



Static FFR
Procurement Rules

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1. Introduction
 - 1.1 These **Static FFR Procurement Rules** describe the eligibility rules and criteria for participation in **NESO's** procurement of **Static FFR**, including the daily auction processes pursuant to which **NESO** procures **Static FFR** from prospective **Service Providers** for one or more **EFA Blocks** in a **Service Day**.
 - 1.2 Subject always to paragraph 1.3, only with respect to **Static FFR Contracts** formed pursuant to these **Static FFR Procurement Rules** will the **Static FFR Service Terms** apply to the provision of, and payment for, **Static FFR** from **Static FFR Units**.
 - 1.3 These **Static FFR Procurement Rules** supplement, and should be read alongside, the following documents which together constitute the "**Static FFR Procurement Documentation**":
 - 1.3.1 the **Static FFR Service Terms**;
 - 1.3.2 the **Balancing Services Glossary of General Terms and Rules of Interpretation**;
 - 1.3.3 the **Flexibility Services Standard Agreement** to the extent that any of its provisions are incorporated by any of the other **Static FFR Procurement Documentation** into such document(s); and
 - 1.3.4 such other document(s) as **NESO** may designate from time to time as comprising a part of the **Static FFR Procurement Documentation**.
2. Changes to these Static FFR Procurement Rules
 - 2.1 Subject always to paragraph 2.2, **NESO** may update these **Static FFR Procurement Rules** 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.
 - 2.2 To the extent required by the **Electricity Balancing Regulation** (and by reference to those provisions of the **Static FFR Procurement Documentation** which constitute 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 these **Static FFR Procurement Rules** will be proposed and implemented in accordance with the applicable requirements in the **Electricity Balancing Regulation**.
3. Defined Terms and Interpretation
 - 3.1 Unless the context otherwise requires, any capitalised term used in these **Static FFR Procurement Rules** shall have the respective meaning given

to it (if any) in either Schedule 1 or the prevailing **Balancing Services Glossary of General Terms and Rules of Interpretation** (as the case may be).

- 3.2 The rules of interpretation set out in the **Balancing Services Glossary of General Terms and Rules of Interpretation** shall also apply to these **Static FFR Procurement Rules**.
- 3.3 For the purposes of paragraph 3.1, with respect to any **Sell Order**, “prevailing” shall mean the latest version of the applicable document which is in effect at the time of submission of that **Sell Order**.
- 4. Registration of Registered Static FFR Participants
 - 4.1 Subject always to paragraph 4.4, no entity may participate in an **Auction** unless and until **NESO** has confirmed that it is a **Registered Static FFR Participant** in accordance with the **Registration and Pre-Qualification Procedure**.
 - 4.2 Where **NESO** determines (acting reasonably) that any details provided, including confirmations and declarations given, by a **Registered Static FFR Participant** pursuant to the **Registration and Pre-Qualification Procedure** are no longer true and/or accurate, then **NESO** may (but shall not be obliged to) **Deregister** the relevant entity as a **Registered Static FFR Participant** and/or **Registered Service Provider** (as the case may be). Such **Deregistration** shall be notified by **NESO** to the **Registered Static FFR Participant** by email, whereupon it may no longer participate in the **Auction** with respect to any **Static FFR Unit** unless and until it is re-registered in accordance with these **Static FFR Procurement Rules** and the **Registration and Pre-Qualification Procedure**.
 - 4.3 An entity may also be **Deregistered** as a **Registered Static FFR Participant** in the circumstances specified in the **Static FFR Service Terms**.
 - 4.4 An entity which has been confirmed as a **Registered Static FFR Participant** may only submit a **Sell Order** in respect of **Plant** and **Apparatus** where:
 - 4.4.1 such **Plant** and **Apparatus** has been pre-qualified by **NESO** to **Static FFR** as an **Eligible Asset** subject to and in accordance with paragraph 5; and
 - 4.4.2 such **Eligible Asset** has been allocated to a **Static FFR Unit** with a **Registered Quantity** subject to and in accordance with paragraph 5.1.
- 5. Pre-qualification of Eligible Assets
 - 5.1 **Plant** and **Apparatus** may be notified by the **Registered Static FFR Participant** to **NESO** for pre-qualification as an **Eligible Asset** with a

Registered Quantity in accordance with the process described in the **Registration and Pre-Qualification Procedure** including the **Testing Rules**.

5.2 **NESO** expects that, to be approved by **NESO** as an **Eligible Asset**, all **Plant** and **Apparatus** will be capable of complying with each of the following mandatory requirements with respect to **Static FFR**:

5.2.1 the availability of a constant level of **Demand** or **Generation** and the capability to provide **Static FFR** by automatic operation of a **Relay** following the relevant **Frequency** excursion;

5.2.2 the availability of metering and/or monitoring facilities reasonably acceptable to **NESO**; and

5.2.3 the capability to comply in all respects with the **Demand Response Services Code** (where applicable).

5.3 The prequalification of **Plant** and **Apparatus** as an **Eligible Asset** as envisaged by this paragraph 5 shall relate only to **Static FFR** and not any other **Balancing Service**.

