Quick Reserve

Service Terms

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1. Introduction

1.1. These **QR Service Terms** describe the requirements for provision of **Quick Reserve** procured by **NESO** under daily **Auctions** and the basis upon which **NESO** shall make payments in respect thereof, and shall apply to each **Service Provider** and **Auction Unit** the subject of a **QR Contract** where, in accordance with the **QR Procurement Rules**, and for any **QR Window**, the **Service Provider's Sell Order** for that **Auction Unit** is accepted (or partially accepted) by **NESO**.

1.2. These **Reserve Service Terms** shall also apply to any **Registered Auction Participant** who wishes to provide **Quick Reserve** in a **QR Window** by submitting **Optional Availability Declarations** with respect to ~~a **Non-Contracted Unit** which is not **BM Participating**~~an **Auction Unit** which is not **BM Participating**, or subject of a **QR Contract** for the same **Quick Reserve Product** in that **QR Window**, or (subject to paragraph 17.4) is not contracted to provide another **Balancing Service** to **NESO** for all or any part of that **QR Window**, the utilisation of which by **NESO** will also form a **QR Contract**.

1.3. Each **QR Contract** so formed shall create a legally binding obligation on the **Service Provider** to provide from the relevant **QR Unit**, and for **NESO** to pay for, **Quick Reserve** to be delivered during the relevant **Contracted Service Period** upon the terms of these **QR Service Terms**.

1.4. A **QR Contract** shall relate to a single **Auction Unit** and shall apply only to a single **QR Window** and **Auction Product**.

1.5. For the avoidance of doubt:-

1.5.1 except as otherwise provided in these **QR Service Terms**, neither a **Service Provider** nor **NESO** shall be under any obligation or commitment to respectively provide or pay for **Quick Reserve** except pursuant to a **QR Contract** formed in respect of an **Auction Unit** for a **QR Window**; and

1.5.2 entities with **Non-Contracted Units** which are **BM Participating** may continue to contribute towards **NESO**'s balancing requirements by participating in the **Balancing Mechanism** outside of any **QR Contract** (including during periods where **Quick Reserve** is or is deemed to be unavailable as described in these **QR Service Terms**).

1.6. Neither **Party** may terminate a **QR Contract** once formed except as provided or referred to in paragraph 19 or by agreement in writing between the **Parties**.

1.7. These **QR Service Terms** should be read alongside the **QR Procurement Documentation** of which they form a part.

2. Changes to these QR Service Terms

2.1 Subject always to paragraph 2.2, **NESO** may update these **QR Service Terms** 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 **QR Contract** extant at the date of publication except with the consent in writing of the relevant **Service Provider**.

2.2 To the extent required by the **Electricity Balancing Regulations** (and by reference to those provisions of the **QR Procurement Documentation** constituting terms and conditions approved by the **Authority** as the terms and conditions related to balancing pursuant to Article 18 of the **Electricity Balancing Regulations**), any variation to these **QR Service Terms** will be proposed and implemented in accordance with the applicable requirements in the **Electricity Balancing Regulations**.

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3. Defined Terms

3.1 Unless the context otherwise requires, terms used in these **QR Service Terms** shall have the meanings given to each (if any) in:-

3.1.1 Schedule 1;

3.1.2 the prevailing **QR Procurement Rules**; and

3.1.3 the prevailing **Balancing Services Glossary of General Terms and Rules of Interpretation**.

3.2 Where a term is defined in Schedule 1 and also in either or both of the documents referred to at paragraphs 3.1.2 and 3.1.3, the meaning given in Schedule 1 shall prevail unless the context otherwise requires.

3.3 For the purposes of this paragraph 3, with respect to any **QR Contract**, "prevailing" shall mean the latest version of the applicable document which is in effect at the time of formation of that **QR Contract**.

4 Interpretation

4.1 The rules of interpretation set out in the **Balancing Services Glossary of General Terms and Rules of Interpretation** shall apply to these **QR Service Terms**.

5 Service Availability – BM Participating

5.1 This paragraph 5 applies only to **Auction Units** which are **BM Participating** and in respect of which, for a **QR Window**, **NESO** has **Accepted** a **Sell Order** so as to render that **QR Window** a **Contracted Service Period** and (for that **Contracted Service Period** only) that **Auction Unit** a **Contracted Unit**.

5.2 With respect to any **QR Unit**, **NESO** may utilise **Quick Reserve** made available by the **Service Provider** during **Contracted Service Periods** by the issue of one or more **Bid-Offer Acceptances.**

5.3 To facilitate the issue by **NESO** of **Bid-Offer Acceptance(s)** in respect of a **QR Unit** and **Contracted Service Period**, and subject always to paragraph 5.10, and so as to constitute a **Mandatory Availability Declaration**, the **Service Provider** shall, in respect of that **QR Unit** and **Contracted Service Period**:-

5.3.1 as soon as reasonably practicable after formation of the **QR Contract** (and in any event by no later than **Gate Closure**), submit to **NESO** a **Final Physical Notification** and **Bid-Offer Data**; and

5.3.2 submit and maintain at all times **Dynamic Parameters** and other **BM Unit Data**,

in each case meeting the requirements (as applicable) of paragraphs 5.4 to 5.9 inclusive, so as to facilitate sufficient footroom and/or headroom to enable delivery of **Quick Reserve** when instructed, and submitted in accordance with the **Grid Code**. Without limiting the foregoing, if required as a result of accepting a **Bid-Offer Acceptance** during a **Contracted Service Period** (or its **Gate Closure Period**), the **Service Provider** shall update the prevailing **MDB** and/or **MDO** pursuant to (and without prejudice to) **Grid Code** BC1.4.3 or BC2.5.3.1 as soon as reasonably practicable after such acceptance.

5.4 Where the **QR Contract** is for **Positive Quick Reserve** from a **Final Physical Notification** of zero or above, then the **BM Unit Data** shall include, for the relevant **Contracted Service Period** and the associated potential **Cross-Over Period**:-

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5.4.1 a **Final Physical Notification** where (subject always to paragraph 5.4.2):-

MEL – FPN ≥ Contracted Quantity
and (if **FPN** is less than **SEL**)
SEL ≤ Contracted Quantity

5.4.2 for **QR Units** which are **Power Park Modules** powered by an **Intermittent Power Source**, reference to **MEL** in paragraph 5.4.1 shall be to **Power Available**;

5.4.3 **Bid-Offer Data** comprising **Bid-Offer Pairs** (1 to 5) with a MW range greater than or equal to **Contracted Quantity**; and

5.4.4 associated **Dynamic Parameters** which are consistent in all respects with the **QR Service Parameters** including **MDO** and MWh figures and times which indicate capability to deliver at least the **Contracted Quantity** throughout the **Contracted Service Period**.

5.5 Where the **QR Contract** is for **Positive Quick Reserve** from a negative **Final Physical Notification** towards zero but to a position of not ~~through~~more than zero, then the **BM Unit Data** shall include, for the relevant **Contracted Service Period** and the associated potential **Cross-Over Period**:-

5.5.1 a **Final Physical Notification** where:-

SIL – FPN ≥ Contracted Quantity

or, if to a position of zero:

0 - FPN = Contracted Quantity
and
SIL – FPN < Contracted Quantity

5.5.2 **Bid-Offer Data** comprising **Bid-Offer Pairs** (1 to 5) with a MW range greater than or equal to **Contracted Quantity**; and

5.5.3 associated **Dynamic Parameters** which are consistent in all respects with the **QR Service Parameters** including **MDO** MWh figures and times which indicate capability to deliver at least the **Contracted Quantity** throughout the **Contracted Service Period**.

5.6 Where the **QR Contract** is for **Positive Quick Reserve** from a negative **Final Physical Notification** towards zero and through zero, then the **BM Unit Data** shall include, for the relevant **Contracted Service Period** and the associated potential **Cross-Over Period**:-

5.6.1 a **Final Physical Notification** where:-

SEL and **SIL** equal zero,
and
MEL – FPN ≥ Contracted Quantity

Else, if **SEL** and **SIL** are not both 0 then:

SEL – FPN ≤ Contracted Quantity,
and
MEL - FPN ≥ Contracted Quantity

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5.6.2 **Bid-Offer Data** comprising **Bid-Offer Pairs** (1 to 5) with a MW range greater than or equal to **Contracted Quantity**; and

5.6.3 associated **Dynamic Parameters** which are consistent in all respects with the **QR Service Parameters** including **MDO** MWh figures and times which indicate capability to deliver at least the **Contracted Quantity** throughout the **Contracted Service Period**.

5.7 Where the **QR Contract** is for **Negative Quick Reserve** from a **Final Physical Notification** (baseload) of above zero to a position of not less than zero, then the **BM Unit Data** shall include, for the relevant **Contracted Service Period** and the associated potential **Cross-Over Period**:-

5.7.1 a **Final Physical Notification** where:-

FPN - **SEL** ≥ **Contracted Quantity**

or, if to a position of zero:

FPN – 0 = **Contracted Quantity**

5.7.2 **Bid-Offer Data** comprising **Bid-Offer Pairs** (-1 to -5) with a MW range greater than or equal to **Contracted Quantity**; and

5.7.3 associated **Dynamic Parameters** which are consistent in all respects with the **QR Service Parameters** including **MDB** MWh figures and times which indicate capability to deliver at least the **Contracted Quantity** throughout the **Contracted Service Period**.

5.8 Where the **QR Contract** is for **Negative Quick Reserve** from a **Final Physical Notification** (baseload) of zero or above zero to a position less than zero, then the **BM Unit Data** shall include, for the relevant **Contracted Service Period** and the associated potential **Cross-Over Period**:-

5.8.1 a **Final Physical Notification** where:-

SEL and **SIL** equal zero, and

FPN - **MIL** ≥ **Contracted Quantity**

else

If **SEL** and **SIL** are not both 0 then

FPN - **SIL** ≤ **Contracted Quantity**, and

FPN - **MIL** ≥ **Contracted Quantity**

5.8.2 **Bid-Offer Data** comprising **Bid-Offer Pairs** (-1 to -5) with a MW range greater than or equal to **Contracted Quantity**; and

5.8.3 associated **Dynamic Parameters** which are consistent in all respects with the **QR Service Parameters** including **MDB** MWh figures and times which indicate capability to deliver at least the **Contracted Quantity** throughout the **Contracted Service Period**.

5.9 Where the **QR Contract** is for **Negative Quick Reserve** from a negative **Final Physical Notification**, then the **BM Unit Data** shall include, for the relevant **Contracted Service Period** and the associated potential **Cross-Over Period**:-

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5.9.1 a **Final Physical Notification** where:-

FPN - MIL ≥ Contracted Quantity

5.9.2 **Bid-Offer Data** comprising **Bid-Offer Pairs** (-1 to -5) with a MW range greater than or equal to **Contracted Quantity**; and

5.9.3 associated **Dynamic Parameters** which are consistent in all respects with the **QR Service Parameters** including **MDB** MWh figures and times which indicate capability to deliver at least the **Contracted Quantity** throughout the **Contracted Service Period**.

