



Mid-term (Y-1) Stability Market
Request for Information
17th July 2023

Introductions

**Mid-term (Y-1) Stability
Market Project Team**

Today's Speakers



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Development Lead



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Stability mid-term (Y-1) market

- The first step in launching our stability markets is to initiate the Mid-term (Y-1) Stability Market, with the intention to undertake the first mid-term (Y-1) tender round later this year (2023).
- This decision has been taken for several reasons:
 - To access high-availability stability services to meet our requirement
 - To offer a regular route to market which provides confidence to investors and market participants
 - To avoid overloading the market by launching all three stability markets at once
 - To allow time to create a detailed plan for implementing Y-4 and D-1 stability markets
- Prior to the launch of a mid-term (Y-1) market, ESO are seeking industry perspectives on a variety of topics that will help ESO to design the tender process for the mid-term (Y-1) market.

Purpose of the Request for Information (RFI)

- This webinar marks the launch of a Request for Information.
- The RFI represents a further step in our evolution from ad-hoc Pathfinder tenders to a more regular, structured Stability Market.
- ESO are particularly interested to hear from parties that can provide stability services and are interested in a mid-term (Y-1) stability market.
- The information received will be used to refine ESO's understanding of the assets that can provide stability in the market and to support the design of the tender process for a mid-term (Y-1) market.
- **Please Note:** This is a Request for Information (RFI) only and not part of a formal tender process.

A contract will not be awarded through a response to this RFI.

How many assets do you have?

What technology type is your asset?

What inertia capacity do your assets have?

Where are you connected?

How do you meet the eligibility criteria?

What we want to know

System needs and eligibility criteria

System needs (indicative)

- Initially the mid-term (Y-1) market will be focused on **procuring inertia** only as the primary product.
 - In future years the scope might be expanded to include short circuit level (SCL) based on system studies and identified requirements.
- Target inertia requirement for the first delivery year is 7GW.s (indicative)
 - We do not intend to procure any redundancy but may procure above or below this volume according to the bids received and the assessment criteria.
- The technical specification will be on a technology agnostic basis, though all solutions will be required to satisfy the technical requirements.

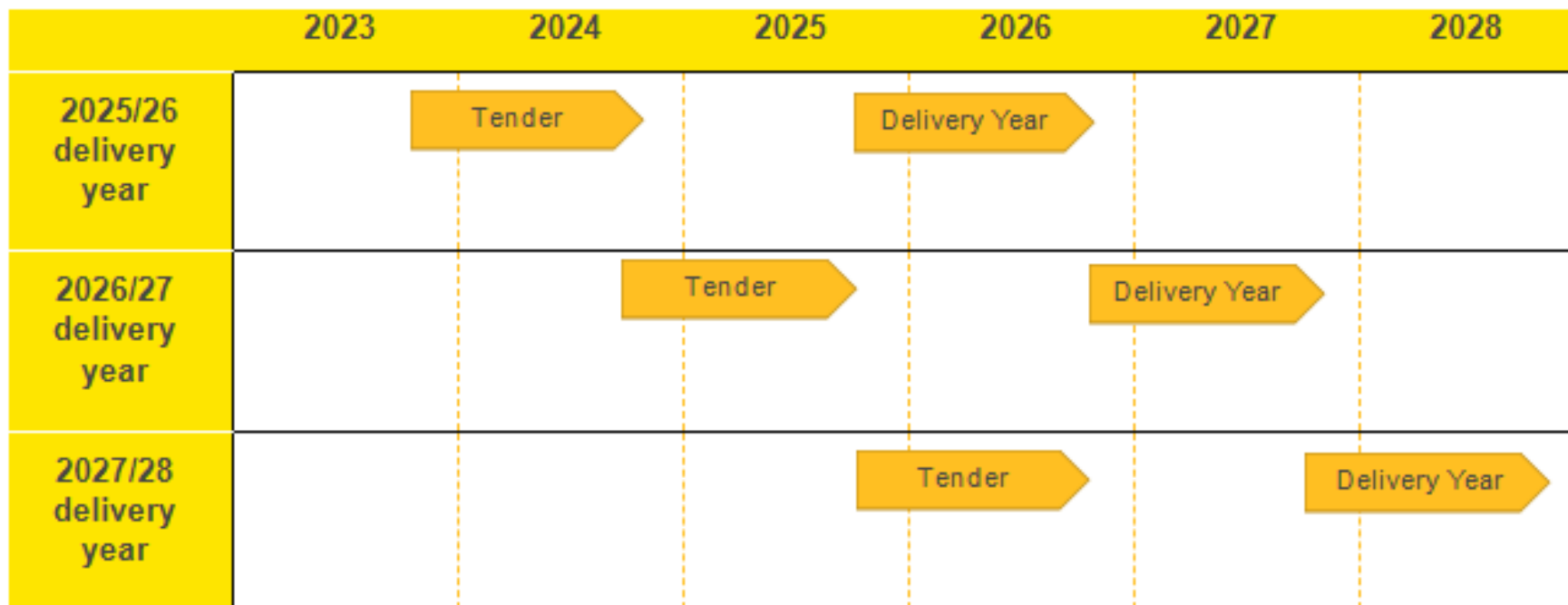
Eligibility criteria (indicative)

