

NIE Energy Generation Contract – for CHP generators up to 500kW

Terms and Conditions

1. Generation Contract

This CHP Generation Contract (the CHP Generation Contract or "Contract") contains the standard conditions which form the legally binding contract between "Us" – NIE Energy Limited ("NIE Energy") whose registered address is 120 Malone Road Belfast BT9 5HT and "You", the "CHP Generator", for the supply by You to Us of CHP electricity and all of the associated benefits.

2. Definitions

"Accreditation" is the process by which the CHP Generation Plant is Accredited by the Authority as being a CHP Generation Plant capable of generating from an Eligible CHP Source;

"Accredited" is where the Authority has confirmed in writing to the CHP Generator the Accreditation and has not since withdrawn it;

"Agent" means the person nominated by the CHP Generator for the management of the CHP Generation Plant's Accreditation and the management of any benefits issued by the Authority associated with any power generated by the CHP Generation Plant;

"the Authority" means the Northern Ireland Authority for Utility Regulation established under Article 3 of the Energy (NI) Order 2003;

"Authority Timetable" is the timetable set by the Authority for Metered Output declarations;

"Connection Agreement" means the Agreement entered into with NIE for the connection of the CHP Generation Plant to the NIE distribution system;

"Export Electricity" means the electricity passed into the NIE distribution system from the CHP Generation Plant as measured by the relevant Metering Equipment;

"kWh" means kilowatt hour;

"Levy Exemption Certificate" or "LEC" is the certificate issued under Part II and Schedules 6 and 7 of the Finance Act 2000;

"Licence" means a licence granted under Article 10 of the Order;

"Meter Reading" means a reading taken from the relevant Metering Equipment;

"Metered Output" means the aggregate amount of electricity generated by the CHP Generation Plant as measured by the relevant Metering Equipment after making appropriate adjustments for any Input Electricity;

"Metering Equipment" means metering equipment installed on site sufficient to measure (a) the Metered Output on a cumulative basis in kWh, as accredited by the Authority and approved by NIE and (b) the Export Electricity, as approved by NIE Energy;

"NIE" means Northern Ireland Electricity plc;

"Order" means the Electricity (Northern Ireland) Order 1992 as amended;

"Spill Price" means the price for the Export Electricity based on the CHP Generation Tariff to be notified to the CHP Generator on an annual basis or as otherwise agreed;

"Reading Dates" as defined for the purposes of this Agreement as the 1st April in the relevant year or such other dates as NIE Energy may request;

"CHP Generator" is as given in Section 2 of the CHP Generation Contract under CHP Generator Details;

"CHP Generation Plant" is as described in section 3 of the CHP Generation Contract

3. Sale of Export

The CHP Generator grants to NIE Energy the sole and exclusive right to the Export Electricity subject to the terms and conditions of this Contract. The Parties agree that the purchase of

any electricity generated from Eligible CHP Sources by the CHP Generation Plant under the terms of this Contract will include all the benefits associated with the output from the CHP Generation Plant including any NIROC or Levy Exemption Certificate for the Metered Output.

4. Conditions Precedent

The provisions of this Contract are subject to the fulfilment of the following conditions precedent:

- a) The CHP Generator has a CHP Generation Plant installed less than or equal to 500kWe capacity.
- b) The CHP Generation Plant has the appropriate Metering Equipment installed which for a CHP Generator over 100kW shall be a half hourly on-line meter.
- c) The CHP Generator has entered into a Connection Agreement with NIE.
- d) An initial Meter Reading from the relevant Metering Equipment has been submitted to NIE Energy in the CHP Generation Contract.
- e) The CHP Generator confirms to NIE Energy that the CHP Generator is free to sell the electricity generated from CHP sources by the CHP Generation Plant.
- f) NIE Energy holds a Licence.

