

NESO Mid-term (Y-1) Stability Market EOI Query Log

Date **26-Nov-24**
 Version Number **Live**

	Query Date (dd/mm/yy)	Do you class this Tender Query as Confidential (Yes/No)	Technical/ Commercial Query	Query Source	Tender Stage (Pre-tender, RFI, EOI, ITT, Contract Award)	Document Reference (if applicable)	Question Reference (if applicable)	Provider Query	NESO Response	Date Response Issued
1	21-Nov-2024	No	Commercial	EOI Webinar	EOI	N/A	N/A	Why there is no definitive value for inertia requirement?	Our target inertia requirement of 10-15 GVA.s is calculated based on an economic dispatch model for the delivery year 2026-2027. However, NESO have the right to buy above or below this volume range depending on the submitted solutions and the assessment methodology, in line with previous tender rounds and pathfinder tenders. It is NESO's intention to refine the target requirement to a specific figure prior to the ITT stage.	26-Nov-24
2	21-Nov-2024	No	Technical	EOI Webinar	EOI	N/A	N/A	What is the source of the requirement that no more than 12 GVA.s may be lost due to a credible fault?	As published in our annual frequency risk and control report, the largest loss of inertia that we secure against is 12 GVA.s, therefore as a part of this tender we must ensure that no more than 12 GVA.s of inertia may be lost for a credible fault.	26-Nov-24
3	21-Nov-2024	No	Commercial	EOI Webinar	EOI	N/A	N/A	Can I apply to this tender if I already have a stability contract ?	Yes, a company with an existing Stability Pathfinder contract can partake in this tender process. Please see section 9 of the Instructions to Tenderers document in the EOI pack for more the applicable service stacking rules.	26-Nov-24
4	21-Nov-2024	No	Commercial	EOI Webinar	EOI	N/A	N/A	Will the availability and/or the utilisation prices be subject to indexation?	No, there will be no indexation applied to the pricing for the delivery year. Tenderers will need to consider all costs when submitting a fixed price for the delivery year.	26-Nov-24
5	21-Nov-2024	No	Technical	EOI Webinar	EOI	N/A	N/A	12GVAs behind a single credible fault; did I read that correctly? I assume this means 12GVAs of the overall 120GVAs target, not the 10-15GVAs of intended procurement?	Yes, this condition is applied to the design of the system as a whole, not just for this tender event. This 12 GVA.s loss accounts for the loss of inertia from existing and new inertia providers.	26-Nov-24
6	21-Nov-2024	No		EOI Webinar	EOI	N/A	N/A	Does this new payment structure mean that there will be no utilisation instruction for GBGF-I solutions? They are expected to provide inertia continuously for at least 90% of the year?	Yes, the expectation is that GBGF-I solutions would be providing the inertia service whenever they were declared available. This means that GBGF-I solutions will be paid on an availability basis only, and will not receive a utilisation payment	26-Nov-24
7	21-Nov-2024	No	Technical	EOI Webinar	EOI	N/A	N/A	Is active inertia response allowed to exceed a sites Connection Entry Capacity (CEC) instantaneous MW limit?	NESO is still working on a response to this question and will reupload this Q&A response sheet in due course once we can provide a response.	26-Nov-24
8	21-Nov-2024	No	Technical	EOI Webinar	EOI	N/A	N/A	Where a user has reactive power restrictions on the grid connection agreement, will the reactive power capability be waived by NESO as in mid term 25/26?	Yes, as highlighted in the technical specification this criteria has not changed between round 1 and round 2 of the tender. This is covered in section 2.4 Reactive Power Capability, by point 8.	26-Nov-24
9	21-Nov-2024	No	Technical	EOI Webinar	EOI	N/A	N/A	Are changes in the technical specification from mid term y1 clearly identified in this mid term y2 specification?	There are only minor changes in the technical specification, any major changes such as inertia requirements and additional monitoring equipment have been highlighted in today's webinar.	26-Nov-24
10	21-Nov-2024	No	Technical	EOI Webinar	EOI	N/A	N/A	When the reactive control switches from target voltage to constant MVAR will we need to forego the ORPS payments? Or will the reactive power payments still come through the ORPS payments	This control mode is only applicable for plant which have an existing ability to operate in constant MVAR mode. In line with the terms and conditions, the plant would be paid for it's MVAR delivery through ORPS.	26-Nov-24
11	21-Nov-2024	No	Technical	EOI Webinar	EOI	N/A	N/A	Is the intention that suppliers who have RMS & EMT models accepted for mid term stability y1 do not need to continue producing these annually (unless anything changes of course). Ditto regarding the compliance testing.	Yes, as long as the models are compliant with the relevant parts of the Grid Code and correctly reflect the plant there is no need for model resubmission.	26-Nov-24
