

DATED 12th December 2022

NATIONAL GRID ELECTRICITY SYSTEM OPERATOR LIMITED (1)

and

SPALDING ENERGY EXPANSION LIMITED (2)

**AGREEMENT TO VARY THE
BILATERAL CONNECTION AGREEMENT
AND
CONSTRUCTION AGREEMENT
FOR
SPALDING ENERGY EXPANSION
AT
SPALDING NORTH 400KV SUBSTATION
Ref: A/INGEN-SHP/08/5269-1EN(12)**

THIS AGREEMENT TO VARY is made on the 12th day of December 2022

BETWEEN

- (1) **NATIONAL GRID ELECTRICITY SYSTEM OPERATOR LIMITED** a company registered in England and Wales with number 11014226 whose registered office is at 1-3 Strand, London, WC2N 5EH ("**The Company**", which expression shall include its successors and/or permitted assigns); and
- (2) **SPALDING ENERGY EXPANSION LIMITED** a company registered in England and Wales with number 06790895 whose registered office is at 30 Crown Place, Earl Street, London, EC2A 4ES (the "**User**", which expression shall include its successors and/or permitted assigns).

WHEREAS

- (A) Pursuant to the **Transmission Licence**, **The Company** has prepared a **Connection and Use of System Code ("CUSC")** setting out the terms of the arrangements for connection to and use of the **National Electricity Transmission System** and the provision of certain **Balancing Services**.
- (B) **The Company** and the **User** are parties to the **CUSC Framework Agreement** being an agreement by which the **CUSC** is made contractually binding between parties.
- (C) In accordance with the **CUSC** **The Company** and the **User** entered into a **Bilateral Connection Agreement** (the "**Bilateral Connection Agreement**") (as amended) and **Construction Agreement** (the "**Construction Agreement**") (as amended) (reference number A/INGEN-SHP/08/5269-1EN(0) dated 16 September 2008) as amended in respect of Spalding North 400kV Substation.
- (D) **The Company** and the **User** have now agreed to enter into this Agreement in order to amend the terms of the **Bilateral Connection Agreement** and **Construction Agreement** as follows.

NOW IT IS HEREBY AGREED as follows:

1. DEFINITIONS

Unless the subject matter or context requires or is inconsistent therewith terms and expressions defined in Section 11 of the **CUSC** and in the **Bilateral Connection Agreement** and **Construction Agreement** have the same meanings, interpretations or constructions in this Agreement.

2. BILATERAL CONNECTION AGREEMENT VARIATIONS

The **Bilateral Connection Agreement** shall be varied with effect from the date hereof as follows:

- 2.1 The following new definition shall be inserted at Clause 1 of the **Bilateral Connection Agreement**:

One Off Charge the charge(s) (if any) as specified in Appendix B.

- 2.2 The definition of "**Transmission Charge**" shall be deleted from Clause 1 of the **Bilateral Connection Agreement**.

- 2.3 A new Clause 7.4 shall be added as follows:

"7.4 The **Demand** taken from the **National Electricity Transmission System** by the **User** at the **Connection Site** shall not exceed the figure specified for such in Appendix C.

- 2.4 Clause 12 of the **Bilateral Connection Agreement** is restated as follows:

"12. OWNERSHIP BOUNDARY

For the purposes of **CUSC** Paragraph 2.12.1, the division of ownership of **Plant** and **Apparatus** at the **Connection Site** shall be in accordance section 2 Paragraph 2.12.1."

- 2.5 Clause 13 of the **Bilateral Connection Agreement** shall be deleted.

- 2.6 The following shall be added as Clause 11.2 (*General Provisions*) of the **Bilateral Connection Agreement** and the preceding clause renamed as Clause 11.1:

"11.2 Storage

In the context of this **Bilateral Connection Agreement** and the connection generally:

- 11.2.1 the battery storage technology applied in this connection shall be treated as a **Power Park Module** and the **Connection Conditions** of the **Grid Code** and Appendices F1 to F5 (Part II) to this **Bilateral Connection Agreement** shall be construed accordingly; and

- 11.2.2 **Transmission Entry Capacity** is expressed as an instantaneous MW figure and Clause 7.3 shall be construed accordingly."

