

NOA Stability Pathfinder Phase 2

RFI Feedback Summary and Next Steps

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Version control

Version	Date published	Page No.	Comments
1.0	19/08/2020		

Introduction

We published a Request for Information ([link](#)) on 17th June 2020 and the feedback closed on 15th July 2020. The Request for Information invited feedback on the proposed process and timelines for NOA Stability Pathfinder Phase 2. We especially wanted to understand how we can accommodate the impact of Covid-19 to maximise participation

We asked five questions:

Question one: Do you have any feedback following Phase 1 which could help in the development of future NOA pathfinders?

Question two: Are the timescales and proposed procurement process for NOA Stability Pathfinder Phase 2 feasible from a provider perspective?

Question three: Is there anything we should consider to take into account the impact of COVID-19 on the NOA Stability Pathfinder Phase 2 process?

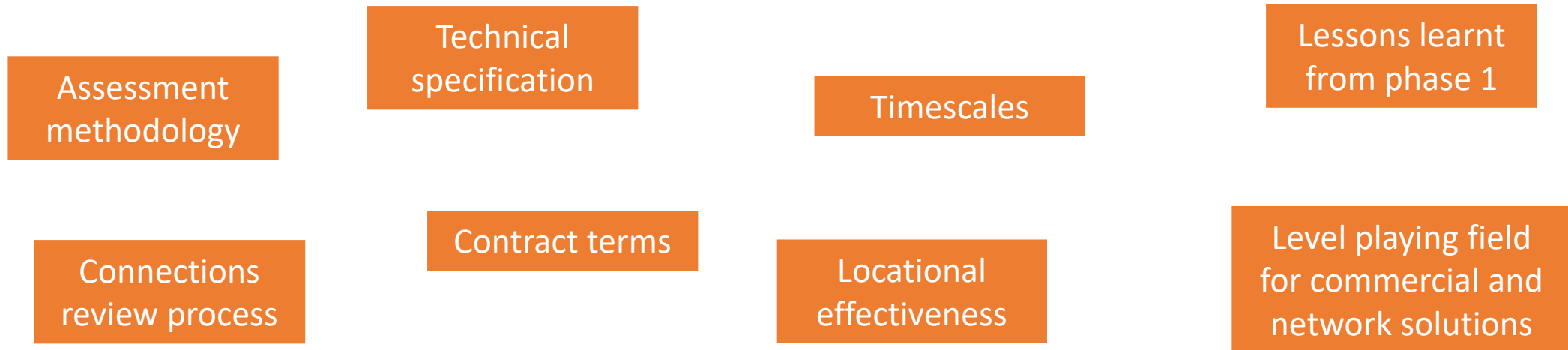
Question four: What impact would requiring over 90% availability have on your ability to participate in the service?

Question five: Do you have any feedback on the published technical specification?

RFI feedback & key themes

Thank you to those who took the time to respond to the RFI. In total we received 36 formal responses to the RFI and around 150 people attended the webinar asking a wide range of questions which are now included in our FAQ document.

The key themes are:



This pack gives an overview of the key themes from the request for information and provides responses from the ESO.

Answers to some of the more specific questions from the feedback can be found in the FAQ document or will be included in the more detailed documentation published at the invitation for expressions of interest stage which will take into consideration the feedback provided so far and include a summary of the contract terms, a draft assessment methodology and feasibility study guidance.

RFI feedback Q1

Question one: Do you have any feedback following Phase 1 which could help in the development of future pathfinders?

Feedback

- Respondents noted that the timescales for Phase 1 were too short for most new projects to develop and deliver solutions.
- Respondents noted that they would have liked more information on the assessment methodology.
- Respondents noted that they would like more time to review the contract terms.

Response

- We appreciate the timescales for Phase 1 were short. These timescales were necessary as the original RFI had identified an opportunity to save consumers money in the medium term by running a process with a shorter timeline. Through the NOA pathfinders we would like to encourage a broader range of participants and have proposed a longer timeline for Phase 2 to allow for this.
- For Phase 2 we have published more detailed effectiveness data. We will publish the proposed assessment methodology at the EOI stage and offer potential participants the opportunity to provide feedback.
- We will be running a consultation to allow providers a formal opportunity to feedback on the proposed service terms. Following the RFI we have added in a further opportunity to feedback whilst we finalise the contract terms.

RFI feedback Q2

Question two: Are the timescales and proposed procurement process for Stability Pathfinder Phase 2 feasible from a provider perspective?

