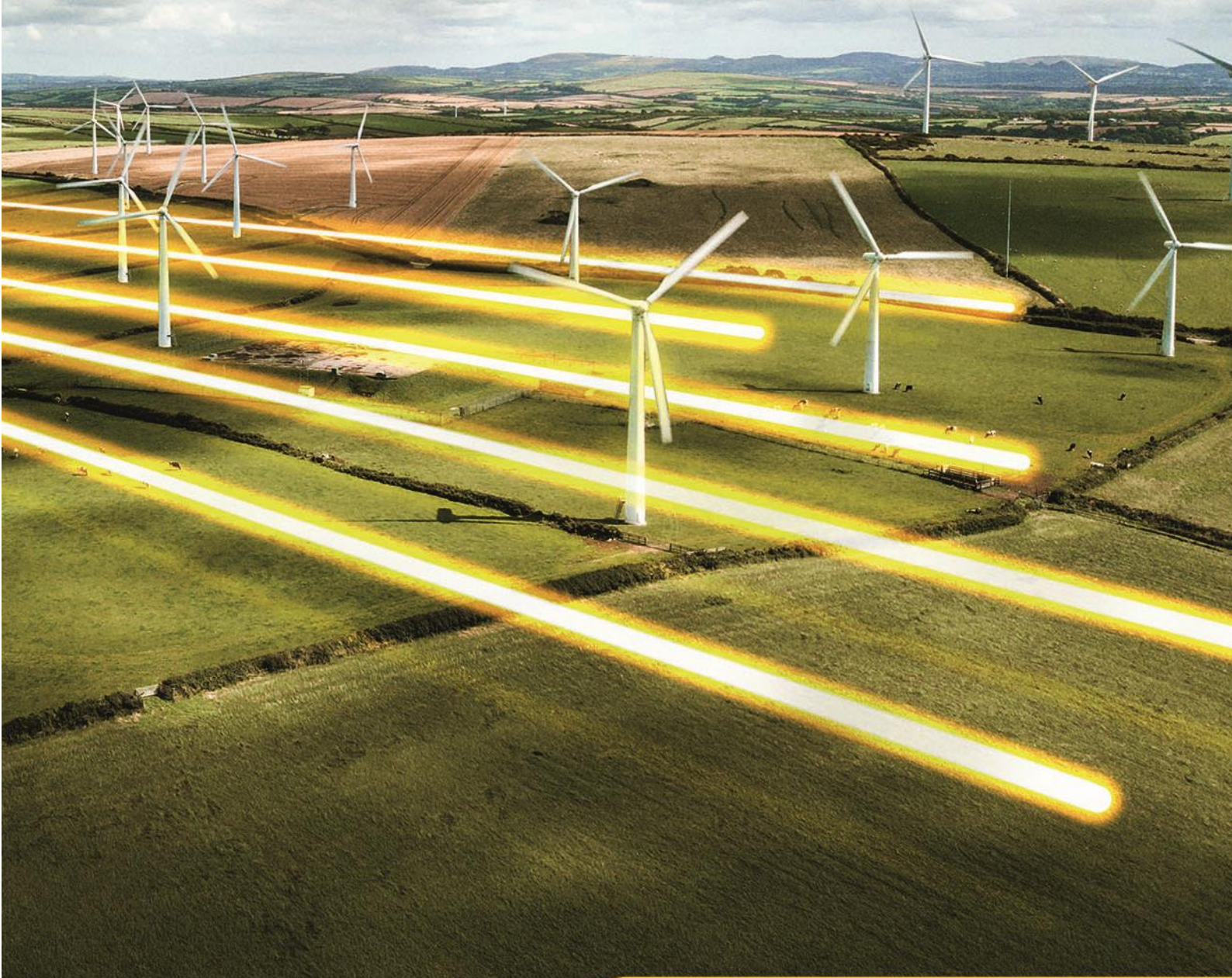


Interested Persons' Options Brief

Submission Process for Option Consideration

September 2021



1. Introduction to Interested Persons'

The purpose of Interested Persons' options is to increase the diversity of options considered within the NOA process through academic and industry participation. Options submitted through this process are required to be new and innovative and that have not yet been assessed in NOA.

Interested Persons can suggest options and where they can provide demonstrable evidence of benefit to meet system needs, the ESO, and TO as required, can support them with further analysis. In some cases, the ESO might conclude that previous work, perhaps by a TO, has found that an option is impractical or not worthwhile to progress in which case it will not be developed further unless network needs develop / change.