5.10 Where the **Service Provider** becomes aware of changes in the technical capability of a **QR Unit** rendering it unable to deliver **Quick Reserve** in a **Contracted Service Period** in accordance with its **QR Contract**, then it shall promptly (and in any event within fifteen (15) minutes of becoming aware) indicate such unavailability, where applicable by withdrawing its **Mandatory Availability Declaration** (regardless of whether before or after **Gate Closure** for that **Contracted Service Period**), which shall be by way of an appropriate resubmission of its relevant **BM Unit Data** in accordance with the **Grid Code**.

5.11 Each withdrawal by the **Service Provider** of a **Mandatory Availability Declaration** pursuant to paragraph 5.10 shall, upon request by **NESO** and as soon as reasonably practicable thereafter be followed by an explanation in reasonable detail of the reasons for such unavailability.

5.12 Where at any time with respect to a **Contracted Service Period NESO** reasonably considers that the **Service Provider** has submitted **Bid-Offer Prices** into the **Balancing Mechanism** (whether or not accepted by **NESO** by way of **Bid-Offer Acceptance(s)**) which by virtue of being excessively high or excessively low (as the case may be) having regard to market prices and conditions, have as their sole or primary objective to discourage **NESO** from issuing **Bid-Offer Acceptance(s)** with respect thereto, then **NESO** may so notify the **Service Provider** requesting an explanation in reasonable detail of the rationale for such pricing. If, having received such explanation, **NESO** continues to believe that such **Bid-Offer Prices** have as their sole or primary objective to discourage **NESO** from issuing **Bid-Offer Acceptance**(s), or if no explanation in reasonable detail is received by **NESO** ~~withing~~within fourteen (14) days of such request, then **NESO** having regard to all the circumstances, may at its sole discretion:-

5.12.1 refer such **Bid-Offer Prices** to the **Authority** for consideration; and/or

5.12.2 declare **Quick Reserve** as unavailable from that **QR Unit** for the entire affected **Contracted Service Period**(s),

and where **NESO** has taken either or both of such actions in consequence of the same or similar circumstances occurring in the preceding period of ninety (90) days (whether or not related to the same **QR Unit**), then **NESO** may at its sole discretion:

5.12.3 **Deregister** the relevant **QR Unit**(s) or any of them; and/or

5.12.4 **Deregister** the **Service Provider** as a **Registered Auction Participant** and/or **Registered Service Provider**.

5.13 Where, in respect of any **QR Unit** and **Contracted Service Period**, the **Service Provider** shall have failed to submit (or shall have withdrawn pursuant to paragraph 5.10) a **Mandatory Availability Declaration** meeting the requirements (as applicable) of paragraphs 5.4 to 5.9 inclusive, then except as provided in paragraph 5.17, **Quick Reserve** shall be deemed unavailable from that **QR Unit** for the entire affected **Contracted Service Period,** and paragraph 1.5.2 shall apply.

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5.14 Without prejudice to paragraph 5.13, and with respect to any **QR Unit** and **Contracted Service Period**, **Quick Reserve** shall be deemed to be unavailable (including for the purposes of calculating **Availability Payments**) for the entirety of that **Contracted Service Period** if:-

5.14.1 at any time during that **Contracted Service Period**, the **QR Unit** becomes incapable of delivering the full **Contracted Quantity** for the remainder of that **Contracted Service Period** except as provided in paragraph 5.17; or

5.14.2 with respect to that **Contracted Service Period** the **Service Provider** shall have failed to comply with any of the requirements for submission of **Performance Metering Data** applicable to **BM Participating ~~Auction~~QR Units** under (including in the manner required by) paragraph 20.

5.15 Without prejudice to paragraphs 5.12, 5.13 and 5.14, in the case of any:-

5.15.1 failure to comply with paragraph 5.11; and/or

5.15.2 indication of unavailability pursuant to paragraph 5.10 unrelated to technical capability of the **QR Unit**; and/or

5.15.3 indication that a **QR Unit** which is otherwise technically capable of delivering **Quick Reserve** is or has become incapable of delivering the full **Contracted Quantity** for the remainder of the **Contracted Service Period** as described in paragraph 5.14; and/or

5.15.4 persistent or repetitive failure to submit and/or withdraw **Mandatory Availability Declarations** pursuant to paragraphs 5.3 or 5.10; and/or

5.15.5 failure to comply with paragraph 8.1; and/or

5.15.6 deemed unavailability pursuant to paragraph 17,

then **NESO** may in its discretion (but with reasonable grounds):-

(a) **Deregister** the relevant **QR Unit**(s) or any of them; and/or

(b) **Deregister** the **Service Provider** as a **Registered Auction Participant** or **Registered Service Provider**.

5.16 No costs or expenses incurred by **Service Providers** in the course of preparing and/or submitting **Mandatory Availability Declarations** shall be paid by **NESO**.

5.17 Nothing in this paragraph 5 shall deem unavailability of **Quick Reserve** from an **Energy Limited Asset** where (and to the extent only) that such **Energy Limited Asset** becomes incapable of delivering the full **Contracted Quantity** for all of the remainder of a **Contracted Service Period** solely by virtue of complying with a **Bid-Offer Acceptance** issued for delivery of energy during that **Contracted Service Period** at a level in excess of the **Contracted Quantity**.

6 Service Availability – Non-BM Participating

6.1 This paragraph 6 applies only to **Auction Units** which are not **BM Participating** and in respect of which, for a **QR Window**, **NESO** has accepted a **Sell Order** so as to render that **QR Window** a **Contracted Service Period** and (for that **Contracted Service Period** only) that **Auction Unit** as a **QR Unit**.

6.2 **NESO** may utilise **Quick Reserve** made available by the **Service Provider** during **Contracted Service Periods** by the issue of one or more **Instructions**.

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6.3 To facilitate the issue by **NESO** of an **Instruction** in respect of a **Contracted Service Period**, and subject always to paragraph 6.4 and the requirements set out in paragraph 20, the **Service Provider** shall confirm the technical and commercial parameters comprising its **QR Contract** by submitting to **NESO**, in respect of the relevant **QR Unit** and so as to constitute a **Mandatory Availability Declaration**, by no later than sixty (60) minutes prior to the start of that **Contracted Service Period**, a **Non-BM Data Submission** specifying, for that **Contracted Service Period**:-

(a) the **QR Unit** ID;

(b) the MW available in that **Contracted Service Period**, which must be equal to the **Contracted Quantity**;

(c) a single **QR Utilisation Price** (where the applicable pound and pence figures shall each be an integer) which:-

(i) shall apply throughout that **Contracted Service Period** and also to any subsequent period described in paragraph 10.9 unless the **Service Provider** (at its discretion) specifies in the **Non-BM Data Submission** a separate **QR Utilisation Price** (which must for the avoidance of doubt not be accompanied by a zero (0) MW availability) to apply for energy delivered as **Quick Reserve** in that period; and

(ii) need not be the same as that specified for other **Contracted Service Periods** in that **Service Day**.

For any **Mandatory Availability Declaration** to be valid, the **Service Provider** must have submitted a valid **Operational Baseline** in accordance with paragraphs 20.1 and 20.2.

6.4 Without prejudice to paragraph 6.3, if in any **Mandatory Availability Declaration** the value of MW declared available is above or below the **Contracted Quantity** then the **QR Unit** will be treated as unavailable for the purposes of calculating **Availability Payments**, however **NESO** may at its sole discretion issue **Instructions** in respect of the relevant **QR Unit** for the full quantity specified in the **Mandatory Availability Declaration.**

6.5 Where the **Service Provider** becomes aware of changes in the technical capability of a **QR Unit** rendering it unable to deliver **Quick Reserve** in a **Contracted Service Period** or the associated potential **Cross-Over Period** in accordance with its **QR Contract**, including where the **QR Unit** is no longer capable of meeting the **QR Service Parameters**, then it shall promptly (and in any event within fifteen (15) minutes of becoming aware) indicate such unavailability, where applicable by withdrawing its **Mandatory Availability Declaration** (regardless of whether before or after **Gate Closure** for that **Contracted Service Period** and/or associated potential **Cross-Over Period**), which shall be by way of an appropriate resubmission of its relevant **Non-BM Data Submission**.

6.6 Each withdrawal by the **Service Provider** of a **Mandatory Availability Declaration** pursuant to paragraph 6.5 shall, upon request by **NESO** and as soon as reasonably practicable thereafter be followed by an explanation in reasonable detail of the reasons for such unavailability.

6.7 Where at any time with respect to a **Contracted Service Period** or the associated potential **Cross-Over Period**, **NESO** reasonably considers that the **Service Provider** has submitted **QR Utilisation Prices** (whether or not accepted by **NESO** by way of **Instruction(s))** which by virtue of being excessively high or excessively low (as the case may be) having regard to market prices and conditions, have as their sole or primary objective to discourage **NESO** from issuing **Instruction(s)** with respect thereto, then **NESO** may so notify the **Service Provider** requesting an explanation in reasonable detail of the rationale for such pricing. If, having received such explanation, **NESO** continues to believe that such **QR Utilisation Prices** have as their sole or primary objective to discourage **NESO** from issuing **Instructions(s)**, or if no explanation in reasonable detail is received by **NESO** within fourteen (14) days of such request, then **NESO** having regard to all the circumstances, may at its sole discretion:-

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6.7.1 refer such **QR Utilisation Prices** to the **Authority** for consideration; and/or

6.7.2 declare **Quick Reserve** as unavailable from that **QR Unit** for the entire affected **Contracted Service Period(s)**,

and where **NESO** has taken either or both of such actions in consequence of the same or similar circumstances occurring in the preceding period of ninety (90) days (whether or not related to the same **QR Unit**), then **NESO** may at its sole discretion:

6.7.3 Deregister the relevant **QR Unit(s)** or any of them; and/or

6.7.4 Deregister the **Service Provider** as a **Registered Auction Participant** and/or **Registered Service Provider**.

6.8 Where, in respect of any **QR Unit** and **Contracted Service Period**, the **Service Provider** shall have failed to submit (or shall have withdrawn pursuant to paragraph 6.5) a **Mandatory Availability Declaration** meeting the requirements of paragraphs 6.3, then, subject to paragraph 6.4, **Quick Reserve** shall be deemed unavailable from that **QR Unit** for the entire affected **Contracted Service Period**.

6.9 Without prejudice to paragraph 6.8, and with respect to any **QR Unit** and **Contracted Service Period**, **Quick Reserve** shall be deemed to be unavailable for the entirety of that **Contracted Service Period** if at any time during that **Contracted Service Period**, the **QR Unit** becomes incapable of delivering the full **Contracted Quantity** for the remainder of that **Contracted Service Period** and/or associated potential **Cross-Over Period**.

6.10 If the **Service Provider** shall have failed in respect of a **Contracted Service Period** to comply with any of the requirements for submission of an **Operational Baseline** and/or **Performance Metering Data** applicable to any **QR Unit** which is not **BM Participating** under (including in the manner required by) paragraphs 20.1, 20.2 and 20.7, that **QR Unit** shall (without prejudice to **NESO's** right to issue an **Instruction**) be deemed to be unavailable for the purposes of calculating **Availability Payments** for the entirety of that **Contracted Service Period**.