5.4 **NESO** may either:

5.4.1 having regard to declarations of unavailability notified by the **Registered Static FFR Participant** pursuant to the **Static FFR Service Terms**; or

5.4.2 in any other circumstances which may be specified in the **Static FFR Service Terms**,

determine that:

(a) any **Eligible Asset** is no longer capable of providing its **Registered Quantity**; and/or

(b) any **Static FFR Unit** is incapable of providing its **Contracted Quantity** pursuant to any **Static FFR Contract**; and/or

(c) the **Static FFR Unit**, and/or one or more **Eligible Assets** comprising the **Static FFR Unit**, is not ready for commercial operation and/or delivery of **Static FFR**; and/or

(d) the **Registered Static FFR Participant** has failed to comply in any material respect with its obligations under the **Testing Rules** including where **NESO** determines that the **Registered Static FFR Participant's Independent Technical Expert** is failing to meet the

required technical standard and/or is not sufficiently independent (each as defined in the **Testing Rules**),

whereupon **NESO** shall so notify the **Registered Static FFR Participant** and declare that the **Eligible Asset(s)** in question shall be **Deregistered**, and the **Eligible Asset(s)** shall then no longer be pre-qualified for **Static FFR** and in respect thereof any allocation of such **Eligible Asset(s)** to a **Static FFR Unit** pursuant to paragraph 6 shall immediately cease.

- 5.5 For the avoidance of doubt, where an **Eligible Asset** has been **Deregistered**, its constituent **Plant** and **Apparatus** may subsequently be notified by the **Registered Static FFR Participant** for pre-qualification once more in accordance with this paragraph 5.
6. Allocation of Eligible Assets to Static FFR Units
 - 6.1 Subject always to paragraph 5.4 and to paragraph 6.2, an **Eligible Asset** may be allocated by the **Registered Static FFR Participant** to a **Static FFR Unit** in accordance with the process described in the **Registration and Pre-qualification Procedure**.
 - 6.2 No **Eligible Asset** may be allocated to a **Static FFR Unit** unless the aggregate **Registered Quantity** of that and any other **Eligible Asset** so allocated is one tenth (0.1) MW or more.
 - 6.3 Notwithstanding allocation of an **Eligible Asset** to a **Static FFR Unit**, **NESO** may determine (at its sole discretion) that a **Registered Static FFR Participant** may not submit a **Sell Order** with respect to any **Static FFR Unit** if that **Static FFR Unit** is comprised of one or more **Eligible Assets** whose location would mean delivery of **Static FFR** would compromise operational security.
7. Buy Orders
 - 7.1 **Buy Orders** for **Static FFR**, and for any **EFA Block**, may be submitted (and updated) by **NESO** at any time prior to the **Auction Closing Time** (or later as provided in paragraph 7.4).
 - 7.2 Each **Buy Order** shall be for a single **EFA Block**, and for that **EFA Block** shall indicate **NESO's** requirement (in MW) for **Static FFR** (which for the avoidance of doubt may be zero (0) MW) and a **Buy Order Price Limit**.
 - 7.3 **Buy Orders** shall not be visible to **Registered Static FFR Participants** on the **Designated Auction Platform** until publication in the **Daily Auction Report** pursuant to paragraph 11.
 - 7.4 A **Buy Order** shall not be capable of being changed by **NESO** after the **Auction Closing Time**, save in exceptional circumstances where, in **NESO's** reasonable opinion and having regard to market activity, there is a need to protect the integrity of the **Auctions**.

8. Sell Orders
- 8.1 Where a **Registered Static FFR Participant** shall have pre-qualified one or more **Eligible Assets** to the **Static FFR Service** pursuant to paragraph 5, and allocated any such **Eligible Asset(s)** to a **Static FFR Unit** pursuant to paragraph 6, it may submit **Sell Order** with respect to that **Static FFR Unit**, each for an **EFA Block**, in accordance with the following provisions of this paragraph 8.
- 8.2 **Sell Orders** may be submitted by **Registered Static FFR Participants** at any time after the **Auction Opening Time** and before the **Auction Closing Time**. **Sell Orders** received after the **Auction Closing Time** shall be considered null and void regardless of cause unless otherwise decided by **NESO** at its sole discretion.
- 8.3 Each **Sell Order** shall relate to a single **Static FFR Unit**, and in relation to any **Static FFR Unit** a **Registered Static FFR Participant** may not submit multiple **Sell Orders** for the same **EFA Block**.
- 8.4 To be valid, each **Sell Order** will need to be fully completed and correct as at the relevant **Auction Closing Time**, and must include (in the correct format as specified from time to time by the **Auction Administrator**):
- 8.4.1 the name of the **Registered Static FFR Participant** and its unique “order ID” allocated to it by the **Auction Administrator**;
 - 8.4.2 the **Static FFR Unit** (by reference to its “portfolio name” allocated to it as either BMU ID or Non-BM Unit ID);
 - 8.4.3 the applicable **EFA Block** over which it is defined;
 - 8.4.4 a price (in £/MW/h, where the applicable pound and pence figures shall each be an integer); and
 - 8.4.5 the offered **Contracted Quantity** (in MW) for each applicable **EFA Block**, which shall be not less than one tenth (0.1) MW and shall not exceed the **Maximum Sell Size**, and which shall not in any event exceed the aggregate **Registered Quantity** of each component **Eligible Asset**.
- 8.5 Where, in relation to any **Static FFR Unit**, any **Sell Order** is submitted for an **EFA Block** which is the subject of a valid **Sell Order** previously submitted for that **Static FFR Unit**, then the earlier **Sell Order** shall be treated as cancelled.
- 8.6 Validation of **Sell Orders** will be undertaken automatically at the time of submission (before operation of the **Auction** algorithm), and without prejudice to paragraph 8.11 all submitted **Sell Orders** so validated remain valid unless and until:

