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Dear Service Provider

SHORT TERM OPERATING RESERVE – TENDER ROUND 32 INVITATION TO TENDER

Please be advised that the Invitation to Tender for Short Term Operating Reserve (STOR) Tender Round 32 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 21st August 2017 – 1st April 2019.

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 32 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 25th April 2017**, please contact your Account Manager.

STOR Runway Tender

STOR Runway is aimed at Providers who can offer new Demand-Side Volume and provides the opportunity to tender for a growth contract of two years in length. Some Providers may wish to tender for both STOR and STOR Runway; this is permitted subject to the STOR Runway volume meeting the eligibility criteria outlined as part of the Invitation to Tender.

The Invitation to Tender for STOR Runway can be found on the webpage, including a Guidance Document which outlines the details for those looking to participate in the tender.

Providers are able to start being paid from 1MW of availability following the appropriate notification deadlines. More details can be found in the STOR Runway guidance document and invitation to tender letter.

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 19 th May 2017
Market Day	17:00 hours on Friday 26th May 2017
Results Day	7 th July 2017
Market Report	11 th August 2017
Service Commencement	05:00 hours on Monday 21st August 2017

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 26th May 2017**.

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.

Please note that window start/end times for Year 11 (17/18) have been amended to suit National Grids requirements as System Operator. These changes to the times are in line with section 1.6 in the Standard Contract Terms.

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 11 (2017/18)

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 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 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 5th May 2017**. 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 5th May 2017**. 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 19th May 2017**, new Reserve Providers should provide their Account Manager with the details in writing, as early as possible but no later than **Friday 5th May 2017**. 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