

P2P Termsheet v1.9 (agreed and issued 21 Dec 21)

The P2P Termsheet applies to trades for the delivery of all P2P Services.

By entering into P2P Services the P2P parties agree to be bound by:

1. the NMF Platform terms and conditions, which govern the use of the NMF Platform;
2. the P2P general terms and conditions set out in the P2P Termsheet, which contain general terms applicable to all P2P Services; and
3. the P2P Service specific terms and conditions applicable to each P2P trade, which will be negotiated, agreed and recorded through the NMF Platform.

The P2P process is summarised in Appendix 1 of this document.

During Trial Period 1, the process to agree contracts for P2P Services will be in accordance with Schedule 3 of the NMF Platform Terms but will be operated using manual processes until 31st January 2022 (or such other date as subsequently advised by Scottish & Southern Energy Networks ("SSEN")). After that date the contract agreement process will be fully electronic through the NMF Platform with no hard copy documents for signature required. An Interim Variation Letter Amending Neutral Market Facilitator Platform Terms and Conditions for P2P Services between SSEN and the P2P Buyer or P2P Seller is available to address temporary processes during this early Trial Period 1 period and must be signed before requesting or entering into any P2P Services.

This P2P Termsheet captures the latest thinking on how the P2P market transacts P2P Services and considers the situation where the P2P Buyer issues a Request to secure Offers from one or more P2P Buyers for additional import or export capacity. The P2P Termsheet can also be used where the P2P Seller issues a Request to secure Offers from one or more P2P Sellers to reduce its import or export capacity. The P2P Termsheet will be maintained on the TRANSITION Website at <https://ssen-transition.com> but will be reviewed and may be updated periodically between TRANSITION-LEO trials. The updated P2P Termsheet will apply to P2P Services and the P2P parties shall be bound by any updated P2P Termsheet once it is uploaded to the TRANSITION Website.

P2P General Terms	
P2P agreement process	A P2P party wishing to request additional export or import capacity (the P2P Buyer) or a P2P party wishing to offer additional export or import capacity in response to a P2P Request (the P2P Seller) shall agree the purchase and sale of P2P Services in accordance with Schedule 3 of the NMF Platform Terms. Trades for P2P Services can only cover periods of one week or less (00:00 Monday to 24:00 Sunday).
Agreement to Transfer Export Capacity	Where a P2P Buyer accepts an offer for additional export capacity, the P2P Seller shall reduce its electricity usage to or below its Maximum Export Capacity (MEC) by an amount that reflects the traded export capacity for the duration of the P2P Service. The P2P Buyer purchasing the additional export capacity can only increase its MEC up to the level of MEC detailed in the Temporary Capacity Variation Notice issued to it by the DNO for the duration of the P2P Service.

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<p>Agreement to Transfer Import Capacity</p>	<p>Where a P2P Buyer accepts an offer for additional import capacity, the P2P Seller shall reduce its electricity usage to or below a its Maximum Import Capacity (MIC) by an amount that reflects the traded import capacity for the duration of the P2P Service.</p> <p>The P2P Buyer purchasing the additional import capacity can increase its existing MIC by the agreed amount for the duration of the P2P Service.</p>
<p>P2P Seller Warranties</p>	<p>The P2P Seller warrants that;</p> <ul style="list-style-type: none"> ▪ it has a Connection Agreement with the DNO which allows it to offer the MEC or MIC (as appropriate) detailed in the P2P Specific Service Terms; ▪ there is nothing preventing it from entering into the P2P Service; and ▪ the P2P Service will not start unless and until the DNO has approved the P2P Service to proceed.
<p>Buyer Warranties</p>	<p>The P2P Buyer warrants that;</p> <ul style="list-style-type: none"> ▪ it has a Connection Agreement with the DNO which allows it to participate in the P2P Service ▪ there is nothing preventing it from entering into the P2P Service; ▪ it has received a Temporary Capacity Variation Notice from the DNO for the changes in MEC or MIC as appropriate DNO and will not exceed the revised MEC or MIC contained therein; ▪ the P2P Service will not start unless and until the DNO has approved the P2P Service to proceed; ▪ it will use the additional MEC or MIC as appropriate for the P2P Service at the P2P Buyer Site during the agreed time period and will not hoard any unused MEC or MIC that is included in a P2P Service; ▪ will not trade using any MEC or MIC (as appropriate) which it has purchased through a P2P Service unless there are extraordinary circumstances (for example where site issues that prevent the MEC or MIC from being used (such as the loss of the underlying generation or demand capacity for which the P2P Service was purchased)); ▪ it will not trade using any MEC or MIC (as appropriate) which it has purchased through a P2P Service to deliver a Flexibility Service; and ▪ it will pay the Seller for the P2P Service.
<p>NMF Platform Issues</p>	<p>The P2P parties acknowledge that if there is an issue with the NMF Platform this may affect the finalisation or approval of a P2P Service and may prevent, suspend or terminate the P2P Service.</p>
<p>Network Issues</p>	<p>The P2P parties acknowledge that if there is an electricity network issue or an electricity system stress event (as defined by the electricity system operator, transmission operator or DNO), the DNO may issue a cancellation request and the P2P parties shall comply with the requirements of such a request immediately, which may prevent, suspend or terminate the P2P Service.</p>

