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Dear Industry Colleagues,

Tender Results for Mersey region reactive power

Following the publication of the Request for Information for the provision of reactive power services published on the website on the 3rd October 2018 and the Invitation to Tender which closed on the 11th February 2019. The below is information regarding the tenders received and results following assessment.

We would like to thank those who participated in the tender round. The summary of the tenders received is as follows:

3 tenders were received for 2019/2020.

- 1 tender from SSE for Fiddler's Ferry
- 2 tenders from Intergen for Rocksavage - different summer and winter prices

2 tenders were received for 2020/2021

- 2 tenders from Intergen for Rocksavage - different summer and winter prices
- No Firm tenders were received

Details of the tender submissions can be found in Appendix 1.

Tender Results

Following tender assessment 2 tenders have been awarded, the accepted and reject tenders are as follows:

Tender	Rejection Code	Definition
Rocksavage – Summer 2019	Accepted	N/A
Rocksavage Winter 2019	Accepted	N/A
Fiddler's Ferry	4	While the tender submitted was considered as beneficial, on this occasion there were tenders that provided a higher benefit.
Rocksavage – Summer 2020	1	The price submitted was too high and did not provide any contract benefit against alternative options
Rocksavage – Winter 2020	1	The price submitted was too high and did not provide any contract benefit against alternative actions

Assessment:

As outlined in the original RFI the tender assessment process is as follows, further details are included in the RFI:

1. Effectiveness assessment

Providers in different locations, connected at different voltage levels have a different impact on the transmission system voltage, therefore an effectiveness score needs to be established through technical assessment.

2. Cost assessment

Each tender is stacked in descending order of its cost benefit, with consideration of the effectiveness of the provider. A tender has to be beneficial against forecasted alternative BM cost for the reactive volume.

3. Comparison against requirements

All tenders are compared against the requirements. Tenders which meet requirements, and result in no over holding are considered for acceptance.

Following assessment the effectiveness score of each tender received is as follows:

Tender	Effectiveness (%)
Rocksavage – Summer 2019	100
Rocksavage Winter 2019	100
Fiddler's Ferry	40
Rocksavage – Summer 2020	100
Rocksavage – Winter 2020	100

Learnings

We would like to thank all those who submitted information throughout the process. The key learnings which will be taken forward as part of the Reactive Power Roadmap work. If you wish to submit any feedback on the process, contract etc. please contact Emily Campion.

Further Information

For further information and a more detailed explanation of the procurement process for the above or similar requirements, please contact Emily Campion.

Yours sincerely,
Emily Campion

Appendix 1. Tenders Received

2019 tenders

BMU ID		T_FIDL-2	T_ROCK-1	T_ROCK-1
Tender Period (must be minimum 1 month starting on 1st of the month)	Start Date	01/04/2019	01/04/2019	01/11/2019
	End Date	31/03/2020	31/10/2019	31/03/2020
Contract Fee - Type		Coal index linked	Gas index linked	Gas index linked
Contract Prices (£/MWh)	Option 1	39.09	47	38
	Option 2	19.58	39.5	30
	Option 3	9.19	38	28
Maximum MVA Range Lead:Lag	Lead	170	229	229
	Lag	230	255	255
Active Power Range to deliver Reactive Range (MW)		240	220	220

2020 tenders

BMU ID		T_ROCK-1	T_ROCK-1
Tender Period (must be minimum 1 month starting on 1st of the month)	Start Date	01/04/2020	01/11/2020
	End Date	31/10/2020	31/12/2020
Contract Fee - Type		Gas index linked	Gas index linked
Contract Prices (£/MWh)	Option 1	60.4	50
	Option 2	53	41.5
	Option 3	51	40
Maximum MVA Range Lead:Lag	Lead	229	229
	Lag	255	255
Active Power Range to deliver Reactive Range (MW)		220	220

Appendix 2. Reason Codes

The table below provides guidance as to the reasons that a tender has been rejected. Where appropriate, new reasons will be added following the tender.

No.	Reason Codes	Definition
1	Price not beneficial across tendered period	The price submitted was too high and did not provide any contract benefit against alternative actions.
2	Tender was not beneficial across duration of the tender period	The tender submitted was not considered beneficial when evaluated against the forecasted cost of alternative actions across the tender period.
3	Beneficial but the benefit is lower than that of other tenders	While the tender submitted was considered as beneficial, on this occasion there were tenders that provided a higher benefit.
4	Beneficial but requirement already satisfied	While the tender submitted was assessed as beneficial, the benefit was not determined as sufficient for us to contract above our procurement requirement.
5	Tender benefit was lower after effectiveness factor applied	While comparable tenders submitted were considered as beneficial, due to the impact of the effectiveness factor, this tender had a lower benefit and on this occasion, there were tenders that provided a higher benefit.
6	Tender was not assessed as Reactive Volume below minimum tender amount	The Tender did not include the minimal reactive range of 50MVAR or 25MVAR if only lead or lag
7	Tender was not assessed as was outside the contract area	The reactive power was outside the region outlined in the Request for Information Pack
8	Does not meet tender prerequisites and rules	The Tender does not meet any of the other (not location or volume) prerequisites and rules. Please refer to the 'Technical requirements' and 'How to participate' sections using the following link to determine the criteria necessary to participate.