2.7 Appendices A, B, C and F1 to F5 (Part II) annexed to the **Bilateral Connection Agreement** shall be deleted and Appendices A, B, C and F1 to F5 (Part II) annexed to this Agreement shall be substituted therefor.

2.8 Appendix D annexed to the **Bilateral Connection Agreement** shall be deleted.

3. **CONSTRUCTION AGREEMENT VARIATIONS**

The **Construction Agreement** shall be varied (to reflect the connection of the BESS (additional TEC of 550 MW) at **Completion Date Stage 2** and the removal of the **Construction Works Stage 3**) with effect from the date hereof as follows:

3.1 The following new definitions shall be inserted at Clause 1 of the **Construction Agreement**:

Network Options Assessment	the assessment of options, need and timing of the boundary reinforcement requirements of boundaries on the National Electricity Transmission System which is undertaken each year by The Company pursuant to the Transmission Licence .
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NOA Works	those components of the Construction Works which are subject to the Network Options Assessment and identified as such in Appendix H.
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User's Data	the data and information provided by the User to The Company for the purposes of the User's application for connection and set out in Appendix OO.
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3.2 The definitions of "**Charging Date Stage 3**", "**Completion Date Stage 3**", "**Construction Works Stage 3**", "**Enabling Works Stage 3**" and "**One Off Works Stage 3**" shall be deleted from Clause 1 of the **Construction Agreement**:

3.3 The following definitions in Clause 1 of the **Construction Agreement** shall be deleted and replaced:

Commissioning Programme	the sequence of operations/tests necessary to connect the User's Works and the Construction Works to the National
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		<p>Electricity Transmission System for the purpose of making the User's Works available for connection and operation from the Completion Date Stage 1 and Completion Date Stage 2 respectively (and references to the "Commissioning Programme Stage 1" or "Commissioning Programme Stage 2" shall be construed accordingly) to be determined pursuant to Clause 2.10 of this Construction Agreement</p>
Commissioning Commencement Date	Programme	<p>the date specified in the Construction Programme for the commencement of the Commissioning Programme for each stage (and references to the "Commissioning Programme Commencement Date Stage 1" or "Commissioning Programme Commencement Date Stage 2" shall be construed accordingly) or any substituted date fixed under the terms of this Construction Agreement.</p>
Construction Works		<p>the Construction Works Stage 1 and the Construction Works Stage 2 but excluding for the avoidance of doubt any Third Party Works.</p>
Enabling Works		<p>the Enabling Works Stage 1 and the Enabling Works Stage 2</p>
Transmission Reinforcement Works		<p>those works other than the One Off Works, which in the reasonable opinion of The Company (and in the absence of the Connect and Manage Derogation) are all necessary to extend or reinforce the National Electricity Transmission System to ensure that the National Electricity Transmission System complies with the requirements of Standard Condition C17 of the Transmission Licence and/or Standard Condition D3 of the Relevant Transmission</p>

Licensee's transmission licence in relation to and prior to the operation of the **User's Equipment** at a **Transmission Entry Capacity** of 299.99MW increasing to 849.99MW and which are specified in Appendix H (Stage 1 and Stage 2) to this **Construction Agreement**, where Part 1 is the **Enabling Works** and Part 2 is the **Wider Transmission Reinforcement Works**.

Trigger Date

1 April 2015 for Stage 1 and 1 April 2016 for Stage 2 as identified in accordance with the **User Commitment Methodology** by reference to the **Completion Date Stage 1** and the **Completion Date Stage 2** as appropriate.

Wider Transmission Reinforcement Works

those **Transmission Reinforcement Works** which are specified in Appendix H (Stage 1 and Stage 2) Part 2 to this **Construction Agreement** where (a) the works in Part 2.1 are those which do not require a **Connect and Manage Derogation** and (b) the works in Part 2.2 are those which are the subject of the **Connect and Manage Derogation**.

