

Tender Summary Presentation:
B6 Constraint Management Pathfinder (CMP)
24/25
(WS3480830575)

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* Please note that NGESO have been operating and are continuing to operate based on the information available throughout the commercial tender process, based in part on outputs provided by the Scottish Transmission Owners (TOs). The information provided throughout the course of this commercial tender process is accurate to the best of NGESO's knowledge.

* Please note that NGESO reserves the right to circulate the tenderer's un-anonymised commercial information across the NGESO organisation, to Ofgem and/or to The Department for Business, Energy & Industrial Strategy at NGESO's discretion.



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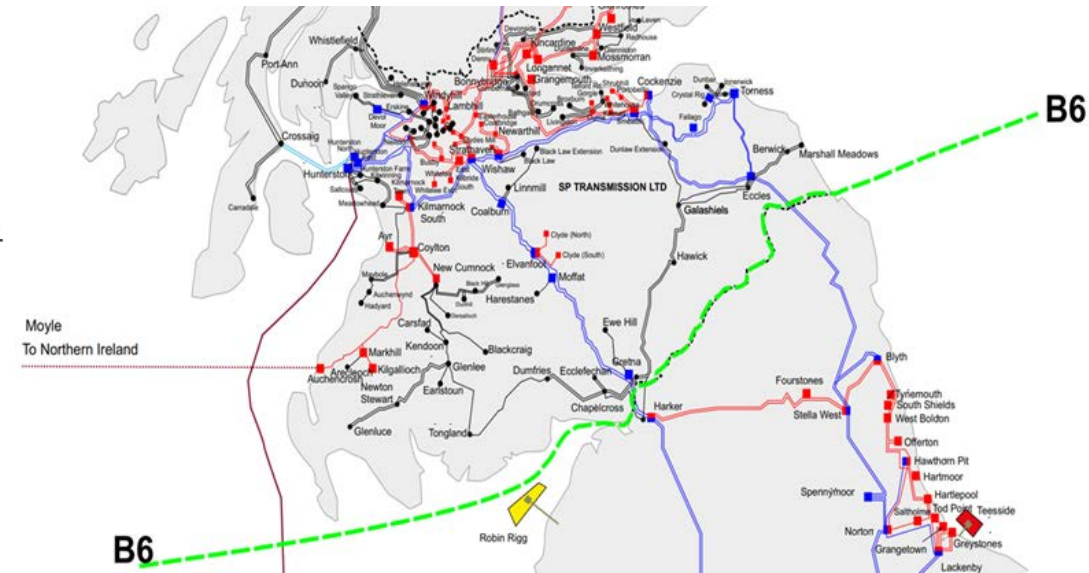
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1) Introduction:

These slides provide context and information related to the Request for Proposal (hereafter referred to as the “Tender”) for the Network Options Assessment (NOA) B6 Constraint Management Pathfinder (CMP) 24/25.

National Grid Electricity System Operator’s (NGESO’s) B6 CMP is looking to connect transmission-connected parties to the Strathaven Commercial Intertrip Scheme (CIS) to be armed before a network fault occurs and then tripped if required within 150ms following a network fault occurring. The length of any resultant contract is expected to cover October 2024 through to September 2025 and includes an optional one (1) year extension to also cover October 2025 through to September 2026.

* Please note that NGESO reserves the right to commence contracts early (pre-October 2024 with an end date of September 2025) if the Scottish Transmission Owners (TOs) deliver the required connections for successful units before October 2024, or late (post-October 2024 with an end date of September 2025) if the Scottish TOs are delayed in delivering the required connections for successful units.



2) Commercial Approach

- The total capacity that the ESO requires is 1.6GW.
- There are currently 36 channels available on the B6 CIS. The number of generators the ESO can contract with is therefore limited by the 36 channels.
- The ESO shall determine the lowest cost Generators by normalising the tripping fee to a unit £/MWh rate and adding this to the arming fee to determine service cost using the following formula: service cost (£/MWh)= arming fee (£/MWh)+ (tripping fee (£/trip))/(TEC×1500×25)
- As long as the awarded parties meet the base requirement of 1.6GW, then the total number of awarded Generators will be decided at the ESO's discretion.
- If the lowest cost combination of Generators within the limit of 36 channels are unable to meet the ESO's base requirement of 1.6GW, then the ESO shall reassess the combination of Generators to identify the lowest cost combination of Generators that at least meets the base requirement of the ESO.

