

## Principles for adoption agreement

(To be drafted as legal text)

1. Users will need to be technically competent to do the works (or subcontract to someone who is competent) – adoption agreement will define what this means from an accreditation/standard of work perspective
2. Adoption agreement will comply with the principles in the CUSC but will be bilaterally agreed between the User and the TO.
3. Adoption Agreement shouldn't place any party (User, NGESO or TO) in breach of any legal obligation (code, licence or legislation) or risk the integrity, security or safety of the system
4. Contestable assets will be limited in scope from the proposed connection point up to the MITS.
5. Multiple Users shall be allowed to use the contestable works with consideration of intervention strategies
6. Contestability will be allowed except where the ESO or TO needs to intervene as per the intervention criteria below. The transmission owner will be allowed to take over previously agreed contestable works in the event of an intervention.
7. User will remain responsible for all contestable works until the assets are adopted by the TO.
8. Adoption agreements will be provided on fair commercial terms. Should there be a dispute in relation to an adoption agreement, the TO or User may dispute their construction agreement/TOCO and the dispute provisions of CUSC (section 7) and STC (Section H) will apply.
9. User will need to provide a reasonable warranty period after assets adopted by TO – captured in adoption agreement.
10. Payment for the adoption of the assets will be in line with the contestable quote agreed with the TO prior to the commencement of works
11. User, TO and ESO to co-operate to the fullest extent to enable the works to complete within a timely manner
12. To avoid contract conditions acting as a barrier to contestability the TO cannot include within the adoption agreement any pre-qualification for credit worthiness (since this is passed to the User) and cannot include any separate discretionary assessments to risk.
13. Adoption Agreement to be subject to T&Cs which will be published by all TOs

The TO and the User must enter into an adoption agreement within specified timescales. If this doesn't happen, delays in agreeing adoption agreement may result in postponement of the connection date.

## Intervention Criteria

General themes for TO intervention to cover:

- Protecting end consumers
- Protecting 2nd comers/other Users

e.g. scope or design change as a consequence of a subsequent applicant

- Protecting TO strategic investment
- Ensuring the continued safe development and operation of the transmission system

- Ensuring collective compliance to relevant obligations in licences/codes/contracts
- Consideration of any relevant direction by BEIS/Ofgem

Intervention, by TO and/or ESO, will be applied if one or more of the criteria is met. Contestability is restricted in line with the above, but the User can appeal to Ofgem if they believe this intervention is unjustified.

### **Consequences of an intervention**

Users will not be adversely affected by an intervention:

- User's will be compensated by the TO should they undertake work on behalf of the TO for an enhanced design or to facilitate connections for other users which results in additional costs above which the connectee would have paid without the additional specification set down by the TO.

Please note annex text is a draft position which will be improved over time, including consideration of stakeholder responses via consultation feedback.