

To All Tenderers

National Grid ESO
Faraday House
Gallows Hill
Warwick
CV34 6DA

nationalgrideso.com

8th November 2021

Invitation to tender for NOA Stability Pathfinder Phase 2

Dear industry colleagues,

Following the conclusion of the Feasibility Study and Connection Review stages, National Grid Electricity System Operator Limited (“**NGESO**”) is today launching a tender to procure short circuit level (SCL), inertia and dynamic voltage across Scotland for delivery from as early as 1st September 2022 until 31st March 2034.

Context

The [System Operability Framework \(SOF\)](#) has highlighted operability risks expected due to the decline in transmission connected synchronous generation over the next decade.

As part of NGESO’s [Network Development Roadmap](#), it seeks to explore the benefits and practicalities of applying a Network Options Assessment (**NOA**) type approach to the operability aspects of system stability. NOA Stability Pathfinder Phase 2 is NGESO’s second step in expanding the opportunity for varied technologies and providers to participate in offering market-based solutions alongside Network Owner options. The outcome of the NOA Stability Pathfinder Phase 2 procurement process will be a combination of the most economic and efficient solutions for securing stability in Scotland.

The successful solution(s) will be identified following application of the Assessment Methodology and may consist of commercial market-based options, Network Owner options or a mix of both.

For the avoidance of doubt, an outcome could be that no market tender and/or no Network Owner options are selected if NGESO considers that none of the solutions proposed provide economic benefits against the forecasted alternative cost of maintaining stability through the Balancing Mechanism (**BM**).

ITT Documents

This letter is accompanied by several other documents which together comprise the Invitation to Tender pack (“**ITT Pack**”). These are:

Tender Instructions
Tender Submission Proforma
Project Plan Report Proforma
Service Agreement for the Provision of a Stability Compensation Service

Final Assessment Methodology
Ariba Guidance Document
Credit Policy Statement
Proving Test Guidance Document

Tender Instructions

This document sets out key information and rules in relation to the NOA Stability Pathfinder Phase 2 Tender. This should be read in conjunction with the Final Assessment Methodology in particular prior to submitting a tender in this process.

Tender Submission Proforma

The proforma must be completed by Tenderers as part of their submission. It is split into several sections to capture information relevant for the contract terms (Milestones and Project Delivery) and for NGESO to carry out the economic assessment (i.e. the Commercial Submission form).

Project Plan Report

Following contract award, successful Tenderers will be required to submit a monthly report as per clause 3.2 of the contract terms outlining progress against the project plan and the Post Tender Milestones. A proforma of the monthly report is included in the ITT Pack.

Service Agreement for the Provision of a Stability Compensation Service

Following the two rounds of consultations and the publication of the [final set of contract terms](#) in May 2021, this sets out the obligations on successful Tenderers following signature of the contract.

Final Assessment Methodology

this document sets out the approach NGESO intends to take in assessing options submitted in this tender. It also summarises the requirements for SCL and inertia for Phase 2.

Following consultation and the publication of the [Final Assessment Methodology](#) in June 2021, this has been further updated (version 5) outlining how costs will be added to solutions that start after April 2024, the treatment of TO costs, the procedure for re-evaluation of bids following the initial assessment process and the introduction of a financial review.

NGESO will not consider any requests for amendments to either document, though if any clarifications are required, these will be notified to all Tenderers.

Tenderers are advised to ensure they have read and understood the Final Assessment Methodology and contract terms before submitting a tender.

Credit Policy Statement

Prior to the tender submission deadline, further guidance will be provided on the process for submitting security for successful Tenderers, which they will be required to provide to cover for any possible liquidated damages.

Ariba Guidance Document

The tender platform will be hosted on SAP Ariba Sourcing. Tenderers are required to register on Ariba to be able to submit their Tenders. Ariba also allows parties to submit queries and clarifications during the Tender process.

Proving Test Guidance Document

As stated in the Contract Terms, if a Tenderer is successful, the units that form part of their solution must successfully complete a Proving Test prior to commencing commercial operation. A guidance document will be published shortly following tender launch outlining the tests that units will need to be carried.

Tender Participation Requirements

Solutions submitted in the tender must have successfully passed the Expression of Interest and Feasibility stages. Any solution that has not completed both stages will be removed from the assessment process. The feasibility study has established all technical parameters for the tender assessment and commercial contract (e.g. SCL, inertia, MVA ratings, MVA range). The technical values communicated as part of the feasibility study outcome will be directly used by NGESO for each solution as part of the Tender assessment and service contract.

Service Term

Tenderers are invited to submit tenders for a service commencing as early as 1st September 2022 and ending at 24:00 on 31st March 2034. The start date offered in the Tender must reflect the connection date from the connection review and will be assessed in line with the Final Assessment Methodology.

Connection Agreement

Successful Tenderers may require a new connection agreement or a modification to their existing agreement. Solutions that require a new connection will have received indicative information on the costs and timescales as part of the connection review process. Following contract award, successful solutions will have to meet a number of milestones, including those relating to its connection.

Service Submissions

Tenderers are requested to complete the Tender Submission Proforma for the following service:

Service description:	SCL, inertia and dynamic voltage
Service availability:	>90% for SCL, Tenderers to submit their own value for inertia, no minimum requirement for steady state voltage range
Service Term:	From: 01/09/2022 (00:00)* To: 31/03/2034 (24:00) *Solutions with later start dates can participate and will be assessed in line with the Assessment Methodology.
Service Period:	24/7 year-round
Payment Rate:	£/Settlement Period for SCL and Inertia, £/MVAh for reactive power

If submitting multiple tenders, please ensure any conditionality between options is stated (e.g.: mutually exclusive or all or nothing) as set out in the Tender Submission Proforma spreadsheet.

Tender Timeline

The dates below are indicative only and NGENSO reserves the right to update this timetable at any point. If an update is made, this will be communicated to all Tenderers via the Ariba platform.

Invitation to tender published	Monday 8 th November 2021
Tender submission deadline	Friday 14 th January 2022 17:00
Tender results published	Friday 4 th March 2022 17:00
Contracts signed with successful Tenderers	Friday 25 th March 2022 17:00 (exact date will be specified in the tender award letter)
Service Term	Thursday 1st September 2022* 00:00 – Friday 31 March 2034 *Solutions with later start dates can participate and will be assessed in line with the Assessment Methodology.

Submission of Service and Price Offers

Should a Tenderer wish to submit service and price offers for these stability requirements, these should be submitted via Ariba in accordance with these timescales and the Tender Instructions document.

All Tenders submitted will be treated as ‘full and final’ and shall remain valid for acceptance for a period of **180-days** from the date fixed for the submission of Tenders.

Publication of Information

NGESO shall also publish and / or announce details of the information submitted for the provision of stability from any Tenderer regardless of whether they are successful in the tender, and the Tenderer is required to consent to the disclosure by NGENSO of any such information. To this end, an offer from any Tenderer will be deemed non-compliant and will be rejected unless they consent to the disclosure of such information.

Where applicable, NGENSO may share technical details from the information submitted with the Tenderers host TO to the extent necessary for the commercial assessment.

ITT Webinar

Following the launch of the tender window, NGENSO will be hosting a webinar to provide guidance on the tender process. A recording will then be made available on the Phase 2 website. Details on how to register will be shared in due course.

Further Information

For any further information or queries you may have on the Phase 2 tender, please submit these via the Ariba message board.

Yours faithfully

Robert Smith
Pathfinders Development & Delivery Manager

National Grid ESO