User's Works

those works necessary for installation of the **User's Equipment** which are specified in Appendix I (Stages 1 and 2) to this **Construction Agreement**.

3.4 In Clause 2.16 of the **Construction Agreement** the reference to "**Charging Date Stage 3**" shall be deleted and replaced with "**Charging Date Stage 2**" and the reference to "920 MW" shall be deleted and replaced with "849.99 MW".

3.5 A new Clause 2.28 shall be added to the **Construction Agreement** as follows:

"2.28 User's Data

It is acknowledged that the effect of the **User's** connection to the **National Electricity Transmission System** has been considered on the basis of the **User's Data** and the **User** shall advise **The Company** as soon as practical of any changes in such **User's Data**."

- 3.6 A new Clause 2.29 shall be added to the **Construction Agreement** as follows and reference to it added to Clause 15.3 of the **Construction Agreement**:

"2.29 Network Options Assessment

The **NOA Works** will form part of the **Network Options Assessment** and **The Company** will keep the inclusion and requirement for the **NOA Works** in this **Construction Agreement** under review and shall be entitled to amend or remove these as required and as a consequence amend the **Construction Works** and **Construction Programme** and Appendices A and B to the **Bilateral Connection Agreement** accordingly."

- 3.7 The references to "**Completion Date Stage 3**" in Clauses 3.2, 4.4 and 8 of the **Construction Agreement** shall be deleted.

- 3.8 The reference to "300 MW" in Clause 7.1.1 of the **Construction Agreement** shall be deleted and replaced with "299.99 MW".

- 3.9 The first occurrence of Clause 7.2.1 of the **Construction Agreement** shall be deleted, replaced as follows and renamed to 7.1.2:

"7.1.2 connect and **Energise** the **User's Equipment** at the **Connection Site** during the course of and in accordance with the **Commissioning Programme Stage 2** and thereafter upon compliance by the **User** with the provisions of Clause 5 and provided (1) the **Construction Works Stage 2** shall be **Commissioned** and (2) the **One Off Works Stage 2** and **Third Party Works Stage 2** shall be completed and (3) the **Interface Agreement(s)** have been completed **The Company** shall forthwith notify the **User** in writing that the **Connection Site** shall become **Operational** at a **Transmission Entry Capacity** of 849.99 MW."

- 3.10 The reference to "**Charging Date Stage 3**" in Clauses 7.3, 9 and 11.2 of the **Construction Agreement** shall be deleted and replaced with "**Charging Date Stage 2**".

- 3.11 The reference to "**Completion Date Stage 3**" in the second occurrence of Clause 7.2.1 of the **Construction Agreement** shall be deleted and replaced with "**Completion Date Stage 2**".

- 3.12 A new Appendix OO (*User's Data*) shall be annexed to the **Construction Agreement**.

- 3.13 Appendices B1, H, I, J, MM, and N annexed to the **Construction Agreement** shall be deleted and Appendices B1, H, I, J, MM, and N annexed to this Agreement shall be substituted therefor.

- 3.14 For the avoidance of doubt, Appendix O (*Substation Land Drawing*) and Appendix P (*Lease, Easement and Access Route*) shall be deemed to be annexed to the **Construction Agreement**.

4. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

The parties hereto hereby acknowledge and agree for the purposes of the Contracts (Rights of Third Parties) Act 1999 that no rights, powers or benefits are or shall be conferred on any person pursuant to this Agreement except for such rights, powers or benefits as are expressly conferred on the parties hereto in accordance with, and subject to, its terms.

IN WITNESS WHEREOF the hands of the duly authorised representatives of the parties hereto at the date first above written

SIGNED BY

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for and on behalf of

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NATIONAL GRID ELECTRICITY SYSTEM

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OPERATOR LIMITED

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SIGNED BY

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for and on behalf of

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SPALDING ENERGY EXPANSION LIMITED

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