2. Option screening

The ESO will apply a screening stage to filter options from Interested Persons'. The ESO considers the following factors:

- Genuine network need.
- New and innovative.
- Operability.
- Practicality, for instance overly ambitious delivery date.
- Costs.
- Whether the same or similar option has been considered before and ruled out for good reason.

During the filtering process the ESO will also check to see if the IP option is better suited to an existing NOA Pathfinder Project. If this is the case, the option will be excluded from the NOA analysis and recommended to be put forward to the relevant NOA Pathfinder Project.

Once evaluated, the Interested Person will be given a decision on whether their option is eligible to be progressed to the next stage -detailed assessment. Please ensure options are submitted with sufficient detail addressing each of the above factors. Any unsuccessful submissions will be notified by email.

3. Collaborative early development

When the ESO carries out early development of an option, it needs to be able to determine the option's benefit, for instance how much it improves boundary capability, the cost and the earliest in-service date.

The early development of Interested Persons' options will be an ongoing collaborative process between the provider, NGENSO and the incumbent TO, as appropriate. This will ensure proposed options are fully understood and sufficiently developed whereby it is demonstrated they can provide a benefit ahead of inclusion in the NOA CBA. For an Interested Persons' option to be considered for the forthcoming NOA, it must be considered technically competent, mature and submitted before the start of technical analysis.

4. IP option NOA recommendation

Once the NOA CBA assessment has completed a recommendation on each option can be made. An IP option in NOA can receive one of the following recommendations:

- **Proceed:** the option shows economic benefit and work should be undertaken by either the ESO or incumbent TO and IP to progress the option, with final project delivery subject to year on year proceed signals. NB: should the ESO progress an option delivery will be subject to a competitive tender.
- **Hold/Delay:** the option provides value but is not required immediately and should not proceed any further at this stage
- **Stop/Do not start:** the option does not show sufficient merit and development should stop or should not be started. (Development in this context refers to further capex spending).

Please note that all options that go into the detailed assessment stage will have their information published in the annual NOA report.

