

Public

Stability Phase 3 Update

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Industry note

In November 2022, National Energy System Operator (NESO) awarded 29 contracts under Pathfinder Stability Phase 3 for service delivery between 2025 and 2035. The tender sought to procure new solutions to provide stability services to support a zero-carbon network that were economical against counterfactual options.

TI Project Co 1 Limited, TI ProjectCo 2 Limited and TI Project Co 3 Limited (the three “TI Project Cos”) were awarded in aggregate 13 of these contracts to deliver services from three sites. Since the award, NESO and the three TI Project Cos have had ongoing engagement – as with all other contracted parties – to monitor the progress of all projects to coordinate the delivery of the stability service.

NESO and the three TI Project Cos have mutually agreed to end all these contracts awarded under Stability Phase 3.

Next Steps

- NESO are reviewing any shortfall in stability capability and may seek to procure some or all of this capability through a future tender.
- These contracts were awarded by NESO as an economic alternative to the balancing mechanism. We shall continue to consider the most economic and effective approach to managing any shortfall in the intervening years, including options in the Stability Mid-term market and the Balancing Mechanism.
- Where NESO determines running a new tender, we will seek to reserve any available bays to enable the procurement of alternative provision of the stability service. If secured, the bays would be reserved only for the duration required to support any tender.
- NESO shall continue to review the tender assessment criteria and contractual mechanisms to ensure contracted solutions are deliverable.
- An update to the Stability Phase 3 results file has been uploaded to the NESO website and can be found towards the bottom of this [page](#).

Feedback

We appreciate that there may be questions on the update above and these can be sent to box.stability@nationalenergyso.com.