

NESO Mid-term Reactive Power Market RFI Query Log

Date 23-Jan-25

	Query Date (dd/mm/yy)	Do you class this Tender Query as Confidential (Yes/No)	Technical/Commercial Query	Tender Stage (Pre-tender, RFI, EOI, ITT, Contract Award)	Document Reference (if applicable)	Question Reference (if applicable)	Provider Query	Received Attachments	NESO Response	Associated Attachments (if applicable)	Open or Closed?	Date Response Issued
1	21-Nov-2024	No	Technical	Market engagement voluntary RFI	N/A	N/A	What's NESO's thought regarding the control mode for the future reactive power service? Will be under Target MVAR(sort of static) or Under Voltage control(sort of dynamic)?	N/A	In our webinar and published voluntary RFI document, we have indicated that requirements under a mid-term market could be for either static requirements or dynamic requirements. Any requirement that is procured through a mid-term reactive power market would be based on system studies at that time.	N/A	Closed	29/11/2024
2	21-Nov-2024	No	Technical	Market engagement voluntary RFI	N/A	N/A	Has NESO considered if the voltage control is used, how to meet the Grid code requirement regarding the response time less than 1s if the MVAR is very big(for example double of the 0.95pf related MVAR)? The higher MVAR will affect the generator terminal voltage which will limit the output till the OLTC is activated which will take time.	N/A	At this time we have not developed any detailed technical specification of reactive power requirements as we are still in market development stage, but thank you for raising this with us to consider.	N/A	Closed	29/11/2024
3	21-Nov-2024	No	Technical	Market engagement voluntary RFI	N/A	N/A	Is there any simulation/testing requirement to prove the asset has the capability? Can you please indicate the detailed process?	N/A	At this time we have not developed any detailed tender requirements as we are still in market development stage. If NESO decide to progress with implementing the mid-term reactive power market, this is the time at which we would publish detailed requirements and whether simulation/testing is required.	N/A	Closed	29/11/2024
4	21-Nov-2024	No	Technical	Market engagement voluntary RFI	N/A	N/A	For [a] project under developing/construction, is there any guidance to merge into the compliance process to save the time/resource from developer side?	N/A	We do not have any guidance on this beyond suggesting you discuss any questions about ongoing compliance processes with your compliance manager. Please note, at this time we have not developed any detailed tender requirements with regards to the compliance process as we are still in market development stage. If NESO decide to progress with implementing the mid-term reactive power market, this is the time at which we would publish detailed requirements in relation to the compliance process.	N/A	Closed	29/11/2024
5	21-Nov-2024	No	Technical	Market engagement voluntary RFI	N/A	N/A	Can developer provide reactive power range when the MW level is different?	N/A	In our webinar and published voluntary RFI document, we have indicated that one of the eligibility criteria might be that developers need to provide the reactive power service independently from their MW output. This is to mean that a change in MW level should not be required to enable the reactive power service.	N/A	Closed	29/11/2024
6	21-Nov-2024	No	Commercial	Market engagement voluntary RFI	N/A	N/A	Will this reactive power service be reflected in MSA or independent commercial contract?	N/A	Any mid-term market contracts would be contracted separately to MSAs. For more details on our indicative thinking about contract structure, please refer to our recent November 2024 webinar and published voluntary RFI document.	N/A	Closed	29/11/2024
7	21-Nov-2024	No	Commercial	Market engagement voluntary RFI	N/A	N/A	Which team within NESO will assess the future reactive power service?	N/A	We are unable to comment on NESO resourcing.	N/A	Closed	29/11/2024
9	13-Dec-2024	No	Commercial	RFI	RFI	RFI Q16	How will participation in one market (e.g. year-ahead, within-year) impact participation in both? Can providers participate in both?	None, question received as part of RFI submission	The intention is that pre-qualified providers will be able to decide which tender processes to participate in under the mid-term market. It would be at the pre-qualified providers discretion whether they wish to bid in for both or only one of the tender processes under this mid-term market (within year or year-ahead). To be successful in that tender that pre-qualified provider would need to meet the technical requirements of the service along with any pre-qualification requirements. It should be noted that at present, the within-year mini-tenders may be ad-hoc and based around system needs, and therefore may not align with a routine Y-1 market timeframe.	None	Closed	23/01/2025