- 8.6.1** the **Sell Order** is cancelled by the **Registered Static FFR Participant** that submitted it (including in the manner described in paragraph 8.5);
- 1.4**the **Registered Static FFR Participant** modifies it (and, in such case, paragraph 8.8 shall apply); or
- 8.6.2** the **Sell Order** is either accepted (including part accepted) or rejected in accordance with the **Market Clearing Rules** (whereupon it expires).
- 8.7** Each **Registered Static FFR Participant** is responsible for ensuring that the **Sell Orders** it submits are correct and valid.
- 8.8** Subject always to paragraph 8.8, upon becoming aware of any error in a **Sell Order**, the **Registered Static FFR Participant** shall modify the **Sell Order** where possible otherwise shall notify **NESO** immediately, provided that in such event there shall be no obligation on **NESO** to take any steps to avoid or mitigate any potential losses to the **Registered Static FFR Participant**.
- 8.9** After the **Auction Closing Time**, **Sell Orders** may not be modified or cancelled by the **Registered Static FFR Participant** and are binding and irrevocable subject always to paragraph 8.11.
- 8.10** **Sell Orders** submitted by **Registered Static FFR Participants** for each **EFA Block** shall not be visible to other **Registered Static FFR Participants** on the **Designated Auction Platform** until publication in the **Daily Auction Report** in the manner described in paragraph 11.
- 8.11** If, in the sole judgment of **NESO** or the **Auction Administrator**, a **Registered Static FFR Participant** has failed to submit a correct and valid **Sell Order** in accordance with this paragraph 8, **NESO** or the **Auction Administrator** reserves the right to:
- 8.11.1** deem that **Sell Order** to be valid and correct; or
- 8.11.2** cancel that **Sell Order**; and/or
- 8.11.3** take any other action as it deems appropriate in the circumstances including requesting the **Registered Static FFR Participant** to resubmit and/or amend the **Sell Order** so that it is correct and valid.
- 8.12** The decision of **NESO** or the **Auction Administrator** as to whether or not a **Sell Order** is correct and valid shall be final, and the **Registered Static FFR Participant** may be notified of such decision without prior consultation or explanation.

9. Market Clearing Rules

9.1 After the **Auction Closing Time**, and for each **EFA Block**, the **Auction** algorithm will optimise the matching of all valid **Sell Orders** to the **Buy Order** through the acceptance of **Sell Orders**, to determine a **Market Clearing Price** for that **EFA Block**, all as more particularly described or referred to in this paragraph 9.

9.2 For a given **EFA Block**, the **Auction** algorithm will accept **Sell Orders** in accordance with the following rules:

9.2.1 **Sell Orders** for a single **EFA Block** will be accepted in ascending price order wherever possible subject always to the other provisions of this paragraph 9 and maximisation of total auction surplus;

9.2.2 **Sell Orders** shall not be **Curtable**;

9.2.3 two or more **Sell Orders** shall not be capable of being linked such that the acceptance of one is conditional upon the acceptance of the other; and

9.2.4 for the purposes of this paragraph 9.2, in relation to any **Sell Order** (and to the extent used in this paragraph 9.2):

(a) *in the money* means the average of the rounded **Market Clearing Prices** over the relevant hours and weighted by the corresponding accepted volume is higher than the price limit of that **Sell Order**;

(b) *at the money* means the average of the rounded **Market Clearing Prices** over the relevant hours and weighted by the corresponding accepted volume is equal to the price limit of that **Sell Order**;

(c) *out of the money* means the average of the rounded **Market Clearing Prices** over the relevant hours and weighted by the corresponding accepted volume is less than the price limit of that **Sell Order**;

(d) *paradoxically rejected* means, due to **Sell Order** acceptance constraints, that **Sell Order** can be rejected even if its price limit is less than the **Market Clearing Price**; and

(e) *surplus* in relation to a **Sell Order** means the sum over the relevant **EFA Block(s)** over which the **Sell Order** is defined, of the difference between the **Market Clearing Price** less the price limit of that **Sell Order**, multiplied by the accepted volume of that **Sell Order**, and *surplus* in relation to a **Buy Order** means the sum of the **Contracted**

Quantities for all **Static FFR Contracts** for the **EFA Block** over which the **Buy Order** is defined, multiplied by the difference between the **Buy Order Price Limit** corresponding to this sum of **Contracted Quantities** less the **Market Clearing Price** for that **EFA Block**; and

- (f) *total auction surplus* means the sum of the order surplus of all **Buy Orders** plus the sum of the order surplus of all **Sell Orders**.

9.3 Each **Sell Order** for an **EFA Block** accepted in accordance with the market clearing process described in this paragraph 9 shall form a **Static FFR Contract** for that **Static FFR Unit** and **EFA Block** as more particularly provided in paragraph 12.

9.4 For any **EFA Block**, the **Market Clearing Price** shall be the price (£/MW/h) of the highest executed **Sell Order**, and such **Market Clearing Price** shall derive the **Availability Payment** for that **EFA Block** for the purpose of the **Static FFR Service Terms**.

10. Warranties and Undertakings

10.1 Without prejudice to its other obligations under and/or pursuant to the **Static FFR Procurement Documentation** and any **Static FFR Contract** and subject to paragraphs 10.1 and 10.3 of the **Flexibility Services Standard Agreement** which shall apply as if set out in full herein:

10.1.1 **NESO** and each **Registered Static FFR Participant** warrants and undertakes to the other in the manner set out in paragraph 5.1 of the **Flexibility Services Standard Agreement** as if set out in full herein; and

10.1.2 on each occasion it submits a **Sell Order**, the **Registered Static FFR Participant** warrants and undertakes to **NESO** in the manner set out in paragraph 5.2 of the **Flexibility Services Standard Agreement** as if set out in full herein.

10.2 Without prejudice to any other right or remedy, **NESO** and the **Registered Static FFR Participant** shall each be entitled to claim damages from the other for any breach of the warranties and undertakings or any of them set out or referred to in this paragraph 10 subject to paragraphs 10.1 and 10.3 of the **Flexibility Services Standard Agreement** which shall apply as if set out in full herein.

