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Invitation to Tender for Static Reactive Power service

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To Service Providers

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Dear Industry Colleagues,

Invitation to tender for Mersey region static reactive power

Following the Invitation to Tender for reactive power services from April 2022, which was published on our website on 25 November 2019, and the email sent to providers on the 17th January 2020 who had submitted Technical Data (Section A), we have now amended the timescales for the tender process as follows:

Timescales

| Monday 25 th November 2019 | Tender published |
|--|--|
| Friday 13 th December 2019 | Providers submit Technical Data (Section A) |
| Friday 28th February 2020 | NGESO returns Technical Information (Section B) |
| Friday 13 th March 2020 | NGESO returns additional technical information of third |
| | party works assessment for applicable tertiary connections |
| Friday 27 th March 2020 | Providers submit Commercial Tender (Section C) |
| Thursday 7 th May 2020 ¹ | Contracts Awarded |
| Friday 1st April 2022 | Service Commences |

You will notice that we have delayed the submission of Technical Information by three weeks to the 28th February to allow for further detailed studies and added in a new milestone for additional information to be provided for tertiary connections which could have an impact on the distribution network. We have also extended the second stage of the tender to allow an additional week for participants to return Section C of the proforma; this has therefore pushed back the commercial submission date to the 27th March (previously the 28th February) and consequently this has also pushed back the contract award date to the 7th May.

We have also provided some further information for Transmission and Distribution connected providers in Appendix 1 to this letter which details what you can expect to see in the Technical Information (Section B).

¹ This is the latest we will publish the results, we will endeavour to publish these results earlier if possible.

For the avoidance of doubt this tender is only open to those service providers who returned Technical Data (Section A) by the 13th December 2019.

We would like to thank all providers for your continued patience and cooperation throughout the tender process.

Further Information

For further information please contact commercial.operation@nationgrideso.com or call 01926 654611.

Yours faithfully

Paul Lowbridge

Balancing & Revenue Services Manager

Appendix 1

Transmission Connected Providers

We are currently working with NGET's connection teams to understand the feasibility of your options. The feasibility study which NGET is undertaking is similar to one which a prospective applicant can usually request as part of a preconnection assessment. We therefore kindly ask you not to raise a separate request to NGET for such analysis at this stage of the process as this will help NGET manage the number of requests and enable them to focus on the feasibility study. Any such request at this stage is unlikely to be met with a full response ahead of the return of Section B of the proforma to you, which is planned for the 28th February.

As part of section B of the tender proforma, you can expect to receive the following information, where applicable:

- The effectiveness of your proposed solution(s)
- Site specific information, including a single line diagram of NGET works¹ relevant to your solutions
- Land availability² to complete NGET works at site
- Generic programme for NGET works relevant to your solutions considering planned outages that could impact on their deliverability.
- An indicative list of reinforcements
- An indicative cost for the reinforcements
- Earliest date the reinforcements can be delivered
- Generic information regarding land lease terms and rates that will be applicable for all tender participants
- Charging information for relevant equipment
- An indication of the risk of interaction with existing connection applications, in-flight applications or offers out with customers
- An indication of the risk of third party works*
- An indication of historical availability information for relevant transformers where there has been an interest for tertiary connections.

¹NGET assessment will be based on infrastructure assets only and the standard CUSC ownership boundaries will apply. Any connection or user assets will need to be considered and costed by the tender participant.

²this will not include site visits, surveys or site assessments

*Third party works

We are aware that some options which are seeking to connect to the transmission network may also have an impact on the distribution network. These are mainly related to tertiary connections which could have an impact on the fault level on the distribution network.

Whilst the scope of analysis for these options does include an impact assessment on the transmission network, any potential impact on the distribution network does not currently form part of the assessment agreed with DNO within the above timescales. As a result, the information that will be returned in Section B of the tender proforma on the 28th February for the above types of connection will not include any detailed impact on the distribution network.

However, we have been working closely with SPEN and they have agreed to undertake this analysis with the aim of providing you with as much information as possible ahead of the deadline for submitting your commercial tender. We expect to share this with those providers by no later than the 13th March to ensure you still have over two weeks to finalise your commercial submission.

We have revised the tender timescales to include the third party works assessment. This has pushed back the commercial submission date to the 27th March and consequently delayed the contract award date to the 7th May at the latest.

Distribution connected providers

We are currently working closely with SPEN's (Manweb) design teams to understand the feasibility of your options, including the implication of the power factor restrictions within your connection agreement. We would also like to provide additional clarity on the information that you can expect to receive when Section B of the tender proforma is returned to you on the 28th February.

As part of section B of the tender proforma, you can expect to receive the following information, where applicable:

- Power Factor of proposed option if reinforcements cannot be delivered in time
- Power Factor of proposed option if reinforcements can be delivered in time
- List of reinforcements
- Cost of reinforcements
- Earliest date the reinforcements can be delivered
- Effectiveness of solution if reinforcements cannot be delivered
- Effectiveness of solution if reinforcements can be delivered.