

Invitation to Tender for Reactive Power service

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To All Service Providers

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Dear Industry Colleagues,

Invitation to tender for Mersey region reactive power

Following the Request for Information for provision of reactive power services from April 2021, which was published on our website on 29 March 2019, a decision to tender for reactive power services in the Mersey region was published in June 2019. National Grid Electricity System Operator Limited (“NGESO”) seeks to procure reactive power services to manage voltage levels from April 2020 to March 2021, arising from planned outages, asset availability and forecast system conditions.

With the invitation to tender there are several other documents to go alongside:

- Tender information pack
- Tender submission proforma (spreadsheet)
- Contract terms
 - Generic contract terms for BM Firm contract
 - Generic contract terms for BM Call-Off contract
 - Generic contract terms for Embedded Non-Flexible contract
 - Generic contract terms for Embedded Flexible contract
- Effectiveness Factor assessment methodology
- FAQs

Please note when providers submit tenders this is on the basis that the contract terms can be delivered. The contract terms will not be amended post tender, please read the contract terms thoroughly before submitting a tender.

Minimum technical requirements

All the minimum technical requirements can be found in the Tender information pack. If you have any questions which are not answered in the FAQs document, please contact commercial.operation@nationalgrideso.com.

Service Term

Providers wishing to participate may submit one tender only, per contract type, for the duration of the requirement, being 1st April 2020, 23:00 until 1st April 2021, 07:00, inclusive.

New Providers

Successful embedded providers may need to apply for a modification to their connection agreement post-tender if they wish to operate outside of their current connection agreement.

Contract Terms

There are four contract options. These reflect the current contract structures we have in place for BM participants, restrictions applicable to accessing embedded participants, the ability to forecast long-term availability and the ability to deliver reactive power for the entire service period.

The contract terms are published on our website. Please read these thoroughly as they cannot be changed post-tender. When providers submit tenders, they do so on the basis that the contract terms can be delivered.

BM providers wishing to tender for contract type B, please refer to the contract cost formula in Appendix 4 of the contract terms. Providers may only submit tenders for one of the three fuel types, relevant to the asset fuel type.

The following table provides an indication of which contracts providers are eligible for.

	A - BM Firm	B - BM Call-Off	C - Embedded Non-Flexible	D - Embedded Flexible
	Providers require an MSA for Reactive Power capability and are signatory to the CUSC		Providers must be connected at 132kV or below	
Transmission Connected	Providers must be able to operate in Voltage Control mode		Cannot participate	
Distribution Connected	Cannot participate		Providers must be able to operate in Power Factor Control mode	

Service providers are requested to provide prices for the following service(s):

Service description:	A. Voltage Only (BM Firm)
Service Type:	Firm to run at SEL for the overnight period every night
Service Term:	From: 01/04/2020 (23:00) To: 01/04/2021 (07:00)
Service Period:	23:00 to 07:00
Payment Rate:	£/SP (16 SP per day)
Notice:	N/A
Additional notes:	

Service description:	B. Voltage Only (BM Call-Off)
Service Type:	Option price without availability component
Service Term:	From: 01/04/2020 (23:00) to 01/04/2021 (07:00)
Service Period:	23:00 to 07:00
Payment Rate:	On days when NGENSO enacts the option, NGENSO payout to unit based on the difference between the day ahead dark/spark spread and pre-agreed strike price for the contracted period, as detailed in the contract terms appendix.
Notice:	As defined by provider or 10:00 within day (whichever is later) for 23:00 same night
Additional notes:	We require prices for the following options. Option 1 - where at the time of the instruction, PN < SEL in EFA block 6 and EFA block 3. Option 2 - where at the time of the instruction, PN >= SEL in EFA block 6 or where at the time of the instruction PN >= SEL in EFA block 3. Option 3 - where at the time of the instruction, PN >= SEL in EFA block 6 and EFA block 3.

Service description:	C. Voltage Only (Embedded Non-Flexible)
Service Type:	Firm Availability
Service Term:	From: 01/04/2020 (23:00) to 01/04/2021 (07:00)
Service Period:	23:00 to 07:00
Payment Rate:	NGESO will pay the availability rate for all settlement periods in a service period when provider is available On days when NGENSO enacts the option, NGENSO will pay for reactive power utilisation during the service period at a rate equal to ORPS.
Notice:	As defined by provider or 10:00 within day (whichever is later) for 23:00 same night
Additional notes:	A single availability price is to be submitted, covering all power factor possibilities between 0.5 and 0.95pf lead (absorption) in £/MVA/SP

Service description:	D. Voltage Only (Embedded Flexible)
Service Type:	Optional Availability
Service Term:	From: 01/04/2020 (23:00) to 01/04/2021 (07:00)
Service Period:	23:00 to 07:00
Payment Rate:	NGESO will pay the activation rate for all settlement periods whilst under instruction, based on the available MVA/SP volume, and a utilisation rate equal to ORPS.
Notice:	As defined by provider or 10:00 within day (whichever is later) for 23:00 same night
Additional notes:	A single activation price is to be submitted, covering all power factor possibilities between 0.5 and 0.95pf lead (absorption) in £/MVA/SP

Timescales

The timescales for this process are as follows:

Monday 14 th October 2019	Tender published
Friday 8 th November 2019 17:00	Submission of prices & services
Friday 17 th January 2020 17:00	Results published
Friday 31 st January 2020	Contracts signed
During February 2020	Proving Tests for Embedded providers
Wednesday 1 st April 2020 23:00	Service commencement

Submission of Service and Price Offers

Should a service provider wish to submit service and price offers for these reactive power requirements, these should be submitted to the email address: commercial.operation@nationalgrideso.com in accordance with the timescales above. This process is not governed by NGENSO standard contract terms, therefore the electronic submission of such offers are acceptable providing the above timescales are complied with.

A template for submissions is provided in Excel format on the [constraint management website](#). Please use this [Tender Sheet](#) for your offer submission.

Publication of Information

NGESO shall share technical details from the information submitted with the relevant DNO for the purposes of technical assessment, without which NGENSO cannot assess the tender.

NGESO shall also publish and / or announce details of the information submitted for the provision of reactive power from any service provider, and the service provider is required to consent to the disclosure by NGENSO of any such information. To this end, NGENSO cannot accept an offer from any potential service provider unless they consent to the disclosure of such information.

Further Information

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

Yours faithfully

Paul Lowbridge

Balancing & Revenue Services Manager