

SHORT TERM OPERATING RESERVE E-TENDER GUIDANCE DOCUMENT

For use with the STOR Tender Submission Spreadsheet

Tender Round 39

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Website:

<https://www.nationalgrideso.com/balancing-services/reserve-services/short-term-operating-reserve-stor>

IMPORTANT – PLEASE READ

REQUIREMENTS FOR USE

The STOR Tender Submission Spreadsheet is in excel format.

TENDER AUTHORISATION & SUBMISSION

Reserve Providers are requested to electronically confirm that all the information is correct to the best of their knowledge before submission via Coupa.

Neither National Grid nor its employees or advisors shall be under any liability for any error or misstatement or as a result of any failure to comment on any information provided by National Grid or the recipient of this E-Tender Guidance or any other person or any answers to any questions or for any omission and none of such information shall constitute a contract or part of a contract.

Tenderers for Short Term Operating Reserve shall satisfy themselves of the accuracy and completeness of any information they may use in preparing their STOR E-Tenders whether such information is provided by National Grid or comes from any other source. National Grid, its advisors and any other person responsible for production of any information to a tenderer do not accept any duty of care to the tenderer. It is the duty and responsibility of a tenderer to ensure that it takes into account all considerations relating to the STOR E-Tender.

Introduction

This Explanation and Tender Guidance Document is to be read in conjunction with the following documentation which is available on National Grid's website via

<https://www.nationalgrideso.com/balancing-services/reserve-services/short-term-operating-reserve-stor>

- Service Description
- Specimen STOR Framework Agreements (Standard and Aggregation)
- Specimen STOR Tender Acceptance letter
- STOR Standard Contract Terms Issue #11: effective 21 December 2018
- STOR Despatch Procedure - applicable to Non-Balancing Mechanism Participants only
(Version 1.3 prepared December 2008)
- Market Information Reports
- Tender Assessment Principles

Together with this E-Tender Guidance Document referred to as "the Documentation".

Disclaimer and Tenderer's Responsibility

The information supplied with, contained in, or referred to in the Documentation, and all other information relating to Short Term Operating Reserve, and any contract whereby Short Term Operating Reserve may be made available to, and provided to National Grid Electricity Transmission plc ("National Grid"), which is provided by National Grid at any time, whether before or after the date hereof, is given in good faith. However, no warranty or representation or other obligation or commitment of any kind is given by National Grid, its employees or advisors as to the accuracy or completeness of any such information or that there are not matters material to the arrangements and matters referred to therein other than is contained or referred to in such information. Neither National Grid nor its employees or advisors shall be under any liability for any error or misstatement or as a result of any failure to comment on any information provided by National Grid or the recipient of the Documentation or any other person or any answers to any questions or for any omission and none of such information shall constitute a contract or part of a contract.

Tenderers for Short Term Operating Reserve shall satisfy themselves of the accuracy and completeness of any information they may use in preparing their STOR Tenders whether such information is provided by National Grid or comes from any other source. National Grid, its advisors and any other person responsible for production of any information to a tenderer do not accept any duty of care to the tenderer. It is the duty and responsibility of a tenderer to ensure that it takes into account all considerations relating to the STOR Tender and the entering into of an agreement for Short Term Operating Reserve.

National Grid reserves the right not to proceed with any tenders or proposals made in response to the Documentation.

Terminology and Interpretation

The Documentation makes reference to various technical and industry-related terms and phrases. Save where otherwise expressly defined, these shall have the meanings set out in the Short Term Operating Reserve Standard Contract Terms Issue #11: ("Standard Contract Terms"), which came into effect on 11: effective 21 December 2018. In the event of any conflict between the Standard Contract Terms and any other information supplied with, contained in or referred to in the Documentation (and any other information supplied at any time by National Grid with respect to Short Term Operating Reserve), tenderers and prospective tenderers should rely solely on the terms and conditions set out or referred to in the Standard Contract Terms. The information contained in this E-Tender Guidance Document is, to the best of National Grid's belief, accurate and has been given in good faith. However, no warranty or representation or other obligation or commitment of any kind is given by National Grid, its employees or advisers as to the accuracy and completeness of any information contained in this Explanation and Tender Guidance Document, or that there are not other matters material to the matters referred to herein other than is contained or referred to in such information. Neither National Grid nor its employees or advisers shall be under any liability for any error, misstatement or omission in this E-Tender Guidance Document and none of such information shall constitute a contract or part of a contract.