5. Interested Persons' Submission Process

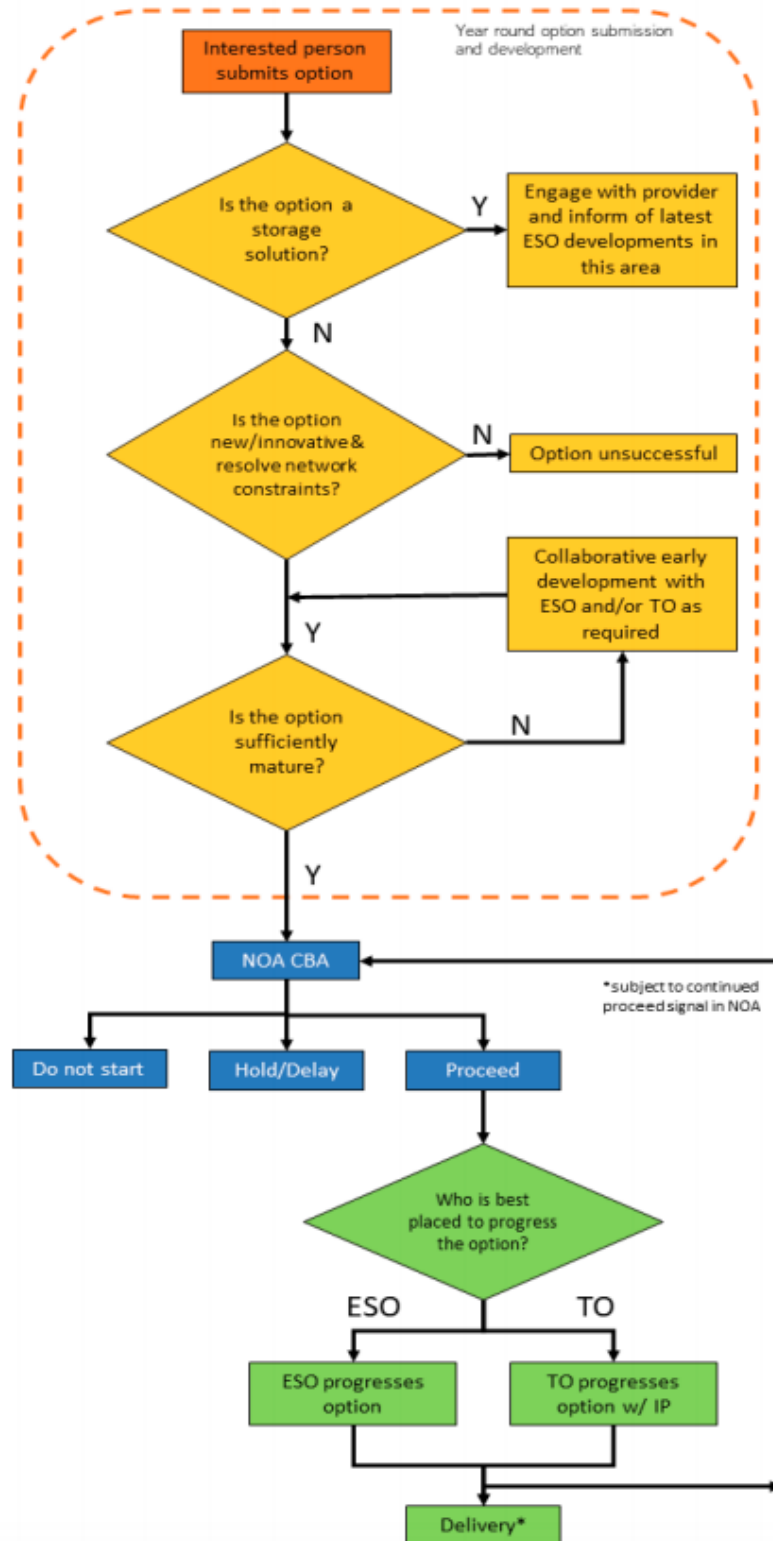


Figure 1: Interested Persons' Process flowchart

6. Anticipated questions

The Interested Persons' (IP) option process is a submission process allowing options from non-TO parties to be submitted and potentially assessed in the annual NOA process. This is the second year of this process and so we have anticipated some common questions that we have answered in advance. If you have further questions, please feel free to contact us on noa@nationalgrideso.com.

How do I submit an option?

Options can be submitted by downloading and completing the [IP option submission form](#) available on our website. Please follow all the instruction as failing to do so may result in delays. Any submissions newly submitted or pending information beyond the submission deadline cannot be taken forward for assessment in the upcoming NOA. However, the ESO will work with the IP to better understand the option so it may be included in future NOA iterations. Once the form is completed, please submit this by emailing the form to noa@nationalgrideso.com.

What are the deadlines to submit?

Options may be submitted year-round. The annual NOA process runs to a strict timeline which must be followed to deliver our license obligations. For an option to be considered for inclusion in the NOA analysis in a given year, it must be submitted and deemed technically viable by the ESO and Incumbent TO(s), prior to the NOA technical analysis starting in **June**. Options which are deemed technically viable following this cut-off will be studied in the following year's analysis.

When will I hear from the ESO?

Once an option has been submitted, we will acknowledge your submission by the end of the following working day. We will aim to provide you our decision on whether your option has successfully passed our filtering stage within 10 working days, subject to volume of submissions.

What does the decision at the filtering stage mean?

If your submission is successful at the filtering stage, we will be in touch with you and inform you that your option is progressing to the detailed assessment stage. If, however, your option is not successful because it does not meet the filtering criteria, we will provide feedback and an open and ongoing dialogue as appropriate.

My option was deemed not sufficiently mature. What now?

This is a normal part of the process. Developing options of maturity for inclusion in the NOA CBA is a significantly challenging undertaking. What this could mean is that we don't know enough about your option yet to assess it through our standard process or where and how it could be best deployed. If this is the case the ESO and relevant TO(s) will work with you to better understand how your option can provide system benefit. Once we are all satisfied that the option is sufficiently mature it can be included in the next NOA. It is our hope that through increased collaboration and working in partnership with Interested Persons that we will be able to utilise innovative solutions to maximise value to the end consumer.

Why is storage not assessed?

At present the Interested Persons process will not assess storage options, this includes: pumped storage, battery storage, compressed air, and all other storage technologies. Due to complexity challenges (see [Storage in NOA supplementary note - Methodology 2021](#) on the NOA Methodology webpage) we are developing possible processes for how best to assess and understand the benefits that storage technology can provide. This is being undertaken as part of a separate workstream under our 5-Point Plan. The outcome from this will feed into how storage can be utilised for the purpose of boundary benefit and whether storage can be taken forward within the NOA.

If I have any questions, how do I get in touch?

If you need to get in touch with us, please email us at noa@nationalgrideso.com.