3) Legal Approach – B6 CMIS Framework Agreement

- The B6 CMIS Framework Agreement is the umbrella agreement that technically feasible assets have been invited to sign. It sets out the details of the provider and their asset but does not alone enable the ESO to utilise the asset for the service.
- The tender process (outlined in the Service Specification) determines which assets are contracted to the intertrip scheme for the B6 CMP 2024/25 service term.
- In future years, Generators that have already signed the B6 CMIS Framework Agreement will not be required to re-sign a Framework Agreement as part of the tender process but they will still be assessed by the TOs to ensure they meet the ESO's technical requirements.
- If an existing Generator fails to meet the ESO's technical requirements, then the Generator will not be able to participate in the subsequent tender process but the B6 CMIS Framework Agreement will remain in place.
- Once the Framework Agreement is fully signed, Generators indicate their agreement with the Standard Terms and Conditions each year by bidding into the tender event. This means that signatures do not need to be gathered by either party each year.
- Generators are not obliged to join the tender each year and may withdraw from the process or query the Standard Terms and Conditions during the tender process. However, once a bid has been submitted any supplier requested changes on contract terms will not be considered.
- The deadline for the Framework Agreement submission is **12:00pm British Summer Time (BST) on 02/09/2022 (2nd of September 2022)** via the **DocuSign** platform or your tender submission will not be considered.

4) Submitting a Request for Proposal:

- This Tender invites prospective parties to submit a commercial proposal, as the Scottish TOs have already undertaken the technical analysis to understand if a party can be connected to the CIS, as well as the indicative costs and timescales involved. Parties wishing to be considered must provide their submission through the SAP Ariba platform using the Commercial Submission Template provided before the designated date and time, so submissions can be assessed against the Commercial Tender Process, as detailed in the Commercial Assessment Methodology.
- Please note, the SAP Ariba system will require that the new technical question and all questions on compliance and due diligence are answered before it will allow tender participants to view the commercial tender documents.
- Once the Tender deadline has passed, submissions will be assessed against the criteria defined in the Commercial Assessment Methodology. Please note that NGENSO reserves the right to undertake negotiations with all, some, or none of the tenderers following receipt of initial commercial submissions.
- Upon contract award, Tender participants will be informed as to whether they have been successful or unsuccessful, before an un-anonymised summary of the commercial submissions received in the Tender is published externally via the NGENSO website. During the contract term, un-anonymised summaries of the latest commercial submissions, as well as arming data, are also expected to be published externally via the NGENSO website.
- The deadline for submission is 12:00pm British Summer Time (BST) on 02/09/2022 (2nd of September 2022) and all submissions must be provided via the SAP Ariba platform prior to the deadline.

5) Tender Documentation:

B6 Constraint Management Pathfinder (2024/25)	
Document Reference:	Tenderer's Required Action:
Section 1 – Tender Instructions:	
1. B6 CMP 2024/25 Invitation to Tender Letter	For Information
2. B6 CMP 2024/25 Tender Instructions	For Information
3. B6 CMP 2024/25 Tender Summary Presentation	For Information
Section 2 – Tender Information:	
1. B6 CMP 2024/25 Service Specification	For Information
2. B6 Constraint Management Intertrip Service Framework Agreement	For Signing (During Tender)
3. B6 Constraint Management Intertrip Service 2024/25 Standard Contract Terms (SCTs)	For Information
4. B6 Constraint Management Intertrip Service 2024/25 Comparison Standard Contract Terms (SCTs)	For Information
5. B6 CMP 2024/25 Tender Query (TQ) Log	For Information
Section 3 – Tender Submission:	
1. B6 CMP 2024/25 Commercial Submission Proforma	For Completion and Return
2. B6 CMP 2024/25 Tender Declaration	For Completion and Return

6) Timeline and Next Steps:

The following are the indicative dates for the next stages of the NOA B6 CMP 24/25 tender. These dates are subject to change, by virtue of NGESO's "learning by doing" approach to Pathfinders, as referenced earlier in these slides:

Stage:	Indicative Date:
Launch Commercial Tender	8 th August 2022
Close Commercial Tender and Framework Agreement Due	2 nd September 2022
Evaluate Commercial Tender Responses	5 th September 2022 – 30 th September 2022
Confirm Results from Commercial Tender	October 2022
Connect Successful Parties to the Intertrip Scheme	October 2022-September 2024
Initial Service Delivery Period	1-Year (~October 2024-September 2025)
Extended (Optional) Service Delivery Period	1-Year (~October 2025-September 2026)

7) Pathfinder Context:

The Pathfinder programme has adopted a “learning by doing” approach to resolve network problems. This means that:

- NGENSO are developing the Pathfinders and will flag areas that could be improved. This approach enables NGENSO to continue moving forward with the tender, but that recommendations may not be implemented until the tender is completed because of the timescales to make changes to the process.
- NGENSO can continue to develop the tender process for subsequent Pathfinder tenders as result of lessons learnt on previous Pathfinders.
- NGENSO have adopted an ambitious timeline for the work, which may need to be changed as more information becomes available and the scale of participation is understood.
- NGENSO understands that this approach can cause uncertainty for all parties during Pathfinder tenders, but moving forward, an imperfect but flexible approach allows NGENSO to progress with new, innovative solutions.