10	13-Dec-2024	No	Commercial	RFI	RFI	RFI Q16	Its not clear how and when the within year style process will be used and why it wont be known at year ahead. NESO need top provide more reason and evidence to why the within year and and direct award are required.	None, question received as part of RFI submission	The intention of the within year process is to help meet any voltage requirements that are identified closer to real time and shorter in duration, i.e. unknown at the year ahead stage. The within year processes would enable NESO to still meet these requirements through a competitive tender process under this market. As indicated within the RFI, the direct award route under the mid-term market is being considered to still allow a contracting route to market with pre-qualified providers. The scenarios where NESO could use the direct award route is still to be finalised but as an example it could be used where there is a requirement that is very short term or where only one provider could meet the requirement based on the available market of pre-qualified providers. As the market design is further developed more will be communicated.	None	Closed	23/01/2025
11	13-Dec-2024	No	Commercial	RFI	RFI	RFI Q17	It is unclear how direct awards may operate alongside year-ahead and within-year contracts. For example, can contracts be stacked if they have different operational requirements?	None, question received as part of RFI submission	Thank you for this feedback. The intention is that any requirement in each tender would be separate and different to other requirements in other tender processes or direct awards within this market. As the market design is further developed more stacking rules will be communicated.	None	Closed	23/01/2025
12	13-Dec-2024	No	Commercial	RFI	RFI	RFI Q17	As direct awards may not go through a tender process, it is not clear how payment would be determined for providing this service. Would market participants be required to submit an availability payment bid or would the NESO determine a price?	None, question received as part of RFI submission	The intention is the provider would be asked to inform NESO of its availability price for consideration by NESO before committing to the direct award call-off contract. Please note, more work is to be done to develop the criteria and process that would enable use of the direct award route under this market and as the market design is further developed more will be communicated.	None	Closed	23/01/2025
13	13-Dec-2024	No	Commercial	RFI	RFI	RFI Q17	Would the concept of direct awards be more appropriate under the short-term market overarching agreement, or some other overarching agreement specific to direct awards?	None, question received as part of RFI submission	The expectation is the short-term market (which is currently on hold) would be focused on day-ahead procurement for within day short-term needs. At this time the intention is, the use of the direct award process (under the mid-term market) would still be for requirements bought further in advance than one day-ahead and for requirements that are longer than within day. We will consider this suggestion as part of how the mid-term market and short-term market could work in tandem if both the mid-term and short-term markets are recommended.	None	Closed	23/01/2025
14	13-Dec-2024	No	Commercial	RFI	RFI	RFI Q17	We're not sure how the direct award differs to what the NESO can do already?	None, question received as part of RFI submission	It is similar to what NESO do already but the benefit of bringing the process under the mid-term market would be a consolidation and streamlining of routes to market which ensure more accessible and transparent procurement.	None	Closed	23/01/2025
15	13-Dec-2024	No	Commercial	RFI	RFI	RFI Q18	Can you please confirm we would need to tender a £/MVAR once for the full framework?	None, question received as part of RFI submission	The details of the criteria that would need to be met at pre-qualification stage and then within the tender processes is to be confirmed. More details of when price submissions would be required will be confirmed as part of this. As the market design is further developed more will be communicated.	None	Closed	23/01/2025
16	13-Dec-2024	No	Commercial	RFI	RFI	RFI Q18	Presumably SMP would be utilised in order to facilitate this?	None, question received as part of RFI submission	Which systems will be used is to be confirmed.	None	Closed	23/01/2025
17	13-Dec-2024	No	Commercial	RFI	RFI	RFI Q18	Please clarify the use of the word "Dynamic", what does this relate to since most if not all AS markets have some form of prequalification process.	None, question received as part of RFI submission	The use of the word dynamic in the context of a "dynamic market" style tender procedure relates to the design where there is a continuously open qualification stage for a set period (that NESO is yet to confirm), and then the tender processes are run against pre-qualified providers. Market participants would be able to apply to qualify at any time during the continuously open window.	None	Closed	23/01/2025
