

Black Start Competitive Procurement Webinar

All lines will be muted
on entry

The webinar will start at
11.10am



Representatives

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Welcome

Housekeeping

- All lines will be muted on entry to ensure clarity for all participants.
To mute your line, press *6, or use the microphone mute function on mobiles
- Q & A will be opened at the end of the presentation.
Please use the chat function to raise questions
- Please refrain from asking questions that may identify you as a current Black Start (BS) Service Provider.
You may log in as anonymous if you prefer

Agenda

1. Introduction
2. Tender Bounds
 - Innovation projects
3. Expression of Interest (EOI)
 - Eligibility and Technical Requirements
4. Invitation to Tender (ITT)
 - F1 report and F2 Scope
 - F2 Report
5. Tender Evaluation
 - Assessment Criteria
6. Contract Award, Build/Install, Service Commencement
7. Request for feedback
8. Q & A

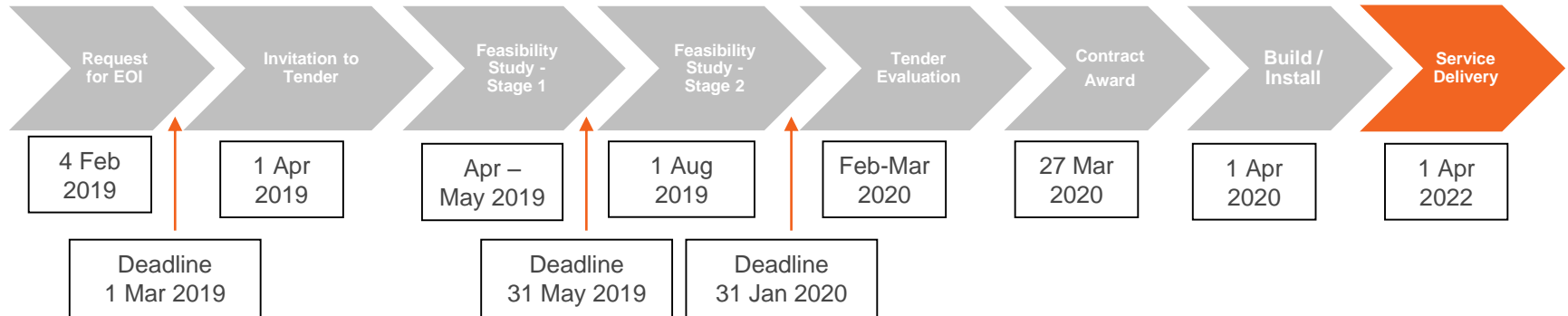


1. Introduction

We want to meet our Stakeholders' expectations, moving towards a more competitive and transparent procurement approach.

Initial Approach / First Step

- Trial a competitive event to procure for requirements in two Zones (South West and Midlands).
- Proposed Timeline:



2. Parameters of Tender

We want to respond to the changing energy landscape, and will incrementally evolve our process and restoration strategy to include newer technologies as their contribution to restoration is proven, to reduce the risk to end consumers.

For clarity, it is not within the scope of the tender to develop the BS capability of new technologies. This will be considered through two, separate projects:

- Network Innovation Competition (NIC) Project, **BS from Distributed Energy Resources (DER)**
 - To evaluate the concept of several decentralised generators working in coordination to BS and grow a Power Island.
 - Organisational and Systems
 - Power System Engineering and Trials.
 - Procurement and Regulation.
 - Likely to include: Hydro, Biomass, CHP, Wind Turbine Generation and possibly Storage, in the 10-100MW range
- Network Innovation Allowance (NIA) Project, **BS from non-Traditional Technologies**
 - To understand current capabilities for BS and Restoration, and what work is ongoing within the industry to better these capabilities.
- 6 • Large and Small Wind generation, Small Solar generation, Battery Storage, Electric Vehicles (including Vehicle to Grid), Industrial & Commercial Demand Side Response.

3. Expression of Interest (EOI)

Slide 1–3



To identify and confirm eligible tenderers ahead of the formal ITT

- EOI is a mandatory prerequisite to the tender.
- Information submitted to confirm:
 - Confirmation of technical characteristics and capability.
 - Location.
 - Ability to meet service commencement date.
 - Acceptance of contract terms.