10.3 Each **Registered Static FFR Participant** indemnifies **NESO** from and against any losses, liabilities, claims, expenses and demands which **NESO** might suffer as a result of the **Registered Static FFR Participant** being in breach of the warranties and undertakings or any of them set out or referred to in paragraph 10.1.2.

11. Daily Auction Reports
 - 11.1 By such time following the **Auction Results Time** as may be specified by **NESO** from time to time, **NESO** shall publish (and may subsequently revise) the **Daily Auction Report**.
 - 11.2 Each **Daily Auction Report** may (at **NESO**'s sole discretion) include in relation to each **Auction Product** and **EFA Block**:
 - 11.2.1 for each **Sell Order**, the information contained in paragraph 8.4, together with the location and technology type of each relevant **Eligible Asset** (whether or not the subject of an accepted **Sell Order**);
 - 11.2.2 the **Buy Order** requirement;
 - 11.2.3 the **Market Clearing Price**;
 - 11.2.4 the **Auction Clearing Quantity**; and
 - 11.2.5 in relation to each accepted **Sell Order**, the **Contracted Quantity** to be delivered by thirty (30) seconds from **Frequency** transgression of the **Frequency Trigger**.
12. Formation of Static FFR Contracts
 - 12.1 **NESO** shall publish the outcome of each **Auction** by no later than the **Auction Results Time** in such format as it shall determine in its sole discretion. Insofar as **NESO**'s publication confirms the acceptance of a **Sell Order**, a **Static FFR Contract** will be formed automatically and simultaneously with such publication and for the purposes of paragraph 12.2 shall be treated as awarded to the relevant **Registered Static FFR Participant**.
 - 12.2 Each **Registered Static FFR Participant** awarded a **Static FFR Contract** pursuant to paragraph 12.1 shall provide **Static FFR** from the applicable **Static FFR Unit** during the applicable **EFA Block** pursuant to and in accordance with the **Static FFR Service Terms**.
 - 12.3 For the avoidance of doubt, for any **Registered Static FFR Participant** with a **Static FFR Unit** the subject of one or more accepted (or part accepted) **Sell Orders** in a **Service Day**, there shall be a separate **Static FFR Contract** formed in respect of that **Static FFR Unit** for each **EFA Block**.
 - 12.4 Each **Static FFR Contract** shall be personal to **NESO** and the **Registered Static FFR Participant** and neither Party shall assign, transfer, mortgage, charge, sub-contract or deal in any other manner with any or all of its rights and obligations under a **Static FFR Contract** except as permitted by the **Static FFR Service Terms** or in accordance with

paragraph 20 of the **Flexibility Services Standard Agreement** as if such provision was set out in full herein.

13. Confidentiality

13.1 Subject always to paragraphs 13.2 and 13.3, the provisions of paragraph 12 of the **Flexibility Services Standard Agreement** shall apply to all and any information provided by **NESO** or any **Registered Static FFR Participant** to the other (whether orally or in writing) pursuant to or in connection with these **Static FFR Procurement Rules** as if set out in full herein.

13.2 Each **Registered Static FFR Participant** agrees to the publication by **NESO** of the information contained in the **Daily Auction Reports**, including in a non-anonymised form, insofar as relating directly or indirectly to the **Registered Static FFR Participant** and the relevant **Static FFR Unit**.

13.3 Without limiting paragraph 13.2, each **Registered Static FFR Participant** also agrees to the disclosure by **NESO** to the relevant **Public Distribution System Operator** of information related to any **Sell Order** (whether or not accepted) insofar as relevant to the management and operation of its **Distribution System**, including without limitation location of each **Eligible Asset** allocated to the relevant **Static FFR Unit** and its MPAN and technology type, and the **Contracted Quantity**.

14. Exceptional Circumstances

14.1 If an exceptional situation arises, in particular if a system or the information needed to operate an **Auction** is unavailable or if an incident prevents an **Auction** from being held in normal circumstances, then **NESO** may take any or all of the following measures (at its sole discretion):

14.1.1 modify any or all of the **Auction Opening Time**, **Auction Closing Time** or **Auction Results Time**;

14.1.2 authorise **Registered Static FFR Participants** to submit new **Sell Orders** or modify existing **Sell Orders**;

14.1.3 authorise **Registered Static FFR Participants** to submit **Sell Orders** otherwise than in accordance with paragraph 8;

14.1.4 cancel the **Auction** for any one or more **Service Days**; and/or

14.1.5 take such other actions or steps as it reasonably considers to be necessary.

15. Use of Designated Auction Platform

15.1 Insofar as made available as part of the **Auctions**, each **Registered Static FFR Participant** agrees to use the **Designated Auction Platform**

(including all and any associated hardware and software IT and telecommunications equipment and transmission media):

- 15.1.1** in compliance with all applicable **Law**;
- 15.1.2** in compliance with all and any technical specifications provided from time to time by or on behalf of **NESO** or (if not **NESO**) the **Auction Administrator**; and
- 15.1.3** solely for the purpose of formation of **Static FFR Contracts** (and any other contracts for **Balancing Services** from time to time procured by **NESO** on the **Designated Auction Platform**),

and any other use is strictly prohibited.

16. Accuracy of Information

- 16.1** All and any information provided by **NESO** to **Registered Static FFR Participants** for the purposes of these **Static FFR Procurement Rules** including in each **Daily Auction Report** is provided in good faith, but no representation or warranty is given by **NESO** (or any of its employees, officers, agents or advisers) as to the accuracy or completeness of such information.

