



Webinar - Routes to Participation WPD 2022 Procurement Cycle 2

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Webinar – Routes to participation

- The webinar will begin at 14:03.
- Please submit questions at any time during the course of the webinar.
- Any further questions post the webinar can be emailed to wpdflexiblepower@westernpower.co.uk.
- We'll summarise and publish responses from the Q&A and upload a copy of today's slides to our website www.flexiblepower.co.uk/locations/western-power-distribution/tools-and-documents.
- This webinar is intended to provide information relating to our eligibility and procurement process, so that any party interested in providing demand response services within one of our Constraint Management Zones (CMZ) has full understanding of the steps required.
- Any parties seeking additional information not covered within this webinar are encouraged to email wpdflexiblepower@westernpower.co.uk to arrange a follow up call.

Content covered today

1. CMZs included within this current procurement cycle

- CMZ locations
- Availability windows
- Products attributed to each zone
- CMZ Value Calculator

2. Procurement process

- DPS (Dynamic Purchasing Register)
- PIN (Periodic Indicative Notice)
- PQQ (Pre-Qualification Questionnaire)
- ITT (Invitation to tender)
- Timeline & Key dates
- Sources of additional information

3. Contract Award Arrangements

- Pricing & Clearing process

4. Key operational aspects post award

1. CMZs included within this current procurement cycle

- 47 CMZs with peak requirements totalling 297.69MW.
- 6 are new CMZ locations with new requirements.
- CMZs on our network are confined to specific geographical locations.
- Each CMZ will have requirements for specific times of the year.
- We have determined which flexibility products are applicable to each zone.
- Details of all our zones can be viewed online at www.flexiblepower.co.uk/locations/western-power-distribution/map-application
- Here you can also download a document detailing the requirements within each zone or you can view requirements of individual zones using our interactive map.
- All data is accessible on our connected data portal at <http://connecteddata.westernpower.co.uk/dataset/constraint-management-zone-cmz-postcode>.

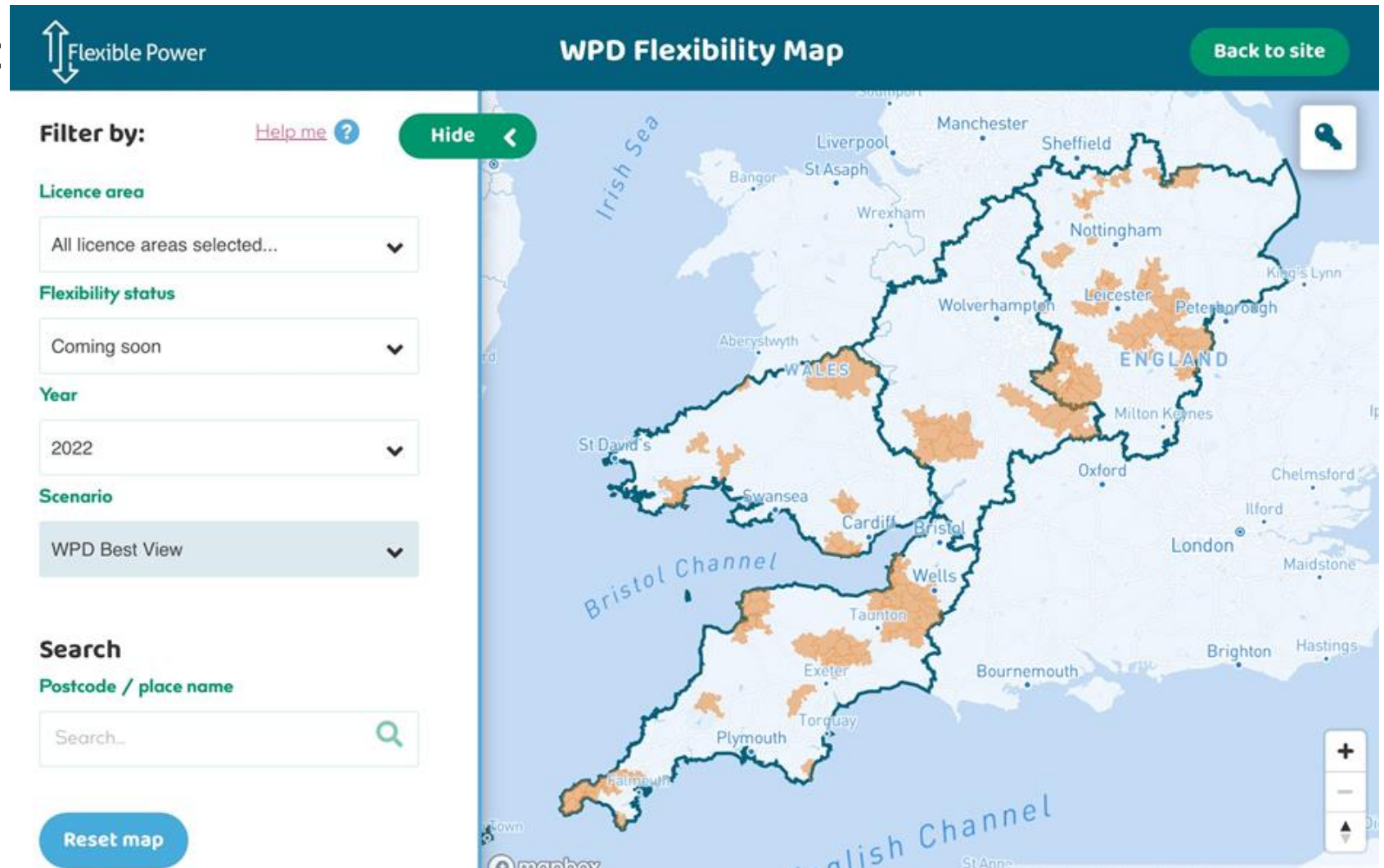
1. CMZs included within this current procurement cycle

