

Procurement Process

Once flexibility requirements have been identified, the following steps are followed to procure the necessary services:

Process Step	Description	Where
STEP 1 – Issue of ITT	Invitation to Tender and Flexibility Requirements are published	https://piclo.energy/profiles/sp-energy-networks
STEP 2 – Pre-qualification & Asset Upload	a) Company pre-qualification – assessment of company specific data uploaded to the DPS b) Asset qualification – assessment of asset uploaded to confirm location, technical compliance etc.	https://piclo.energy/profiles/sp-energy-networks
STEP 3 – Bidding Window	Bidding window opened for each CMZ progressed to competitive tender	https://picloflex.com/login
STEP 4 – Technical and Commercial Assessment	Assessment of bids received as per Bid Assessment criteria. Assessment on assets for each CMZ. This will confirm if sufficient capacity has pre-qualified for CMZ.	SPEN assessment
STEP 5 – Accept Bids	Bids accepted / rejected.	https://picloflex.com/login
STEP 6 – Contract Award	Flexibility Services Agreement completed.	

Once the Flexibility Services Agreement has been fully executed, the Provider will be on-boarded to Flexible Power in preparation for providing the service.

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3. Application

The fees applied by the different Products are as follows:

(a) Sustain

This dispatch schedule is agreed with the Provider well in advance of the services being required. Therefore, this service does not need to be made available within a service window and await a dispatch instruction. The Utilisation Fee is paid for the entire scheduled dispatch delivered.

(b) Secure

For both the scheduled and dispatched services, this product will attract an:

- (1) **Arming Fee** – this fee is paid for the window confirmed in advance as being the time services are likely to be required; and
- (2) **Utilisation Fee** – this fee will be paid for the service scheduled ahead of time or dispatched in real-time following an instruction.

It is anticipated that the Arming fee and Utilisation fee are of similar value as the duration of the service window will be close to the utilisation requirement.

(c) Dynamic

This post fault service attracts both an Availability Fee and a Utilisation Fee:

- (1) **Availability Fee** – this is paid for the availability declarations accepted a week ahead.
- (2) **Utilisation Fee** – this is paid for the duration of a Utilisation event following the issue of a dispatch instruction.

The Availability Fee will be low as the time of a fault is unknown therefore the service window needs to cover all risk hours. The Dynamic Utilisation Fee is likely to be higher than that paid for Sustain and Secure due to the likelihood of dispatch being low and subject to a fault occurring on the network during the contracted service window.

(d) Restore

Only a Utilisation Fee is paid for contracted Restore services. The likelihood of dispatch is low and is dependent on the network experiencing, or being at risk of, a loss of supply during the contracted service window. No Availability Fee is paid and therefore the Utilisation Fee is expected to be a premium rate.

Fee Adjustments

Fees are paid depending on the contracted service delivered and all dispatch events will be validated using metering data. Should services not be provided, in part or in full, an adjustment may apply. The terms for such adjustment will be included in the Flexibility Services Agreement



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