12	21-Nov-2024	No	Technical	EOI Webinar	EOI	N/A	N/A	If a PPM chooses to provide more than the Grid Code required minimum reactive power requirement (0.95pf), which will be defined in the Mandatory Services Agreement; would NESO expect that the minimum reactive capability requirement (0.95pf) or the maximum MVAR capability defined in the MSA be used when calculating the PPM's inertia capability? Bearing in mind the inverters have a limited MVA capability, and higher MVAR export will limit the MW.s response capability.	Further clarity will be provided on this topic at ITT stage. Any inertia capability delivered must account for the intended operation of the plant, including both MW and MVAR capability. In this case, if the plant wants to deliver the inertia service and deliver above it's Grid Code reactive power requirement, the inertia contribution with consideration of the enhanced MVAR capability needs to be demonstrated.	26-Nov-24
13	21-Nov-2024	No	Technical	EOI Webinar	EOI	N/A	N/A	Has the impact of the reactive power control modes from target MVAR to constant MVAR been studied for tertiary connections?	The obligation to provide a target MVAR mode is only applicable for providers who currently have this capability. The user must ensure that all their control modes are compliant and meet the service specification and grid code requirements.	26-Nov-24
14	21-Nov-2024	No	Commercial	EOI Webinar	EOI	N/A	N/A	Does the consultation also layout proposal on the LD cap, not just the daily rate?	Yes, please see the Consultation Proforma document within the EOI pack for a worked example of the method for calculating the LAD Rate. The security value would be the LAD rate x 90 days. There is no proposed cap on the daily LAD rate, this would be calculated based on the contracted inertia level. Please utilise the consultation stage to give feedback on this approach.	26-Nov-24
15	21-Nov-2024	No	Commercial	EOI Webinar	EOI	N/A	N/A	Is the proposed extension provision on a mutual acceptance basis?	Yes, if an extension option was to be enacted, this would need to be agreed by both parties. Please note, this clause has not been amended, the drafting is as per the terms during tender round 1.	26-Nov-24
16	21-Nov-2024	No	Commercial	EOI Webinar	EOI	N/A	N/A	Does the BM counterfactual include a carbon measurement for alternative generation as part of the CP2030 ambitions?	At this time, the counterfactual calculation only explores the financial cost of meeting any inertia shortfall with alternative options and does not include a carbon measurement.	26-Nov-24
17	21-Nov-2024	No	Commercial	EOI Webinar	EOI	N/A	N/A	Am I right in thinking a new tender round has been signposted for 2028/29? Is it fair to assume that these annual mid term tenders are permanent fixture for the foreseeable future?	The intention of the Mid-Term (Y-1) Stability Market is to run annual tenders for one year-long contracts, so it is reasonable to assume there may be a subsequent tender for 2028/29. Should there be a year where there is no requirement for inertia, we would publish a clear message to industry that there would be no tender that year.	26-Nov-24
18	21-Nov-2024	No	Commercial	EOI Webinar	EOI	N/A	N/A	Do you want to contract 10-15GWs only or is this in addition to Stability Phase 1 capability (12.5GWs) i.e. are you actually looking to contract 22.5GWs to 27.5GWs or just 10-15GWs?	In this specific tender, we are seeking to procure 10-15 GVA.s for delivery between October 2026 and September 2027. This requirement is based on our system studies which take into account all other stability contracts (including Stability Pathfinder Phase 1) that will be in place for any part of the 2026/2027 delivery year and contributing to our overall system inertia. The 10-15 GVA.s is an inertia requirement specific to this procurement only.	26-Nov-24

19	21-Nov-2024	No	Commercial	EOI Webinar	EOI	N/A	N/A	10-20% assumed utilisation factor sounds very low in the context of Stability Phase 1 asset utilisation (almost 100%). What is your rationale for the 10-20% figure?	We have published the indicative average 10-20% utilisation this year as a guide, beyond this we are unable to share any further information. This is an indicative forecast to assist with tenderers determining their commercial pricing; actual instructions for utilisation will be issued during the delivery year during periods where we have an inertia deficit. Please note there is a difference in the payment structure between Phase 1 and this market.	26-Nov-24