Use our interactive map:

www.flexiblepower.co.uk/locations/western-power-distribution/map-application

Our online postcode checker will help you determine if you suitable have sites within our CMZs;

www.flexiblepower.co.uk/locations/western-power-distribution/postcode-checker



1. CMZs included within this current procurement cycle

Detailed Forecast Includes:

- Times of day availability required.
- Days of the week and months of the year we have a requirement.
- Forecast utilisation volume.
- Data can be downloaded in pdf or csv.

Collated data for all zones can be downloaded here;

www.flexiblepower.co.uk/downloads/1011

Mullion - CMZ_T5B_SWE_0019

This page provides details of the operational window that the demand response will be required in. The operational window details:

- the time of year that the demand response is required
- the time of day it is required and,
- a forecast of the total MWhs that are anticipated to be needed within the window

Note; Operation windows are generally seasonal to support the constraints within the summer and winter demand peaks.

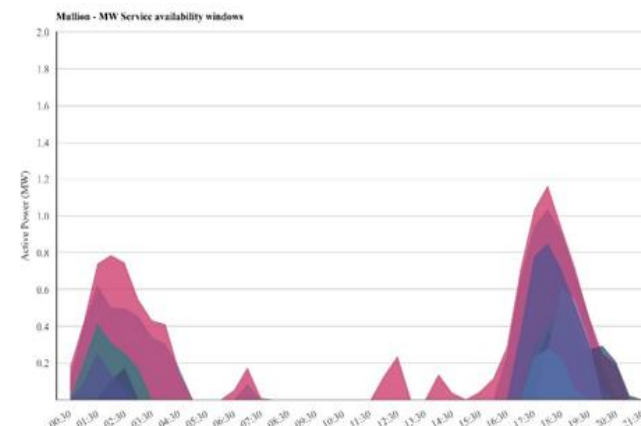
[Return to map](#)

Status	Coming Soon
CMZ reference	CMZ_T5B_SWE_0019
CMZ name	Mullion



[CMZ_T5B_SWE_0019 - Availability Windows.csv](#)

[CMZ_T5B_SWE_0019 - 2022 - WPD Best View - Availability Windows.pdf](#)



Legend / MWh Utilisation

✓	January	43.75 MWh
✓	February	23.18 MWh
✓	March	1.31 MWh
✓	April	0 MWh
✓	May	1.45 MWh
✓	October	2.33 MWh
✓	November	0.14 MWh
✓	December	17.53 MWh

