

Standard Agreement v3

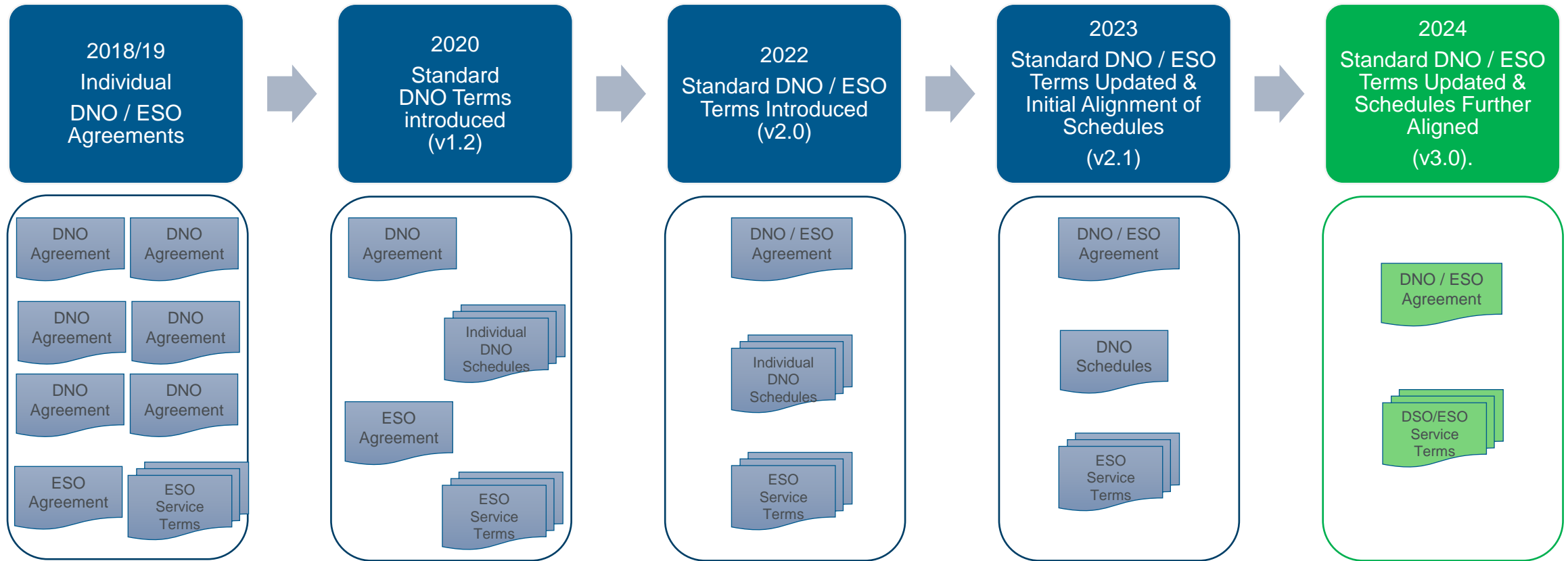
30th April 2024

Purpose

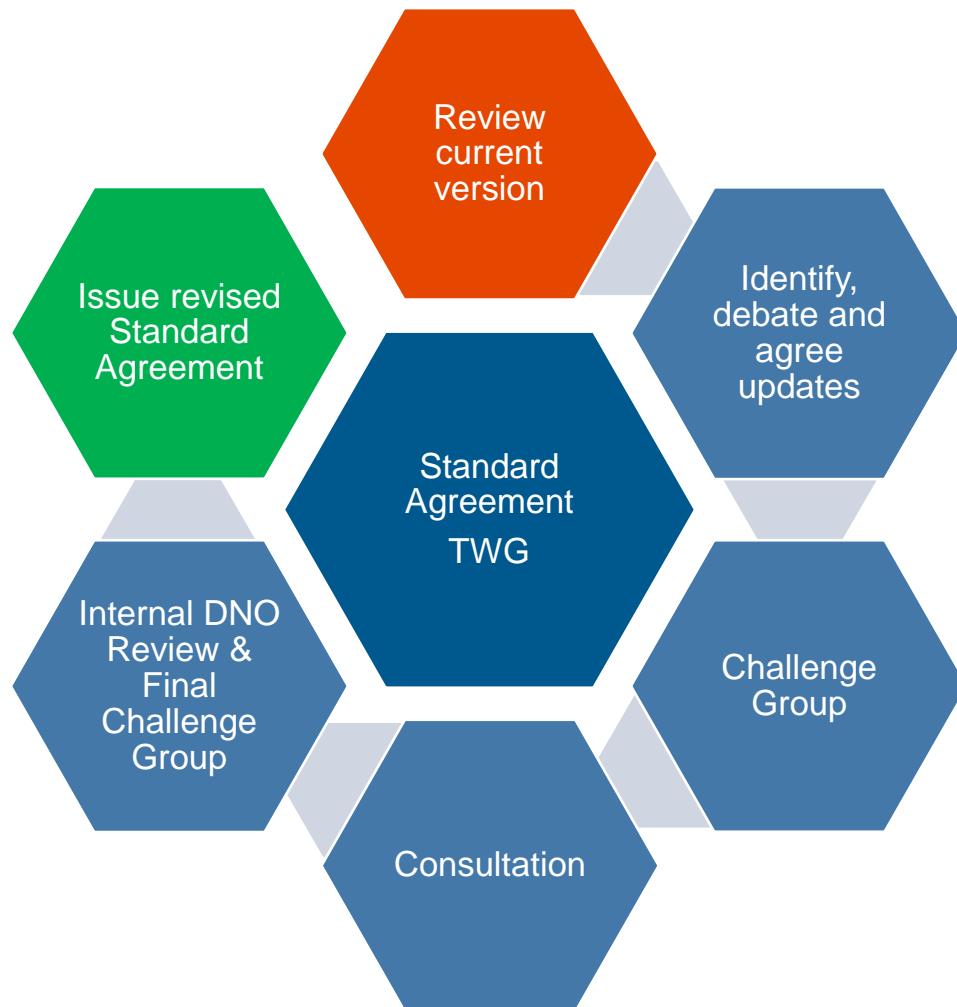
The main aim of the Standard Agreement, used by the ESO and the individual DNOs, is to:

