

Short term Mersey Static Reactive Tender Results

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To All Service Providers

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Dear Industry Colleagues,

Results of the Short-term Mersey Static Reactive Tender 2020-21

The following static reactive power service was identified by National Grid Electricity System Operator Limited (“NGESO”) to manage voltage levels in the Mersey region for the period 1st April 2020 to 31st March 2021, arising from planned outages, asset availability and forecast system conditions.

Service description:	A. Voltage Only (BM Firm)
Service Type:	Firm to run at SEL for the overnight period every night
Service Term:	From: 01/04/2020 (23:00) To: 01/04/2021 (07:00)
Service Period:	23:00 to 07:00
Payment Rate:	£/SP (16 SP per day)
Notice:	N/A
Additional notes:	

Service description:	B. Voltage Only (BM Call-Off)
Service Type:	Option price without availability component
Service Term:	From: 01/04/2020 (23:00) to 01/04/2021 (07:00)
Service Period:	23:00 to 07:00
Payment Rate:	On days when NGESO enacts the option, NGESO payout to unit based on the difference between the day ahead dark/spark spread and pre-agreed strike price for the contracted period, as detailed in the contract terms appendix.
Notice:	As defined by provider or 10:00 within day (whichever is later) for 23:00 same night
Additional notes:	We require prices for the following options. Option 1 - where at the time of the instruction, PN < SEL in EFA block 6 and EFA block 3.

	Option 2 - where at the time of the instruction, PN >= SEL in EFA block 6 or where at the time of the instruction PN >= SEL in EFA block 3. Option 3 - where at the time of the instruction, PN >= SEL in EFA block 6 and EFA block 3.
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Service description:	C. Voltage Only (Embedded Non-Flexible)
Service Type:	Firm Availability
Service Term:	From: 01/04/2020 (23:00) to 01/04/2021 (07:00)
Service Period:	23:00 to 07:00
Payment Rate:	NGESO will pay the availability rate for all settlement periods in a service period when provider is available On days when NGESO enacts the option, NGESO will pay for reactive power utilisation during the service period at a rate equal to ORPS.
Notice:	As defined by provider or 10:00 within day (whichever is later) for 23:00 same night
Additional notes:	A single availability price is to be submitted, covering all power factor possibilities between 0.5 and 0.95pf lead (absorption) in £/MVar/SP

Service description:	D. Voltage Only (Embedded Flexible)
Service Type:	Optional Availability
Service Term:	From: 01/04/2020 (23:00) to 01/04/2021 (07:00)
Service Period:	23:00 to 07:00
Payment Rate:	NGESO will pay the activation rate for all settlement periods whilst under instruction, based on the available MVar volume, and a utilisation rate equal to ORPS.
Notice:	As defined by provider or 10:00 within day (whichever is later) for 23:00 same night
Additional notes:	A single activation price is to be submitted, covering all power factor possibilities between 0.5 and 0.95pf lead (absorption) in £/MVar/SP

For a full description of the requirement and service please refer to the letter published on 14th October 2019.

Assessment and Results

We would like to thank those who have taken the time to participate in this tender round. Tenders were received on behalf of Intergen, Welsh Power, Inovyn and Orsted. These offers are summarised in Appendix One to this letter.

The total volume of MVAr offered from the tender was insufficient to secure the loss of the largest provider, therefore we have not procured up to the original tender requirement. It is fundamental however that the ESO can secure the system therefore it required a re-assessment of how we operate the network that

effectively sets a new baseline. Further studies were completed to investigate the use of operational options including enhanced post fault actions and the tenders to assess system security following the most onerous double circuit fault.

A combination of Inovyn (lowest tender in the price stack), Rocksavage and the agreed operational action(s) will meet the requirements for the tender period, so we would like to take forward services with Intergen (Rocksavage) and Inovyn – as highlighted in Appendix One.

Further Information

For further information please contact commercial.operation@nationgrideso.com or call 01926 654611.

Yours faithfully

Paul Lowbridge
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Mersey Short Term Tender 2020/21 – Results Table

Appendix One

Contract Type	Provider	£/MWh	£/MVar/SP	SEL (MW)	MVar	Effective MVar	Effectiveness at transmission level	£/EffectiveMVarh	Outcome	Comments
C	Inovyn	n/a	6.30	n/a	70	63	90	14.0	Accepted	Accepted to meet requirements
B	InterGen - Rocksavage Power Station	Option 1 – 46 Option 2 – 38.5 Option 3 – 37	n/a	210	229	229	100	36.5¹	Accepted	Accepted to meet requirements
C	Welsh Power - Wharf Power Limited	n/a	20.86	n/a	8.16	6	73.53	56.7	Rejected	Rejected as required volume already met by lower cost tender
C	Welsh Power - Warrington Power Limited	n/a	30.98	n/a	7.005	6	85.65	72.3	Rejected	Rejected as required volume already met by lower cost tender
C	Welsh Power - Northwich Power Limited	n/a	29.74	n/a	8.33	6	72.03	82.6	Rejected	Rejected as required volume already met by lower cost tender
D	Orsted – CRSSB-1	n/a	200	n/a	16.84	8	47.51	841.9	Rejected	Rejected as required volume already met by lower cost tender and excessively high £/EffectiveMVarh cost

Note: 1 – Weighted average price, across option 1,2 & 3