17. Intellectual Property

- 17.1** **NESO** and each **Registered Static FFR Participant** retain ownership of the documents, data and information of any kind (including all intellectual property rights in them) that are provided to the other pursuant to these **Static FFR Procurement Rules**.
- 17.2** Each **Registered Static FFR Participant** undertakes to **NESO** that it will at all times when participating in an **Auction**, hold all and any authorisations and/or property rights and/or licences for all of the configurations, interfaces, firmware and software needed by it for it to participate in the applicable auction process through the **Designated Auction Platform**.
- 17.3** Each **Registered Static FFR Participant** shall comply (and use reasonable endeavours to ensure that its staff and other representatives comply) with all applicable user licences and terms of use of which the **Registered Static FFR Participant** is aware governing use by the **Registered Static FFR Participant** of the systems or software applications comprised in the **Designated Auction Platform**.
- 17.4** **Registered Static FFR Participant** indemnifies and keeps indemnified **NESO** from and against any claims from a third party relating to an infringement of that third party's intellectual property rights or other property rights arising out of use by the **Registered Static FFR Participant** of the **Designated Auction Platform** in breach of any user licence or terms of use referred to in paragraph 17.3 of which it is aware.

- 17.5 **NESO** shall procure such third-party intellectual property authorisations as may be necessary to enable the **Registered Static FFR Participant** to use the **Designated Auction Platform** for the purposes of the **Auctions**.
- 17.6 **NESO** shall indemnify and keep indemnified the **Registered Static FFR Participant** from and against any claims from a third party if and to the extent that the use of the **Designated Auction Platform** by such **Registered Static FFR Participant** for the purposes of a **Sell Order** infringes a third party's intellectual property rights or other property rights.
- 17.7 In respect of the indemnities given in paragraphs 17.4 and 17.6 the indemnified party shall:
- 17.7.1 notify the indemnifying party as soon as possible of any claim the subject of the indemnity (in this paragraph 17, "**IPR Claim**");
 - 17.7.2 give the indemnifying party control of the **IPR Claim**;
 - 17.7.3 make no admissions in respect of an **IPR Claim** without prior written consent of the indemnifying party; and
 - 17.7.4 provide such support in respect of the **IPR Claim** as the indemnifying party may reasonably require at the cost of the indemnifying party.
18. Viruses
- 18.1 Each **Registered Static FFR Participant** shall, prior to uploading any information to the **Designated Auction Platform** or otherwise interfacing with it, use up to date versions of anti-virus software available from an industry accepted anti-virus software vendor to check for and delete from its systems viruses, trojan horses, worms, time-bombs, keystroke loggers, spyware, adware or any other harmful programmes or similar computer code designed adversely to affect the operation of any computer software or hardware (in this paragraph 18, "**Malicious Software**").
- 18.2 If, notwithstanding the provisions of paragraph 18.1, **Malicious Software** is found on the **Designated Auction Platform**, the **Registered Static FFR Participant** shall co-operate with **NESO** to reduce the effect of the **Malicious Software** and, particularly if **Malicious Software** causes loss of operational efficiency to the **Designated Auction Platform**, assist **NESO** to mitigate any losses and restore the **Designated Auction Platform** to its original operating efficiency.
19. Costs
- 19.1 For the avoidance of doubt, each **Registered Static FFR Participant** shall remain responsible for all costs and expenses incurred by it in connection with these **Static FFR Procurement Rules** including all costs of preparing and submitting **Sell Orders**.

20. Site Export and Import Limits

20.1 Each **Registered Static FFR Participant** shall, prior to submitting a **Sell Order**, ensure sufficient export and/or import capacity at the premises at which each relevant **Eligible Asset** is situated (including where applicable **Transmission Entry Capacity** (and, if relevant, the **STTEC**) so as to enable it to provide **Static FFR** during each and every applicable **EFA Block** in accordance with its obligations under the **Static FFR Contract** which may be formed in relation thereto and in conformance with its obligations owed to the owner of the relevant part of the **National Electricity Transmission System** or the relevant **Distribution System** or such other network (as applicable).

21. Notices

21.1 Save to the extent the manner of communication between **NESO** and **Registered Static FFR Participants** is stipulated in the **Registration and Pre-Qualification Procedure**, paragraph 16 of the **Flexibility Services Standard Agreement** shall apply as if set out in full herein to any notice required to be submitted under these **Static FFR Procurement Rules** by either **NESO** or the **Registered Static FFR Participant** to the other.

21.2 For the purposes of paragraph 21.1, the relevant contact details and addresses of each Party shall be those notified from time to time by that Party to the other pursuant to the **Registration and Pre-Qualification Procedure**.

22. Dispute Resolution

22.1 The provisions of paragraph 17 of the **Flexibility Services Standard Agreement** shall apply in relation to any dispute or difference of whatever nature however arising under, out of, or in connection with these **Static FFR Procurement Rules** as if set out in full herein, save that:

22.1.1 no **Party** shall have any right to refer any dispute to an **Expert** for determination except where the dispute is stated in these **Static FFR Procurement Rules** to be referable to an **Expert** for determination or otherwise agreed in writing by the **Parties** to be so referable;

22.1.2 nothing in this paragraph 22 shall prevent the **Parties** from agreeing to resolve any dispute or difference through the courts in which case paragraph 23.1 shall apply; and

22.1.3 where any dispute is referred to arbitration, the prevailing rules of the **London International Court of Arbitration** shall apply unless otherwise agreed in writing by the **Parties** (and paragraph 17.6 of the **Flexibility Services Standard Agreement** shall be read and construed accordingly).