Services required

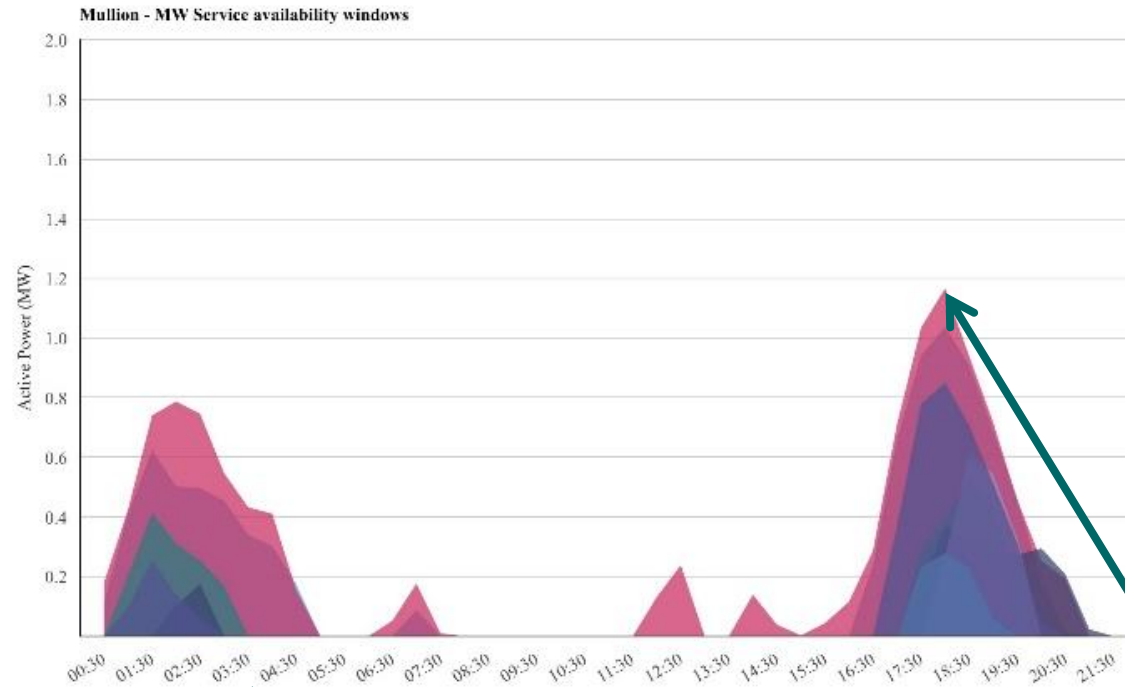
Mon, Tue, Wed, Thur, Fri, Sat, Sun

1.1 CMZ locations

Zone Name	Applicable Products	MW Peak
East Midlands		
Alfreton	Secure	3.1
Apollo - Tamworth	Secure	0.95
Berkswell SGT	Secure	10.15
Chesterfield Main	Secure	3.88
Clowne	Dynamic	1.42
Coalville	Dynamic	35.4
Grassmoor	Secure	2.73
Grendon - Corby 132kV	Secure	17.71
Ilkeston	Dynamic	10.23
Lincoln-Anderson Lane	Secure	5.2
Loughborough	Dynamic	15.83
Mackworth	Secure	1.32
Manton	Secure	2.18
New Dove Valley	Secure	2.27
Sharnbrook	Dynamic	5.34
Woodbeck	Dynamic	2.19
South Wales		
Aberaeron	Dynamic	0.74
East Aberthaw	Dynamic	10.89
Llandrindod - Rhayader	Dynamic	1.13
Llanfyrnach	Dynamic	2.71
Mountain Ash	Secure	1.62
Pembroke - BroadField	Dynamic	1.65
Pembroke - St Florence	Dynamic	0.78
Pembroke - Tenby	Dynamic	5.8
Trevaughan	Secure	3.01

Zone Name	Applicable Products	MW Peak
South West		
Bridgwater/Street	Dynamic	15.06
Chewton Mendip	Secure	0.05
Countess Wear	Secure	0.91
East Yelland	Dynamic	6.89
Gunnislake	Secure	1.24
Hayle - Camborne	Dynamic	51.24
Hemyock	Dynamic	1.37
Isles of Scilly	Secure	0.31
Laneast	Secure	0.32
Moretonhampstead	Dynamic	0.82
Morwenstow	Dynamic	1.15
Mullion	Secure	1.17
Probus	Secure	10.66
Roundswell	Secure	1.7
Stokenham	Secure	0.3
Tiverton	Dynamic	11.82
Truro - Truro Treyew	Dynamic	6.7
Weston Super Mare	Dynamic	8.49
Witheridge	Secure	0.64
West Midlands		
Feckenham South	Dynamic	16.61
Hereford - Ledbury Ring	Secure	6.93
Hereford BSP	Secure	5.08

1.2 Availability windows



Legend / MWh Utilisation

✓		January	43.75 MWh
✓		February	23.18 MWh
✓		March	1.11 MWh
✓		April	0 MWh
✓		May	1.45 MWh
✓		October	2.33 MWh
✓		November	0.14 MWh
✓		December	17.53 MWh

Services required

Mon, Tue, Wed, Thur, Fri, Sat, Sun

Half hourly intervals
over 1 day

The peak of
the MW
requirement

The total MWhs
required within
the month

1.3 Products attributed to each CMZ

Flexible Power is procuring flexibility through three products, these are:

Secure

Pre-Fault Constraint Management

Our **Secure** service is used to manage peak demand loading on the network and pre-emptively reduce network loading. It offers a higher availability payment and lower utilisation payment.

Dynamic

Post-fault Constraint Management

Our **Dynamic** service has been developed to support the network in the event of specific fault conditions, such as during maintenance work. It offers a low availability payment and higher utilisation payment.

Restore

Restoration Support

Our **Restore** service supports power restoration following rare fault conditions.

No availability payment, instead it offers a premium utilisation payment.