3. Expression of Interest (EOI)

Slide 2–3

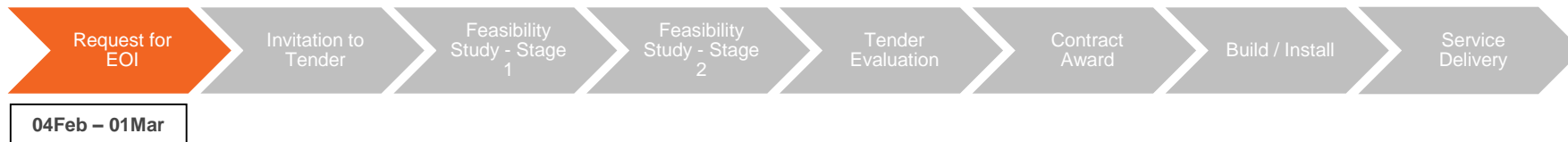


Eligibility

- Tenders may be submitted by any potential provider who meets the technical requirements and contract obligations (providing they register the intention to tender with an accepted EOI).
- If a party cannot meet the technical requirements on their own, but may be able to combine with another party to do so, we will allow tenders where one ‘lead’ party contracts with ESO.
- Eligibility still possible from potential providers who are unable to comply with one of the technical requirements (entirely at discretion of the ESO).

3. Expression of Interest (EOI)

Slide 3–3



Restoration Strategy

- Top down approach

Technical Requirements

- Time to Connect $\leq 2h$
- Service Availability $\geq 90\%$
- Voltage Control Existent
- Frequency Control Existent
- Resilience of Supply:
 - BS Service $\geq 10h$
 - BS Auxiliary Unit(s) $\geq 72h$
- Block Loading Size $\geq 20MW$
- Reactive Capability $\geq 100MVAr$ Leading
- Sequential Start-ups ≥ 3

4. Invitation to Tender (ITT)

Slide 1–3



ITT marks the start of the feasibility assessment process, during which the tender participants will be expected to produce and submit two staged feasibility reports.

- Two month submission period for Stage 1 Feasibility Study Report (F1 Report) and proposed scope of works for Stage 2 (F2 Scope).
- Satisfactory completion of F1, along with scope that meets timelines and budgetary limits will justify progression to F2.
- Six month submission period for Stage 2 Feasibility Study Report (F2 Report).
- Complete F2 will form technical submission for tender.

4. Invitation to Tender (ITT)

Slide 2–3



F1 Study / F1 Report – Overview

- Provide a first assessment around the provider's potential to become a BS Service Provider (technical capability, needs, timescales, etc.).
- Development / Delivery of the report not expected to be time consuming.
- Highlight any risks/concerns the potential provider considers should be included in the more detailed study (F2 study).

F2 Study – Scope of Works

Informed by the F1 Report and prior to the commencement of the F2 Study itself, scope must be delivered and approved by the ESO (including costs and programme).

4. Invitation to Tender (ITT)

Slide 3–3



F2 Study Process

- Capped contribution
- Side letter

F2 Study / Report – Overview

- Confirm technical capability (validated by the OEM) and how will the BS Service be delivered.
- If applicable / necessary, develop network modelling to ensure the BS Service will not cause any impact or damage to third party plant or equipment.
- Provide an Implementation Strategy.
- Provide a Commercial Offer for the BS Service.

5. Tender Evaluation

Slide 1–2



Tenders will be assessed on the tender participant's contribution to a restoration, based on specific capabilities or characteristics, with a weighting of (70:30), (Commercial:Technical).

- Technical requirements are robust enough to produce a viable service, allowing us to more heavily weight the commercial submissions.
- Technical scores – total of all scores given for each sub-criterion as per the assessment criteria.
- Commercial scores – a percentage based on the tenderer's commercial submission in relation to all other tenderer's commercial submissions.
- To combine the scores, the technical will be weighted to account for 30% of the total, and the commercial score to account for 70% of the total.

5. Tender Evaluation

Slide 2–2



Technical Assessment Criteria

- Technical requirements Pass/Fail
- Connection to Network 10%
- Power Output 35%
- Resilience of Supply 30%
- Contribution to Inertia 15%
- Contribution to Restoration Time 10%

6. Contract Award, Build/Install, Service Delivery



Post assessment, contracts will be awarded for service commencement in April 2022, allowing two years for construction projects where required.

7. Request for Feedback

Please take this opportunity to help shape our approach.

Please use Appendix 5 to share your feedback, and send to us at

commercial.operation@nationalgrid.com

To ensure you keep up to date with the Black Start Competitive Procurement Event, sign up for the Future of Balancing Services distribution list at the link below:

<https://www.nationalgrideso.com/insights/future-balancing-services>

We would welcome your feedback on the webinar using the survey monkey link below:

<https://www.surveymonkey.co.uk/r/X9BSQD8>

8. Q & A

Please use the chat function in WebEx to submit your questions.

Please do not disclose any information that could identify you as a black start provider.

Questions will be published after the webinar.