6.11 Without prejudice to paragraphs 6.3, 6.4, 6.7, 6.8, 6.9 and 6.10, in the case of any:-

6.11.1 failure to comply with paragraph 6.5; and/or

6.11.2 failure to comply with paragraph 6.6; and/or

6.11.3 indication of unavailability pursuant to paragraph 6.5 unrelated to technical capability of the **QR Unit**; and/or

6.11.4 indication that a **QR Unit** which is otherwise technically capable of delivering **Quick Reserve** is or has become incapable of delivering the full **Contracted Quantity** for the remainder of the **Contracted Service Period** as described in paragraph 6.9; and/or

6.11.5 persistent or repetitive failure to submit and/or withdraw **Mandatory Availability Declarations** pursuant to paragraphs 6.3 or 6.5; and/or

6.11.6 failure to comply with paragraph 8; and/or

6.11.7 deemed unavailability pursuant to paragraph 17,

then **NESO** may in its discretion (but acting reasonably):-

a) **Deregister** the relevant **QR Unit**(s) or any of them; and/or

b) **Deregister** the **Service Provider** as a **Registered Auction Participant** or **Registered Service Provider**.

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7 Optional Availability – Non-BM Participating

7.1 This paragraph 7 applies only to **Auction Units** which are not **BM Participating** ~~and to **QR Windows** in respect of which that **Auction Unit** is not a **Contracted Unit**.~~ An **Optional Availability Declaration** may be submitted in relation to **Positive Quick Reserve** or **Negative Quick Reserve** for a **QR Window** only where that **Auction Unit** is not the subject of a **QR Contract** for the same **Quick Reserve Products** in that **QR Window**.

7.2 A **Service Provider** may at its sole discretion make available **Quick Reserve** to **NESO** by submitting an **Optional Availability Declaration** in the form of a **Non-BM Data Submission** meeting the requirements of paragraph 7.5, which **NESO** may utilise by the issue of an **Instruction**. Subject to paragraph 7.3, separate **Optional Availability Declarations** may be submitted for **Positive Quick Reserve** and **Negative Quick Reserve** in the same **QR Window**, including where the **Auction Unit** is the subject of a **QR Contract** for the opposite **Quick Reserve Product** in that **QR Window**. For the avoidance of doubt, an **Auction Unit** from which **Quick Reserve** is made available pursuant to an **Optional Availability Declaration** must be capable of operating at all times during the relevant **QR Window**(s) in accordance with the **QR Service Parameters**.

7.3 For the purposes of this paragraph 7:-

(a) for any **Auction Unit**, an **Optional Availability Declaration** may not be submitted by a **Service Provider** in relation to any **Contracted Service Period** for which that **Auction Unit** is a **Contracted Unit**~~;~~ for that same **Quick Reserve Product**;

(b) an **Optional Availability Declaration** may not be submitted by a **Service Provider** in relation to any **Auction Unit** for a **QR Window** where (subject to paragraph 17.4) for all or any part of that **QR Window** that **Auction Unit** is contracted to provide another **Balancing Service** to **NESO**; and

(c) where the **Service Provider** is submitting a **Mandatory Availability Declaration** pursuant to paragraph 6, any **Optional Availability Declaration** may be submitted simultaneously with the **Mandatory Availability Declaration** using a single form of **Non-BM Data Submission** but for the avoidance of doubt the same **Quick Reserve Product** cannot be made available in both declarations for the same **QR Window**.

7.4 For the avoidance of doubt, the submission by a **Service Provider** of an **Optional Availability Declaration** shall not of itself constitute a **QR Contract** or otherwise create any legally binding rights and obligations as between the **Parties** for the provision of **Quick Reserve** by the **Service Provider** from the relevant **Auction Unit**.

7.5 Each **Non-BM Data Submission** comprising an **Optional Availability Declaration** shall specify, for each **QR Window**:

(a) the **Auction Unit** ID;

(b) the **Optional MW** available in that **QR Window**; and

(c) a single **QR Utilisation Price** (where the applicable pound and pence figures shall each be an integer), which:-

(i) shall apply throughout that **QR Window** and also to any associated potential **Cross-Over Period** unless the **Service Provider** (at its discretion) specifies in the **Non-BM Data Submission** a separate **QR Utilisation Price** (which must for the avoidance of doubt not be accompanied by a zero (0) MW availability) to apply in that **Cross-Over Period**; and

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(ii) need not be the same as that specified for any other **QR Window**.

7.6 Each such **Non-BM Data Submission** shall be submitted by the **Service Provider** to **NESO** by no later than sixty (60) minutes prior to the start of the relevant **QR Window**.

7.7 Where with respect to any **QR Window** the **Service Provider** wishes to revise its **Optional Availability Declaration**, including by revising its **QR Utilisation Price(s)**, it shall do so by submitting a replacement **Non-BM Data Submission** in accordance with paragraph 7.5, and by no later than the latest time for submission specified in paragraph 7.6. Any such replacement **Non-BM Data Submission** shall supersede and replace all previously submitted **Non-BM Data Submissions**.

7.8 Where the **Service Provider** becomes aware of changes in the technical capabilities of an **Auction Unit** rendering it unable to deliver **Quick Reserve** in accordance with any **Optional Availability Declaration**, then it shall promptly (and in any event within fifteen (15) minutes of becoming aware) notify **NESO** of unavailability of **Quick Reserve** from the relevant **Auction Unit** by way of resubmission of the **Non-BM Data Submission** indicating such unavailability (regardless of whether the latest time for submission specified in paragraph 7.6 has passed), and **Quick Reserve** shall be deemed unavailable from that **Auction Unit** with effect from the time of such notification unless and until the **Service Provider** subsequently submits a **Non-BM Data Submission** by way of a **Mandatory Availability Declaration** or **Optional Availability Declaration**.

7.9 No costs or expenses incurred by **Service Providers** in the course of preparing and/or submitting **Optional Availability Declarations** shall be paid by **NESO.**

7A Non-Collusion

By submitting a **Mandatory Availability Declaration** or **Optional Availability Declaration**, each **Service Provider** hereby warrants and undertakes to **NESO** that it has neither fixed nor adjusted its prices or any of them under or in accordance with any agreement or arrangement with any other person, and that it has neither communicated to a person (other than its professional advisers) the amount or approximate amount of its prices (other than in confidence in order to obtain quotations necessary for insurance purposes) nor entered into any agreement or arrangement with any other person to restrain that other person from submitting or to fix or adjust the prices or any of them to be submitted by that other person, and each **Service Provider** indemnifies **NESO** from and against any losses, liabilities, claims, expenses and demands which **NESO** might suffer as a result of the **Service Provider** being in breach of the warranty and undertaking set out in this paragraph 7A.

8 Service Instruction

8.1 With respect to any **QR Unit** (including where **Energy Limited**), the **Service Provider** shall procure that utilisation of **Quick Reserve** pursuant to this paragraph 8 in all or part of any **Settlement Period** shall not in any way impair or prejudice availability of **Quick Reserve** from that **QR Unit** in any part of any subsequent **Contracted Service Period**.

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8.2 **NESO** may require **Service Providers** to provide **Quick Reserve** from a **QR Unit** in all or part of **Contracted Service Period(s)** by issue of **Bid-Offer Acceptances**, and a **Bid-Offer Acceptance** may specify a start time that requires the continued delivery of the **Contracted Quantity** throughout a **Cross-Over Period** to enable the **Minimum Activation Period** to be met, save in circumstances where the **Cross-Over Period** falls within a **Settlement Period** in which the **QR Unit** is contracted to provide a **Balancing Service** other than **Quick Reserve**.

8.3 A **Bid-Offer Acceptance** may be for some or all of the **Contracted Quantity**.

8.4 For the avoidance of doubt, where **NESO** requires provision of **Quick Reserve** in all or part of a **Contracted Service Period**, it may issue a **Bid-Offer Acceptance** either prior to or during that **Contracted Service Period**, consistent with the **QR Service Parameters**.

Non-BM Participating

8.5 With respect to any **QR Unit** which is not **BM Participating**, and except to the extent the **QR Unit** is deemed to be unavailable to deliver **Quick Reserve** pursuant to paragraphs 6 or 7 (as the case may be), **NESO** may, in response to any **Mandatory Availability Declaration** or **Optional Availability Declaration** and with respect to the relevant **QR Window**, serve the **Service Provider** with a notice (an "**Instruction**") requiring the **Service Provider** to provide either (as applicable):-

(a) in the case of **Negative Quick Reserve**, **Output Curtailment** or **Demand Turn Up** (as the case may be); or

(b) in the case of **Positive Quick Reserve**, **Output Increase** or **Demand Turn Down** (as the case may be),

in each case for the full **Contracted Quantity** or **Optional MW** (as the case may be), or, where paragraph 6.4 applies, the full quantity specified in the **Mandatory Availability Declaration**.

8.6 **NESO** may, without prejudice to paragraphs 8.5 and 8.7, issue an **Instruction** to the **Service Provider** in respect of a **Contracted Service Period** either prior to or during that **Contracted Service Period**, consistent with the **QR Service Parameters**.

8.7 An **Instruction** may specify a start time that requires the continued delivery of the **Contracted Quantity** or **Optional MW** throughout a **Cross-Over Period** to enable the **Minimum Activation Period** to be met in accordance with paragraph 10.9, save in circumstances where the **Cross-Over Period** falls within a **Settlement Period** in which the **QR Unit** is contracted to provide a **Balancing Service** other than **Quick Reserve**.

8.8 All **Instructions** shall be followed (or be accompanied) by an instruction from **NESO** to the **Service Provider** to cease the provision of **Quick Reserve** from a **QR Unit** (a "**Cease Instruction**") subject to the **Minimum Activation Period** being met (provided always that **NESO** may submit a **Cease Instruction** at any time for safety reasons (related to personnel or plant)).

8.9 All **Instructions** and **Cease Instructions** will be given by **NESO** and acknowledged promptly by the **Service Provider**, and will stipulate the instructed time to the nearest minute.

8.10 The **Service Provider** shall procure that each **Instruction** and **Cease Instruction** is followed unless for safety reasons or reasons relating to the technical capability of the **QR Unit** or where an **Instruction** is issued in respect of a **Recovery Period** or in breach of paragraph 8.7.

8.11 For the avoidance of doubt, for the purposes of paragraph 26 (Confidentiality) the **Service Provider** consents to **NESO** publishing all **Instructions** and **Cease Instructions** on its website in a non-anonymised format.

9 Service Delivery – BM Participating

9.1 This paragraph 9 applies only to **Auction Units** which are **BM Participating**.

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9.2 Upon receipt of a **Bid-Offer Acceptance**, the **Service Provider** shall provide **Quick Reserve** from a **QR Unit** by commencing ramping up or down (as the case may be) so as to deliver all or part of the **Contracted Quantity** (as instructed subject to the **QR Unit's** parameters) not later than expiry of the **Response Time** and continuously until the time implied in that **Bid-Offer Acceptance**, provided that no such obligation shall arise in respect of any **Bid-Offer Acceptance** rejected by the **Service Provider** pursuant to **Grid Code** BC2.7.3.