1.4 CMZ value calculator

Value Calculator

Calculate value

Select the constraint zone you are interested in and then enter your asset/site MW capacity that you could make available.

Please Note: The calculated value provided is the maximum your asset could earn were it to be available and dispatched for the duration of our annual requirement.

Zones

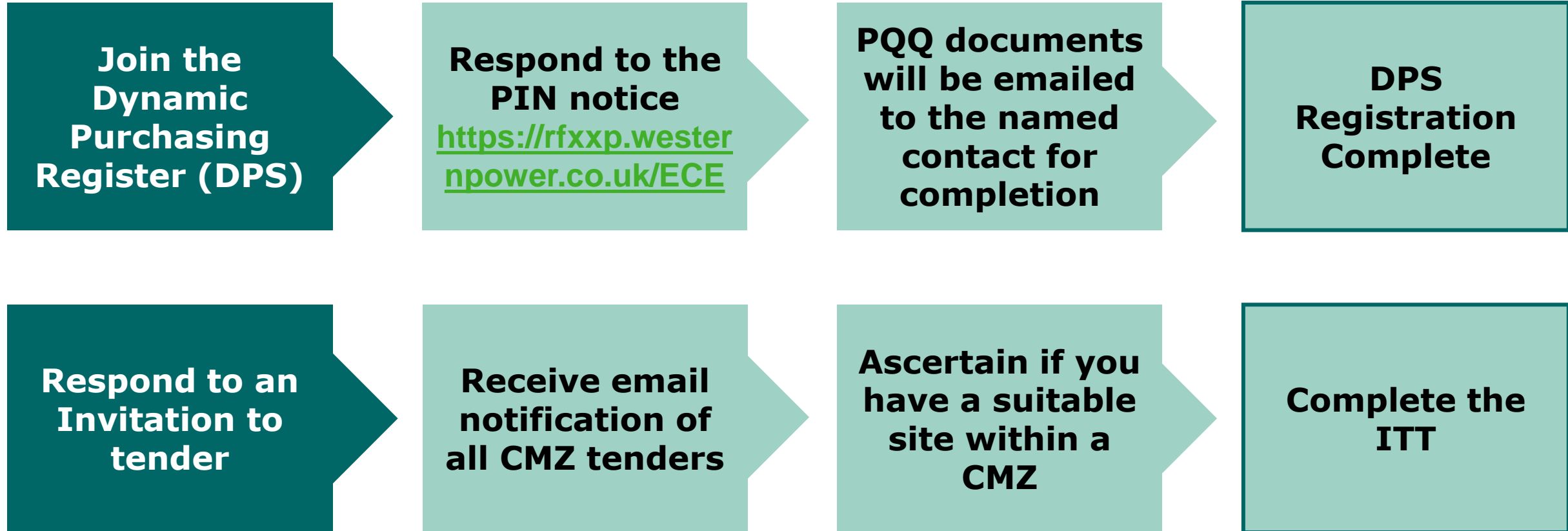
Aberaeron - CMZ_T5B_SWA_0008

Enter a value (MW)