20	21-Nov-2024	No	Commercial	EOI Webinar	EOI	N/A	N/A	For utilisation price, will NESO accept a price index e.g. cash out price?	Our intention is that the costs will not be indexed, similar to last year. Therefore the utilisation price submitted by participants will be fixed at the point of contract award for the delivery year.	26-Nov-24
21	21-Nov-2024	No	Commercial	EOI Webinar	EOI	N/A	N/A	A lot of detail is TBC at this stage e.g. the contract award criteria. Will we get an opportunity to propose changes to these parameters once published?	The contract award criteria has remained largely unchanged from Tender Round 1. At ITT stage we will provide further details on the criteria and supporting ITT documents (e.g. tender submission documents) however we do not expect any fundamental changes.	26-Nov-24
22	21-Nov-2024	No	Technical	EOI Webinar	EOI	N/A	N/A	what notice is provided to be instructed into the service?	It will be an instruction notice via EDL similar to last year and previous stability pathfinder tenders. The notice period to respond to an instruction will be a maximum of 30 minutes.	26-Nov-24
23	21-Nov-2024	No	Commercial	EOI Webinar	EOI	N/A	N/A	If the project wins the tender, will this project be considered as designation project which can be accelerated for its grid connection?	Whether a project is designated would be as per the separate Designation Methodology as part of the wider Connections Reform works. A project would not simply be determined to be a designated project based on any success in this tender or this market alone. Please note, for this tender, we are seeking solutions that have existing connection agreements (as per the eligibility criteria) and therefore will have already gone through the connections process.	26-Nov-24
24	21-Nov-2024	No	Commercial	EOI Webinar	EOI	N/A	N/A	Can NESO share more detail on the calculation of the LAD rate?	Please refer to section 2 of the Consultation Proforma included in the EOI pack. If you have any feedback on the new LAD calculation please submit your response before 29 November 2024 as per the consultation stage.	26-Nov-24
25	21-Nov-2024	No	Commercial	EOI Webinar	EOI	N/A	N/A	How will NESO pay via ORPS if more than grid code MVar is provided and tested?	If a provider wishes to provide greater levels of reactive power than the grid code Mvar requirements, this would first need to be verified with NESO before service can be stacked. Then, a provider will be paid through ORPS for the reactive power. However, if the reactive power service is stacked with other services like a voltage pathfinder, the provider need to forego ORPS payments for those stacked services. Please see section 9 of the instructions to tenderers for stacking rules for this tender.	26-Nov-24
26	21-Nov-2024	No	Technical	EOI Webinar	EOI	N/A	N/A	Is active inertia response allowed to exceed a sites Connection Entry Capacity (CEC) instantaneous MW limit?	NESO is still working on a response to this question and will reupload this Q&A response sheet in due course once we can provide a response.	26-Nov-24
27	21-Nov-2024	No	Commercial	EOI Webinar	EOI	N/A	N/A	Will NESO signal the ongoing need (beyond simply running Y-1 tenders) e.g. Torness or Heysham nuclear plants coming off by 'X', we expect to procure 'X' more inertia in those years?	Through the development of the Centralised Strategic Network Plan, we aim to provide better long-term forecasting of our stability requirements in order to give more visibility to industry. The first iteration of CSNP to include stability requirements is still in progress. When we identify a requirement in the future, we expect to use a combination of the Long-Term (Y-4) and Mid-term (Y-1) stability markets as the source of meeting these requirements.	26-Nov-24
28	21-Nov-2024	No	Commercial	EOI Webinar	EOI	N/A	N/A	Any update on how this will link in with the DA market? And any update on DA market timings?	NESO is working on the development of the Short-term (D-1) stability market and aims to provide an update to industry on this soon. We expect any D-1 market to work in harmony with our other stability markets (MT and LT). For now, we foresee the Mid-Term (Y-1) market as the primary route to meeting our inertia requirements, hence the rationale for launching this second delivery year now.	26-Nov-24
29	21-Nov-2024	No	Technical	EOI Webinar	EOI	N/A	N/A	Is there a requirement for number of successive ROCOF events that a solution must be able to respond to in order to be considered eligible for the service?	The primary requirement is that the solution must deliver the service at all times when instructed.	26-Nov-24
30	21-Nov-2024	No	Commercial	EOI Webinar	EOI	N/A	N/A	Will a Q&A summary be published (excel)?	Yes, the slides with audio will be published as well as a list of all questions asked, with responses.	26-Nov-24
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