9.3 For the avoidance of doubt, each **QR Unit** shall be capable of delivering the full **Contracted Quantity** for the duration of the **Contracted Service Period** and the associated potential **Cross-Over Period**.

9.4 In the event that, in respect of any **Contracted Service Period**:-

(a) where a **Bid-Offer Acceptance** is issued during that **Contracted Service Period**, the **QR Unit** fails to increase and/or reduce its **Output** or **Demand** (as the case may be) by at least ninety-five (95)% of that **Bid-Offer Acceptance** as measured from the point that the **Response Time** expires;

(b) the volume in MWh of **Quick Reserve** provided by the **Service Provider** in accordance with one or a series of contiguous **Bid-Offer Acceptance(s)** issued in accordance with paragraph ~~6.12~~8.2 is less than ninety-five (95)% of the volume in MWh of energy instructed to be delivered in accordance with such **Bid-Offer Acceptance(s)** in any one of those **Bid-Offer Acceptance(s)**;

(c) the volume in MWh of **Quick Reserve** provided by the **Service Provider** in accordance with one or a series of contiguous **Bid-Offer Acceptance(s)** issued in accordance with paragraph 8.2 exceeds one hundred and twenty (120)% of the volume in MWh of energy instructed to be delivered in accordance with such **Bid-Offer Acceptance(s)** in any one of those **Bid-Offer Acceptance(s)**;

(d) the **QR Unit** fails to provide **Quick Reserve** in accordance with the **Bid-Offer Acceptance** continuously at a level of at least ninety-five (95)% of the MW instructed to be delivered in accordance with that **Bid-Offer Acceptance**;

(e) the **QR Unit** fails to provide **Quick Reserve** in accordance with the **Bid-Offer Acceptance** continuously at a level not in excess of one hundred and twenty (120)% of the MW instructed to be delivered in accordance with that **Bid-Offer Acceptance**; or

(f) a **Bid-Offer Acceptance** is rejected by the **Service Provider** (other than in accordance with **Grid Code** BC2.7.3(b) and whether for reasons of safety or otherwise),

then no **QR Availability Payment** shall fall due with respect to that **Contracted Service Period**.

9.5 For the avoidance of doubt, where with respect to any **Contracted Service Period** a **QR Unit** is providing another **Balancing Service** to **NESO** as permitted by paragraph 17, any volumes delivered pursuant to such other service (insofar as taken into account in **Applicable Balancing Services Volume Data**) shall be taken into account in the assessment of delivery volumes for **Quick Reserve**.

10 Service Delivery – Non-BM Participating

10.1 This paragraph 10, applies only to **Auction Units** which are not **BM Participating**.

10.2 Except to the extent the **QR Unit** is (1) deemed to be unavailable to deliver **Quick Reserve** pursuant to paragraph 6 or 7 (as the case may be) or (2) subject to a **Recovery Period**, the

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Service Provider shall respond to each **Instruction** and deliver **Quick Reserve** from the **QR Unit** in accordance with this paragraph 10.

10.3 For the avoidance of doubt, each **QR Unit** shall be capable of delivering the full **Contracted Quantity** for the duration of the **Contracted Service Period** and the associated potential **Cross-Over Period**.

10.4 On receipt of an **Instruction** in respect of a **QR Unit**, the **Service Provider** shall provide **Quick Reserve** from that **QR Unit** by commencing ramping up or down (as the case may be) so as to deliver the **Contracted Quantity** (or, where paragraph 6.4 applies, the full quantity specified in the **Mandatory Availability Declaration**) not later than expiry of the **Response Time** and subject to paragraph 10.5 continuously (without further instruction from **NESO**) until the time specified by **NESO** in a **Cease Instruction** and being not earlier than the end of the **Minimum Activation Period** (but subject always to the proviso in paragraph 8.8).

10.5 Where, in consequence of paragraph 10.4, **Quick Reserve** continues to be provided after expiry of a **QR Window** either during a **Cross-Over Period** or because of the absence of a **Cease Instruction** which would have allowed ramping back to **Operational Baseline** at or prior to the time of such expiry, then paragraph 10.9 shall apply, and where the **QR Window** is immediately followed by a **Contracted Service Period** or a **QR Window** where **NESO** has utilised an **Optional Availability Declaration**, then the **QR Unit** shall be expected to ramp up or down (as the case may be) without further instruction from **NESO** commencing at the start of the subsequent **QR Window** (or at the end of the **Minimum Activation Period** if later).

10.6 The provision of **Quick Reserve** shall require the **Service Provider** to procure in relation to the **Auction Unit** that, in response to each **Instruction** (including during any **Cross-Over Period**):-

10.6.1 for **Negative Quick Reserve**, the instantaneous values of aggregate **Output** (being a positive value) or **Demand** (being a negative value) of the **Auction Unit** during each relevant **QR Window** do not at any time exceed a level represented by the prevailing **Operational Baseline** as reduced by the MW value declared in the **Mandatory Availability Declaration** or **Optional MW**;

10.6.2 for **Positive Quick Reserve**, the instantaneous values of aggregate **Output** (being a positive value) or **Demand** (being a negative value) of the **Auction Unit** during each relevant **QR Window** do not at any time fall below a level represented by the prevailing **Operational Baseline** as increased by the MW value declared in the **Mandatory Availability Declaration** or **Optional MW** (as the case may be),

save, in either case, for reasons relating to the safety of persons or the **Service Provider's Plant** and **Equipment**.

10.7 Without prejudice to its obligations under paragraphs 6.5 and 7.8 (as applicable), the **Service Provider** shall notify **NESO** by telephone, and confirm promptly thereafter by email (in such format as **NESO** may specify from time to time), in each case in accordance with paragraph 18, if it reasonably expects or becomes aware that during all or any part of any **QR Window** the subject of a **Mandatory Availability Declaration** or **Optional Availability Declaration** the **QR Unit** is or will be unable (for whatever reason) to provide **Quick Reserve**, whereupon the **QR Unit** shall be deemed to be unavailable to deliver **Quick Reserve** for the entirety of that **QR Window** (including any part thereof prior to the time of the **Service Provider**'s notification to **NESO**).

10.8 In the event that, in respect of a **QR Unit** and in response to an **Instruction** (including during any **Cross-Over Period**):-

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(a) the **Service Provider** fails to provide **Quick Reserve** at a level at least ninety-five (95)% of the instructed MW measured when the **Response Time** expires;

(b) the volume in MWh of **Quick Reserve** provided by the **Service Provider** following receipt of an **Instruction** is less than ninety-five (95)% of the instructed volume measured over the period commencing on the expiry of the **Time to Full Delivery** and ending at the time described in paragraph 10.4;

(c) the volume in MWh of **Quick Reserve** provided by the **Service Provider** in accordance with one or a series of contiguous **Instructions** issued in accordance with paragraph 8.5 exceeds one hundred and twenty (120)% of the volume in MWh of energy instructed to be delivered in accordance with such **Instruction(s)**;

(d) the **Service Provider** fails to provide **Quick Reserve** continuously at a level of at least ninety-five (95)% of the instructed level of MW until the time described in paragraph 10.4;

(e) the **Service Provider** fails to provide **Quick Reserve** continuously at a level not in excess of one hundred and twenty (120)% of the instructed level of MW until the time described in sub-paragraph10.4; or

(f) an **Instruction** is rejected (or deemed rejected) by the **Service Provider** (whether for reasons of safety or reasons relating to the technical capability of that **QR Unit**), except where the **Instruction** is issued in respect of a **Recovery Period** or a **QR Window** in which the **QR Unit** is contracted to provide a **Balancing Service** other than **Quick Reserve**,

then, without prejudice to the **Service Provider's** obligations under paragraph 10.6 no **QR Availability Payment** shall fall due with respect to the **QR Window** in question.

Continued service delivery after expiry of QR Window

10.9 Where **Quick Reserve** continues to be delivered into a new **QR Window** in accordance with an **Instruction** to commence delivery in the preceding **QR Window**, then:-

(a) where such delivery is in a **Cross-Over Period** which does not form a part of a **Contracted Service Period** and paragraph (b) below does not apply, without any further **Instruction** being issued by **NESO**:-

(i) the **QR Unit** shall continue to deliver **Quick Reserve** after the end of that preceding **QR Window** until expiry of the **Minimum Activation Period** whereupon it shall return to its **Operational Baseline** for that **Settlement Period**;

(ii) the above period of **Quick Reserve** delivery shall include any ramping pursuant to a **Cease Instruction**; and

(iii) energy delivered as **Quick Reserve** during that **Cross-Over Period** shall be settled at the applicable **QR Utilisation Price** as specified in paragraph 6.3 (for the avoidance of doubt, being any separate utilisation price for the period after that preceding **QR Window** submitted by the **Service Provider** in its **Non-BM Data Submission** for that **QR Window** or, where no such price is submitted, the utilisation price so submitted for the **QR Window)**;

(b) where such delivery is in a **Cross-Over Period** which forms part of a **Contracted Service Period,** then:-

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(i) where the **Contracted Quantity** (or the full quantity specified in the **Mandatory Availability Declaration** as applicable) for the separate **QR Contract** for that subsequent **QR Window** requires the **QR Unit** to ramp up, ramping shall commence not earlier than the start of the **Cross-Over Period**;

(ii) where the **Contracted Quantity** (or the full quantity specified in the **Mandatory Availability Declaration** as applicable) for that separate **QR Contract** requires the **QR Unit** to ramp down, ramping shall end at expiry of the **Cross-Over Period**;

(iii) energy delivered as **Quick Reserve** during that **Cross-Over Period** shall be settled at the **QR Utilisation Price** for that separate **QR Contract**; and

(iv) the **QR Unit** shall not be deemed to be unavailable for the duration of any **Recovery Period** associated with that **Cross-Over Period**;

(c) where such delivery is in a **Cross-Over Period** which forms part of a **QR Window** in respect of which **NESO** has issued an **Instruction** in relation to **Optional MW** then:-

(i) where the **Optional MW** for the separate **QR Contract** for that subsequent **QR Window** requires the **QR Unit** to ramp up, ramping shall commence not earlier than the start of the **Cross-Over Period**;

(ii) where the **Optional MW** for that separate **QR Contract** requires the **QR Unit** to ramp down, ramping shall end at expiry of the **Cross-Over Period**;

(iii) energy delivered as **Quick Reserve** during that **Cross-Over Period** shall be settled at the **QR Utilisation Price** for that separate **QR Contract**; and

(iv) the **QR Unit** shall not be deemed to be unavailable for the duration of any **Recovery Period** associated with that **Cross-Over Period**;

(d) where such delivery is not in a **Cross-Over Period** and represents continued delivery of **Quick Reserve** after expiry of that preceding **QR Window** and/or ramping back to an **Operational Baseline** in response to a **Cease Instruction**, then energy delivered as **Quick Reserve** during that period shall be settled at the applicable **QR Utilisation Price** as specified in paragraph 6.3 (for the avoidance of doubt, being any utilisation price for the period after that preceding **QR Window** submitted by the **Service Provider** in its **Non-BM Data Submission** for that **QR Window** or, where no such price is submitted, the utilisation price so submitted for the **QR Window**).