Calculate

Calculated value : £8,392.16

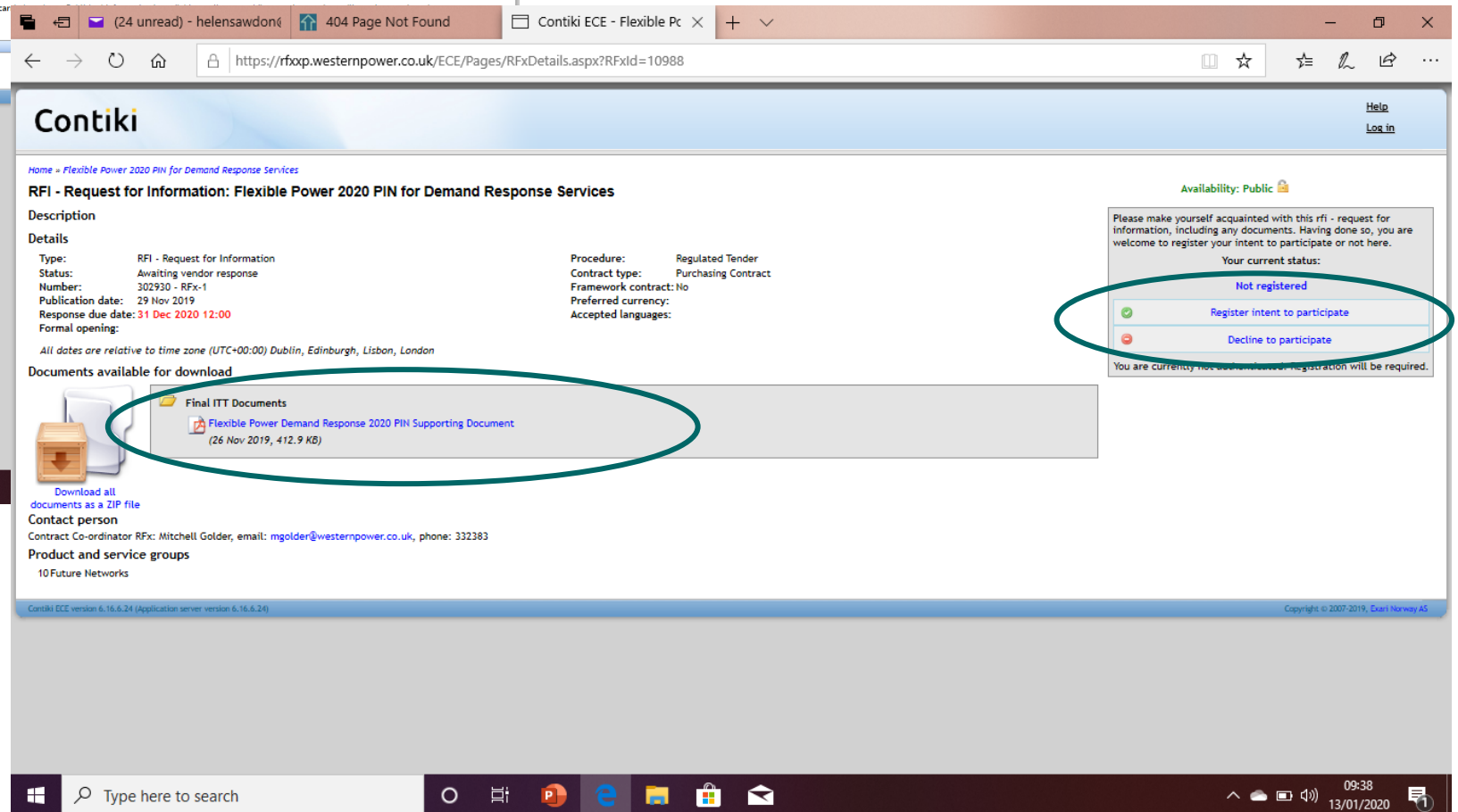
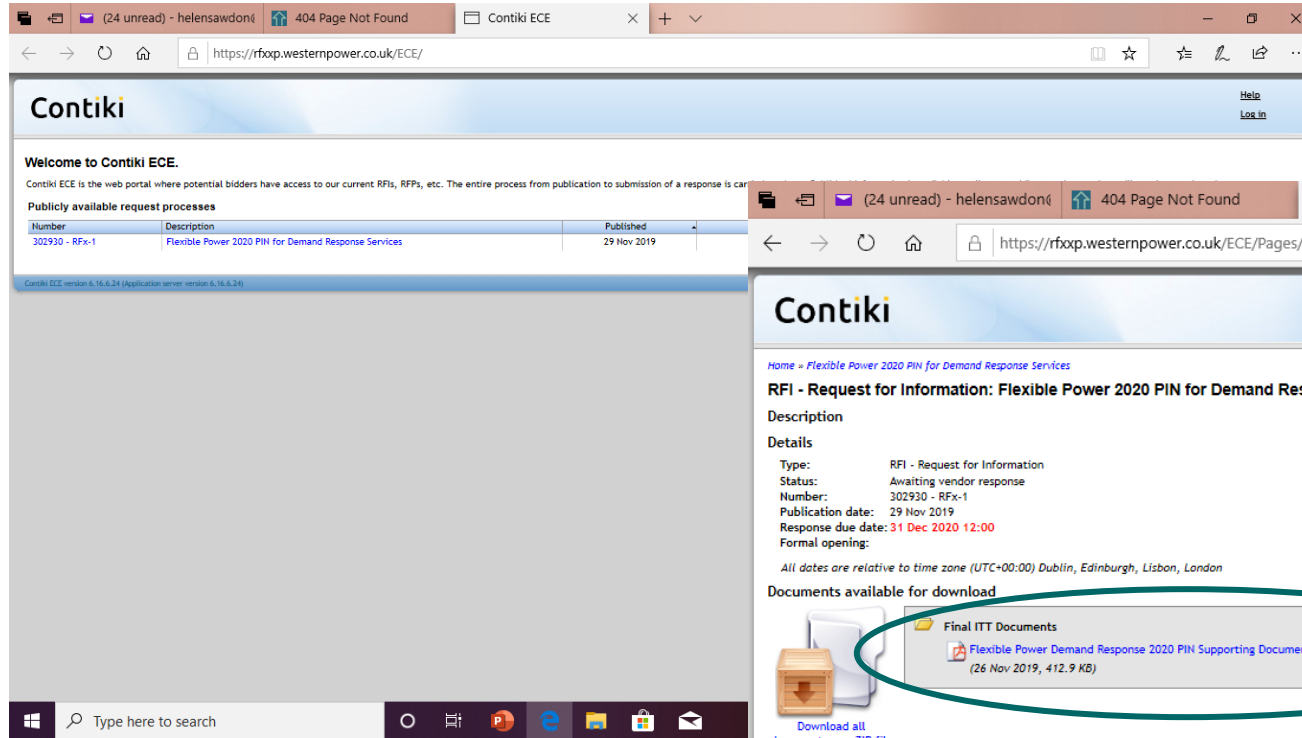
2. Procurement process



