

## Launch of Autumn 2024 tender for flexibility services

We are pleased to brief all prequalified suppliers on our upcoming tender which will go live on Wednesday 9 October 2024. This briefing provides you with key information about the tender including locations, capacity requirements, pricing, and key information about the tender process.

For more information, contact us at [flexibility@northernpowergrid.com](mailto:flexibility@northernpowergrid.com)

### Introduction

This is our third tender of 2024. We are seeking to procure 1.5 MW across two high voltage (HV) zones and 13 low voltage (LV) zones for winter 24/25 and winter 25/26. This includes a number of zones that are new to the market: the Starbeck HV zone and ten LV zones.

We have always been advocating for quick and efficient procurement processes. With that in mind, this tender round will be run over 4 weeks and will result in services being delivered from November 2024.

This year we have delivered an enhanced process for forecasting network constraints that gives us more tightly defined service windows, maximising the £/MWh value of flexibility services. We have also delivered a revised approach to pricing LV network constraints. The effect of these on our requirements for LV zones has been significant and created added value through bespoke service windows and bespoke and higher ceiling prices per LV zone.

We are excited to bring these new and higher value opportunities to the market.

### Flexibility Requirements

The service windows we are tendering for are for Winter 24/25 and Winter 25/26.

We are seeking to manage demand constraints at two primary substations on our HV and 13 distribution substations on our LV network. We are procuring the Scheduled Utilisation product that provides certainty of delivery requirements and value for Flexibility Services Providers. Our

requirement is for demand turn-down or generation turn-up.

Additionally, we are looking for expressions of interest at a further 11 primary substation locations for years starting from 2025/26 through to 2028/29, in order to understand future availability of capacity at these sites. These competitions will be described as 'visibility only' on Piclo.

Full details of these requirements, including service windows and guide prices are on page 4.

The invitation to tender (ITT) will be issued and the competitions will go live on Piclo Wednesday 9 October. More key dates are in the table on page 2.

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## Key dates for tender

ITT issued & competitions go live	Wed 09/10/24
Asset entry deadline	Wed 16/10/24 noon
Bidding window opens	Tue 22/10/24 noon
Bidding window closes	Tue 29/10/24 noon
Bid Acceptance / Rejection Confirmed	Fri 8/11/24
Earliest service start date	Mon 25/11/24

### Tender process – what’s the same as previous tenders?

- Following the success of using the Scheduled Utilisation product to defer network reinforcement, we are continuing to use this product that provides certainty of delivery requirements at the point of contracting.
- The competitions will be run on the Piclo platform. For help with setting up your account or using Piclo please contact [support@picloflex.com](mailto:support@picloflex.com).
- Once the ITT has been issued, all questions relating to the tender should be submitted via [support@picloflex.com](mailto:support@picloflex.com).
- As well as submitting bids into the Piclo market platform, bidders are to submit the following accompanying documents to [support@picloflex.com](mailto:support@picloflex.com) before the bidding window closes. Full details of this will be given in the ITT but are summarised here:
  - a) A signed ‘Form of Tender’
  - b) A completed IT Security questionnaire explaining how you comply with our requirements (see box right). You may attach documents to support or evidence your response
  - c) A proposed baseline and accompanying narrative to explain the proposed baseline. See the ‘explainer’ box at the end of this briefing for more information.

### Information Security Requirements

#### 1. Information Security Management System

Please confirm you have and maintain security controls, via an Information Security Management System, that are the equivalent to those needed to comply with the UK Government backed Cyber Essentials scheme.

Alternatively, please confirm you have and maintain security controls that meet the requirements in the latest published versions of ISO/IEC 27001 – Information Security Management Systems, and ISO/IEC 27002 – Code of Practice for International Security Management.

#### 2. Security Monitoring, Reporting and Action

Please confirm you have a process for security event monitoring and notification/alert/response plans, including a response to security incidents.

#### 3. Security Monitoring, Reporting and Action

Please confirm you will notify us of a security incident as soon as practicable, but no later than 24 hours after discovery, that could limit the effective delivery of the flexibility service by you.