- Solutions must provide the service at 0MW export.
- Solutions must be capable of 90% availability (7,884 hours).
- Solutions must have an existing connection agreement (whether already connected or due to connect in time for contract start).
- Solutions must either be directly connected to the transmission system or if embedded have a User System Entry Point of 132kV.

What we want to know

Your thoughts on the tender process and timeline

- **We expect the first delivery year to commence from 1st October 2025**
- The intention is each tender will focus on one delivery period at a time
- We expect that each tender round will be open to new bidders and/or new solutions/assets. It would not be a requirement to take part in the first tender round to be able to take part in subsequent rounds.



Please note this information is indicative and subject to change based on system needs.

What we want to know

Your thoughts on the indicative contract design

Contract Format (indicative)

- It is expected that contracts would be issued on a per-solution basis rather than a per-company basis.
- This would likely be an enduring framework agreement, with individual “call-offs” from that framework agreement for each service delivery year.
 - This means that the overarching terms and conditions would only need to be agreed once
 - Only requiring the call-off to be agreed for each delivery year.

Payment Structure (indicative)

- Pay-as-bid
- Bidders will be requested to submit two prices:
 - An availability fee
 - A delivery fee
- Prices will be fixed for the delivery year in question.
- No indexation

The Role of TOs and DNOs

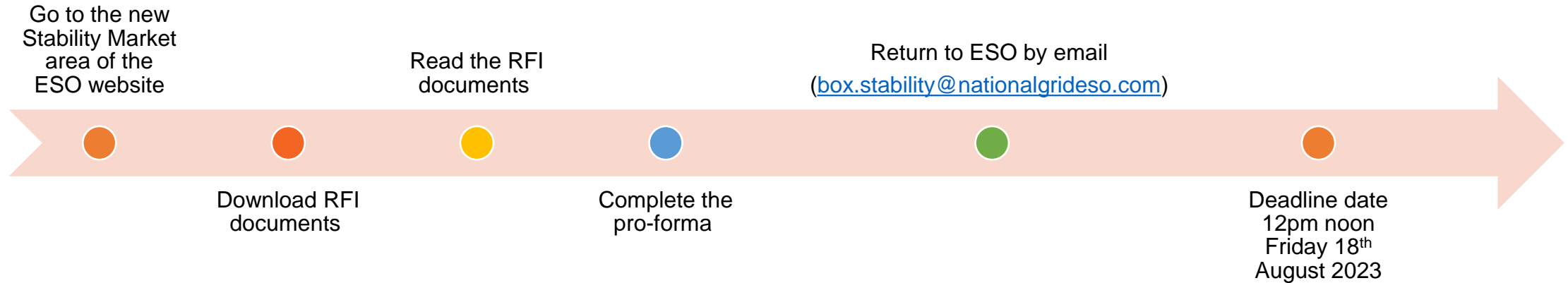
As a connection provider

- For this tender, participants are required to already have connection agreements
- This means:
 - There will be no use of 'bay reservation'
 - There will be no 'proxy' TO connection studies or DNO connection studies to verify whether or not the solution is feasible for connection
- TOs and DNOs will provide BAU connection services through the usual connections process for their connection customers

As a market participant

- We do not expect TOs or DNOs to participate directly in the Mid-term (Y-1) Stability Market

How to participate



Milestone	Date
RFI Launch	Today 17 July 2023
RFI Close	18 August 2023 12pm noon

- A copy of these slides will be available on the ESO website shortly
 - <https://www.nationalgrideso.com/industry-information/balancing-services/stability-market>
- We will contact all attendees by email after the webinar with links to the Stability Market webpages.
- Please specify if you do not wish to be contacted by ESO about the Y-1 market.
- If you have any questions, please contact box.stability@nationalgrideso.com
- If you are interested in a one-to-one conversation with ESO, please contact with box.stability@nationalgrideso.com to organise a meeting

Any questions?

