence"	means the licence granted to National Grid under section 6(1)(b) of the Act;
"User System"	means any System owned or operated by a User that is not part of the National Electricity Transmission System; and
"User"	means a person who is party to the CUSC Framework Agreement other than National Grid.

1.2 In these General Conditions:

- 1.2.1 except where the context otherwise requires, references to a particular Condition, shall be a reference to that Condition, in or to these General Conditions;
- 1.2.2 the table of contents and headings are inserted for convenience only and shall be ignored in construing these General Conditions;
- 1.2.3 as agreed between the Parties means agreed in writing;
- 1.2.4 references to the words "include" or "including" are to be construed without limitation;
- 1.2.5 except where the context otherwise requires, any reference to an Act of Parliament or any Part or Section or other provision of, or Schedule 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, orders or regulations then in force and made under or deriving validity from the relevant Act of Parliament;

- 1.2.6 references to the masculine shall include the feminine and references in the singular shall include references in the plural and vice versa; and
- 1.2.7 except where the context otherwise requires, any reference to a “person” includes any individual, partnership, firm, company, corporation, joint venture, trust, association, organisation or other entity, in each case whether or not having separate legal personality.

2. **PART II COMMISSIONING OF FEASIBILITY STUDY**

- 2.1 The Study Provider shall undertake or commission a feasibility study to assess the Black Start Capability of the Asset (“**Black Start Feasibility Study**”).
- 2.2 The precise technical specification for the Black Start Feasibility Study will be comprehensively set out in a detailed specification that shall be agreed between the Parties (the “**F2 Scope**”) as set out in Appendix 2.
- 2.3 The Study Provider may elect for all or a part of the Black Start Feasibility Study to be undertaken by external consultant(s) and/or contractor(s) who shall be appointed pursuant to this Part II (the “**External Appointments**”).
- 2.4 The Study Provider shall use all reasonable endeavours to ensure that any such consultant(s) and / or contractor(s) appointed pursuant to an External Appointment (the “**Consultants**”):
 - 2.4.1 have the necessary expertise and experience and all appropriate qualifications;
 - 2.4.2 perform with all the professional skill and care reasonably expected of such consultants; and
 - 2.4.3 hold the professional indemnity insurance covering liabilities for negligence reasonably expected of such consultants and ensure that evidence is received to confirm that such insurance is maintained.
- 2.5 The Study Provider shall procure that:
 - 2.5.1 if prepared by a Consultant pursuant to an External Appointment, the Black Start Feasibility Study shall be addressed to both the Study Provider and National Grid; or
 - 2.5.2 to the extent that the Black Start Feasibility Study refers to or otherwise relies upon reports or other materials produced by a Consultant pursuant to an External Appointment, copies of such reports or other materials shall be provided to National Grid,

and in either case, the Study Provider shall take all reasonable steps to enforce its rights against the Consultant if so required by National Grid and shall hold the proceeds of any recoveries on trust for National Grid to the extent that National Grid incurs any loss or damage as a consequence of the Consultant’s acts or omissions.

- 2.6 As soon as possible after the Black Start Feasibility Study has been completed, and in any event on or before the Target Date, the Study Provider shall deliver the report to National Grid.
- 2.7 Any report or associated documents delivered after the Target Date (save in respect of clarifications specifically requested by National Grid during the assessment period) will be deemed as non-compliant and the Study Provider will be excluded from the subsequent tender process.

3. **PART III - PAYMENTS BY NATIONAL GRID**

- 3.1 National Grid shall make a payment to the Study Provider by way of full or partial contribution towards the Study Provider’s reasonable and proper costs directly incurred in the preparation of the Black Start Feasibility Study, the amount of such payment to be agreed between the Parties (the “**Contribution Sum**”).

- 3.2 The Study Provider will use reasonable endeavours to minimise all associated costs and undertakes only to submit true and cost-reflective figures to National Grid for reimbursement.
- 3.3 The Study Provider shall promptly provide to National Grid copies of all relevant invoices from all and any Consultants arising pursuant to the External Appointments at the same time as the complete Black Start Feasibility Study is submitted.
- 3.4 On completion of the Black Start Feasibility Study, and following satisfactory responses to clarifications by National Grid, confirmation of acceptance of the report will be issued, and assuming satisfactory evidence of the costs has been submitted, National Grid will request an invoice to be submitted, and payment will be made within 42 days of the closure of the assessment period.
- 3.5 National Grid reserves the right to require repayment of all sums paid to the Study Provider hereunder in the event that the Study Provider does not satisfy Condition 2.6.

4. PART IV - OTHER TERMS AND CONDITIONS

4.1 TERMINATION

In the event that the Study Provider shall fail to provide the Black Start Feasibility Study on or before the Target Date, National Grid may serve written notice on the Study Provider terminating the provisions of these General Conditions, and such notice shall take effect immediately.

4.2 ASSIGNMENT

Neither Party shall assign or transfer or purport to assign or transfer the benefit or burden of these General Conditions save that National Grid may transfer its rights and obligations to a successor transmission system operator.