2.1 PIN (Periodic Indicative Notice)

- Simple online form within our online procurement portal.
- Only needs to be done once, registration is enduring and can be updated as required.
- PIN Supporting document available to download.
- Login access set-up to our online procurement system for next stages.
- Link to PIN response <https://rfxwp.westernpower.co.uk/ECE>

2.1 PIN (Periodic Indicative Notice)



2.1 PIN (Periodic Indicative Notice)

The screenshot shows a web browser window with the URL <https://rfoxp.westernpower.co.uk/ECE/Pages/AuthenticateUserOrInterestedParty.aspx>. The page header includes the Western Power Distribution logo and the tagline "Serving the Midlands, South West and Wales". Navigation links for "Help" and "Log in" are in the top right corner.

The main content area is titled "Please identify yourself." and includes the instruction: "In order to perform certain operations, we require that you identify yourself. Please log in or register below."

There are two main sections for user identification:

- Step 1 of 2:** For existing users, it asks for "Email:" and "Password:". A link "Did you forget your password?" is provided. A "Log in" button is at the bottom right of this section.
- Step 2 of 2:** For existing users, it asks for a "Temporary key:" and includes a "Log in" button.



Below these steps is a registration section with the instruction: "If you have not been registered yet, please fill in your company and contact information. After a successful registration you will receive an email with authentication information." The registration form includes fields for "Company name:", "Company no:", "First name:", "Last name:", "Email:", "Repeat email:", "Phone:", and "Country:" (a dropdown menu with the text "[Please select your country]"). "Register" and "Clear" buttons are at the bottom right of the registration form.

The footer of the page contains the text "Contiki ECE version 6.14.2.1575 (Application server version 6.14.2.1575)" on the left and "Copyright © 2007-2016, Exari Norway AS" on the right.

2.2 PQQ (Pre-Qualification Questionnaire)

- Emailed to main contact after PIN completed.
- Two documents;
 - PQQ Form
 - UCR (Utilities Contract Regulations) Questions
- Only needs to be done once per contracting company.
- We'll notify you within 10 working days if you've been successfully added to our DPS.

2.2 PQQ (Pre-Qualification Questionnaire)

<p align="center">PQQ Form V8 www.flexiblepower.co.uk</p> <div style="display: flex; justify-content: space-between; align-items: center;">  <div style="text-align: center;">  <p>WESTERN POWER DISTRIBUTION <i>Serving the Midlands, South West and Wales</i></p> </div> </div>	
<p>Please refer to the PQQ guidance notes when completing this form. Should you need additional support, please contact the Flexible Power team directly via email at wpdflexiblepower@westernpower.co.uk or call 01332 827436</p>	
Section 1: Contracting Party	
Contracting Party	
Main Address	
Postcode	
Name of main contact	
Email Address	
Contact phone Number	
Mobile phone number (required for authentication when accessing ITT documents)	
Section 2: Technical Capability	
<p>Please confirm you understand that in order to participate in a tender for flexibility services with WPD that the following requirements must be met</p>	
Commitment to build Application Programme Interface (API)	
Ability to provide minute by minute metering data over API	
Asset ability to respond to within 15mins and hold response for minimum of 30mins	

Section 3: UCR Questions						
Please confirm you have completed the separate Utilities Contracts Regulations (UCR) Questions document and will be submitting it along with your completed PQQ form?	Yes		No			
Section 4: Feedback						
How did you hear about the Flexible Power PQQ? <i>Delete those not applicable</i>	Flexible Power Email / Power Responsive Email / Industry Conferences / Industry Press / WPD website / Word of Mouth / Social Media / Other: _____					
Did you find these sources of information clear and complete?	Strongly Disagree	Somewhat Disagree	Neither Agree nor Disagree	Somewhat Agree	Strongly Agree	Not Applicable
Flexible Power Website						
PIN form and supporting document						
PQQ Form						
PQQ Guidance Document						
Flexible Power Staff						
Other: _____						
Do you have any further comments to help us improve?						
<p>Once complete, this form must be returned to: flexiblepowerpqq@westernpower.co.uk</p> <p>You will be notified within 10 working days if you have been successfully added to Western Power Distribution's Dynamic Purchasing System (DPS).</p>						

Completed UCR questions and PQQ Forms must be returned to:
flexiblepowerpqq@westernpower.co.uk

2.3 DPS (Dynamic Purchasing Register)

- Holds a record of all parties who have passed the PQQ and are now eligible to tender for demand response services.
- Technical ability or geographical location of assets are not considered for DPS registration, these (if available) will be assessed at the ITT stage.
- DPS registration will be provided to all parties who complete the PIN and PQQ stage.
- Parties who have successfully been added to the DPS will be notified of all tenders.
- DPS registration is enduring and does not need to be renewed annually.