#### 4. Disaster Recovery

Please confirm that you have a Business Continuity Management System in place to restore the availability and access to systems and data in a timely manner in the event of a physical or technical incident.

#### 5. Email Protocols

Please confirm that emails sent to the company from your system will be appropriately signed with a 2048bit DKIM key and that the your email system has (or you are willing to take steps to) implemented : SPF, TLS and DMARC in reject mode.

## Tender process – what’s different from previous tenders?

- More tightly defined service windows and higher value, made possible by our improvements to forecasting and pricing.
- We are committed to making processes standardised and easy for market participants. We will be using the latest version of the industry standard contract for flexibility services, version 3. We will contract on v3 unamended ie there will be no negotiation on T&C.
- We have published our tender evaluation criteria in this document to provide you with transparency and clarity on how we are assessing bids. We have updated our bid decisioning to prioritise operational assets over planned assets.

See ‘explainer’ boxes at the end of this briefing for more information on the v3 contract on tender evaluation.

### Did you know that....

.... you can specify a ‘maximum runtime’ when submitting a bid. For example, If the competition service window is four hours long, but the longest your assets can deliver the service is two hours, you can still bid. Just specify a max runtime of two hours.

.... you can submit ‘split bids’. Instead of submitting one bid per service window for the entire capacity of your asset, you can split that capacity into smaller amounts. This allows you to offer different prices against subsets of capacity.

.... as well as viewing the competitions on the Piclo Flex dashboard, you can download data files with details of the competitions and their map polygon or postcode data on the ‘documentation’ tab [here](#)



## How to participate in our flexibility tender

As you are already a prequalified supplier, you will be invited to tender. The steps you will need to carry out to participate are:

Step 1: **Add your assets to Piclo**. You can do this at any time and must do it in time to complete competition qualification by noon on 16 October.

Step 2: **Complete competition qualification**; i.e. confirm entry of assets into the competitions you wish to bid into by noon on 16 October.

Step 4: Submit a bid during the bidding window Find out more about submitting a bid [here](#). Remember to submit the other documents required: the signed Form of Tender, the completed IT Security Questionnaire and information on baselining.

When the ITT is published, this will include an instructions to bidders document and we recommend that you read this carefully.

**Requirements for our Autumn 2024 tender follow on the next two pages.**

## Detailed Requirements for Autumn 2024 Tender

### Confirmed HV flexibility needs

Flexibility Services to be provided by assets connected at or below 11kV.

Location	Zone (Substation)	Postcode	Delivery year	Capacity required (MW)	Start Date (inclusive)	End Date (inclusive)	Days	Service Start Time	Service End Time	Utilisation ceiling price £/MWh
Scunthorpe	Crowle	DN17 4BB	2024/25	0.096	Sun 01-Dec-24	Fri 31-Jan-25	Mon to Sun	10:30	20:30	£141
			2025/26	0.191	Mon 01-Dec-25	Sat 31-Jan-26	Mon to Sun	17:00	21:00	£248
Harrogate	Starbeck	HG2 7PT	2024/25	0.500	Mon 25-Nov-24	Fri 13-Dec-24	Mon to Fri	16:30	19:00	£5,190
				0.500	Mon 06-Jan-25	Fri 24-Jan-25	Mon to Fri	16:30	19:00	£5,190
			2025/26	0.500	Mon 24-Nov-25	Fri 12-Dec-25	Mon to Fri	16:30	19:00	£5,190
				0.500	Mon 05-Jan-26	Fri 23-Jan-26	Mon to Fri	16:30	19:00	£5,190

### Call for expressions of interest in providing HV flexibility services

We are calling for expressions of interest in providing services at these locations, to be provided by assets connected at or below 11kV.