18	13-Dec-2024	No	Commercial	RFI	RFI	RFI Q19	It's currently not perfectly clear the term of the framework-style agreement: is it for a single year with multiple calls off within that year? Or is it a multi year framework?	None, question received as part of RFI submission	The duration of the market and therefore the underlying framework style agreement is to be confirmed but it is expected the framework agreement would be in place for a number of years, and then call-offs against that framework for the duration of the requirement associated with that call-off. More details on exact durations to follow if NESO progress with implementation of the market based on this design.	None	Closed	23/01/2025
19	13-Dec-2024	No	Commercial	RFI	RFI	RFI Q20	It would be worth clarifying what is meant by contracts per solution?	None, question received as part of RFI submission	It means (similar to previous voltage procurement tenders through the pathfinder scheme) that if a company bids in multiple solutions, where each solution is a different bid based on a different asset, each with its own separate connection point (and they are successful with all solutions), that company would receive multiple contracts, with one per solution.	None	Closed	23/01/2025
20	13-Dec-2024	No	Commercial	RFI	RFI	RFI Q21	Why would ORPS payments have to be forgone? Could it be possible to provide additional MVAR capability on top of ORPS requirements to stack both markets?	None, question received as part of RFI submission	ORPS payments would need to be foregone as the current market design for mid-term is an availability only payment, and we would not pay ORPS in addition to that availability payment so as not to double pay for reactive power capability. Thank you for the suggestion of whether ORPS could be stacked with the mid-term market such that providers get paid for both on the basis of a provider having additional Mvar capability beyond their Grid Code Mandatory requirements. This is something we will consider following RFI feedback and explore further.	None	Closed	23/01/2025
21	13-Dec-2024	No	Commercial	RFI	RFI	RFI Q21	Why is a utilisation fee not being considered?	None, question received as part of RFI submission	The Future Reactive Power Market design project made the recommendation of availability only payments on the basis that where there's a high volume of usage and the requirement is for a large proportion of time, it is deemed to be the optimal payment mechanism. The project recommendations suggest a utilisation and availability pricing structure may only be beneficial where utilisation costs are material.	None	Closed	23/01/2025
22	13-Dec-2024	No	Technical	RFI	RFI	RFI Q21	Can the provider expect to receive any "utilisation" instructions in real time such as import or export and quantity of MVARs?	None, question received as part of RFI submission	Similar to previous pathfinder contracts, the intention of the mid-term market is it will be used based on availability and instructions to provide the service.	None	Closed	23/01/2025
23	13-Dec-2024	No	Technical	RFI	RFI	RFI Q21	Will delivery of the service always be for the contracted MVARs?	None, question received as part of RFI submission	Voltage instructions would be for either target MVAR setpoints or target voltage setpoints for absorption or injection, dependent upon the service requirements and based on the asset capability of the contracted asset.	None	Closed	23/01/2025
24	13-Dec-2024	No	Technical	RFI	RFI	RFI Q21	How will delivery of the service be validated?	None, question received as part of RFI submission	This level of detail will be confirmed at a later stage, closer to implementation of the market. At this time we are focusing on the overarching design principles of the market.	None	Closed	23/01/2025

25	13-Dec-2024	No	Commercial	RFI	RFI	RFI Q23	The RFI states that by participating in this market, service providers would be required to forgo any Obligatory Reactive Power Services (ORPS) payments. It is not clear why this would be a requirement	None, question received as part of RFI submission	Please see Q20 above where a similar question has been asked.	None	Closed	23/01/2025
26	13-Dec-2024	No	Commercial	RFI	RFI	Any other feedback section	How has NESO decided the proposed eligibility criteria for the Y-1 – specifically that the service must be provided independently of MW import and export?	None, question received as part of RFI submission	This market is seeking reactive power independently from active power to minimise the subsequent impacts of balancing the overall network with regards to active power. Similar to previous voltage pathfinder tenders, this market intends to procure from solutions that can provide reactive power independently from MW export and import. Feedback received in the RFI on this topic will be used to finalise the eligibility criteria.	None	Closed	23/01/2025