11 QR Availability Payments

11.1 In respect of each **QR Contract** formed pursuant to the **QR Procurement Rules**, and subject always to paragraph 8.2, **NESO** shall, in accordance with paragraph 13, pay to the **Service Provider** an amount (a "**QR Availability Payment")** calculated in accordance with the formula in Schedule 3 and by reference to the applicable **Market Clearing Price** for each relevant **Contracted Service Period**.

11.2 No **QR Availability Payment** shall be made by **NESO** to the **Service Provider** in respect of any **Contracted Service Period** which is wholly or partly affected by a period or periods of unavailability or deemed unavailability pursuant to paragraphs 5 or 6 or in respect of which the **Service Provider** has failed to comply with the requirements of paragraph 10.9.

12 Energy Utilisation Payments

BM Participating

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12.1 Payments to the **Service Provider** in respect of a **BM Participating QR Unit** for the provision of **Quick Reserve** in **Contracted Service Periods** shall be made in respect of each **Bid Offer Acceptance** in accordance with the **Balancing and Settlement Code**.

Non-BM Participating

12.2 Where a **QR Unit** is not **BM Participating**, **NESO** shall pay to the **Service Provider** in accordance with paragraph 13, in respect of each relevant **QR Window**, an amount (a "**QR Utilisation Payment**") calculated in accordance with the formulae in Schedule 4 and by reference to the applicable **QR Utilisation Price** for the relevant **QR Window** provided that no **QR Utilisation Payment** shall be payable in respect of any **QR Window** for which the **Service Provider** has failed to submit an **Operational Baseline** and/or **Performance Metering Data** in accordance with paragraph 20.

ABSVD

12.3 **NESO** and **Service Providers** shall each comply with the prevailing **ABSVD Methodology Statement** to determine the relevant energy volume for each **QR Unit** by reference to the **MSID Pairs** associated with that **QR Unit** for submission by **NESO** to the **Supplier Volume Allocation Agent** as part of the **MSID Pair Data** in accordance with Section Q of the **BSC**.

13 Payment Procedure

13.1 In respect of each calendar month during which the **Service Provider** has been party to one or more **QR Contracts**, **NESO** shall send to the **Service Provider** a **Monthly Statement** setting out, in respect of each such **QR Contract**, its calculation of:-

(a) the **QR Availability Payments** payable to the **Service Provider** pursuant to paragraph 11;

(b) the **QR Utilisation Payments** payable to the **Service Provider** pursuant to paragraph 12.2;

(c) any adjustments made to previous **Monthly Statements**; and

(d) the resulting net amount due to (or from, as the case may be) the **Service Provider**,

and in respect thereof the provisions of Schedule 5 shall apply.

14 Grid Code and Distribution Code

14.1 The provision by the **Service Provider** of **Quick Reserve** shall not relieve it of any of its obligations or affect such obligations (where applicable) set out in the **Grid Code** (including its obligations (if any) to provide **Mode A Frequency Response** when instructed by **NESO** pursuant to the **CUSC** and/or the **Grid Code**) or to provide **Demand** control when instructed by **NESO** pursuant to **Grid Code** OC6) or in the **Distribution Code** of its host **Public Distribution System Operator**.

14.2 Without limiting paragraph 14.1, each **Service Provider** that is or becomes a **DRSC Liable User** shall, for the duration of each **Contracted Service Period**, comply in all respects with the **Demand Response Services Code** as it refers to **Demand Response Active Power Control**.

15 Maintenance of Plant and Apparatus

15.1 The **Service Provider** shall maintain all **Plant** and **Apparatus** comprising each **QR Unit** to such a standard that the **Service Provider** can meet its obligations to provide **Quick Reserve** in accordance with each **QR Contract** and these **QR Service Terms**.

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16 Third Party Claims

16.1 The **Service Provider** undertakes to **NESO** that the availability and delivery of **Quick Reserve** from any **QR Unit** pursuant to and in accordance with each **QR Contract** and these **QR Service Terms** will not at any time cause the **Service Provider** to be in breach of or to otherwise be non-compliant with any **Connection Agreement** and/or any agreement for the supply of electricity or related services to or from a **QR Unit**.

16.2 Notwithstanding paragraph 16.1, in the event that the **Service Provider** makes available and/or delivers **Quick Reserve** in accordance with these **QR Service Terms** in consequence of which **NESO** suffers or incurs any loss in respect of a claim brought by any third party related to any actual or alleged breach or non-compliance by the **Service Provider** as described in paragraph 16.1, then the **Service Provider** shall indemnify **NESO** against all and any losses, liabilities, claims, expenses and demands suffered or incurred by **NESO** in connection therewith. Such indemnity shall include any legal costs and expenses reasonably incurred in the contesting of such claims including the court costs and reasonable attorney's fees and other professional advisors' fees. The **Parties** agree and accept that, for the purposes of paragraph 22, all such legal costs and expenses expressed to be the subject of such indemnity shall be treated as direct losses.

16.3 In the event of any such claim referred to in paragraph 16.2 being made against **NESO**, **NESO** shall as soon as reasonably practicable give notice of the claim together with all relevant supporting documentation to the **Service Provider**. The **Service Provider** shall be entitled, upon written notice to **NESO** and subject to **NESO** receiving from the **Service Provider** such reasonable undertakings as **NESO** shall reasonably require to protect **NESO** against damage to its name and reputation, to assume at its own expense the sole conduct of all proceedings relating to such claim including the right to contest such claim in the name of **NESO**. **NESO** shall supply the **Service Provider** with all information, assistance and particulars reasonably required by the **Service Provider** in connection therewith. **NESO** shall not accept, settle, pay or compromise any such claim without the prior written approval of the **Service Provider** (not to be unreasonably withheld or delayed). The **Service Provider** shall reimburse to **NESO** all of its reasonable expenses incurred in connection with the provision of any such information, assistance or particulars in the contesting of any such claim.

17 Provision of Other Services

17.1 The **Service Provider** undertakes to **NESO** that the availability and delivery of **Quick Reserve** from any **QR Unit** pursuant to and in accordance with a **QR Contract** and these **QR Service Terms** will not at any time during any **Contracted Service Period** (or period of availability of **Quick Reserve** pursuant to an **Optional Availability Declaration**) be impaired or otherwise prejudiced by:-

17.1.1 any planned increase or reduction (as the case may be) in **Output** of that **QR Unit** which reduces the **QR Capacity** to less than the **Contracted Quantity** otherwise than pursuant to a **Bid-Offer Acceptance**, **Instruction** or other instruction from **NESO**; and/or

17.1.2 the **Service Provider's** performance of any agreement with a third party (including another **Service Provider**) relating to that **QR Unit**, including the making available and/or delivery of services to that third party by the **Service Provider** (whether by way of increases or reductions in **Generation** or **Demand** or stipulated running profiles, participation in any other services (including where part of a trial service) or otherwise, and whether to assist in the management, operation or protection of a **User System** or pursuant to the **Capacity Market Rules** or otherwise); and/or

17.1.3 the utilisation by **NESO** of **Quick Reserve** from that **QR Unit** in all or part of any earlier **QR Window**.

17.2 Notwithstanding paragraph 17.1, in the event that the **Service Provider** is unable to provide **Quick Reserve** (to any extent) in all or any part of any **Contracted Service Period** (or period of availability of **Quick Reserve** pursuant to an **Optional Availability Declaration**) for any

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reason described therein, then the **Service Provider** shall give a full explanation to **NESO** in its notification of unavailability, and the **QR Unit** shall be deemed unavailable for the entire affected **QR Window** and paragraph 5.15 or 6.10 (as applicable) shall apply.

17.3 Where paragraph 17.2 applies, upon request from **NESO** (at its sole discretion) the **Service Provider** shall pay to **NESO** (in accordance with Schedule 5) an amount equal to the aggregate **Incremental Volume Cost Amount** for each relevant **Settlement Period** by way of reimbursement of **NESO**'s additional costs of alternative or replacement service provision resulting from the **Service Provider**'s inability to provide **Quick Reserve** as referred to in paragraph 17.2.

17.4 Where, during any **Contracted Service Period** (or period of availability of **Quick Reserve** pursuant to an **Optional Availability Declaration**), a **Service Provider** is required under the terms of any agreement with **NESO** to provide from any **QR Unit** any other **Balancing Service** (except with respect to **Reactive Power** or where the **QR Unit** is operating in **Frequency Sensitive Mode** upon instruction of **NESO**), the **Parties** agree and acknowledge that, unless **NESO** determines that such service provision is not in conflict with the delivery of **Quick Reserve**, **Quick Reserve** cannot be provided simultaneously with such other **Balancing Service** and accordingly:-

17.4.1 unless pursuant to the terms for provision of and payment for such other **Balancing Services** the relevant **QR Unit** is deemed unavailable to provide **Quick Reserve** or except as may otherwise be specified by **NESO** in writing, the relevant **QR Unit** shall be deemed unavailable to provide such other **Balancing Service**; and

17.4.2 availability of the **QR Unit** to provide **Quick Reserve** pursuant to these **QR Service Terms** shall prevail.

17.5 For the avoidance of doubt, paragraph 17.4 shall not affect the submission by a **Service Provider** of (1) bids and offers (and the issue of **Bid-Offer Acceptances**) under the **Balancing Mechanism** where not made pursuant to terms agreed with **NESO** for provision of any other **Balancing Service**, and (2) a **Sell Order** for **Positive Quick Reserve** and a **Sell Order** for **Negative Quick Reserve** with respect to the same **QR Unit** and **QR Window** insofar as permitted by the **QR Procurement Rules**.

17.6 Without prejudice to the undertaking in paragraph 17.1, nothing in this paragraph 17 shall prevent or restrict any **QR Unit** from providing **Quick Reserve** in any **QR Window** which overlaps to any extent with service provision under a contract to which the **Service Provider** is a party pursuant to the **Capacity Market Rules**.

18 Communications

18.1 Any communications required by these **QR Service Terms** to be given in writing shall unless otherwise provided in this paragraph 18 be made and deemed to have been received in accordance with paragraph 30 save as may be otherwise agreed by the **Parties**.

18.2 The **Parties** consent to the recording of all telephone conversations between them relating in whole or in part to these **QR Service Terms**, and each **Party** agrees to notify its employees of that consent and obtain their consent to that recording if required by **Law**.

18.3 Unless otherwise expressly provided in these **QR Service Terms**, and subject always to paragraph 20, all communications between the **Parties** (or between **NESO** and the **Service Provider's Agent**) pursuant to these **QR Service Terms** shall be given via **EDL/EDT (**or **NESO's Wider Access** equivalent) or **OBP**.

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18.4 If, for whatever reason, **EDL/EDT** (or **NESO's Wider Access** equivalent) or **OBP** shall at any time become unavailable, then to that extent all declarations, instructions and other communications of whatever nature which concern the availability and utilisation of **Quick Reserve** shall be given by **Control Telephony** or **System Telephony** or by such other means as may be agreed between the **Parties**.

19 Termination of QR Contracts

19.1 Either **Party** shall have the right to terminate a **QR Contract** in the circumstances set out in paragraph 7.1 of the **Flexibility Services Standard Agreement** as if paragraphs 7.1 and 7.3 were set out in full herein.