Location	Zone (Substation)	Postcode	Delivery year	Capacity required (MW)	Months	Days	Service Start Time	Service End Time
Leeds	Moor Road	LS6 4BJ	2025/26	2.300	Start October through to end March	Monday to Sunday	10:30	20:30
York	Husthwaite	YO61 4PN	2025/26	0.200				
Middlesborough	Faraday St	TS1 4JG	2026/27	3.700				
Whitley Bay	Monkseaton	NE25 9AF	2026/27	0.800				
Pontefract	Hemsworth	WF9 5BZ	2027/28	0.500				
Bridlington	Martongate	YO16 6RX	2028/29	0.800				
Driffield	Kirkburn	YO25 9EH	2028/29	0.400				
Market Weighton	Holme Upon Spalding Moor	YO43 4BX	2028/29	0.300				
Market Weighton	Southgate	YO43 3BE	2028/29	0.200				
Ripon	Ripon	HG4 1QE	2028/29	0.300				
Selby	Selby	YO8 8NB	2028/29	0.200				

## Confirmed LV flexibility needs

Flexibility services to be provided by assets connected at or below 415V.

Location	Zone (Substation)	Postcode	Delivery year	Capacity required (MW)	Start Date (inclusive)	End Date (inclusive)	Days	Service Start Time	Service End Time	Utilisation ceiling price £/MWh
Alnwick	Alnwick Fleece	NE66 1PR	2024/25	0.050	Mon 13-Jan-25	Fri 17-Jan-25	Mon to Fri	09:00	16:00	£1,606
			2025/26	0.050	Mon 12-Jan-26	Fri 16-Jan-26	Mon to Fri	09:00	16:00	£1,606
Beamish	Lime Street	DH9 7EJ	2024/25	0.075	Mon 02-Dec-24	Sun 15-Dec-24	Mon to Sun	16:00	20:00	£134
					Mon 06-Jan-25	Sun 23-Feb-25	Mon to Sun	16:00	20:00	£134
			2025/26	0.075	Mon 01-Dec-25	Sun 14-Dec-25	Mon to Sun	16:00	20:00	£128
					Mon 05-Jan-26	Sun 22-Feb-26	Mon to Sun	16:00	20:00	£128
Bradford	Thornbury Avenue 929	BD3 8HY	2024/25	0.050	Mon 25-Nov-24	Sun 15-Dec-24	Mon to Sun	16:00	20:00	£383
					Mon 06-Jan-25	Sun 19-Jan-25	Mon to Sun	16:00	20:00	£383
			2025/26	0.050	Mon 24-Nov-25	Sun 14-Dec-25	Mon to Sun	16:00	20:00	£369
					Mon 05-Jan-26	Sun 18-Jan-26	Mon to Sun	16:00	20:00	£369
Doncaster	Yarborough Terrace 44094	DN5 9SJ	2024/25	0.075	Mon 02-Dec-24	Sun 15-Dec-24	Mon to Sun	16:00	20:00	£305
					Mon 06-Jan-25	Sun 19-Jan-25	Mon to Sun	16:00	20:00	£305
			2025/26	0.075	Mon 01-Dec-25	Sun 14-Dec-25	Mon to Sun	16:00	20:00	£288
					Mon 05-Jan-26	Sun 18-Jan-26	Mon to Sun	16:00	20:00	£288
Hartlepool	Chaucer Avenue	TS27 4NJ	2024/25	0.075	Mon 04-Nov-24	Sun 16-Mar-25	Mon to Sun	16:00	20:00	£83