5. Obligations of the CHP Generator

- 5.1 During the term of this Contract the CHP Generation Plant must continue to have in place a Connection Agreement and all necessary planning permissions, consents and licences required for it to operate.
- 5.2 The CHP Generator has a duty to inform NIE Energy of its VAT status. If appropriate, the CHP Generator must provide NIE Energy with its VAT registration number.
- 5.3 The CHP Generator must make reasonable endeavours to maintain the CHP Generation Plant and ensure that it continues to produce electricity from eligible CHP Sources.
- 5.4 If the CHP Generation Plant ceases to output, the CHP Generator must inform NIE Energy within 10 working days.
- 5.5 The CHP Generator must at all time ensure that there is appropriately located accurate metering to record the Metered Output generated and that all Metering Equipment has an appropriate meter serial number.
- 5.6 The CHP Generator shall provide and install Metering Equipment to measure the Metered Output (provided such Metering Equipment is of a type which has been accredited by the Authority and approved by NIE) and shall maintain such Metering Equipment.
- 5.7 The CHP Generator shall provide NIE Energy with a Meter Reading and returns all forms required to be signed by it within 10 days of receipt of such a request.
- 5.8 The CHP Generator shall ensure that it provides NIE Energy with timely and accurate Meter Readings for the Metered Output as per the Reading Dates.
- 5.9 The CHP Generator must make reasonable endeavours to maintain the Metering Equipment ensuring accuracy of the readings.
- 5.10 If at any time the CHP Generator believes that the relevant Metering Equipment is not functioning properly the CHP Generator must inform NIE Energy of this immediately in writing. If NIE Energy does not agree with the Generator as to whether the said Metering Equipment is functioning properly NIE Energy will issue a dispute notice in writing and as soon as practicable the relevant Metering Equipment is required to be examined in accordance with the Order. If on such examination:
 - 5.10.1 It shall be found that the inaccuracy of the registration of the relevant Metering Equipment at normal load exceeds 2.5% plus or 1.5% minus or the inaccuracy of the registration of any demand indicator at normal loads exceeds 5%, the said

- Metering Equipment shall be recalibrated or replaced and the cost of such a test and recalibration shall be paid by NIE Energy.
- 5.10.2 The relevant Metering Equipment is found to be accurate within the said limits the said Metering Equipment shall be deemed to be accurate and the cost of moving, testing and replacing the said Metering Equipment or any part thereof shall be paid by the CHP Generator.
- 5.11 Provided that NIE Energy provides the CHP Generator with reasonable notice, the CHP Generator will allow NIE Energy or anyone else authorised by Us safe access to the property at reasonable times for the purpose of ensuring that any Metering Equipment and the connection is operating correctly in accordance with this Contract and also so that NIE Energy or anyone else authorised by Us may obtain check readings from any Metering Equipment.
- 5.12 The CHP Generator must allow our authorised representatives safe access at any time to inspect and cut off the electricity generation if it is reasonably suspected that it is dangerous, and You will be responsible for any associated costs.
- 5.13 The CHP Generation Plant shall either be Accredited or will go through the Accreditation process on request from NIE Energy.
- 5.14 The CHP Generator agrees to nominate NIE Energy as an Agent where applicable.
- 5.15 The CHP Generator will ensure that it has complied with the relevant statutory instruments to attain any of the benefits associated with CHP Generation Plant including Levy Exemption Certificates upon request from NIE Energy. The CHP Generator shall provide NIE Energy with the Levy Exemption Certificates, if any, plus any benefits associated with the CHP Generation Plant issued to the CHP Generator each year, or more frequently if requested.
- 5.16 The CHP Generator shall ensure that it provides NIE Energy with any information on Input Electricity with its Meter Readings on request from NIE Energy.

6. Obligations of NIE Energy

- 6.1 NIE Energy agrees that subject to the terms and conditions of this Contract it will purchase the Export Electricity for the duration of this Contract and will pay to the CHP Generator the Spill Price in respect of the Export Electricity.
- 6.2 NIE Energy warrants that it has the power to enter into, perform and comply with all its obligations under this Contract.
- 6.3 When acting as Agent, NIE Energy shall ensure that it provides the Authority with CHP Generation Plant data on Metered Output as per the Authority Timetable including data on any Input Electricity upon Accreditation of the CHP Generator.
- 6.4 Upon Accreditation of the CHP Generation Plant, NIE Energy will act as an Agent if appropriate.

7. Duration

- 7.1 This Contract is effective from the date of the initial Meter Reading and shall continue until it is terminated in accordance with the provisions of clause 8 (Termination).
- 7.2 NIE Energy and the CHP Generator shall together agree to make any changes to this Contract required to be made as a result of regulatory changes published from time to time by the Authority.