Feedback

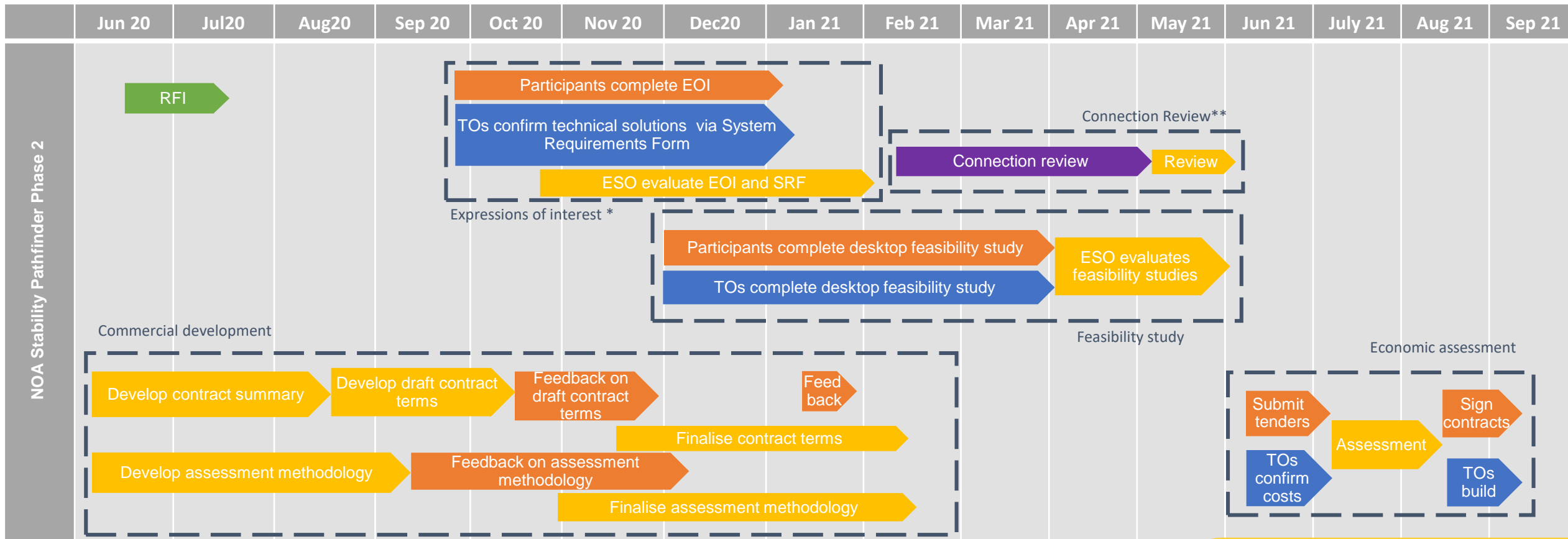
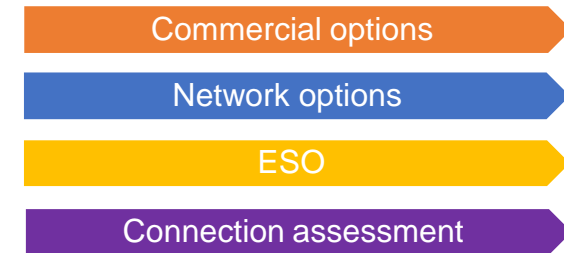
- In general respondents were comfortable with the timescales proposed for Phase 2. Some felt the process could be quicker (for more established solutions) and others felt the process needed to be longer to allow for feasibility of new technologies, connection processes and contract review.
- Respondents raised concerns over the earliest start date and whether allowing service to start from 2021 was disadvantaging new projects. Some respondents also felt that the latest start date of April 2024 was not realistic for delivery in some case highlighting connection in these timescales to be challenging.
- Some respondents asked whether the contract length could be longer.

Response

- Based on the feedback we do not intend to make significant changes to the length of the process we would like more established solutions to be able to compete alongside newer solutions and expect for most solutions this process will achieve a balance which allows for both.
- We are changing the earliest start date to April 2022 to help ensure that all contracts allow time for commissioning and testing of solutions before the start of the service. We do not intend to change the latest start date from April 2024 as this is based on when we expect to see a step change in our requirement. The comparison of solutions will take place over the period between April 2024 and March 2030.
- The timeline now also includes a period for network owners to complete a coordinated review of connections.
- The NOA stability pathfinder is an early step in developing a market for stability services we expect this to evolve significantly over the coming years and we want to ensure that we leave space in future years for new technologies procured through new approaches so we do not intend to extend the contract length.

Updated timeline overview

KEY:



* Providers may submit an EOI at any time during the 3-month period. Prospective providers who submit an EOI early will benefit from more time to develop their desktop feasibility study.

** Timeline is dependent on number of participants who require a connections review and will be reviewed after EOI closes.

RFI feedback Q3

Question three: Is there anything we should consider to take into account the impact of COVID-19 on the Stability Pathfinder Phase 2 process?

Feedback

- We had a range of feedback where some respondents felt COVID-19 would have no impact or the impact would be minimal however other respondents had concerns over specific areas of the process for example the impact on supply chains.
- Respondents pointed out that there was still much uncertainty over how COVID-19 would play out and suggested we should be pragmatic with deadlines in the process and contract if delays were incurred.
- It was also suggested that ESO should ensure we can allow for online meetings and digital transfer of information.