- 23. Governing Law and Jurisdiction
 - 23.1 Any claim, dispute or matter (whether contractual or non-contractual) arising under or in connection with these **Static FFR Procurement Rules** or their enforceability shall be governed by and construed in accordance with the laws of England and Wales.
 - 23.2 Subject always to paragraph 22, **NESO** and each **Registered Static FFR Participant** submits to the exclusive jurisdiction of the courts of England and Wales over any claim, dispute or matter arising under or in connection with these **Static FFR Procurement Rules** or their enforceability and waives any objection to proceedings being brought in such courts or on the grounds that proceedings have been brought in an inconvenient forum.

Schedule 1 – Defined Terms

“Auction”	the six (6) separate auctions for each EFA Block run in a Service Day ;
“Auction Administrator”	the operator from time to time of the Designated Auction Platform (which may be NESO);
“Auction Clearing Quantity”	for each EFA Block falling in any Service Day , the sum of the quantities (MW) of all executed Sell Orders (being the aggregate Contracted Quantity for all such Sell Orders ;
“Auction Closing Time”	in respect of the EFA Blocks falling in any Service Day , such time as may be published from time to time by NESO in the Frequency Response Market Information Report or otherwise notified from time to time by NESO to Registered Static FFR Participants , in each case with respect to the next following or any later EFA Days ;
“Auction Opening Time”	in respect of the EFA Blocks falling in any Service Day , 08.00 hours on the fourteenth EFA Day which immediately precedes that Service Day ;
“Auction Results Time”	in respect of the EFA Blocks falling in any Service Day , no later than 17.00 hours on the EFA Day which immediately precedes that Service Day ;
“Automatic Response”	either the automatic reduction of Demand or increase of Generation following a fall in System Frequency below the applicable Frequency Trigger ;

“Availability Payment”	the payment to be made by NESO to a Service Provider with respect to a Static FFR Contract under and in accordance with the Static FFR Service Terms ;
“Buy Order”	an Order submitted by NESO in accordance with paragraph 7 comprising its requirement for the procurement of Static FFR in each EFA Block during Service Days , validly registered as such on the Designated Auction Platform , with each having an associated Buy Order Price Limit ;
“Buy Order Price Limit”	in respect of any Buy Order , the maximum Market Clearing Price(s) as determined by NESO at its sole discretion;
“Contracted Quantity”	the amount of Automatic Response (MW) to be delivered from a Static FFR Unit upon triggering of the Relay as set out or referred to in the Sell Order ;
“Curtaillable”	the capacity of a Sell Order to be partially accepted;
“Daily Auction Report”	the report (which may comprise more than one document, published separately) published by NESO pursuant to these Static FFR Procurement Rules ;
“Deregistered”	in relation to (1) any Eligible Asset , the cessation of its pre-qualification for Static FFR , and (2) any Registered Static FFR Participant , the cessation of its eligibility to participate in the Auctions , and (3) any Registered Service Provider , the cessation of its eligibility to provide Balancing Services to NESO via the Single Market Platform ;

“Designated Auction Platform”	the auction platform(s) from time to time designated by NESO for use in connection with the Auctions ;
“Eligible Asset”	any item of Plant and Apparatus which has been validated by NESO in accordance with the Registration and Pre-Qualification Procedure as capable (either individually or in combination with one or more other Eligible Assets) of providing Static FFR in accordance with the Static FFR Service Terms ;
“Firm Frequency Response”	means the firm availability of static Response which was provided upon and subject to the terms of the FFR Standard Contract Terms ;
“FFR Unit”	as defined in the FFR Standard Contract Terms ;
“FFR Standard Contract Terms”	means the document entitled “Firm Frequency Response Tender Rules and Standard Contract Terms” as in force at any time prior to the coming into effect of these Static FFR Procurement Rules ;
“Frequency Response Market Information Report”	the report of that name (or similar) published NESO monthly;
“Frequency Trigger”	means 49.65 Hz or such other level as may be notified from time to time by NESO to Registered Static FFR Participants for the purposes of these Static FFR Procurement Rules ;
“Grid Supply Point”	as defined in the Grid Code ;
“Independent Technical Expert”	as defined in the Static FFR Guidance ;
“Malicious Software”	as defined in paragraph 18;

“Market Clearing Price”	the price (£/MW/h) derived for an Auction Product and EFA Block by operation of the Market Clearing Rules as more particularly described in paragraph 9.4;
“Market Clearing Rules”	the rules set out or referred to in paragraph 9 of these Static FFR Procurement Rules for creation of Static FFR Contracts and establishment of Market Clearing Prices ;
“Maximum Sell Size”	in relation to each Static FFR Unit , such volume (MW) as may be notified in writing by NESO to Registered Static FFR Participants from time to time, being the maximum permitted Contracted Quantity , and which for the avoidance of doubt shall be one hundred (100) MW for each Static FFR Unit unless otherwise notified;
“Order”	a Buy Order or a Sell Order (as the case may be);
“Registered Quantity”	in relation to any Eligible Asset , the maximum amount of Static FFR capable of being delivered as Static FFR as validated by NESO ;
“Registered Service Provider”	a person registered from time to time pursuant to the Registration and Pre-Qualification Procedure as eligible to provide any one or more Balancing Services to NESO including any successor(s) in title to, or permitted assign(s) of, such person;
“Registered Static FFR Participant”	a Registered Service Provider who has registered with NESO pursuant to the Registration and Pre-Qualification Procedure as eligible to participate in the procurement of Static FFR , which shall include acceding to the Static FFR Procurement Documentation ;