19.2 Without prejudice to paragraph 19.1, and in addition to any other rights of termination available under the **QR Procurement Documentation**, **NESO** may in its absolute discretion terminate a **QR Contract** in respect of a **QR Unit** with immediate effect by notice in writing to the **Service Provider** where the **Service Provider** is in material breach of a warranty or declaration given as part of the **Registration and Pre-Qualification Procedure** or under any of the **QR Procurement Documentation**.

19.3 Paragraphs 7.5 to 7.7 inclusive of the **Flexibility Services Standard Agreement** shall apply as if set out in full herein.

20 Monitoring and Metering

Operational Baseline – Non-BM Participating only

20.1 As soon as reasonably practicable following **Auction Results Time** (and by no later than two (2) hours after publication of the **Auction Results**), and for each **QR Unit** which is not **BM Participating** and with one or more **Contracted Service Periods** in the following **Service Day**, the **Service Provider** shall submit to **NESO**, via **OBP**(or such other method as may be notified in writing by **NESO**), an intended operating profile for each **QR Unit** for each **Settlement Period** falling in that **Service Day**. Such operating profile may be updated from time to time by the **Service Provider** but shall at all times represent the **Service Provider**'s best estimate of the operating profile of the **QR Unit**, and for any **Settlement Period** may not be changed later than sixty (60) minutes ahead of the **QR Window** (whereupon it is referred to in these **QR Service Terms** as the "**Operational Baseline**").

20.2 Without prejudice to paragraph 20.1, the **Service Provider** must have submitted an **Operational Baseline** for a **QR Unit** which is not **BM Participating** for the **Contracted Service Period** and the next **Settlement Period** by sixty (60) minutes ahead of the **Contracted Service Period** or sixty (60) minutes ahead of the next **Settlement Period** (as the context requires).

20.3 Without prejudice to the foregoing, an **Operational Baseline** representing the **Service Provider**'s best estimate of the operating profile of the **QR Unit** must also be submitted for each **QR Window** in respect of which an **Optional Availability Declaration** has been submitted by the **Service Provider** (and, for each such **QR Window**, the **Settlement Period** which follows) by sixty (60) minutes ahead of the **QR Window** or sixty (60) minutes ahead of the next **Settlement Period** (as the context requires).

Operational metering – Non BM Participating

20.4 For each **QR Unit** which is not **BM Participating** and with one or more **Contracted Service Periods** in a **Service Day**, the **Service Provider** shall procure and submit to **NESO**, on a continuous basis, the **Operational Metering Data** for:

20.4.1 each **Settlement Period** falling in that **Service Day**; and

20.4.2 where the **Service Provider** is contracted for the final **Settlement Period** in a **Service Day**, the first **Settlement Period** of the following **Service Day**.

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20.5 For any **QR Window** in respect of which a **QR Unit** has an **Optional Availability Declaration** submitted, the **Service Provider** shall procure and submit to **NESO** the **Operational Metering Data** for that **QR Unit** in respect of each **QR Window** in which the **QR Unit** is optionally available and the following **Settlement Period**.

20.6 All **Operational Metering Data** shall be submitted by the method specified in the **Operational Metering Technical Specification**.

Performance Metering – BM and Non-BM Participating

20.7 To enable **NESO** to monitor the delivery of **Quick Reserve** pursuant to a **QR Contract** and to facilitate calculation of **QR Availability Payments** and **QR Utilisation Payments** (as applicable), the **Service Provider** shall, by not later than twenty-four (24) hours following the end of the relevant **Service Day**, procure and submit to **NESO**, **Performance Metering Data**:-

20.7.1 in respect of each ~~**Auction**~~**QR Unit** and for each **Contracted Service Period** and the following **Settlement Period**; and

20.7.2 in respect of each ~~**Auction**~~**QR Unit** and for each **Settlement Period** (and the next **Settlement Period** if it includes a **Cross-Over Period**) in which it was subject to an **Instruction** in respect of **Optional MW.**

20.8 If a **Service Provider** does not submit all or any **Performance Metering Data** within twenty-four (24) hours of the end of the relevant **Service Day** as a result of an IT interface issue (to be determined by **NESO** in its sole discretion (acting reasonably)), the **Service Provider** shall procure that any outstanding **Performance Metering Data** shall be submitted by such alternative means as **NESO** may agree**,** within five (5) calendar days following the end of the relevant **Service Day**.

20.9 All **Performance Metering Data** shall be submitted by the method specified in the **Performance Metering Technical Specification.**

Connection Indicator

20.10 In addition to **Operational Baselines, Operational Metering Data** and **Performance Metering Data**, the **Service Provider** shall procure and submit to **NESO**, throughout each **Contracted Service Period** and in relation to each relevant **QR Unit**, a **Connection Indicator** meeting the requirements of paragraph 20.11.

20.11 All **Connection Indicators** shall:-

20.11.1 where the **QR Unit** is **BM Participating**, be submitted via **EDL** in accordance with the **Grid Code**; and

20.11.2 where the **QR Unit** is not **BM Participating**, be submitted via **OBP** at intervals of no more than five (5) minutes and as may be further specified in writing by **NESO**.

Publication of data

20.12 For the purposes of paragraph 26 (Confidentiality) the **Service Provider** consents to **NESO** publishing on its website in a non-anonymised format any or all of:-

20.12.1 **Operational Baselines**, **Operational Metering Data** and **Performance Metering Data**;

20.12.2 indications of **QR Unit** availability for **Quick Reserve** (comprising **Contracted Quantity** or **Optional MW**);

20.12.3 submitted **QR Utilisation Prices**; and

20.12.4 details of instructions issued,

in each case insofar as not already published pursuant to the **BSC**.

De-registration

20.13 Without prejudice to any relevant provision of the **QR Procurement Rules**, where the **Service Provider** persistently or materially fails to meet any of its obligations set out in this paragraph

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20 (in whole or in part) then **NESO** reserves the right (acting reasonably) to **De-register** the **Service Provider** as a **Registered Service Provider** and/or a **Registered Auction Participant** and/or disqualify any relevant **Eligible Assets** and/or **QR Units** from participating in **Auctions**.

21 Force Majeure

21.1 Save for paragraphs 9.2.2 and 9.4 which shall not apply, paragraph 9 of the **Flexibility Services Standard Agreement** shall apply as if set out in full herein.

22 Liability, Indemnity and Insurance

22.1 Paragraph 10 of the **Flexibility Services Standard Agreement** shall apply as if set out in full herein.

23 Records and Audits

23.1 Paragraph 4 of the **Flexibility Services Standard Agreement** shall apply as if set out in full herein

23.2 Without limiting paragraph 23.1, the **Service Provider** agrees to provide all underlying metering data associated with delivery of **Quick Reserve** from **Auction Units** promptly upon request by **NESO**.

24 Assignment

24.1 Subject always to paragraph 24.2, paragraph 11 of the **Flexibility Services Standard Agreement** shall apply as if set out in full herein.

24.2 **QR Contracts** may be assigned by the **Service Provider** by way of **Transfer Notices** as specified in, and in accordance with, paragraph 25.

25 Transfer of QR Contracts

25.1 At any time during the subsistence of a **QR Contract**, a **Service Provider** ("the **Primary Service Provider**") may assign to another **Registered Auction Participant** ("the **Secondary Service Provider**") all of its rights and obligations under a **QR Contract**.

25.2 The effect of any such assignment, once validated by **NESO** pursuant to this paragraph 25, is that all rights and obligations of the **Primary Service Provider** under these **QR Service Terms** with respect to the relevant **QR Contract** shall be transferred to the **Secondary Service Provider**, for the avoidance of doubt for the entirety of the **Contracted Service Period** in question.

25.3 No assignment shall be valid unless:-

25.3.1 both entitles are **Registered Auction Participants**;

25.3.2 the Secondary **Service Provider** has **Plant** and **Apparatus** which is registered as an **Auction Unit** pursuant to the **QR Procurement Rules** with sufficient **QR Capacity** reasonably expected to be available and proven capability to deliver **Quick Reserve** to enable the **QR Contract** to be discharged during the applicable **Contracted Service Period**;

25.3.3 the **Plant** and **Apparatus** comprising the **Secondary Provider's Auction Unit** is in the same **Zone** as the **Plant** and **Apparatus** comprising the **Primary Service Provider's Auction Unit** the subject of the **QR Contract**;

~~25.3.3~~25.3.4 it is validly notified to **NESO** pursuant to paragraphs 25.4 to 25.7 inclusive and the **Transfer Notice** validated by **NESO**; and

~~25.3.4~~25.3.5 where the **Contracted Service Period** in question is **Linked**, the **Service Provider** complies with paragraph 25.11.

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25.4 Each assignment shall be notified to **NESO** by the **Primary Service Provider** by no later than sixty (60) minutes prior to commencement of the applicable **Contracted Service Period**, and in the format designated by **NESO** for such purpose and published on the **Industry Information Website** and each such assignment is referred to in these **QR Service Terms** as a "**Transfer Notice**".

25.5 Unless otherwise stipulated in writing by **NESO** from time to time, each **Transfer Notice** shall comprise the entirety of a **Contracted Service Period**, and shall specify:-

25.5.1 the identity of the **Primary Service Provider** and **QR Unit**; and

25.5.2 the identity of the **Secondary Service Provider** and its **Auction Unit**.

25.6 Each assignment shall comprise the entire **Contracted Quantity** associated with the **QR Contract**, and for the avoidance of doubt the **Contracted Quantity** shall not be capable of being split amongst two or more **Secondary Service Providers** or two or more **Auction Units**.

25.7 Each **Transfer Notice** must be signed by or on behalf of both the **Primary Service Provider** and the **Secondary Service Provider**.

25.8 Unless deemed withdrawn in accordance with paragraphs 25.9 or 25.10, all **Transfer Notices** properly submitted in accordance with this paragraph 25 shall be automatically accepted by **NESO**.

25.9 Where in **NESO**'s reasonable opinion the delivery of **Quick Reserve** pursuant to the **QR Contract** by the **Secondary Service Provider**'s designated **Auction Unit** would or might endanger operational security within the meaning of the **Electricity Transmission System Operation Regulation**, then **NESO** shall so notify both **Registered Auction Participants** whereupon the **Transfer Notice** shall be deemed withdrawn.

25.10 A **Transfer Notice** shall be invalid if the **Secondary Service Provider'**s designated **Auction Unit** is the subject of a **QR Contract** for the same **Contracted Service Period**, in which case **NESO** shall so notify both whereupon the **Transfer Notice** shall be deemed withdrawn.

25.11 Where the **Contracted Service Period** the subject of a **Transfer Notice** is **Linked**, the **Service Provider** shall procure that the **Transfer Notice** is accompanied by a valid **Transfer Notice** for all other **QR Contracts** to which it is a party for that **Auction Unit** with respect to each of the other **Contracted Service Periods** to which that **Contracted Service Period** is **Linked**, and all such **Transfer Notices** shall specify the same **Secondary Service Provider** and **Auction Unit**.

