



# User Self Build: Customer Overview & Frequently Asked Questions

nationalgrid

# What is a User Self Build?

Where a project requires transmission connection assets, we will include procuring and installing all necessary transmission connection assets within our offer.

However, it's also possible to procure and install certain transmission connection assets yourself, by entering into a Customer Build Agreement, which is also known as a User Self Build Agreement.

# What is a User Self Build Agreement?

**A User Self Build agreement is a legally binding contract directly between us (National Grid Electricity Transmission) and you (the customer). This agreement is solely between ourselves because you will be building assets on behalf of us.**

**The National Grid Electricity System Operator (NGESO) is not party to this contract.**

The User Self Build Agreement consists of a standard legal agreement and a series of schedules providing information on: the works that will be required; a technical specification; any payments; along with a programme.

You will be asked to provide information in order for us to generate the works, payment and programme schedules. Please note that the schedules may vary between projects.

The legal agreement sets out the requirements and expectations of both parties during detailed design and delivery of the works. By undertaking to deliver the connection assets you are agreeing to deliver the works and equipment in accordance with our safety and quality policies and procedures. You will also be required to provide regular updates throughout the project.

User Self Build Legal Agreement with different schedules outlined:

**Schedule One:**  
Specification

**Schedule Two:**  
User build handover checklist

**Schedule Three:**  
User build assets & works schedule

**Schedule Four:**  
Payment schedule

**Schedule Five:**  
Programme

# How will I be paid for entering into a User Self Build Agreement?

By entering into a User Self Build Agreement, you will be able to select one of the following payment terms options:



**Fixed Cost:** means the fixed price amount for carrying out the works as specified in the Payment Schedule; or



**Costs reimbursable:** means costs reasonably and properly incurred by you on the basis set out in the Payment Schedule. Under this term you will be asked to provide monthly updates on the costs incurred on the User Self Build works.

In both options you will be asked to demonstrate and evidence that the proposed estimated amount represents a fair and reasonable market value.

# How do I enter into User Self Build Agreement

## Payment Schedule

This is the commercial schedule that specifies the contract or estimated contracted sum, method for calculating the contract sum, payment milestones and the milestone amounts.

You will be requested to invoice against the payment milestones agreed in the User Self Build Agreement.

The final payment milestone will be after we have taken ownership of the assets and the taking-over certificate has been issued.

If you wish to enter into a User Self Build Agreement, ideally conversations need to have taken place during pre-application or as part of your offer application. In the event, however, that you have already signed your offer, and no works have commenced, there may be the opportunity to submit a modification application to allow you to enter into a User Self Build Agreement. If this is something that you are interested in, please discuss with us through your Account Manager.

Following the acceptance of your connection offer, you will be issued with the User Self Build Agreement when you will have the opportunity to have reasonable negotiations on the terms in the agreement.

## Please note:

That where you are intending to subcontract the work, it is worth ensuring you have a copy of the User Self Build Agreement to allow similar terms & conditions to be included in your subcontracts. **A standard legal agreement can be shared with you during initial discussions if required.**



# What is the process for entering into a User Self Build Agreement?

## STC

(SO/TO Code) This code defines the relationship between the Electricity System Operator and the Transmission Owner (us). It also sets out the roles, responsibilities, obligations and rights of each party.

## CUSC

The Connection and Use of System Code (CUSC) is the contractual framework for connection to, and use of, the National Electricity Transmission System (NETS). This code defines the relationship between the Electricity System Operator and you.

## Grid Code

The Grid Code details the technical requirements for connecting to and using the National Electricity Transmission System (NETS). Compliance with the Grid Code is one of the requirements of the Connection and Use of System Code (CUSC).



National Grid Electricity Transmission



National Grid Electricity System Operator



System Users

## USB

The User Self Build contract is only applicable to connections where you are delivering connection assets which we will then take ownership of. This contract sets out the terms and conditions within which both parties will operate.

## Generic Timeline

### 1. Pre-app:

Intention to carry out User Self Build is highlighted.

### 2. Offer:

Intention to carry out User Self Build is confirmed. A discussion will be held between us and you to agree which works can be undertaken under the User Self Build. These works will then be included within the Connection Offer.

### 3. Offer Acceptance:

Following acceptance of your offer, we will issue you with a standard User Self Build Agreement. Following the receipt of a User Self Build Agreement, you will have the opportunity to raise queries or reasonable revisions.

### 4. Design & Development:

We will provide a technical specification schedule for you to review. We will require your involvement in the development of the project and require you to provide information on: programme, commissioning, costs, Design Intent Document and a nominated contractor.

### 5. User Self Build Agreement signed:

All schedules will need to be completed and agreed. The legal document will then need to be signed. This needs to occur within the timescales indicated in your connection offer in order for your desired connection date to be met.

### 6. Build & Commissioning:

You will take responsibility for delivering the works to meet the completion date as per the technical specifications. During this period there will be the opportunity to have engagement through our engineer.

### 7. Asset Adoption:

Once you have received confirmation of successfully completing commissioning and no defects have been identified, we will issue a taking-over certificate. Once this has been issued, we will adopt the assets.

### 8. Post Adoption:

Once adopted by us, you will retain responsibility for the defect liability period for the assets for 5 years post the taking-over certificate being issued.



# Frequently Asked Questions

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## **1. Once the User Self Build agreement is signed am I still required to provide financial securities for the connection assets?**

Yes. The securities will be updated to reflect the price schedule agreed with you, but will also include attributable costs such as our project management costs, for example engineer and commissioning resource. The securities costs will be subject to National Grid charges; more information is available on the following link: <https://www.nationalgrid.com/uk/electricity-transmission/how-to-get-connected/researching-your-connection/how-much-will-it-cost>

## **2. Can I amend or remove the defect liability requirements in the User Self Build agreement?**

We will seek to ensure comparable protections are in place, as if we were delivering the works. You must be able to demonstrate good reason for any amendments to defect liability periods. The defects liability period means the period of 5 years calculated from the date of us taking over the equipment. The defects liability is applicable to acts or emissions of your company; any defective materials, workmanship or design; or any other breach of contract by yourselves.

## **3. Can the User Self Build agreement be a tripartite agreement?**

No. The User Self Build agreement is a contract between yourself (the customer) and ourselves (National Grid Electricity Transmission) and is directly linked to the contract that we have with Electricity System Operator. You should seek to put in place similar terms and conditions with any independent suppliers to minimise any liability.

## **4. What is the purpose behind the liquidated damages?**

The liquidated damages are linked to the percentage rate of return that we are entitled to receive from the Transmission Connection Assets once those assets have been completed and added to our regulatory asset base. If these works are delayed, we will not be able to receive this rate of return until those works are completed and adopted. The liquidated damages bridge this gap in the circumstance where the delay is caused by the actions, or lack of action, by yourselves or your independent suppliers.

## **5. Can we assign the User Self Build contract?**

Assignment requires consent from ourselves. We are, however, prepared to discuss reasonable exceptions provided you can evidence a sufficient need.

**National Grid**

National Grid House  
Warwick Technology Park  
Gallows Hill, Warwick  
CV34 6DA

[etenquiry@nationalgrid.com](mailto:etenquiry@nationalgrid.com)

[www.nationalgridet.com](http://www.nationalgridet.com)