2.4 ITT (Invitation to Tender)

- One document to complete per contracting party.
- Parties tendering within multiple CMZs will not need to complete more than one tender.
- Administered through our online procurement portal. (Contiki)
- Responses are not scored against weighted criteria.
- But a number of responses will be assessed as PASS/FAIL.

2.5 ITT (Invitation to Tender)

- The following requirements will be assessed PASS/FAIL;
 - Site/asset location within CMZ boundary.
 - Commitment to build/integrate with the Application Programme Interface (API).
 - Ability to provide minute by minute metering data over API.
 - Asset ability to respond within 15mins and hold response for minimum of 30mins.
 - Acceptance of CMZ Terms & Conditions.
 - Process to accommodate both recruited and unrecruited assets.
 - Provision of the service must not put the participant in breach of other agreements (e.g. connection agreement).
 - Acceptance of potential fixed price award.
 - Provision of a Market Price must be declared.
 - Acceptance of potential Market Price award.

2.6 Timeline & Key dates

- We published details of the 47 CMZs on the Flexible Power website on the **27th June**.
- Any party wishing to tender within one of these zones must be registered on the DPS before the ITT deadline on the **2nd September**.
- We recommend parties register on the DPS as soon as possible to ensure they are invited to tender as soon as the ITT opens on the **25th July**.

Late interest:

- Interested parties that approach us after the **2nd September** will not be able to participate within this procurement cycle.
- Any under-fulfilled zones will be considered for re-procurement in 2023, we will publish details in February 2023.
- We may choose to close CMZs with a low volume of interest, these CMZs will not proceed to contract award.

2.7 Timeline & key dates

2022 Procurement cycle 2:

27th June – flexibility zones and supporting information published

25th July – Invitation to tender (ITT) issued to all participants who have registered their interest and passed a pre-qualification (PQQ) stage

2nd September– ITT deadline

3rd October – Procurement results.



Expression of Interest

**Register onto our
DPS ahead of the
ITT window**



Procure

**ITT window open
from
25th Jul – 2nd Sep**



Build and Test

**Contracts awarded on
19th Sep
API build follows**



Operate

**Zones become
operational in time for
seasonal window.**

2.8 Sources of additional information

- View the CMZ locations and download supporting information: www.flexiblepower.co.uk/locations/western-power-distribution/map-application
- Check if your site is within a CMZ: www.flexiblepower.co.uk/locations/western-power-distribution/postcode-checker
- Estimate your sites potential earnings: <http://www.flexiblepower.co.uk/locations/western-power-distribution/value-calculator>
- Register to join our purchasing register: <https://rfxxp.westernpower.co.uk/ECE>
- Documents and information including; procurement dates out to 2023, procurement results from previous tenders, month ahead forecasting, and much more: www.flexiblepower.co.uk/locations/western-power-distribution/tools-and-documents.
- We signpost our requirements up to five years across our network on the WPD website: www.westernpower.co.uk/network-flexibility-map

3. Contract Award Arrangements

- The contract award duration is for a minimum of 1 year.
 - Longer contracts may be awarded if requested, up to a maximum of 4 years.
 - The option to extend contracts into further years on the same terms may be offered if the CMZ continues to have ongoing requirements.
 - Meaning that participants within ongoing CMZs will not need to re-tender.
 - However, if the participant wants to change the service they are providing, such as increase capacity, then this would need to be tendered for.
-
- WPD has adopted the ENA Standard Contract for Flexibility.
 - This contract was established with the collaborative input of all UK DNOs through the ENAs Open Networks project.
 - A copy of these can be viewed here; www.flexiblepower.co.uk/downloads/936

3.1 Pricing

In 2019 onwards, WPD implemented a new pricing strategy, which we see as having three distinct phases.

During procurement in 2019 & 2020, all zones contracted on a fixed price basis.

From 2021 we anticipated increased competition and moved towards the Phase 2 stage.

Phase 1 Fixed

- Where the procurement process finds there is not a sufficient amount of flexibility to provide a competitive market, then we will continue to use a fixed price in that zone.
- This will be set at around £300/MWh for the contract.