4.3 CONFIDENTIALITY AND ANNOUNCEMENTS

- 4.3.1 Subject to the exceptions provided in Condition 4.3.3 (and to the extent otherwise expressly permitted by these General Conditions, neither Party shall, at any time, whether before or after the expiry or sooner termination of these General Conditions, without the prior consent of the other Party in writing (in the case of the Study Provider, such consent not to be unreasonably withheld or delayed), divulge or suffer or permit its officers, employees, agents or contractors to divulge to any person or permit use by any person (other than disclosure to or use by any of its or their respective officers or employees to the extent that such disclosure and use is required to enable such persons properly to carry out their duties in connection with these General Conditions):-

- (a) any of the contents of these General Conditions;
- (b) any commercially confidential information relating to the negotiations concerning the entering into of these General Conditions;
- (c) any commercially confidential information which may come to a Party's knowledge in the course of such negotiations; or
- (d) any commercially confidential information concerning the operations, contracts, commercial or financial arrangements or affairs of the other Party.

- 4.3.2 Each Party undertakes to use information referred to in Condition 4.3.1 and disclosed to it by the other Party solely for the purposes of these General Conditions and shall not use it for any other purpose or for the purposes of any third party.

- 4.3.3 The restrictions imposed by Conditions 4.3.1 shall not apply to the disclosure of any information:-

- (a) which now or hereafter comes into the public domain otherwise than as a result of a breach of a confidentiality obligation or which either Party can show was in its written records prior to the date of disclosure of the same by the other Party, under these General Conditions or which it receives from a third party independently entitled to disclose it;
- (b) which is required by law or pursuant to the rules of the Electricity Supply Arbitration Association in England and Wales or pursuant to the rules or regulations of the

Financial Services Authority to be disclosed to any person who is authorised by law or pursuant to the rules of the Electricity Supply Arbitration Association in England and Wales or pursuant to the rules or regulations of the Financial Services Authority to receive the same;

- (c) which is required to be disclosed by the regulations of any recognised exchange upon which the share capital of the Party making the disclosure (or its parent undertaking) is or is proposed to be from time to time listed or dealt in, or is required to be disclosed by the Panel on Takeovers and Mergers;
- (d) to a court, arbitrator or administrative tribunal in the course of proceedings before it to which the disclosing Party is a party;
- (e) by either Party to any parent undertaking on a “need to know” basis only;
- (f) to any authorised consultants, banks, financiers, insurers or professional advisers to the disclosing Party or, in the case of National Grid, to its consultants appointed for the purposes of evaluating the Black Start Feasibility Study;
- (g) by National Grid to any parent, subsidiary or fellow subsidiary undertaking.

In this Condition 4.3.3, the words “parent undertaking”, “subsidiary undertaking” and “fellow subsidiary undertaking” shall have the meanings as provided in sections 1161 and 1162 of the Companies Act 2006.

- 4.3.4 Before either Party discloses any information in any of the circumstances described in Condition 4.3.3(f) (other than to its authorised professional advisers), it shall notify the other Party of its intention to make such disclosure and procure the execution and delivery to that Party of an undertaking executed by the person to whom the disclosure is proposed to be made being in the same terms mutatis mutandis as the undertakings contained in this Condition 4.3.
- 4.3.5 The Study Provider agrees that it shall not make any public announcement or statement regarding the Black Start Feasibility Study (whether prior to, during or after expiry of this Black Start Feasibility Study Letter) or the potential Black Start Capability of the Asset.
- 4.3.6 Neither Party shall be prohibited from issuing or making any such public announcement or statement if it is necessary to do so in order to comply with any applicable law or the regulations of any recognised stock exchange upon which the share capital of such Party is from time to time listed or dealt in.
- 4.3.7 With respect to the information referred to in Condition 4.3, both Parties shall ensure that:-
 - (a) such information is disseminated within their respective organisations on a “need to know” basis only;
 - (b) employees, directors, agents, consultants and professional advisers who are in receipt of such information are made fully aware of the Party’s obligations of confidence in relation thereto; and
 - (c) any copies of such information, whether in hard copy or computerised form, will clearly identify the information as confidential.
- 4.3.8 Notwithstanding any other provision of these General Conditions, the provisions of this Condition 4.3 shall continue to bind a person after termination of these General Conditions, in whole or in part, for whatever reason.

4.4 **WAIVER**

No delay by or omission of any Party in exercising any right, power, privilege or remedy under these General Conditions shall operate to impair such right, power, privilege or remedy or be construed as a waiver thereof. Any single or partial exercise of any such right, power, privilege or remedy shall not preclude any other or further exercise thereof or the exercise of any other right, power, privilege or remedy. Payment of any sum by National Grid to the Study Provider under these General Conditions shall not operate to impair or be construed as a waiver of any right, power, privilege or remedy National Grid may have against the Study Provider under these General Conditions.

