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Addressee

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Dear Service Provider

SHORT TERM OPERATING RESERVE – TENDER ROUND 34 INVITATION TO TENDER

Please be advised that the Invitation to Tender for Short Term Operating Reserve (STOR) Tender Round 34 is now available on National Grid's website and via Ariba.

Tenders are invited for service provision for one or more seasons within the period 1st October 2018 – 1st April 20120.

STOR Electronic Tenders

This Invitation to Tender (ITT) documentation has been launched today and Providers who have participated in previous STOR Tender Rounds via Ariba should receive an automatically generated email to enable access to Tender Round 34 event using their existing Ariba account.

If you are a new provider and have recently entered into a Framework Agreement with National Grid then you should receive an automatically generated email to enable you to set up a log-in to securely access the Ariba platform.

If for any reason you do not receive the above by **Tuesday 19th December 2017**, please contact your Account Manager.

STOR Runway Tender

As part of our <u>Letter on Rationalisation</u>, we set out a list of services that have been removed from active procurement. Among these is STOR Runway which will not be procured from TR34 on. We will be developing the STOR service next year to include the majority of the characteristics of Runway.

Relevant Documentation

For further information relating to this Tender Round, please refer to the following documents available on the STOR website and via a link in Ariba:

- 1. General Service Description
- 2. Short Term Operating Reserve Tender Round Dates

Associated applicable documents also published are as follows:

1. Revised Tender Assessment Principles

- 2. STOR Despatch Procedure v1.3
- 3. Indexation Principles Document
- 4. Issue #10 of the STOR Standard Contract Terms

Key Dates

Framework Agreement Deadline	17:00 hours on Friday 5 th January 2018
Market Day	17:00 hours on Friday 12 th January 2018
Results Day	23 rd February 2018
Market Report	23 rd March 2018
Service Commencement	05:00 hours on Sunday 1 st April 2018

Market Day is the latest day in which tenders can be uploaded to Ariba - all tenders must be submitted no later than 17:00 hours on **Friday 12th January 2018**.

For information purposes following the publication of OCP-7 (Outline Change Proposal) National Grid will continue to publish MW data from Tender submissions from Year 11 onwards in the Market Information Report.

Premium Flexible Service

As with previous tender rounds, Providers can offer a Premium Flexible Service. The Premium windows are communicated below on a per season basis and are available for the maximum two year contracting opportunity. **Premium windows are Monday to Friday only.** The Premium Flexible windows are as follows:

STOR Year 12 (2018/19)

Season 1 - Window 1

Season 2 - Window 1

Season 3 – Window 2

Season 4 – Window 2

Season 5 – Window 2

Season 6 - Window 2

STOR Year 13 (2019/20)

Season 1 - Window 1

Season 2 - Window 1

Season 3 - Window 2

Season 4 – Window 2

Season 5 - Window 2

Season 6 – Window 2

STOR Framework Agreement & STOR Framework Amending Agreement

A STOR Framework Agreement must be concluded by any party wishing to submit a STOR Tender. The STOR Framework Agreement will give effect to the STOR Standard Contract Terms.

New Provider, New Framework Agreement:

Any potential provider who wishes to submit a tender to provide Short Term Operating Reserve ("a STOR Tender") should start conversations with National Grid by **Friday 22nd December 2018**. Where a non-standard Indexation Methodology or Works Programme need to be agreed the provider should contact National Grid as soon as possible to ensure an agreement can be made before this date.

Existing Provider, Amending Framework Agreement:

Any existing provider who wishes to submit a tender to provide the STOR service from a new STOR Site or STOR Unit and/or wishes to submit Subsequent Year Tender(s) that are subject to indexation and/or where its provision of Short Term Operating Reserve from a STOR Unit or STOR Site is dependent on the carrying out of works should enter into discussions with National Grid in order to progress a STOR Framework Amending Agreement by **Friday 22nd December 2018**. Where a non-standard Indexation Methodology or Works Programme needs to be agreed the provider should contact National Grid as soon as possible to ensure an agreement can be made before this date.

In order to provide sufficient time for a STOR Framework Agreement (or, if applicable, STOR Amending Agreement) to be agreed and engrossed by **Friday 5th January 2018**, new Reserve Providers should provide their Account Manager with the details in writing, as early as possible but no later than **Friday 22**nd **December 2018**. Please note this date also applies to existing Reserve Providers.

For further information and a more detailed explanation of the tender process please refer to the STOR Service Description within the ITT documentation. Alternatively please contact your Account Manager should you have any queries.

Yours sincerely

Haarith Dhorat