OVERVIEW OF E-TENDER AND CONTRACTING PROCESS

STOR Framework Agreement and STOR Framework Amending Agreement

Any potential provider and existing provider of the STOR service **MUST** enter into a STOR Framework Agreement or (where applicable) a STOR Framework Amending Agreement with National Grid in respect of the plant or equipment which it intends will provide the STOR service before it will be permitted to submit an E-Tender to provide the STOR service from that plant or equipment. The STOR Framework Agreement gives contractual effect to those provisions of the Standard Contract Terms which are relevant to the provider's plant or equipment.

All STOR E-Tenders in respect of this tender round must be submitted via Coupa not later than the specified **Market Day**.

The detailed requirements and guidance in respect of the completion and submission of STOR E-Tenders can be found below.

MANDATORY REQUIREMENTS OF THE E-TENDER PROCESS

The STOR E-Tender must be in respect of STOR Unit(s) or STOR Site(s) that are listed in the tenderer's STOR Framework Agreement.

Each STOR E-Tender must be in respect of Contracted MW of at least 3MW (from a single Unit/Site or aggregated from a number of smaller Units/Sites which together will comprise a single Unit/Site for the purposes of the STOR E-Tender).

Contractually, the Response Time (time it would take from the time of instruction to the full delivery of the Contracted MW) must be less than or equal to 240 minutes.

The Maximum Utilisation Period (maximum time that National Grid will be permitted to use the Short Term Operating Reserve following any one instruction, or series of contiguous instructions) must be a minimum of two hours.

The Recovery Period (maximum time it takes to make the Contracted MW of Short Term Operating Reserve available again after the service has been utilised) must be less than or equal to 1200 minutes.

Where applicable, all Technical Parameters submitted in a STOR E-Tender in respect of a BM Unit should be consistent with the Other Relevant Data (as referred to in Grid Code BC 1.4.2(f)) (if any) in respect of that BM Unit.

In any one Tender Round a Unit or Site may **not** be tendered more than once for the same Season. More than one STOR E-Tender for a Season will render all STOR E-Tenders for that Season invalid. For example, *a Unit/Site cannot be tendered twice for Season 2.1 even if each tender has a different combination of Seasons i.e. if one tender is for Seasons 2.1 and 2.2, a second tender for the same Unit/Site cannot include Season 2.1 or Season 2.2.*

BM service providers may only offer the Committed Service. Non-BM service providers may offer either the Committed or the Flexible Service.

Tenderers must complete all mandatory fields on the tender submission spreadsheets, and must enter only 1 item of data per field.

One E-Tender submission should contain all STOR Unit(s) and STOR Site(s).

Tenderers may offer the service in as many Seasons shown on the tender sheets as it chooses.

A provider may not tender for a Season that is already the subject of a STOR Contract (unless that STOR Contract has been terminated in accordance with the Standard Contract Terms or unless the Standard Contract Terms expressly provide otherwise).

In providing the Short Term Operating Reserve service the tenderer must be compliant with any statutory or other enactment applicable to it and provision of Short Term Operating Reserve must not interfere with the tenderer's obligations under any other agreements and arrangements to which the tenderer may be a party, for example:

- the Electricity Safety, Quality and Continuity Regulations 2002 (as amended from time to time)
- any regulations made under Section 29 of the Electricity Act 1989
- the Grid Code
- the Distribution Code of any Public Distribution System Operator
- any licence granted to the tenderer for the generation, supply or distribution of electricity
- any restrictions and conditions attaching to the relevant authorisations of the Environment Agency
- any agreement for load management
- any agreement for the supply of electricity to or by the tenderer or for the tenderer's connection to and use of any transmission or distribution system.

