

P2P Termsheet version 2.0
9th June 2022

The P2P Termsheet applies to trades for the delivery of all P2P Services (Exceeding Maximum Export Capacity (EMEC), Exceeding Maximum Import Capacity (EMIC) and Offsetting).

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 Service general terms and conditions set out in this 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.

During Trial Period 2, the process to agree contracts for P2P Services will be in accordance with Schedule 3 of the NMF Platform Terms. EMEC and EMIC services will be fully electronic through the NMF Platform with a digital acceptance required for the NMF Platform Terms and trades. The Offsetting service will require an Interim Variation Letter Amending Neutral Market Facilitator Platform Terms and Conditions between SSEN and the P2P Buyer and SSEN and the P2P Seller to address temporary processes during all of Trial Period 2 and must be signed before requesting or entering into the Offsetting service.

This P2P Termsheet is for transacting P2P Services and considers three situations;

- where a P2P Buyer issues a Request to increase its import or export capacity and secures Responses from one or more P2P Sellers who wish to reduce their import or export capacity;
- where the P2P Seller issues a Request to reduce its import or export capacity and secures Responses from one or more P2P Buyers who wish to increase their import or export capacity;
- where a P2P party issues a Request for the Offsetting service to increase or decrease its import or export capacity and secures Responses from another P2P party who wishes to deliver the opposite change to their import or export capacity.

The TRANSITION Website (<https://ssen-transition.com>) contains a summary of the P2P process and a copy of the P2P Termsheet. The P2P Termsheet will be reviewed and may be updated between TRANSITION-LEO Trial Periods. Existing signatories of the P2P Termsheet will be consulted and advised of any change to the P2P Termsheet, all prior to the start of any Trial Period.

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 Services	<p>The agreement is between two P2P Parties who wish to enter into an;</p> <ul style="list-style-type: none"> EMEC or EMIC trade where a P2P party wishes to buy additional export or import capacity (the P2P Buyer) and a P2P party wishes to sell additional export or import capacity (the P2P Seller); or Offsetting trade where a P2P party wishes to increase its export or import capacity (the P2P Buyer) when a P2P party wishes to reduce its export or import capacity (the P2P Seller). <p>All trades shall cover a period of one day (00:00 to 24:00), one week (00:00 Sunday to 24:00 Saturday) or a season (a combination of weeks).</p>
P2P agreement process	<p>The P2P Buyer or the P2P Seller may initiate the P2P agreement process by issuing a Request with the other party responding with a Response.</p> <p>The parties shall agree the specific terms and conditions applicable to the purchase and sale of those P2P Services in accordance with Schedule 3 of the NMF Platform Terms.</p>
Agreement to Transfer Export Capacity (applies to EMEC only)	<p>Where a P2P party accepts a Response for a variation in export capacity following the approval by the DNO, the P2P parties shall vary their electricity export from site as agreed for the duration of the P2P service.</p> <p>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 even if it has purchased MEC that would result in a higher export capacity than that detailed in the Temporary Capacity Variation Notice.</p>
Agreement to Transfer Import Capacity (applies to EMIC only)	<p>Where a P2P party accepts a Response for a variation in import capacity following the approval by the DNO, the P2P parties shall vary their electricity import to site as agreed for the duration of the P2P service.</p> <p>The P2P Buyer purchasing the additional import capacity can only increase its MIC up to the level of MIC detailed in the Temporary Capacity Variation Notice issued to it by the DNO for the duration of the P2P Service even if it has purchased MIC that would result in a higher import capacity than that detailed in the Temporary Capacity Variation Notice.</p>
Agreement to enter into Offsetting	<p>P2P parties shall implement a technical solution to ensure the level of MEC or MIC does not exceed that in the Temporary Capacity Variation Notice. The technical solution should be approved by the DNO prior to any delivery under the Offsetting service. In addition, where a P2P party accepts a Response for the Offsetting service to vary either their import or export capacity, DNO approval is required before delivery of the P2P service. The P2P Buyer purchasing the additional export or import capacity can only increase its MEC or MIC up to the level of MEC or MIC detailed in the Temporary Capacity Variation Notice issued to it by the DNO for the duration of the P2P Service even if the Offsetting service is capable of delivering a higher export or import capacity than that detailed in the Temporary Capacity Variation Notice.</p>

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P2P Seller Warranties	<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 and the technical solution for the Offsetting service (if relevant).
P2P Buyer Warranties	<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) 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 and the technical solution for the Offsetting service (if relevant); ▪ 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.
NMF Platform Issues	<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>
Network Issues	<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>
Verification	<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 that should have been delivered during the previous month, this MPAN data shall be provided within ten (10) days of the end of the month; and

	<ul style="list-style-type: none"> ▪ The DNO may use Half Hourly Metering Data available to the DNO or the metering data provided 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; or - 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 for each calendar month (or as otherwise agreed) for the P2P Service, even if the trade straddles two calendar months. ▪ For the EMEC or EMIC service, the P2P Seller shall invoice the P2P Buyer for any EMEC or EMIC 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 EMEC or EMIC service was provided during the previous month; - by the EMEC or EMIC service capacity; and - by the EMEC or EMIC service price. ▪ For the Offsetting service, the P2P Seller shall invoice the P2P Buyer for any Offsetting service provided in the previous month using the following calculations to assess sums due (e.g. payment for March will be paid by the end of April): <ul style="list-style-type: none"> - Availability Fee; <ul style="list-style-type: none"> ▪ multiply the hours for which the Offsetting service was contracted when the P2P Seller DER was available (at any capacity level); ▪ by the maximum Offsetting service capacity across all hours for which the Offsetting service was contracted; and ▪ by the Availability Price for the Offsetting service. - Utilisation Fee; <ul style="list-style-type: none"> ▪ multiply the energy in kWh delivered as part of the Offsetting service; and ▪ by the Utilisation Price for the Offsetting service. ▪ 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.

	<ul style="list-style-type: none"> ▪ 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.
Termination	<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 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; ▪ If either P2P party is found to have breached the Basic Market Rules¹; market manipulation, market abuse, or gaming of the market or its position. ▪ 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 P2P Service 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 foreseen and which 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 P2P Service 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 foreseen and which 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	<p>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.</p>
Confidentiality	<p>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.</p>
Data Protection	<p>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.</p>

¹ Basic Market Rules can be found on the TRANSITION Website (<https://ssen-transition.com/get-involved/participation-qualification-and-contracts/>)

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Disputes and Issues	If a dispute or issue arises in relation to the P2P Service the P2P parties shall attempt in good faith to resolve the dispute or issue between the operational contacts of both organisations. A dispute or issue shall be escalated to the senior management of each organisation if the operational contacts cannot resolve it within four weeks.
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.