25.12 For the avoidance of doubt, where a **Service Provider** wishes to discharge its obligations to **NESO** with respect to the delivery of **Quick Reserve** pursuant to a **QR Contract** using an alternative **Auction Unit** which it has registered with **NESO** under the **QR Procurement Rules**, it may serve a **Transfer Notice** pursuant to this paragraph 25. With respect to each such **Transfer Notice** validated by **NESO**, **NESO** will monitor availability and submitted parameters, and treat delivery of **Quick Reserve** from that alternative **Auction Unit**, as if made and delivered by the **Service Provider** from its original **QR Unit**, and all references in this paragraph 25 to **Secondary Service Provider** shall be construed as meaning the **Service Provider** where the context admits.

26 Confidentiality

26.1 The provisions of paragraph 12 of the **Flexibility Services Standard Agreement** shall apply to all and any information provided by **NESO** or any **Registered Auction Participant** to the other (whether orally or in writing) pursuant to or in connection with these **QR Service Terms** as if set out in full herein.

27 Intellectual Property Rights

27.1 The provisions of paragraph 13 of the **Flexibility Services Standard Agreement** shall apply to all intellectual property rights owned by or licensed to either **Party** as if set out in full herein.

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28 Data Protection

28.1 The provisions of paragraph 14 of the **Flexibility Services Standard Agreement** shall apply as if set out in full herein.

29 Modern Slavery, Anti-bribery and Living Wage

29.1 The provisions of paragraph 15 of the **Flexibility Services Standard Agreement** shall apply as if set out in full herein, and without limitation as at the date of formation of each **QR Contract** the **Service Provider** warrants, represents and undertakes to **NESO** in the manner set out in paragraph 15.1 thereof and indemnifies **NESO** as provided in paragraphs 15.2 and 15.7 thereof.

29.2 Any breach of this paragraph 29 by the **Service Provider** shall be deemed a material breach of all and any relevant **QR Contracts** for the purposes of paragraph 19.2

30 Notices

30.1 Save to the extent the manner of communication between the **Parties** is otherwise stipulated in these **QR Service Terms**, paragraph 16 of the **Flexibility Services Standard Agreement** shall apply to any notice required to be submitted under these **QR Service Terms** by either **NESO** or the **Service Provider** to the other as if set out in full herein.

30.2 For the purposes of paragraph 30.1 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.**

31 Dispute Resolution

31.1 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 **QR Service Terms** as if set out in full herein, save that:-

31.1.1 no **Party** shall have any right to refer any dispute to an **Expert** for determination except where the dispute is stated in these **QR Service Terms** to be referable to an **Expert** for determination or otherwise agreed in writing by the **Parties** to be so referable;

31.1.2 nothing in this paragraph 31.1 shall prevent the **Parties** from agreeing to resolve any dispute or difference through the courts in which case paragraph 32.2 shall apply; and

31.1.3 where any dispute is referred to arbitration, the prevailing rules of the **London Court of International Arbitration** shall apply unless otherwise agreed in writing by the **Parties** (and paragraph 17 of the **Flexibility Services Standard Agreement** shall be read and construed accordingly).

32 Governing Law and Jurisdiction

32.1 Any claim, dispute or matter (whether contractual or non-contractual) arising under or in connection with these **QR Service Terms** or their enforceability shall be governed by and construed in accordance with the laws of England and Wales.

32.2 Subject always to paragraph 32.1, **NESO** and each **Service Provider** 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 **QR Service Terms** 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.

33 Severance

33.1 The provisions of paragraph 18 of the **Flexibility Services Standard Agreement** shall apply as if set out in full herein.

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34 Third Party Rights

34.1 The provisions of paragraph 19 of the **Flexibility Services Standard Agreement** shall apply as if set out in full herein.

35 No Agency or Partnership

35.1 The provisions of paragraph 20 of the **Flexibility Services Standard Agreement** shall apply as if set out in full herein.

36 Waiver

36.1 The provisions of paragraph 21 of the **Flexibility Services Standard Agreement** shall apply as if set out in full herein.

37 Entire Agreement

37.1 The provisions of paragraph 22 of the **Flexibility Services Standard Agreement** shall apply as if set out in full herein.

38 EMR

38.1 Notwithstanding any confidentiality obligations and any restriction on the use or disclosure of information set out in the **QR Procurement Documentation**, the **Service Provider** consents to **NESO** and each of its subsidiaries using all and any information or data supplied to or acquired by it in any year under or in connection with any **Balancing Services Contract** for the purpose of carrying out its **EMR Functions**.

38.2 For the purposes of this paragraph 38 only:-

38.2.1 **"AF Rules"** has the meaning given to "allocation framework" in section 13(2) of the Energy Act 2013;

38.2.2 **"Capacity Market Rules"** means the rules created pursuant to section 34 of the Energy Act 2013 as modified from time to time in accordance with The Electricity Capacity Regulations 2014;

38.2.3 **"EMR Functions"** has the meaning given to "EMR functions" in Chapter 5 of Part 2 of the Energy Act 2013; and

38.2.4 **"EMR Document"** means The Energy Act 2013, The Electricity Capacity Regulations 2014, the Capacity Market Rules, The Contracts for Difference (Allocation) Regulations 2014, The Contracts for Difference (Electricity Supplier Obligation) Regulations 2014, The Contracts for Difference (Definition of Eligible Generator) Regulations 2014, The Electricity Market Reform (General) Regulations 2014, the AF Rules and any other regulations or instruments made under Chapter 2 (contracts for difference), Chapter 3 (capacity market) or Chapter 4 (investment contracts) of Part 2 of the Energy Act 2013 which are in force from time to time.

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SCHEDULE 1 – DEFINED TERMS

"Cease Instruction"	as defined in paragraph 8.8;
"Connection Indicator"	a signal in respect of a **QR Unit** meeting the requirements of paragraphs 20.10 and 20.11;
"Contracted Service Period"	in respect of any **Service Provider**, a **QR Window** which is the subject of a **QR Contract** formed pursuant to an **Auction** under the **QR Procurement Rules**;
"Cross-Over Period"	that part of any **QR Window** during which **Quick Reserve** continues to be delivered from an **Auction Unit** pursuant to an instruction from **NESO** (whether by way of a **Bid-Offer Acceptance** or an **Instruction**) issued during a preceding **QR Window** and which is necessary to meet the **Minimum Activation Period**, and for the avoidance of doubt regardless of whether such subsequent **QR Window** is a **Contracted Service Period**;
"**Equivalent Reserve Product**"	in relation to (1) **PQR** means **Reserve** (other than **PQR**) delivered by way of **Demand Turn Down** or **Output Increase** and (2) in relation to **NQR** means **Reserve** (other than **NQR**) delivered by way of **Demand Turn Up** or **Output Curtailment**;
"Grid Supply Point"	as defined in the **Grid Code**;
"Incremental Volume Cost Amount"	for a **Settlement Period**, the amount calculated as the higher of: (1) (A multiplied by B multiplied by 0.5) minus C and (2) zero Where: A is the highest accepted **Offer Price** or **Bid Price** in the **Balancing Mechanism** (or, as the case may be, **QR Utilisation Price**) in that **Settlement Period** (ignoring any system-tagged **Bid-Offer Acceptance** and any **Bid-Offer Acceptance** or **Instruction** issued in error), or (if higher) any price for that **Settlement Period** agreed by **NESO** and its counterparty pursuant to a grid trade under a Grid Trade Master Agreement; B is the **Contracted Quantity**; C is the settlement value calculated for that **Settlement Period** pursuant to Schedule 3 which would otherwise have been payable to the **Service Provider** but for the operation of paragraph 17.3 and Schedule 4;
"Instruction"	as defined in paragraph 8.5;
"Intermittent Power Source"	as defined in the **Grid Code**;
"Mandatory Availability Declaration"	a confirmation of availability of **Quick Reserve** from an **Auction Unit** in a **Contracted Service Period** as more particularly described in paragraphs 5 and 6;

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"Maximum Delivery Bid" of "MDB"	as defined in the **Grid Code**;
"Maximum Delivery Offer" or "MDO"	as defined in the **Grid Code**;
"Metered Data"	data relating to a flow (being either import or export) of **Active Power** which is recorded by **Metering Equipment**, which may additionally include data derived from any such data pursuant to a methodology which may be approved by **NESO** for such purpose from time to time;
"Metering Equipment"	as defined in the **BSC**;
"Minimum Activation Period"	in relation to: (i) an **Auction Unit** that is **BM Participating**, the declared **MNZT**; and (ii) an **Auction Unit** that is not **BM Participating**, the minimum duration for which an **Instruction** can be issued as notified by the **Service Provider** to **NESO** pursuant to the **Registration and Pre-Qualification Procedure**, in either case, not exceeding the period specified in Schedule 2;
"Minimum Non-Zero Time" or "MNZT"	as defined in the **Grid Code**;
"Minimum Zero Time" or "MZT"	as defined in the **Grid Code**;
"Monthly Statement"	as defined in Schedule 5;
"**Non-BM Data Submission**"	a submission made by a **Service Provider** with respect to an **Auction Unit** which is not **BM Participating**, comprising either a **Mandatory Availability Declaration** meeting the requirements of paragraph 6.3 or an **Optional Availability Declaration** meeting the requirements of paragraph 7.5;
"Operational Baseline"	as defined in paragraph 20.1;
"Operational Metering Data"	the operational metering data specified in the **Operational Metering Technical Specification**;
"Operational Metering Technical Specification"	the document titled *'Operational Metering for non-transmission connected BM and non-BM Participants"* published by **NESO** on its website as the same may be updated or replaced from time to time;
"Optional MW"	the level of MW offered as available from an **Auction Unit** in an **Optional Availability Declaration**;
"Performance Metering Data"	the performance metering data specified in the **Performance Metering Technical Specification**;
"Performance Metering Technical Specification"	the document titled *'Data Specification Document STAR Project – Quick Reserve – Performance Metering Data File Specification'* published under that title by **NESO** on its website as the same may be updated or replaced from time to time;
"Power Available"	as defined in the **Grid Code**;

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"Power Park Module"	as defined in the **Grid Code**;
"Primary Service Provider"	as defined in paragraph 25.1;
"QR Availability Payment"	as defined in paragraph 11.1;
"QR Capacity"	the maximum amount (in MW) of **Quick Reserve** available at the relevant time from a **QR Unit** ~~represented by:~~representing:- (1) for an **Auction Unit** that is **BM Participating**~~,~~ a combination of:- a. the difference between either the prevailing (1) **MEL** or **MIL,** or **SEL** or **SIL** (as the case may be) and (2) **Final Physical Notification** or, in the case of a **Power Park Module** powered by an **Intermittent Power Source**, the prevailing (1) **Power Available** and (2) **Final Physical Notification**; and b. its prevailing **MDO** or **MDB** (as the case may be); or ~~(1)~~(2) for any other **Auction Unit**, the difference between the (1) **Maximum Unit Product Capacity** and (2) its **Operational Baseline**;
"QR Procurement Rules"	the prevailing document titled 'Quick Reserve Procurement Rules' published by or on behalf of **NESO** from time to time governing the procurement of **Quick Reserve**;
"QR Service Terms"	this document as published by or on behalf of **NESO** from time to time;
"QR Service Parameters"	those requirements related to **Quick Reserve** specified in Schedule 2;
"QR Unit"	an **Auction Unit** the subject of a **QR Contract**;
"QR Utilisation Payment"	as defined in paragraph 12.2;
"QR Utilisation Price"	the price (£/MWh) associated with a **Mandatory Availability Declaration** as more particularly described in paragraph 6.3, or an **Optional Availability Declaration** as more particularly described in paragraph 7.5;