- **Make participation easier by offering standard terms**, especially for those who operate in multiple markets across many locations
- **Reduce resource and cost burden** in assessing contracts for different markets
- **Facilitate shorter term markets** by providing an over-arching agreement, available prior to bidding and which can be used for numerous tender rounds

Journey so far



DNOs & ESO transitioning to fully standardised Terms & Conditions, Service Terms will follow standard approach but reflect different services



Feedback was sought from **stakeholders** using a variety of methods, with comments received from the following:

- Consultation responses
- Challenge Group / Focus Group meetings
- To individual DNOs / ESO

DNO / ESO commercial and legal teams review the terms and provide feedback.

Legal expertise is contracted to work on the Standard Agreement with the TWG to ensure the intent is accurately captured and that the Agreement is a robust legal document.

Updates for Version 3

For Version 3, the TWG is focusing on:

- **Liabilities** – Review current wording to ensure there are no barriers to participation whilst providing sufficient cover.
- **Domestic participation** – Review any further clauses that may hinder domestic participation.
- **Cyber security** - Develop standard clauses taking account of each companies requirements
- **Anti corruption and bribery** – Review of latest legislation and further standardisation across the organisations
- **Collaboration with other ENA work groups** - As the output materialises reflect this where necessary.
- **Further alignment of service based schedules** - Focus on standardisation of content where applicable and allow for closer to real time procurement and moving toward an overarching approach to contracting
- **Review industry feed back** – consider any feedback received that focus on these areas plus any new topics

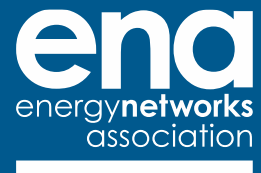
This continued refinement of the standard agreement addressed issues identified, provided clarity and further aligned wording within the service terms schedules, creating an improved contract for DNOs, the ESO and FSPs alike.

Changes for v3

A comprehensive summary of all changes has been provided by CMS to accompany v3 of the Standard Contract. This summary addresses all the feedback received and can be found at [here](#).

With regard to some of the specific points:

Identified change	Changes
Duplicate registration of assets: For situations where individual assets are registered and offered by more than one Provider for the same service at the same time.	Providers to use reasonable endeavours to ensure there is no duplication of registered assets plus provide clarity of how these will be dealt with should it occur.
Cyber Security: Will be signposted within the T&Cs to reflect individual company requirements until standard industry wording has been agreed.	All DNOs and the ESO have company specific Cyber Security requirements and any standardisation would need to be debated and agreed at industry level and not as part of the Standard Agreement work
Voluntary participation: Current wording is more suited to longer term bilateral contracts.	In light of move to shorter term / closer to real time procurement and using an overarching contractual approach wording on voluntary participation has been removed.
Liabilities: Providers expressed their concerns that liabilities were uncapped, which could be a barrier to entry for some	A cap has been introduced.
Site Access: Concerns were raised with DNOs wanting access to domestic and small non-domestic DER sites.	Recognising that such access may only be required in certain circumstances, any access requirements necessary for specific services will be included within the Service Terms, this is no longer a blanket requirement.
Collaboration with other TWGs: Incorporate output from: Product / Settlement / Dispatch TWGs	Incorporated standard wording relating to: Definition of services; Metering; Payment Calculations; Performance Monitoring; and System Comms
Re-organisation / Alignment of Schedules: Move information into contract award notifications, remove sections as required and include further standard wording where possible.	For overarching contracts applying to many tenders, some information will be specific to individual services contracted for (e.g. service windows) and therefore will be included in the contract award notifications. Removal of variations to services and discretionary services.
Governance Once issued, v3 will be subject to formal ENA governance	The TWG consider that an annual review is appropriate, at which time should any issues be identified a working group will be convened.



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