8. Termination

- 8.1 NIE Energy may by notice to the CHP Generator forthwith terminate this Contract when:
- 8.1.1 The CHP Generator no longer owns or occupies the premises specified in section 2 of the CHP Generation Contract;
- 8.1.2 The electricity supply to the premises specified in Section 2 of the CHP Generation Contract has been disconnected;

- 8.1.3 NIE Energy suspects that the CHP Generator has illegally abstracted electricity or has interfered with electricity related equipment or it has been provided with a falsified meter reading;
- 8.1.4 The CHP Generation Plant on site has been removed;
- 8.1.5 The CHP Generator has not received Accreditation within 8 weeks of the date of this Contract or such longer period as NIE Energy may agree;
- 8.1.6 The CHP Generator defaults in the performance of any of its obligations under this Contract;
- 8.1.7 The CHP Generator makes a general arrangement for the benefit of its creditors, institutes or has instituted against it proceedings seeking a judgement of insolvency or bankruptcy or has a resolution passed for its winding up or insolvency;
- 8.1.8 The CHP Generator has executed an Accession Deed requiring it to observe, perform and be bound by the Trading and Settlement Code and has received a notice from the Market Operator confirming that it may commence participation in the Single Electricity Market.
- 8.2 NIE Energy or the CHP Generator may terminate this Contract by giving 28 days notice to either party or immediately if the NIE Energy Licence is revoked.
- 8.3 At the end of this CHP Generation Contract, a Meter Reading is required and NIE Energy will issue the CHP Generator with a termination account for the income due.
- 8.4 The termination of this Contract will not affect any rights which may have accrued to either party and NIE Energy shall have the right to remain as Agent for the remaining period during which any benefits are issued relating to generation by the CHP Generator for the period when the CHP Generation Contract was in force.

9. Liability

- 9.1 Neither NIE Energy nor the CHP Generator is liable to the other for any breach of this Contract directly or indirectly caused by matters beyond our respective reasonable control.
- 9.2 Neither NIE Energy nor the CHP Generator will be liable for the others loss of use, profits or revenue or any indirect or consequential loss arising out of this CHP Generation Contract. Save for personal injury or death, liability for negligence shall not exceed £100,000.
- 9.3 These limitations of liability override any other provision in this CHP Generation Contract unless otherwise expressly stated.
- 9.4 Nothing in this CHP Generation Contract excludes or limits the liability of either of us for death or personal injury resulting from negligence.

10. Variations to the CHP Generation Contract

- 10.1 We may propose variations to the Contract at any time by giving 2 days prior written notice and the CHP Generator should not unreasonably withhold its consent to such variations.
- 10.2 You cannot transfer this CHP Generation Contract to anyone else without our permission. We may transfer this CHP Generation Contract to any company, which can legally supply You.
- 10.3 If the Authority or the Government make changes to our Licence we may need to make changes to this CHP Generation Contract. If this happens we will tell You as soon as we can.

11. General

- 11.1 Notices in relation to this Contract will be sent to You at the billing address. Your notices must be sent to CHP Generation Contract, NIE Energy, Woodchester House, 50 Newforge Lane, Belfast BT9 5NW.

- 11.2 Any notice or consent must be in legible writing and sent by first class pre-paid letter, by hand or by fax. Any posted notice is deemed to have been given 2 days after it was sent and a notice delivered by hand or fax is deemed to have been given when delivered or transmitted.
- 11.3 If there is any inconsistency between these terms and conditions and any other documents comprising the CHP Generation Contract, then these terms and conditions prevail.
- 11.4 Where You comprise more than one person (for example, if You are partners in a firm), the obligations and liabilities under this CHP Generation Contract are joint and several.
- 11.5 Each of the clauses and sub-clauses of this CHP Generation Contract operate separately from the others and survives independently of the others.
- 11.6 Neither of us has entered into this CHP Generation Contract in reliance on any representation or warranty or other undertaking not fully reflected in these terms.
- 11.7 If You require anything from Us in addition to our obligations under this Contract we will be entitled to charge a reasonable amount for any work or materials, including administration charges.
- 11.8 The law of Northern Ireland applies to this CHP Generation Contract. This CHP Generation Contract is subject to the non-exclusive jurisdiction of the Northern Ireland Courts.
- 11.9 You agree that we may disclose information about You or your CHP Generation Plant to others for any purpose in connection with your CHP Generation Plant.