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"Recovery Period"	in relation to: (iii) an **Auction Unit** that is **BM Participating**, the declared **MZT**; and (iv) an **Auction Unit** that is not **BM Participating**, a period commencing at the time at which delivery of **PQR** or **NQR** pursuant to an **Instruction** ceases and the time at which delivery of the same **Quick Reserve Product** or an **Equivalent Reserve Product** is required to commence pursuant to a further **Instruction,** as notified by the **Service Provider** to **NESO** pursuant to the **Registration and Pre-Qualification Procedure**, in either case, not exceeding the period specified in Schedule 2;
"Response Time"	in relation to any **Auction Unit**, the maximum period (commencing at the start time instructed by **NESO**) over which it is required to reach the volume instructed by the **Bid-Offer Acceptance** or **Instruction** which period shall include all ramping and notice periods as specified in the applicable **QR Service Parameters**;
"Secondary Service Provider"	as defined in paragraph 25.1;
"State of Energy"	the prevailing state of charge of a battery representing its available **Active Power Output** and **Demand**;
"Supplier Volume Allocation Agent"	as defined in the **BSC**;
"Time To Full Delivery"	for any **Auction Unit** which is not **BM Participating**, the period over which it is deemed capable of ramping up to reach an instructed volume which ramping time is calculated by **NESO** using the time that **Auction Unit** would take to reach full delivery of its **Maximum Registered Capacity**, as notified to **NESO** by the **Service Provider** pursuant to the **Registration and Pre-Qualification Procedure**, assuming in all cases a notice period to respond to the **Instruction** of zero (0);
"Transfer Notice"	as defined in paragraph 25.4; and
"Wider Access"	as defined in the **BSC**.

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SCHEDULE 2 – QR SERVICE PARAMETERS

Design Element	**For BM Participating, equivalent Dynamic Parameters** (as defined in Appendix 1 of Grid Code BC1)	**Required Service Parameter** (**NQR** and **PQR**)
Response Time (to full delivery, including ramping)	Ramp Rates and each of the following which must be zero (0): NTO/NTB and NDZ	Not greater than one (1) minute from start time specified in **Bid-Offer Acceptance** or **Instruction**
Recovery Period	MZT	Not greater than three (3) minutes*
Minimum Activation Period	MNZT	Not greater than five (5) minutes*

* For a **QR Unit** which is **BM Participating** and which delivers **Quick Reserve** (whether **PQR** or **NQR**) through zero (0) MW, SEL and SIL shall be zero but MZT and MNZT do not need to be zero (0)

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SCHEDULE 3 – QR AVAILABILITY PAYMENTS

Calculation of Settlement Value

A settlement value shall be calculated for **Quick Reserve** (separately for each of **Positive Quick Reserve** and **Negative Quick Reserve**) for each **QR Unit** and with respect to each **Contacted Service Period** as follows:

Round ((**Contracted Quantity** * **Market Clearing Price** * 0.5 * AF), 2)

Where

AF = 0 if unavailable or deemed unavailable in accordance with these **QR Service Terms**, otherwise 1

NOTE: A **Service Provider** will be treated as unavailable if there is a combination of **Dynamic Parameters** that prevents **NESO** from issuing an **Instruction**.

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SCHEDULE 4 – QR UTILISATION PAYMENTS

Calculation of Settlement Value

For **QR Utilisation Payments** to be made by **NESO** to a **Service Provider** with respect to an **Auction Unit** which is not **BM Participating**, and for each **QR Window** the subject of a **Mandatory Availability Declaration** or **Optional Availability Declaration**, the payment formula for each of **Positive Quick Reserve** and **Negative Quick Reserve** is:

$$PPQR_{j,i} = CED_{j,i} * UP_{j,i}$$

$$PNQR_{j,i} = - CED_{j,i} * UP_{j,i}$$

Where:

$PPQR_{j,i}$ is the payment per **Settlement Period** j in respect of **Instruction** i to deliver **Positive Quick Reserve**

$PNQR_{j,i}$ is the payment per **Settlement Period** j in respect of **Instruction** i to deliver **Negative Quick Reserve**

$CED_{j,i}$ is the volume of energy to be settled by **NESO** with respect to **Settlement Period** j and **Instruction** i being:

$$CED_{j,i} = Sum_{j,i}(CED_{j,i,s})$$

and where:

$Sum_{j,i}$ is the summation across all relevant **Settlement Periods** j and **Instructions** i

$CED_{j,i,s}$ is the volume of energy delivered by the relevant **Auction Unit** as **Quick Reserve** in relation to **Instruction** i in each second s falling within **Settlement Period** j**,** represented by the difference between the **Operational Baseline** (as adjusted by any expected non-static response delivery) and **Performance Metering Data** for that **Auction Unit** and second s but capped for each second s by the expected volume consequent upon the instruction from **NESO**

$UP_{j,i}$ is the **QR Utilisation Price** applicable to **Settlement Period** j and **Instruction** i.

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SCHEDULE 5 – PAYMENT PROVISIONS

1. Where amounts falling due by or to **NESO** under these **QR Service Terms** are expressed to be payable in accordance with this Schedule 5, then with respect to all and any such amounts the following provisions shall apply.

2. On the eighth (8th) **Business Day** of each calendar month **NESO** shall send to the **Service Provider** a statement (the **"Monthly Statement"**) setting out, for each **QR Contract**, details of the following (to the extent applicable) in respect of the preceding calendar month, together with such other information as may be required to be provided under these **QR Service Terms**:-

   a. the aggregate number of hours of service provision, together with any **Applicable Balancing Services Volume Data**, with respect to both availability and utilisation (as applicable);
   b. details of events of default or service failures;
   c. the amounts payable by or to **NESO** as a result; and
   d. in relation to all **QR Contracts**, the total net amount falling due to or from the **Service Provider**.

3. If the **Service Provider** disagrees with the content of any **Monthly Statement**, it may notify **NESO** in writing, with evidence upon which it relies in support of such disagreement, no later than the date falling ten (10) **Business Days** after receipt thereof, but in the absence of any such notification by such date the **Monthly Statement** shall be final and binding on the **Parties** subject only to paragraph 4.

4. Where a disagreement is notified by the **Service Provider** pursuant to paragraph 2, the **Parties** shall discuss and endeavour to resolve the same in good faith, and any revisions to a **Monthly Statement** agreed as a result thereof shall be reflected in a revised **Monthly Statement**, which shall promptly be issued by **NESO**. In the absence of agreement, the **Monthly Statement** shall be binding upon the **Parties** until such time as otherwise agreed in writing between the **Parties** or as may otherwise be determined by an **Expert** following a referral by either **Party** to an **Expert** for determination, and which in each case shall be reflected in a revised **Monthly Statement** which shall promptly be issued by **NESO**.

5. Where, having regard to any **Settlement Run** or to the results of any other monitoring by **NESO** of service delivery, **NESO** or the **Service Provider** discovers that some or all of any calculations and/or amounts falling due shown in any **Monthly Statement** are incorrect, then it shall promptly notify the other in writing whereupon **NESO** shall, at its discretion, revise the **Monthly Statement** and re-issue the same to the **Service Provider**, and the provisions of paragraphs 2 and 3 shall apply mutatis mutandis to such revised **Monthly Statement**.

6. In the absence of fraud, neither **NESO** nor the **Balancing Service Provider** may invoke the provisions of paragraph 4, with respect to the contents of any **Monthly Statement** (including any revised **Monthly Statement**) after the period of twelve (12) months has elapsed following submission of the original **Monthly Statement** in which the calculations and/or amounts in question were first stated, after which date such calculations and/or amounts shown in the last **Monthly Statement** (including any revised **Monthly Statement**) issued by **NESO** shall be final and conclusive.

7. No later than the eighteenth (18th) **Business Day** of each month, **NESO** will issue a self-billing invoice (or credit note) in accordance with paragraph 11 reflecting the **Monthly Statement** issued pursuant to paragraph 1 (as may have been revised pursuant to the foregoing provisions), and no later than five (5) **Business Days** after such date of issue **NESO** shall pay to the **Service Provider** (or the **Service Provider** shall pay to **NESO**, as the case may be) the

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net amount shown as due from **NESO** to the **Service Provider** (or from the **Service Provider** to **NESO**, as the case may be) in that **Monthly Statement** (or revised **Monthly Statement**).

8. All payments shall be made in pounds sterling by direct bank transfer or equivalent transfer of immediately available funds to the other **Party's** bank account, details of which shall be as notified by each **Party** to the other from time to time in accordance with these **QR Service Terms**.

9. If by virtue of the foregoing provisions, it is determined or agreed that:-

   a. the **Service Provider** was entitled to a further payment from **NESO**, then the **Service Provider** shall be entitled to interest at the **Base Rate** on the amount of such further payment from the due date until the date of actual payment; or
   b. the **Service Provider** was not entitled to any payment it has received, then **NESO** shall be entitled to interest at the **Base Rate** on such amount from the date of payment by **NESO** until the date of repayment by the **Service Provider** (or, as the case may be, until the date when **NESO** makes a payment to the **Service Provider** pursuant to paragraph 6 against which such amount is offset).

10. All amounts specified falling due and payable pursuant to these **QR Service Terms** shall be exclusive of any **Value Added Tax** or other similar tax and **NESO** shall pay to the **Service Provider Value Added Tax** at the rate for the time being and from time to time properly chargeable in respect of the making available and/or provision of **Quick Reserve** under these **QR Service Terms**.

11. Sums payable by one **Party** to the other pursuant this Schedule 4 whether by way of charges, interest or otherwise, shall (except to the extent permitted by these **QR Service Terms** or otherwise required by **Law**) be paid in full, free and clear of and without deduction, set-off or deferment in respect of any disputes or claims whatsoever provided that either **Party** shall be entitled to set off any payment due and payable by the other **Party** under this Schedule 5 against any payment it makes to that **Party** under this Schedule 5.

12. For so long as the **Service Provider** is a **Registered Auction Participant**, the **Service Provider** agrees that **NESO** shall maintain a self-billing system whereby each **Monthly Statement** shall constitute a self-billing invoice for **VAT** purposes. Accordingly, **NESO** and the **Balancing Service Provider** shall enter into a self-billing agreement in accordance with **VAT** legislation and published guidance from HM Revenue and Customs from time to time, and agree to comply with all relevant requirements in relation to self-billing, and for such purpose the **Service Provider** hereby warrants and undertakes to **NESO** that:-

   a. it is registered for **VAT** and will inform **NESO** forthwith if it ceases to be so registered or changes its **VAT** registration number;
   b. it will account to HM Revenue and Customs for the **VAT** paid by **NESO** pursuant to paragraph 9; and
   c. it will not issue its own **VAT** invoices for provision of **Quick Reserve**.

13. The provisions of this Schedule 5 shall survive the termination of any **QR Contract**.

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