

To Potential Service Providers

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30 September 2020

Invitation Letter to Expression of Interest for NOA Stability Pathfinder Phase 2

Dear Industry Colleagues,

Following the Request for Information (RFI) for the provision of stability services, which was published on our website on 17 June 2020, we are today launching the Expression of Interest (EOI) to invite proposals from potential service providers. We are seeking views on how short circuit levels, inertia and dynamic voltage could be provided for a service starting between 1 April 2022 and 1 April 2024 and ending on 31 March 2030. Solutions in this EOI are sought from both commercial providers as well as Network Operators. A submission as part of this EOI, does not commit the potential provider to participate in the feasibility study or tender assessment but acceptance by National Grid Electricity System Operator (NGESO) of an EOI submission is required to progress to next stages of the process.

Supporting Documents

This letter is accompanied by several other documents – a brief description of each is set out below - which together comprise the EOI and can be found on our website. The accompanying documents are:

- Invitation for Expressions of Interest slide deck
- Expression of interest submission form
- Feasibility Study Guidance
- Connection review scope
- Technical Specification
- Assessment Methodology
- Effectiveness information
- Heads of terms
- Payment Calculation

Invitation for Expressions of Interests

This slide deck sets the context of NOA Stability Pathfinder Phase 2 and provides an outline of the activities and timelines in this EOI.

Expression of interest submission form

Prospective commercial providers are invited to complete the excel form included as part of this EOI to set out details of their proposed solutions. Any Network Operator wishing to be included in the assessment, must have submitted a System Requirements Form template by the specified EOI submission deadline and passed assessment against the criteria. A submission may be made at any point within the EOI submission window, though an early submission will allow providers more time to develop their feasibility study.

NOTE: Only proposed solutions that meet all the criteria listed in “Expression of Interest Criteria” slide of the EOI slide pack, will be invited to participate in the feasibility study.

Feasibility Study Guidance

This document provides an overview of the desktop-based simulations studies that are required as part of the Feasibility Study to demonstrate the technical capability of proposed commercial and network operator solutions. It sets out the tests that must be carried out along with the criteria we will use to determine if proposals can proceed.

NOTE: Proposed solutions must successfully pass the feasibility study to be invited to participate in the economic assessment.

Connection review scope

Where proposed commercial solutions require a new connection or a change to an existing connection, the participant must share with the NGESO all relevant technical information when requested and be willing for the NGESO to supply relevant information to the appropriate Network Operator for the purpose of the connections review.

Technical Specification

The technical specification outlines technical performance requirements that are required by potential solutions. The specification is written on a technology neutral basis to ensure all technology types are able to participate in the tender process. Some of the key performance requirements will need to be demonstrated via desktop-based simulations at the feasibility stage of the process. Providers who fail to demonstrate sufficient performance at the feasibility stage will not be able to progress to the commercial tender stage.

Assessment Methodology

The assessment methodology sets out the approach we intend to take in assessing options submitted to manage stability in Scotland as part of the NOA Stability Pathfinder Phase 2 tender process. It covers how we will assess solutions offered by commercial providers and Network Operator as well as how we will account for the differences in costs incurred.

Effectiveness information

This spreadsheet sets out the effectiveness at locations across Scotland at contributing to short circuit level. The Assessment Methodology sets out how the effectiveness scores will be considered in determining the value of proposed solutions.

Heads of Terms

As part of this EOI, we have shared initial Heads of Terms which provide an overview of the terms that we intend to apply to this service. In the coming months, we will carry out a consultation on draft contract terms which will be followed by a short window for further comments, before the terms are finalised prior to the launch of the economic assessment.

Payment Calculation

Along with the Heads of Terms, we are including a spreadsheet that sets out the calculation of availability payments to allow feedback on the methodology as well as to provide an insight into how unavailability would be treated. The calculation will be adapted into a set of formulae that will be included in the draft contract terms we will published in October.

Next Steps

Proposals that successfully progress through this EOI will be invited to demonstrate that the solution(s) meets the technical specification of the service by undertaking a feasibility study prior to being invited to tender.

A full timeline of all activities relating to the NOA Stability Pathfinder Phase 2, including the deadline to submit EOI proposals, are set out in the Invitation for Expressions of Interest slide pack.

Further Information

For further information please contact box.networkdevelopment.roadmap@nationalgrideso.com

Yours faithfully

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National Grid ESO