“Registration and Pre-Qualification Procedure”	the procedure and processes described in Schedule 2;
“Relay”	an electronic 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;
“Sell Order”	in respect of a Static FFR Unit , an Order submitted by a Registered Static FFR Participant in accordance with these Static FFR Procurement Rules for the delivery upon and subject to the Static FFR Service Terms of Static FFR during an EFA Block falling in a Service Day , validly registered as such on the Designated Auction Platform ;
“Service Day”	an EFA Day comprising one or more EFA Blocks in respect of which NESO has issued a Buy Order ;
“Service Provider”	with respect to any Static FFR Contract , the applicable Registered Static FFR Participant ;
“Single Market Platform”	the online platform hosted by NESO comprising (inter alia) the Registration and Pre-Qualification Procedure and which facilitates the pre-qualification of Eligible Assets and their allocation and reallocation to Static FFR Units ;
“Static FFR”	the provision of non-dynamic frequency response by way of reduction in Demand or increase in Output triggered when Frequency falls to a specified level as more particularly described in the Static FFR Procurement Documentation , and “Static FFR Service” shall be construed accordingly;

“Static FFR Contract”	a Balancing Services Contract for the delivery of Static FFR from a Static FFR Unit in an EFA Block as more particularly described in the Static FFR Service Terms ;
“Static FFR Guidance”	the guidance document established from time to time by NESO which includes the procedure for the activation and delivery of Static FFR ;
“Static FFR Procurement Documentation”	as described in paragraph 1.3;
“Static FFR Procurement Rules”	this document as published by or on behalf of NESO from time to time;
“Static FFR Service Terms”	the prevailing document titled “Static FFR Service Terms” published by or on behalf of NESO from time to time containing the terms and conditions governing Static FFR Contracts ;
“Static FFR Unit”	a collection of one or more Eligible Assets registered as such by a Registered Static FFR Participant at the relevant time in accordance with the Registration and Pre-Qualification Procedure ;
“Testing Rules”	the rules for testing Eligible Assets forming part of the Registration and Pre-Qualification Procedure as described in the Static FFR Guidance .

Schedule 2 - Registration and Pre-Qualification Procedure

Summary

For an entity to register as a **Registered Static FFR Participant**, it must first become a **Registered Service Provider** by submitting its corporate details onto **NESO** systems and (if accepted) receiving a user ID. To become a **Registered Static FFR Participant** it must then accede to the **Static FFR Procurement Documentation**. Once registration is complete, a **Registered Static FFR Participant** may then submit assets under its operation or control for prequalification by **NESO** as **Eligible Assets**.

Prequalification as an **Eligible Asset** will relate only to **Static FFR** and not to any other **Balancing Service**. Accordingly, pre-qualification may involve asset testing and validation.

Once pre-qualified, an **Eligible Asset** may be allocated by the **Registered Static FFR Participant** to a **Static FFR Unit**. Once a **Static FFR Unit** has at least one **Eligible Asset** allocated to it, it may participate in the daily auctions for **Static FFR**.

Process and Timings

Outlined below is the process and associated timings for registration and asset pre-qualification. Further detail will be provided from time to time by **NESO** on the **Single Market Platform**.

- Step 1 – entity requests registration as a **Registered Service Provider** (and associated user IDs)
- Step 2 – **NESO** validates registration and issues user IDs (*entity is now a **Registered Service Provider***)
- Step 3 – entity submits one or more assets each for pre-qualification as an **Eligible Asset**
- Step 4 - entity accedes to **Static FFR Procurement Documentation** (*entity is now a **Registered Static FFR Participant***)
- Step 5 – **NESO** validates any necessary asset testing
- Step 6 – **NESO** confirms completion of prequalification process (*assets are now **Eligible Assets** for **Static FFR**, capable of being allocated to a **Static FFR Unit***)

- Step 7 – entity allocates **Eligible Assets** to **Static FFR Units** (*participant can now enter **Static FFR Units** into daily auctions for **Static FFR***)

Except where the contingency procedure applies, all of the above steps (which are summarised below) are to be completed via the **Single Market Platform**, and the participant must ensure that all information submitted on the **Single Market Platform** is fully complete and correct.

In the event that the **Single Market Platform** is unable to be utilised to complete any or all of the above steps, **NESO** may (at its discretion) implement a contingency procedure and notify this to participants in writing providing as much advance notice as is reasonably practicable in the circumstances. The contingency procedure may include completion of Steps 1, 2 and 3 using Forms A, B and C, copies of which are available on the **Single Market Platform** or will otherwise be made available by **NESO**, and Steps 4, 5, 6 and 7 by email submission of the 'Static FFR Provider Data Template' available on request from **NESO**. The notification from **NESO** informing participants that the contingency procedure has been implemented shall confirm the manner and timescales in which such documentation is to be submitted to **NESO**.

References below to the **Single Market Platform** are to be construed as including the contingency procedure where applicable, unless the context otherwise requires.

Registration as Registered Service Provider

Each participant is required to submit its corporate details, together with details of any related entity on whose behalf it is acting as agent.

In addition, where it has not already done so, each participant must ensure that it has completed the necessary vendor setup forms that are outlined on **NESO's** Settlement webpage to be set up as a vendor on **NESO's** systems. These should be submitted as soon as possible so that **NESO** can make payments in a timely manner in accordance with the **Static FFR Service Terms**.

Once registered, a participant may be **Deregistered** by **NESO** as a **Registered Service Provider** in the circumstances described in these **Static FFR Procurement Rules** and the **Static FFR Service Terms**, whereupon it may no longer provide **Balancing Services** to **NESO** via the **Single Market Platform** (notwithstanding its accession to the **Static FFR Procurement Documentation** or any other similar documentation for other **Balancing Services**). A participant once **Deregistered** may subsequently apply to **NESO** for its registration as **Registered Service Provider** to be restored which **NESO** may agree at its sole discretion.

Registration as Registered Static FFR Participant

To be registered as a **Registered Static FFR Participant** with eligibility to pre-qualify and allocate **Eligible Assets** for participation in the **Auctions**, a participant must accede to the **Static FFR Procurement Documentation** via the **Single Market Platform**.