Response

- If it becomes apparent during the process that COVID-19 is likely to have an impact on the timeline we will keep deadlines under review.
- We will clarify in the contract terms how delays due to COVID-19 will be treated, recognising the uncertainty of potential future waves but would not consider these as Force Majeure.
- We will continue to facilitate the NOA pathfinder process using online meetings and digital transfer where possible.

RFI feedback Q4

Question four: What impact would requiring over 90% availability have on your ability to participate in the service?

Feedback

- Most respondents believed their solution could meet or exceed 90% availability.
- Renewables and storage technologies with grid forming converter capabilities suggested they would be able to offer 90% availability for the short circuit level requirement but not inertia without additional investment.
- Respondents wanted more information on how the payment terms, service stacking and TO connection constraints relate to availability.

Response

- Based on the RFI responses, we plan to keep over 90% availability requirement for short circuit level and include inertia availability as a variable tender parameter. We will provide information in the assessment methodology to explain how this parameter will be taken into consideration.
- We will provide more information in the contract summary regarding how availability will be managed in the contract. Participants will have an opportunity to provide feedback on the contract terms.
- We will provide more information in the in the Heads of Terms, which will be published as part of the EOI, a list of services that can be stacked with Stability Phase 2.
- Providers will be considered unavailable if a network constraint prevents them from delivering the service.

RFI feedback Q5

Question five: Do you have any feedback on the published technical specification?

Feedback

- We have received a lot of feedback on technical specification mainly:
 - Seeking clarification of various definitions and terms used
 - Commenting on application of specific clauses to different technology types
 - Asking to consider impact of GC0137 work on stability pathfinder

Response

- The key feedback we are considering to update our technical specification is:
 - We will review all definitions with the aim of making them clearer and more precise
 - We will review how we define short circuit level and inertia
 - We will aim to remove any blockers for specific technologies where doing so does not limit the service we are procuring
- We will publish a revised version of the technical specification alongside the EOI. This will include a tracked changed version so you can see what changes have been made.
- At the EOI stage we will run a technical webinar to go through the technical specification to explain each clause and what we are asking for.

RFI feedback other themes

Locational effectiveness

Feedback

- We have received requests for providing effectiveness of additional sites.
- We have received feedback regarding some effectiveness numbers based on expected network reinforcements.
- We have received feedback on the behaviour of Grid Forming Technologies for remote faults.

Response

- We have updated and republished our effectiveness spreadsheet considering these points.

RFI feedback other themes

Transmission Owner solutions

Feedback

- We have received queries asking for clarification on how transmission owner solutions will be treated and what network charges would apply to them and how we will achieve a level playing field.

Response

- Whilst the TOs will be offering solutions through the established regulated route and commercial solutions will be participating through a tender, both types of solutions will be assessed at the same time. Enabling a fair comparison of these differently regulated types of options is one of the key challenges of the NOA pathfinder approach.
- We will outline in the assessment methodology the factors which will be taken into consideration to enable comparison of the different types of solution.
- We are working with Ofgem to highlight areas where changes to the framework can help support a level playing field including charging and cost recovery of solutions.
- We are working with the TOs to agree what level of business separation and/or information ringfence is appropriate to enable them to both submit potential solutions and support the connections review process without gaining an unfair advantage.

RFI feedback other themes

Connections review

Feedback

- Respondents raised concerns about the interaction of the connections process with the NOA pathfinder procurement process and indicated that they would like to see more information on how we plan to work with the TOs to coordinate these processes.
- There was some confusion about whether this process replaced the need for a connection application.

Response

- We are working with the TOs to agree a more coordinated approach to managing queries regarding pathfinder connections.
- The procurement process now includes a stage for network owners to complete a coordinated review of connections. Which will allow us to receive information on connection costs and timescales ahead of the tender.
- The connection review does not remove the need for a connection application but allows the tender to progress without all participants having a connection offer. We believe this reduces the barriers to entry for all providers.
- Since having a connection offer is not a pre-requisite to participate in the tender, we are using the coordinated connections review process to obtain indicative information on connection costs and deliverability of solutions. Participants who are successful in the tender and who do not have a connections offer, will need to go through the formal connection application process following the announcement of the tender results.

NOA Stability Pathfinder Phase 2

Next Steps

- We are working to incorporate feedback and questions from the RFI into the material that will be published at the expression of interest stage. This will include:
 - EOI criteria and submission template
 - Heads of terms
 - Assessment methodology
 - Feasibility study guidance
 - Scope of connections review
 - Updated technical specification
- We are working with the TOs to agree how to manage connection queries and the connection review process as part of the pathfinder procurement process.
- We are aiming to publish the invitation for expressions of interest in September 2020.