			2025/26	0.075	Mon 03-Nov-25	Sun 15-Mar-26	Mon to Sun	16:00	20:00	£70
Hexham	Dene Avenue	NE46 1HJ	2024/25	0.050	Mon 02-Dec-24	Fri 13-Dec-24	Mon to Fri	08:00	11:30	£1,071
					Mon 13-Jan-25	Fri 17-Jan-25	Mon to Fri	08:00	11:30	£1,071
			2025/26	0.050	Mon 01-Dec-25	Fri 12-Dec-25	Mon to Fri	08:00	11:30	£1,071
					Mon 12-Jan-26	Fri 16-Jan-26	Mon to Fri	08:00	11:30	£1,071
Leeds	Archery Road 2051	LS2 9AR	2024/25	0.025	Mon 02-Dec-24	Fri 13-Dec-24	Mon to Fri	16:00	20:00	£1,874
					Mon 13-Jan-25	Fri 17-Jan-25	Mon to Fri	16:00	20:00	£1,874
			2025/26	0.025	Mon 01-Dec-25	Fri 12-Dec-25	Mon to Fri	16:00	20:00	£1,874
					Mon 12-Jan-26	Fri 16-Jan-26	Mon to Fri	16:00	20:00	£1,874
Leeds	Royal Park Road 348	LS6 1JJ	2024/25	0.075	Mon 02-Dec-24	Sun 15-Dec-24	Mon to Sun	16:00	20:00	£167
					Mon 20-Jan-25	Sun 02-Mar-25	Mon to Sun	16:00	20:00	£167
			2025/26	0.075	Mon 01-Dec-25	Sun 14-Dec-25	Mon to Sun	16:00	20:00	£167
					Mon 19-Jan-26	Sun 01-Mar-26	Mon to Sun	16:00	20:00	£167
Morpeth	Ulgham	NE61 3AR	2024/25	0.025	Mon 02-Dec-24	Fri 13-Dec-24	Mon to Fri	16:00	20:00	£1,405
			2025/26	0.025	Mon 01-Dec-25	Fri 12-Dec-25	Mon to Fri	16:00	20:00	£1,405
North Shields	Broadway Tynemouth	NE30 2LQ	2024/25	0.150	Mon 04-Nov-24	Sun 16-Mar-25	Mon to Sun	16:00	20:00	£41
			2025/26	0.150	Mon 03-Nov-25	Sun 15-Mar-26	Mon to Sun	16:00	20:00	£35
North Shields	Rowntree Way	NE29 6XX	2024/25	0.050	Mon 02-Dec-24	Sun 15-Dec-24	Mon to Sun	16:00	20:00	£401
					Mon 06-Jan-25	Sun 26-Jan-25	Mon to Sun	16:00	20:00	£401
			2025/26	0.050	Mon 01-Dec-25	Sun 14-Dec-25	Mon to Sun	16:00	20:00	£401
					Mon 05-Jan-26	Sun 25-Jan-26	Mon to Sun	16:00	20:00	£401
Wakefield	Batley Road 2243	WF3 1HT	2024/25	0.025	Mon 02-Dec-24	Fri 13-Dec-24	Mon to Fri	16:00	20:00	£1,874
					Mon 13-Jan-25	Fri 17-Jan-25	Mon to Fri	16:00	20:00	£1,874
			2025/26	0.025	Mon 01-Dec-25	Fri 12-Dec-25	Mon to Fri	16:00	20:00	£1,874
					Mon 12-Jan-26	Fri 16-Jan-26	Mon to Fri	16:00	20:00	£1,874
York	Kirbymoorside West	YO62 6JE	2024/25	0.050	Mon 02-Dec-24	Fri 13-Dec-24	Mon to Fri	16:00	20:00	£937
					Mon 13-Jan-25	Fri 17-Jan-25	Mon to Fri	16:00	20:00	£937
			2025/26	0.050	Mon 01-Dec-25	Fri 12-Dec-25	Mon to Fri	16:00	20:00	£937
					Mon 12-Jan-26	Fri 16-Jan-26	Mon to Fri	16:00	20:00	£937