27	13-Dec-2024	No	Commercial	RFI	RFI	Any other feedback section	It is unclear how the Y-1 and wider reactive market design interacts with other changes across the voltage products; for example, the upcoming review of the ORPS. We would welcome clarification from NESO	None, question received as part of RFI submission	The ORPS (Obligatory Reactive Power Service) review is specifically focussed on the review of the CUSC payment methodology for the provision of Mandatory Reactive Power as part of the requirements of Grid Code.  The mid-term reactive power market in terms of market design will have minimal interaction with the ORPS review specifically, as the service design is based on availability only payment rather than an ORPS payment. ORPS is a Grid Code requirement that will continue. Please note, NESO's wider reactive power strategy of course will consider and account for wider reactive power topics such as the ORPS review as well as the reactive power market.	None	Closed	23/01/2025
28	13-Dec-2024	No	Technical	RFI	RFI	Any other feedback section	NESO has stated that more work is require with DNOs/DSOs to build the output into the reactive power market. However, more information would be beneficial on timescales and the process for the integration of DNO connected assets into the reactive power service	None, question received as part of RFI submission	Provision of reactive power is highly locational and the voltage at which assets are connected to the electricity system impacts what MVARs are delivered at a Transmission level. A number of areas impact this including the location of the asset from the point of need, the DNO network configuration and tap changer operation as some examples.  System study work has been carried out with National Grid Distribution (NGD) and UK Power Networks (UKPN) to understand the technical capability of DER participation and to determine the effectiveness of those assets at a Transmission level. The results of those studies are yet to be finalised. Once they are this is something that will allow NESO to have a clearer understanding on DER participation from a technical perspective.  Furthermore, understanding the impact of any Automatic Network Management (ANM) schemes that are in place for assets, how that impacts delivery and how Primacy would need to work all need to be developed, along with dispatch capability. Asset visibility is also key and the Operational Visibility of DER programme is working to address some of these challenges - <a href="https://www.neso.energy/publications/whole-electricity-system">https://www.neso.energy/publications/whole-electricity-system</a>  Thank you for the suggestion that it would be beneficial to understand timescales for this work better. We will consider this internally.	None	Closed	23/01/2025
29	13-Dec-2024	No	Technical	RFI	RFI	Any other feedback section	Will projects awarded contracts which can provide locationally specific contracts such as reactive power be designated under the new grid reform process?	None, question received as part of RFI submission	As stated in the Project Designation Methodology ( <a href="https://www.neso.energy/document/346661/download">https://www.neso.energy/document/346661/download</a> ), the categories of projects that can be designated is listed under 2.1.2 of the document.  For reference, it states that projects that fall under NESO's Network Services Procurement (previously referred to as Pathfinders) are likely to initially go through the 'bay / capacity reservation' process outlined in CMP434 Implementing Connections Reform. Once the outcome of the tender competition / auction is known, then those projects could also be able to be designated, subject to meeting the relevant criteria, so as to ensure they can provide the necessary services when needed.  Please also note however that this is likely to be more applicable for the Long-term Reactive Power market, because the mid-term reactive power market will be seeking existing capability through assets with existing connection agreements, and so these assets and bidders will have already been through the connections process.	None	Closed	23/01/2025
30	13-Dec-2024	No	Technical	RFI	RFI	Any other feedback section	How many MVARs does NESO need to procure over and above the MVAR level that is currently available in the ORPS market?	None, question received as part of RFI submission	As we are at market design stage, we do not have a pipeline of requirements that can be shared at this time as explained in our November 2024 webinar. The purpose of the mid-term reactive power market is to secure more economic reactive power capability ahead of real-time and provide certainty of asset availability through the market. Requirements for the mid-term market will be communicated to the market once they are determined (similar to how we have previously communicated requirements for the long-term market).	None	Closed	23/01/2025