It is the responsibility of those tendering to ensure that the provision by them of Short Term Operating Reserve will not place them in breach or non-compliance as described above.

COMPLETION AND SUBMISSION OF STOR E-TENDERS

Via Coupa tenderers must, submit a STOR E-Tender which is:-

- Fully compliant (without any qualification) with the mandatory requirements of Short Term Operating Reserve set out above in this E-Tender Guidance Document;
- Not accompanied by statements that could be construed by National Grid as rendering the STOR Tender equivocal and/or prevent its evaluation on an equal basis with other STOR Tenders;
- Set out in Coupa and in accordance with this E-Tender Guidance Document;
- A completed Tender Submission Spreadsheet (or alternative, as mentioned above), saved with the relevant unique reference ID (obtained by the tenderer's National Grid Account Manager) and sent via the Coupa platform.
- All information to be received no later than the stated **Market Day**.

If, in the sole judgement of National Grid, a tenderer has failed to submit a compliant STOR Tender, National Grid reserves the right to:-

Accept the STOR Tender in question; or

Disqualify the STOR Tender in question; and/or

Take any other action it deems appropriate in the circumstances including requesting the tenderer to amend any parameters other than prices or resubmit a non-compliant STOR Tender, so that it is made compliant.

National Grid's decision as to whether or not a STOR Tender is compliant shall be final, and the tenderer concerned may be notified of such decision without prior consultation or explanation.

No costs or expenses incurred in the course of preparing and/or submitting a STOR E-Tender will be paid for by National Grid.

If any further information is required to assist with the preparation of a STOR E-Tender, the tenderer should request this information from National Grid. National Grid may consider it necessary to copy any further information given in response to specific enquiries to all other tenderers. No further information will be issued by National Grid following the ITT being published.

Coupa, as the host portal, will hold your tenders as confidential until the Market Day deadline. Please be aware that you can access Coupa multiple times before Market Day to amend your tender submission, however at 17:00 on said day, Coupa will lock and you will no longer be able to access your tender.

The STOR E-Tender documentation will be treated as private and confidential. Tenderers must not divulge or release details of the STOR E-Tender documentation to any third party, other than on an 'In Confidence' basis to those parties having a legitimate need to know, or whom they need to consult for the purpose of preparing the e-tender.

For information purposes, following the publication of OCP-7 (Outline Change Proposal) on 02/11/2015, National Grid will be publishing the MW data from tender submissions from Year 11 onwards.

GUIDANCE NOTES FOR COMPLETION OF THE E-TENDER SUBMISSION SPREADSHEET

1. ADDRESS & CONTACT DETAILS

The Address & Contact Details tab must be completed by all tenderers.

Company Name	Please insert your Company Name (this should be the party who entered the Framework Agreement)
Reserve Provider Agent	Please insert the Reserve Provider's Agent's name if an agent is appointed in respect of the Unit or Site.
Contact Name	Please insert the name of the person that has the day to day relationship with National Grid
Contact Tel. no	Please insert the day to day telephone number of the contact listed above
Contact Fax no	Please insert the day to day fax number of the contact listed above
Contact Email Address	Please insert the day to day email address of the contact listed above
Contact Address	Please insert the registered office address of the Company
Technical Contact Name	Please insert the name and telephone number of the technical contact for the tendered unit/site
Technical Contact Tel.	As above
Site Contact Name (Duty)	Please insert the name and telephone number of the site contact for the tendered unit/site
Site Contact Tel. (Duty)	As above
Site Contact Name (Standby)	Please insert the name and telephone number of the standby site contact for the tendered unit/site
Site Contact Tel. (Standby)	As above
Primary Dispatch Tel.	Please insert the dispatch telephone number(s) for the tendered unit/site
Secondary Dispatch Tel.	As above
Dispatch Fax	Please insert the dispatch fax number for the tendered unit/site.
Additional Information	Please insert any additional comments or information if necessary.