Once registered, a participant may be **Deregistered** by **NESO** as a **Registered Static FFR Participant** in the circumstances described in these **Static FFR Procurement Rules**, whereupon it may no longer participate in any **Auction** (notwithstanding its accession to the **Static FFR Procurement Documentation**). A participant once **Deregistered** may subsequently apply to **NESO** for its registration as **Registered Static FFR Participant** to be restored which **NESO** may agree at its sole discretion.

Pre-qualification of Eligible Assets

For asset pre-qualification, **NESO** will require submission via the **Single Market Platform** of all relevant technical details associated with the asset to enable **NESO** to complete any necessary asset testing and validation. The **Registered Service Provider** must also submit a testing approval report for each asset, which must be completed by an **Independent Technical Expert** (ITE), as described in the **Testing Rules**.

Eligible Assets will not normally be pre-qualified to **Static FFR** if they have a condition in their DNO connection agreement whereby they are signed up to an Active Network Management (ANM) Scheme / Flexibility Connection. However, **NESO** will consider this on a case by case basis and may (at its sole discretion) enable such participation if there is reasonable evidence to demonstrate that the asset has very high forecasted availability (for example as shown by Curtailment Assessment Reports from DNOs). **NESO** shall continue to keep this under review and any changes to this position shall be consulted accordingly.

All **Plant** and **Apparatus** which is approved by **NESO** for provision of static **Firm Frequency Response** as an **FFR Unit** under and in accordance with the **FFR Standard Contract Terms**, and which is specified in an **FFR Framework Agreement**, shall be deemed to have pre-qualified as an **Eligible Asset** and with a **Registered Quantity** as confirmed in writing by **NESO**.

Once an asset has been pre-qualified and registered as an **Eligible Asset**, it may be **Deregistered** by **NESO** as an **Eligible Asset** in the circumstances described in these **Static FFR Procurement Rules** and the **Static FFR Service Terms**, whereupon it shall no longer be pre-qualified for **Static FFR**. The **Registered Auction Participant** may subsequently resubmit the relevant asset(s) for pre-qualification for **Static FFR**.

Allocation to Static FFR Units

Registered Static FFR Participants are able to create specific **Static FFR Units** for **Static FFR** via the **Single Market Platform**. When allocating **Eligible Assets** to Static FFR Units, **Registered Static FFR Participants** are required to identify the technical parameters associated with each **Static FFR Unit**.

Every **Static FFR Unit** created on the **Single Market Platform** must have at least one **Eligible Asset** allocated to it to be capable of participating in the daily auctions.

An **Eligible Asset** may be unallocated from a **Static FFR Unit** including by reallocation to another **Static FFR Unit**, but an **Eligible Asset** may not be so unallocated from a **Static FFR Unit** whilst that **Static FFR Unit** is **Suspended**.

Suspension of Auction Units

In the circumstances set out in the **Static FFR Service Terms**, **NESO** may notify a **Registered Static FFR Participant** that a **Static FFR Unit** is **Suspended**, whereupon for the period specified in the **Static FFR Service Terms** that **Static FFR Unit** may not participate in the **Auctions**, and all **Eligible Assets** allocated to that **Static FFR Unit** at the commencement of the **Suspension** shall remain allocated for the duration of the period of **Suspension**.

Timescales

Initial registrations must be completed in line with the timings outlined below:

Activity	Provider	NESO
Pre-qualification of Eligible Assets	In order to enable allocation activity, valid and complete data should be submitted 13 calendar days in advance.	Allocation activity can take place 13 calendar days after submission of validly completed data. NESO will notify the Registered Service Provider if allocation activity can be accommodated sooner.
Allocation of Eligible Assets to Static FFR Units	Allocation can only occur on a weekly basis and must be sent to NESO in the “market window” on a Monday (see further below)	Deemed accepted upon submission, subject to errors and/or incomplete data New/updated Static FFR Units can participate in daily auctions from and including that for Service Days

		commencing 23.00 hours the following Thursday NESO will notify Registered Static FFR Participants if allocation activity can be accommodated sooner.
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Changes to pre-qualification status or allocation

If **Registered Static FFR Participants** wish to change the pre-qualification status and/or allocation to a **Static FFR Unit** of **Eligible Assets**, including introducing new **Eligible Asset(s)** for pre-qualification or increasing the **Registered Quantity** of an existing pre-qualified **Eligible Asset**, this must be done as described above (on the **Single Market Platform** or using any contingency arrangements where applicable). Any increase in capacity of an existing **Eligible Asset** must be accompanied by a testing approval report in the same manner as for new **Eligible Assets**.

Allocation of **Eligible Assets** to **Static FFR Units**, whether submitted via the **Single Market Platform** or using the 'Static FFR Provider Data Template' (where the contingency arrangements apply) are only processed by **NESO** on a weekly basis, although **NESO** will notify the **Registered Static FFR Participants** if allocation activity can be accommodated more regularly. In the absence of any such notification, allocations can only therefore be submitted in the stipulated daily "market window" ending on Monday each week. The market window is the period from 15.00 hours on a calendar day to 10.00 hours on the next calendar day (and where this document refers to a market window for a particular calendar day, unless otherwise indicated that is a reference to the market window which ends on that day). Any submissions from **Registered Static FFR Participants** received outside this market window will be rejected, and so will not be applicable, and must be resubmitted in the next following Monday market window.

For the avoidance of doubt, allocation submissions are not required to be made every week. Once validly submitted, a subsequent submission is only required should any information change.

All queries and communications shall be made via a **Registered Static FFR Participant's** account manager or commercial.operation@neso.energy.com