

**Transmission Constraint Management Requirement Notice:
Invitation to Tender Pack, Letter 1**

Sarah Hall
Account Manager

To All Service Providers

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11 April 2014
Issue 1

Dear Service Provider

TRANSMISSION CONSTRAINT MANAGEMENT REQUIREMENT NOTICE - [VMRN/02/14]

The following Transmission Constraint Management Requirement has been identified by National Grid Electricity Transmission ("National Grid") to manage forecast constraint costs and volumes, arising from asset health and forecast system conditions. National Grid is therefore, seeking to procure constraint management services in order to economically and efficiently manage a potential constraint. This tender seeks to fulfil a short term requirement. A further tender will follow to cover the period from the 17th June onwards.

Constraint Requirement

Zonal Requirement:	London and South East
Potential Service Providers:	Grain, Coryton, Barking and Littlebrook ¹
Additional Notes:	More than one price structure or service may be offered The default mechanism will continue to be used for the payment of MVarh
Term:	From: 00:30 08/05/14 ² To: 06:00 17/06/14

¹ Although these Power Stations have been identified as being particularly effective for this localised requirement, this list is not exhaustive. This list takes into account the contracted background.

² Where acceptable to both parties an earlier contract start date may be agreed.

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

Service description:	Voltage only
Service Type:	Optional becoming Firm on instruction (Reactive capability at minimum generation)
Notice Due:	Tendered parameter – (How many hours notice are required between instruction and service delivery. There is value in shorter notice periods.)
Period:	The instruction to provide the service will be for all remaining periods in the service term rather than on an individual period by period basis. Weekdays Monday – Friday 00:30 – 06:00 Weekends Saturday & Sunday 00:30 – 07:00 Bank Holidays 00:30 – 08:00
Pricing:	Availability Fee (£/SP) and Utilisation Fee (£/SP) Or Utilisation Fee 1 (£/SP) and Utilisation Fee 2 (£/SP)

Instruction under this contract is likely to be due to an unplanned outage. Our preference would be for no payment to be due under the contract unless the service is instructed. Two pricing structures are proposed.

For the first structure providers are requested to provide an availability and a utilisation fee however we would prefer to see a zero availability fee or a low availability fee. The second structure is proposed to enable providers to offer one utilisation rate for a set number of days immediately after instruction and a second utilisation rate for the remainder of the service term without the inclusion of an availability fee. Please contact your Account Manager if you would like to suggest an alternative pricing structure.

Please note that the above services are based on historic information and any service provider may offer an alternative if it is felt it may meet the requirement. Any new service offer, including prices, will be published as detailed below.

These requirements are National Grid's current best view based on OC2 generation availability, demand estimates, asset condition and forecast market conditions. However, if in National Grid's view the drivers change significantly then National Grid reserves the right to amend or withdraw these requirements. Where appropriate National Grid may republish the tender requirements and revise the relevant timescales accordingly.

Timescales

The timescales for this particular process are as follows:

Business Day 1, 12:00	Fri 11 April 2014	Requirements published
Business Day 6, 17:00	Tue 22 April 2014	Submission of prices
Business Day 11, 17:00	Tue 29 April 2014	Results
Business Day 16, 17:00	Wed 7 May 2014	Contract in place

Submission of Service and Price Offers

Should a service provider wish to submit service and price offers for these constraint management requirements, these should be submitted to your Balancing Services Account Manager **and** the email address: commercial.operation@nationalgrid.com in accordance with the timescales above.

This process is not governed by National Grid standard contract terms, therefore the electronic submission of such offers are acceptable providing the above timescales are complied with.

A suggested template for submissions is provided in Appendix One. If there are any technical limitations on your stations ability to deliver this service, please ensure these are included in the tender for consideration in the assessment.

Publication of Information

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

Further Information

For further information and a more detailed explanation of the procurement process for the above or similar requirements, please contact your Balancing Services Account Manager.

Yours faithfully

Sarah Hall
Account Manager

Appendix One – Tender Data

The assessment will include, but is not limited to, the information in the table below:

Price Structure One:

Station	BMU ID	MW Level	Notice (hours)	Availability Fee (£/SP)	Utilisation Fee (£/SP)	MVA _r Range ⁴	
						Lead	Lag

Price Structure Two

Station	BMU ID	MW Level	Notice (hours)	Utilisation Fee 1 (£/SP)	No. of days at Utilisation Fee 1	Utilisation Fee 2 (£/SP)	MVA _r Range ⁴	
							Lead	Lag

⁴ Please provide value at commercial boundary

**Transmission Constraint Management Requirement Notice:
Invitation to Tender Pack, Letter 2, Results**

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29 April 2014
Issue 1

Dear Service Provider

TRANSMISSION CONSTRAINT MANAGEMENT REQUIREMENT NOTICE - [VMRN/02/14]

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Constraint Requirement

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Assessment

We would like to thank those who participated in this tender. Tenders were received from four parties. These offers are summarised in Appendix One to this letter. Following economic assessment we are not taking any of the service offers forward to contract.

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Further Information

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Yours faithfully

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Account Manager

Appendix One – Results

BMU ID	MW level	Notice (hrs)	Availability fee (£/SP)	Utilisation fee 1 (£/SP)	No days at Utilisation fee 1	Utilisation fee 2 (£/SP)	MVA Range		Results
							Lead	Lag	
COSO-1	220	6	262	11,652	1	3,843	192	397	All tenders have been rejected based on economic assessment against alternatives.
COSO-1	220	16	184	5,646	1	3,843	192	397	
COSO-1	220	6	294	11,652	1	3,843	192	397	
COSO-1	220	16	207	5,646	1	3,843	192	397	
LITTD-1 or 2	80	6	499	12,351			330	470	
LITTD-1 or 2	80	6	499	10,903			330	470	
MEDP-1	170	14.5	150	3,950			230	282	
MEDP-1	170	14.5		4,209			230	282	
MEDP-1	170	14.5		20,000	1	3,500	230	282	
GRAI-7	230	16.5	549			4,937	155	341	