4.5 **NOTICES**

- 4.5.1 Any notice or other communication to be given by one Party to the other under, or in connection with the matters contemplated by, these General Conditions shall be addressed to the recipient and sent to the address or facsimile number of such other Party, as shall be agreed by the Parties, for the purpose and marked for the attention of the person so given or to such other address or facsimile number and/or marked for such other attention as such other Party may from time to time specify by notice given in accordance with this Condition 4.5.1 to the Party giving the relevant notice or other communication to it.
- 4.5.2 Any notice or other communication to be given by one Party to the other Party under, or in connection with the matters contemplated by, these General Conditions shall be in writing and shall be given by letter delivered by hand or sent by first class prepaid post (airmail if overseas) or facsimile, and shall be deemed to have been received:
- (a) in the case of delivery by hand, when delivered; or
 - (b) in the case of first class prepaid post, on the second day following the day of posting or (if sent airmail from overseas) on the fifth day following the day of posting; or
 - (c) in the case of facsimile, on acknowledgement by the addressee's facsimile receiving equipment (where such acknowledgement occurs before 17.00 hours on the day of acknowledgement) and in any other case on the day following the day of acknowledgement.

4.6 **VARIATIONS**

No variations or amendments to these General Conditions shall be effective unless made in writing and signed by or on behalf of both National Grid and the Study Provider.

4.7 **DISPUTE RESOLUTION**

- 4.7.1 Save where expressly stated in these General Conditions to the contrary, any dispute or difference of whatever nature howsoever arising under out of or in connection with these General Conditions between the Parties shall be and is hereby referred to arbitration pursuant to the rules of the Electricity Supply Arbitration Association in force from time to time.
- 4.7.2 Whatever the nationality, residence or domicile of either Party and wherever the dispute or difference or any part thereof arose, the law of England shall be the proper law of any reference to arbitration hereunder and in particular (but not so as to derogate from the generality of the foregoing) the provisions of the Arbitration Act 1996 (notwithstanding anything in section 108 thereof) shall apply to any such arbitration wherever the same or any part of it shall be conducted.

4.8 **JURISDICTION**

- 4.8.1 Subject and without prejudice to Condition 4.8.2, both Parties irrevocably agree that the courts of England and are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with these General Conditions and that accordingly any suit, action or proceeding (together in this Condition 4.8 referred to as "Proceedings") arising out of or in connection with these General Conditions may be brought to such courts.
- 4.8.2 Each Party irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any Proceedings in any such court as is referred to in this Condition 4.8 and any claim that any such Proceedings have been brought in an inconvenient forum and further irrevocably agrees that judgment in any proceedings brought in the courts of England and Wales shall be conclusive and binding upon such Party and may be enforced in the courts of any other jurisdiction.
- 4.8.3 Each Party which is not incorporated in any part of Great Britain agrees that if it does not have, or shall cease to have, a place of business in Great Britain it will promptly appoint, and shall at all times maintain, a person in Great Britain to accept service of process on its behalf in any Proceedings in Great Britain.
- 4.8.4 For the avoidance of doubt nothing contained in the foregoing provisions of this Condition 4.8 shall be taken as permitting a party to commence Proceedings in the courts where these General Conditions otherwise provides for Proceedings to be referred to arbitration.

4.9 **GOVERNING LAW**

These General Conditions shall be governed by and construed in all respects in accordance with English law.

4.10 **SEVERANCE OF TERMS**

If any provision of these General Conditions is or becomes or is declared invalid, unenforceable or illegal by the courts of any jurisdiction to which it is subject or by order of the Commission of the European Communities or by order of the Secretary of State, such invalidity, unenforceability or illegality shall not prejudice or affect the remaining provisions of these General Conditions which shall continue in full force and effect notwithstanding such invalidity, unenforceability or illegality.

4.11 **ENTIRE AGREEMENT**

These General Conditions contain or expressly refer to the entire agreement between the Parties with respect to the subject matter hereof, and expressly excludes any warranty, condition or other undertaking implied at law or by custom, and supersede all previous agreements and understandings between the Parties with respect thereto and each of the Parties acknowledges and confirms that it is not aware of any representation, warranty or other undertaking not fully reflected in the terms of these General Conditions upon which it has relied in entering into these General Conditions. To the extent that any such representation, warranty or other undertaking exists, each Party irrevocably and unconditionally waives any right it may have to claim damages for breach of warranty and/or to rescind these General Conditions, unless such warranty or misrepresentation was made or given fraudulently.

4.12 **RIGHTS OF THIRD PARTIES**

The Parties hereby acknowledge and agree for the purposes of the Contracts (Rights of Third Parties) Act 1999 that no rights, powers or benefits are or shall be conferred on any person pursuant to these General Conditions save as expressly provided in these General Conditions.

APPENDIX (2)
BLACK START FEASIBILITY STUDY SPECIFICATION

INSERT THE SCOPE PROPOSED AND AGREED WITH THE STUDY PROVIDER