## ***Explainer: Baselineing for Scheduled Utilisation Product***

### **7.1 Accepted Methodologies**

Northern Powergrid accepts the following baselining methodologies as standard:

#### **7.1.1 Reference Class – Domestic Households**

For DERs that comprise in part or in whole, a domestic household, unless the requirements set out in section 7.1.3 can be met, Northern Powergrid requires any portion of the baseline that is attributed to general domestic household load to be set based on our published reference baseline. The reference baseline is called “Northern Powergrid – Reference Class Baselines” and is available in the supporting documents [here](#).

#### **7.1.2 Reference Class – Domestic EV Chargers**

For DERs that are Domestic EV Chargers, Northern Powergrid has produced an optional reference baseline which may be used by the bidder. The reference baseline is called “Northern Powergrid – Reference Class Baselines” and is available in the supporting documents [here](#).

#### **7.1.3 Self-Nominated**

Northern Powergrid allows bidders to submit self-nominated baselines where any of the following criteria are met:

- The DER is a Domestic Household and the bidder can provide sufficient evidence to satisfy Northern Powergrid that our reference class baseline does not provide an appropriate baseline for their specific, submitted asset(s). An example of this could be half hourly smart meter data from the asset being included in the bid submission;
- The DER is a Domestic EV Charger and the bidder opts to provide a self-nominated baseline rather than use Northern Powergrid’s reference class baseline; or
- The DER is any other Asset Type not listed in Northern Powergrid’s Reference Class baselines, detailed above.

### **7.2 Submission of Baseline to Northern Powergrid**

Wherever possible, bidders should submit their baseline at point of bid submission. The format in which the baseline is submitted can be chosen by the bidder subject to meeting the following minimum standards:

- Where bidders propose to use Northern Powergrid’s reference class baselines, this should be clearly stated;
- Where bidders propose to use a self-nominated baseline, accompanying narrative to explain the proposed baseline must be provided with supporting evidence where appropriate;
- The submission must cover the full service period covered by the bid submission;
- Baseline data must be submitted for the full duration of the service window, even if the bid specifies a max runtime that is less than the full duration of the service window.

If the bidder is unable to submit a baseline at point of bid submission, Northern Powergrid will allow bidders to submit their baseline post-bid submission provided that the bidder:

- Includes supporting narrative in their bid submission as to why they have been unable to submit a baseline at point of bid submission, and when they expect to be able to provide the data; and
  - The baseline is submitted to Northern Powergrid no later than 14 days prior to the first service period.
- Bidders must upload the baseline and/or the supporting narrative via the Piclo Flex Messaging Service - [support@picloflex.com](mailto:support@picloflex.com) at point of bid submission.

### **7.3 Validation and Setting of Baseline**

Northern Powergrid will use the baseline submission to verify the capability of the DER to provide flexibility. We reserve the right to not accept a submitted baseline and require the bidder to use an alternative baseline which will be used to calculate the actual service delivered and payments due. We will notify of the acceptance or rejection of their submitted baseline.

The baseline shall be set prior to the first service period. It may be reviewed and updated in the light of relevant material changes e.g. a change to the asset portfolio or new evidence such as actual meter readings.

### ***Explainer: Contract terms:***

Version 3 of the industry standard contract for flexibility services operates as an overarching contract that multiple subsequent awards can be made under. Once the contract has been signed, there will be no need to execute contracts each time a subsequent award is made. Instead, a contract award notification will simply refer to the existing signed contract and contain the relevant service and asset details.

Developed with stakeholder consultation, **v3 of the standard contract** introduces a number of changes including a cap on liabilities. You can find out more on the changes [here](#).

To implement the industry standard contract in Northern Powergrid, we take the standard contract document and add company specific information on topics such as settlement, invoicing, and cyber security. Please note that since v3 was developed with stakeholder consultation, we will be contracting on the unamended Northern Powergrid v3 contract. i.e. the T&Cs are not negotiable.

The full Northern Powergrid v3 contract including our specific Service Terms will be available soon and will be included in the ITT

### ***Explainer: Tender evaluation criteria***

We are adopting a new approach to bid decisioning that prioritises operational assets over planned assets. This approach will also be set out in the tender evaluation criteria in the ITT

#### **1. Ranking of Bids**

Bids will be grouped into two categories:

1. Category #1 = Operational Assets with MPAN provided
2. Category #2 = Operational Assets without MPAN provided or Planned Assets

Within each category, bids will then be ordered based on the following:

1. Lowest to highest price per MWh
2. Where two or more bids are the same price per MWh, on an earliest-to-latest bid submission basis

#### **2. Awarding Bids**

Bids will then be awarded in order from lowest price to highest price within Category #1 until the capacity requirements of the competition have been met. If insufficient capacity has been accepted to meet the capacity requirement, bids from Category #2 will be awarded in the same manner.

Northern Powergrid may reject a lower price bid and accept a higher price bid if it results in lower overall costs of meeting the required capacity.