31	13-Dec-2024	No	Commercial	RFI	RFI	Any other feedback section	Given the relatively high hurdle for gaining access to ORPS i.e. MSA, Grid Code requirements, does NESO envisage this new reactive market as a back door entry into providing reactive power for smaller assets, batteries, virtual BMUs?	None, question received as part of RFI submission	Any assets that wish to participate in the reactive power market would need to meet the technical requirements of the service. The intention is that these assets would go through proving tests in order to validate the assets MVAr capability, in a similar way that assets are tested for Grid Code compliance when connecting to the Transmission network. There will be a pre-qualification process in the same way that this exists for other services such as Reserve & Response. As the market is developed further, more information will be made available about detailed criteria and requirements.	None	Closed	23/01/2025
32	13-Dec-2024	No	Commercial	RFI	RFI	Any other feedback section	We are also confused as to why parallel projects are being run, one for ORPS and one for Reactive Mid-Term market, separately. These projects need to be considered together as they fundamentally impact one another.	None, question received as part of RFI submission	Please see Q27 above where a similar question has been asked.	None	Closed	23/01/2025
33	13-Dec-2024	No	Technical	RFI	RFI	Any other feedback section	The Afry report talks about regulated asset participation, but nothing was raised in the webinar about eligibility and interaction with the requirement	None, question received as part of RFI submission	Thank you for this question. Our expectation is that network owners (Transmission Owners, Distribution Network Owners) will not participate in this market due to the focus on accessing existing capability and the regulatory regimes associated with these parties. This detail will be finalised as the market design work is finalised.  Please note that the content covered in our recent webinar in November 2024 is a more developed view of the market design, where some details may have developed and been updated since the Afry report in Phase 1 of the Market Design.	None	Closed	23/01/2025
34	13-Dec-2024	No	Commercial	RFI	RFI	Any other feedback section	Need to have a consultation once the detail market design and technical requirements come out as too early to comment [...] without further details at this stage. This doesn't appear on the timeline provided but will be required.	None, question received as part of RFI submission	Thank you for this feedback. In line with the webinar held in November, our next steps include further market engagement through a webinar once the market design work has been finalised. More details on this will be published closer to the time.	None	Closed	23/01/2025
35	13-Dec-2024	No	Technical	RFI	RFI	Any other feedback section	What's NESO's thought regarding the control mode for the future reactive power service? Will be under Target MVAr(sort of static) or Under Voltage control(sort of dynamic)? If NESO considered if the Voltage control is applied for the reactive power, will you also use 1s response time to assess? If NESO considered the bigger change of MVAr will cause the big change of Voltage(especially the IBR terminal voltage if the grid SCL is small) which might limit the IBR output(IBR voltage boundary might be reached) till the OLTC kick in?	None, question received as part of RFI submission	Please see our response to Q1 and Q2 above where this query has been answered previously. We note this is a duplicate question.	None	Closed	23/01/2025
36	13-Dec-2024	No	Technical	RFI	RFI	Any other feedback section	Has NESO considered to distinguish the Basic Grid Code Compliance process and the Reactive Power Service, and design the clear testing/simulation requirement for the Future Reactive Power Service without affecting the Basic Grid Code Compliance Process? This shall benefit the existing projects, the project under compliance and the future projects. If not able to distinguish, can NESO propose a unified procedure to cover both?	None, question received as part of RFI submission	Please see our response to Q3 and Q4 above where this query has been answered previously. We note this is a duplicate question.	None	Closed	23/01/2025
37	13-Dec-2024	No	Technical	RFI	RFI	Any other feedback section	When the Grid Forming technology kicks in, when the system has stability issue(RoCoF, Phase Angle Jump, etc), the internal voltage source will response according(Magnitude, angle) which will affect the MVAr output as per the power flow function. Has NESO considered the affection and accept the behaviour during the in-stability period?	None, question received as part of RFI submission	At this time we have not developed any detailed technical specification of reactive power requirements as we are still in market development stage, but thank you for raising this with us to consider.	None	Closed	23/01/2025