2. TENDER SUBMISSION SPREADSHEET

Tender Number	Please insert the current tender number
Company Name	Please insert your Company Name (this should be the party who entered the Framework Agreement)
Season From	Please select from the drop down list the season you wish to tender from on a per STOR Unit basis.
Season To	Please select from the drop down list the season you wish to tender to on a per STOR Unit basis.
Unit/Site ID	Please insert the identification of the Unit/Site for which Short Term Operating Reserve is being tendered. (This must be the same as the identification for that Unit/Site specified in the STOR Framework Agreement).
Contracted MW	Insert the number of whole MW of Reserve you are offering against each Season. (This must be equal to or greater than 3MW).
Service Type	<p>Please select either 'C' or 'F' against each season for which Contracted MW are being offered depending on whether you are offering a Committed or Flexible service.</p> <p>Note – BM Providers must enter 'C'. Non-BM providers may enter either 'C', or 'F' for each Season.</p>
Response Time	<p>Insert the maximum amount of time (rounded up to the next <u>whole minute</u>) it would take from the time of receipt of a STOR Instruction to deliver the Contracted MW in full. (This must be less than or equal to 240 minutes).</p> <p>Note: For a BM Unit, in determining availability and enabling Instructions of the service the NDZ parameter must be ≥ 3 and ≤ 85 minutes. For a non-BM Unit, the Response Time should correlate with Run Up Rate and should be equal to or greater than the Contracted MW divided by Run Up Rate but in any event not to exceed 240 minutes.</p>
Maximum Utilisation Period	Insert the maximum time in <u>hours</u> for which you will allow National Grid to utilise Short Term Operating Reserve in any single continuous utilisation comprising one or a series of contiguous STOR Instructions. (This must be a minimum of two hours). Where no restrictions apply, insert 9999
Recovery Period	Insert the maximum time in whole minutes it takes to make Short Term Operating Reserve available again after it has been utilised. (This must be less than or equal to 1200 minutes).
Minimum Utilisation Period (MNZT for BM Units)	<p>Insert the Minimum time in <u>whole minutes</u> for which you will allow National Grid to utilise Short Term Operating Reserve in a single utilisation (MNZT for BM Units). This value takes into account the whole period where the unit's output is greater than zero or for a demand reduction site the output is less than the contracted MW.</p> <p>(The lower the time the more attractive the service is to National Grid. If no time has been specified, National Grid will assume that the value is 0 minutes.)</p>

Cease Time

Insert the maximum time in whole minutes that it takes for a Unit or Site to return to zero MW (or its original level of demand) following an Instruction to do so.

For a BM Unit this should be greater than or equal to NTO plus the Contracted MW divided by the Run Down Rate applicable to that BM Unit.

For a non-BM Unit, the cease time should correlate with Run Down Rate and should be equal to Contracted MW divided by Run Down Rate.

Run Up Rate

To be completed by Non-BM Participants only. Insert the rate in MW/min at which the Unit or Site will change load in response to an Instruction to start providing STOR.

$(RUR = \text{Contracted MW} / \text{Response Time})$

Please round up the figure for two decimals. If no value is specified, National Grid will assume the rate to be infinite

Run Down Rate

To be completed by Non-BM Participants only. Insert the rate in MW/min at which the Unit or Site will change load in response to an Instruction to cease providing STOR.

$(RDR = \text{Contracted MW} / \text{Cease Time})$

Please round up the figure for two decimals. If no value is specified, National Grid will assume the rate to be infinite.

Annual Limit Hours

Please insert the maximum number of hours the unit can be run for in a year. Where no restrictions apply, insert 9999.

Annual Limit Utilisation

Please insert the maximum number of utilisations the unit can be run for in a year. Where no restrictions apply, insert 9999.

Restrictions – All or Nothing.