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<p>Verification</p>	<p>Each month during the P2P Service:</p> <ul style="list-style-type: none"> ▪ The P2P Buyer and the P2P Seller shall provide the NMF Platform with the meter point administration number (“MPAN”) data for any P2P Service, this MPAN data shall be provided within ten (10) days of the end of the month; and ▪ The DNO may use the MPAN data uploaded to the NMF Platform to verify compliance by the P2P parties with the Temporary Capacity Variation Notice. <ul style="list-style-type: none"> - if there has been any non-compliance with the Temporary Capacity Variation Notice, the DNO will inform the P2P Buyer or P2P Seller as appropriate. - the DNO may sanction any non-compliance which may involve excluding the P2P party who is non-compliant from participating in future trades for repeated non-compliance.
<p>Payment</p>	<ul style="list-style-type: none"> ▪ The P2P Buyer and the P2P Seller shall provide financial details to each other to enable payment between the P2P parties. ▪ The P2P Buyer shall pay the P2P Seller monthly (or as otherwise agreed) for the P2P Service. ▪ The P2P Seller shall invoice the P2P Buyer for any P2P Service provided in the previous month using the following calculation to assess sums due (e.g. payment for March will be paid by the end of April): <ul style="list-style-type: none"> - multiplying the hours the P2P Service was provided during the previous month; - by the P2P Service capacity; - and by the P2P Service price. ▪ The P2P Buyer shall pay the P2P Seller within thirty (30) days of the date of the invoice for the amount calculated above; ▪ The P2P Buyer shall pay for the P2P Service using the financial details provided by the P2P Seller; and ▪ If the availability of the P2P Service is affected by any NMF Platform issues or electricity network issues or is cancelled or terminated at any time, the P2P Buyer and the Seller shall reconcile any P2P payments made and shall do so within the following month. ▪ The P2P Buyer and P2P Seller may agree to net payments if there is more than one P2P Service agreed between them and active in any month.
<p>Termination</p>	<p>The short duration of the P2P Service means there are limited grounds for termination. A P2P party may terminate the P2P Service on the following grounds:</p> <ul style="list-style-type: none"> ▪ If the other P2P party is in financial hardship or distress or suffering from insolvency or bankruptcy; ▪ If the other P2P party persistently or materially breaches the terms of the P2P Termsheet, the NMF Platform Terms or the specific terms of any

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	<p>trade agreed through the NMF Platform and/or fails to adhere to the revised MEC or MIC as appropriate and/or the DNO withdraws the Temporary Capacity Variation Notice as appropriate;</p> <ul style="list-style-type: none"> ▪ If the NMF Platform user account for either party is cancelled or terminated; ▪ If the P2P Buyer is more than two (2) weeks late in making a payment, the P2P Seller can terminate the P2P Service on giving five (5) working days' notice; ▪ If there is an issue that affects the ability of the P2P Buyer to use the traded MEC or MIC as appropriate for more than 20% of the duration of the P2P Service or for more than (3) days in total which the P2P Buyer could not have been foreseen and is beyond the control of the P2P Buyer, then either P2P party has the right to terminate immediately by giving notice to the other P2P party; and ▪ If there is an issue that affects the ability of the P2P Seller to provide the traded MEC or MIC as appropriate for more than 20% of the duration of the P2P Service or for more than (3) days in total which the P2P Seller could not have been foreseen and is beyond the control of the P2P Seller, then either P2P party has the right to terminate immediately by giving notice to the other P2P party. <p>The parties should acting reasonably agree the consequences of termination of a P2P Service (if any).</p>
Liability	The limit of liability of P2P party to the other P2P party shall be limited to the value of the P2P trade in the P2P Specific Service Terms. Nothing in this agreement limits any liability which cannot legally be limited.
Confidentiality	The P2P parties agree that all data provided by one P2P party to the other in respect of the P2P Service shall be kept confidential and not disclosed by the recipient party, save that this data can be shared with other LEO partners, provided this is done in accordance with the LEO Data Sharing Agreement.
Data Protection	Each P2P party shall at all times comply with the provisions and obligations imposed by UK data protection legislation and shall keep secure and not disclose personal data of the other P2P party without prior written consent.
Disputes	If a dispute arises in relation to the P2P Service the P2P parties shall attempt in good faith to resolve the dispute.
Governing Law and Jurisdiction	The P2P Service (including the P2P Service specific terms agreed through the NMF Platform and the P2P Termsheet terms) shall be governed by and construed and interpreted in accordance with the law of England and Wales, and the parties irrevocably submit to the exclusive jurisdiction of the courts of England and Wales.

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Appendix 1 – Timeline for Auctions and Deliveries (from 1-2 Sep-21 workshop presentations)