Please select one of the options from the drop-down list if you wish to stipulate the combinations of Seasons that National Grid may accept. (Note this may affect the value of the STOR Tender to National Grid). If there are no restrictions selected and only part of the STOR Tender is successful, then only some of the Seasons will be accepted, and the Annual Limit will be adjusted on a pro rata basis.

Availability Price (£/MW/h)	<p>Insert the price in <u>£/MW/h</u> you wish to be paid for making Short Term Operating Reserve available against each Season for which Contracted MWs are being offered. Please round up the figure to two decimals.</p> <p>Please leave it blank if the indexation methodology has been agreed in the STOR Framework Agreement for Availability Price in respect of Subsequent Year Tenders.</p>
Energy Utilisation Price/Contract Bid/Offer Price (£/MWh)	<p>Insert the energy price in <u>£/MWh</u> for each Season you wish to be paid when National Grid instructs and utilises Reserve made available. Please round up the figure for two decimals. For the avoidance of doubt, for BM Units this will be a single price (the contract price) which will set both the Bid and Offer Prices when available for Short Term Operating Reserve.</p> <p>Please leave it blank if the indexation methodology has been agreed in the STOR Framework Agreement for Energy Utilisation Price/Contract Bid/Offer Price in respect of Subsequent Year tenders.</p>
Weekly Limit (Maximum number of utilisations per week)	<p>Insert the maximum number of times Reserve can be utilised in any week against each Season for which Contracted MWs are being offered. This number must be greater than or equal to 3.</p> <p>If a Weekly Limit is not inserted, then National Grid will assume that the service tendered has no upper limit to the number of times it can be utilised in any one Week.</p>
Optional Energy Utilisation Price (non-BM only) (£/MWh)	<p>Non-BM providers only. Insert the energy price in <u>£/MWh</u> you wish to be paid when National Grid instructs and utilises Reserve made available in <u>Optional Windows</u> or <u>Deemed Optional Windows</u>. This is a mandatory field for non-BM providers and must be submitted for each tendered Season.</p> <p>Please leave it blank if the indexation methodology has been agreed in the STOR Framework Agreement for Optional Energy Utilisation Price in respect of Subsequent Year tenders.</p>
Indexation	<p>Please select Yes or No as appropriate if you chose to apply Indexation to Contract Prices for Subsequent Year Tenders.</p> <p>Please note that the indexation methodology will not apply unless it has been agreed in the STOR Framework Agreement before tenders' submission.</p>
Base Year	<p>Please state base year from which indexation should be applied from.</p>
Indicative Hours Available in Working Day / Non-Working Day Windows	<p>Please fill in the number of hours you estimate that you will make Short Term Operating Reserve available to National Grid during each Availability Window for Seasons where Contracted MWs are being offered only if less than the default maximum Hours in the box(es) below.</p>

The indicative hour's fields will populate the default maximum indicative hour's availability across the relevant seasons when you select the "Season from". If you are a Non-BM provider offering a Committed service, please do not amend the default numbers populated. If you are a BM provider, the Committed service provision will automatically populate, as will the maximum amount of hours available.

Fuel Type

Please select from the drop down list the primary fuel type that best describes the proposed means of delivery of the tendered STOR service.

Please also only indicate the primary fuel source, for instance if a STOR service is to be delivered by a diesel generator locally supplying part of the load of a site then this should be marked as "Diesel". If however load is reduced by the interruption of a manufacturing process this should be recorded as "Load Reduction".

PLEASE NOTE: this data will not form part of the assessment of any tender.

Please note:

- The tender will be rejected unless the Unit/Site has been agreed in the STOR Framework Agreement before submission of the tender.
- If the Unit/Site requires any Mandatory Works Provisions, these must be agreed in the STOR Framework Agreement before submission of the tender, otherwise the tender will be rejected.

FURTHER INFORMATION / FEEDBACK

Any communications with National Grid associated with the Documentation or the tender process should be addressed to Haarith Dhorat, haarith.dhorat@nationalgrideso.com.