Phase 2 Pay-as-Clear

- Where there is sufficient competition within flexibility, the procurement process will derive a clearing price for the zone to be used in the contract.
- This will be based on the highest price submitted by the group of lowest priced participants that can meet the full amount of system needs, including redundancy.

Phase 3 Full Market

- As the liquidity in distribution flexibility markets improves and our visibility, procurement, dispatch and settlement systems mature, we will shorten the length of the window for which the contract price applies to.
- This will be a progression towards close to real-time market operation.

3.1 Pricing – Phase 1 fixed

We have calculated a maximum fixed price for flexibility within our **Constraint Management Zones** (CMZs) based on cost efficiency.

Our fixed prices are operating at...

	Arming	Availability	Utilisation
Secure	£125/MWh	N/A	£175/MWh
Dynamic	N/A	£5/MWh	£300/MWh
Restore	N/A	N/A	£600/MWh

These prices will only be applicable to CMZs that do not have multiple flexibility providers with a total capacity that exceeds the CMZs needs.

The ITT will ask you to confirm you understand the scenarios when fixed prices will be awarded.

Restore however will remain fixed.

3.1 Pricing – Phase 2 Pay-as-clear

- Tendering parties will also be asked to provide their 'best offer' per MWh of combined availability/arming & utilisation (A & U).
- The combined price is spilt as per the fixed price product ratios;
Secure – A41.5% U58.5%, Dynamic – A1.6% U98.4%
- Where we have CMZs with multiple flexibility providers with a total capacity that exceeds the CMZs needs the 'best offer' price will be used to determine a clearing price.
- The clearing price will be deemed to be the CMZ s best market price, and this price will then be offered to all tendering parties.
- Tendering parties whose best offer is above the clearing price may choose to accept or decline the clearing price, however they wont be dispatched until all other tendering parties within the clearing price have been dispatched.
- We will carry out an N-2 test to determine which zones have enough participation to be applicable for clearing.
- A slide pack detailing the clearing process in full is available here;
www.flexiblepower.co.uk/downloads/178

4. Operation post award Month ahead forecasting

- We'll provide a month ahead forecast of availability and utilisation needs in each zone.
- The month ahead forecast will provide participants with a forecast for every day of the upcoming month.
- It will show the MWhs we predict we will need, the time we need it and how much we will pay for it.
- We consider historic demand profiles, demand growth and short term weather forecasting.
- Gives clear visibility of our short term needs.
- Certainty around when assets will be utilised.
- Transparency of the earnings available.

CMZ_T5B_SWE_0019					
Mullion					
Product	Date		MWh Forecast Availability Requirement	£ Value of our requirement	Availability Windows
Dynamic	w/c 3 Jan 2022	M	1.7	£9	00:00 - 03:00 16:00 - 19:30
		T	1.7	£9	
		W	1.7	£9	
		T	1.7	£9	
		F	1.7	£9	
		S	1.7	£9	
		S	1.7	£9	
Dynamic	w/c 10 Jan 2022	M	1.7	£9	00:00 - 03:00 16:00 - 19:30
		T	1.7	£9	
		W	1.7	£9	
		T	1.7	£9	
		F	1.7	£9	
		S	1.7	£9	
		S	1.7	£9	
Dynamic	w/c 17 Jan 2022	M	1.7	£9	00:00 - 03:00 16:00 - 19:30
		T	1.7	£9	
		W	1.7	£9	
		T	1.7	£9	
		F	1.7	£9	
		S	1.7	£9	
		S	1.7	£9	
Dynamic	w/c 24 Jan 2022	M	1.7	£9	00:00 - 03:00 16:00 - 19:30
		T	1.7	£9	
		W	1.7	£9	
		T	1.7	£9	
		F	1.7	£9	
		S	1.7	£9	
		S	1.7	£9	
Dynamic	w/c 31 Jan 2022	M	1.7	£9	00:00 - 03:00 16:00 - 19:30
		T	3.4	£17	00:00 - 03:30 06:00 - 07:00 16:00 - 20:00
		W	3.4	£17	
		T	3.4	£17	
		F	3.4	£17	
		S	3.4	£17	
		S	3.4	£17	
Total Forecast	Availability		69.7	£349	
	Utilisation		1.4	£420	

4. Operation post award – Dispatch Principles

As WPD will be operating a pay-as-clear pricing structure, there will be no differentiation in price, however there will be optimisations it can make by dispatching the participants in an order which most closely aligns to the required flexibility.

WPD will consider the following factors to optimise our dispatch:

Fairness

- We will share the dispatch of utilisation across all providers offering availability

Competitive

- Acceptance of availability will be shared across the largest number of providers

Operability

- Providers offering greater operability will maximise their chance of participation

Security

- The needs of the system will be met using flexibility in such a way that security of supply is maintained

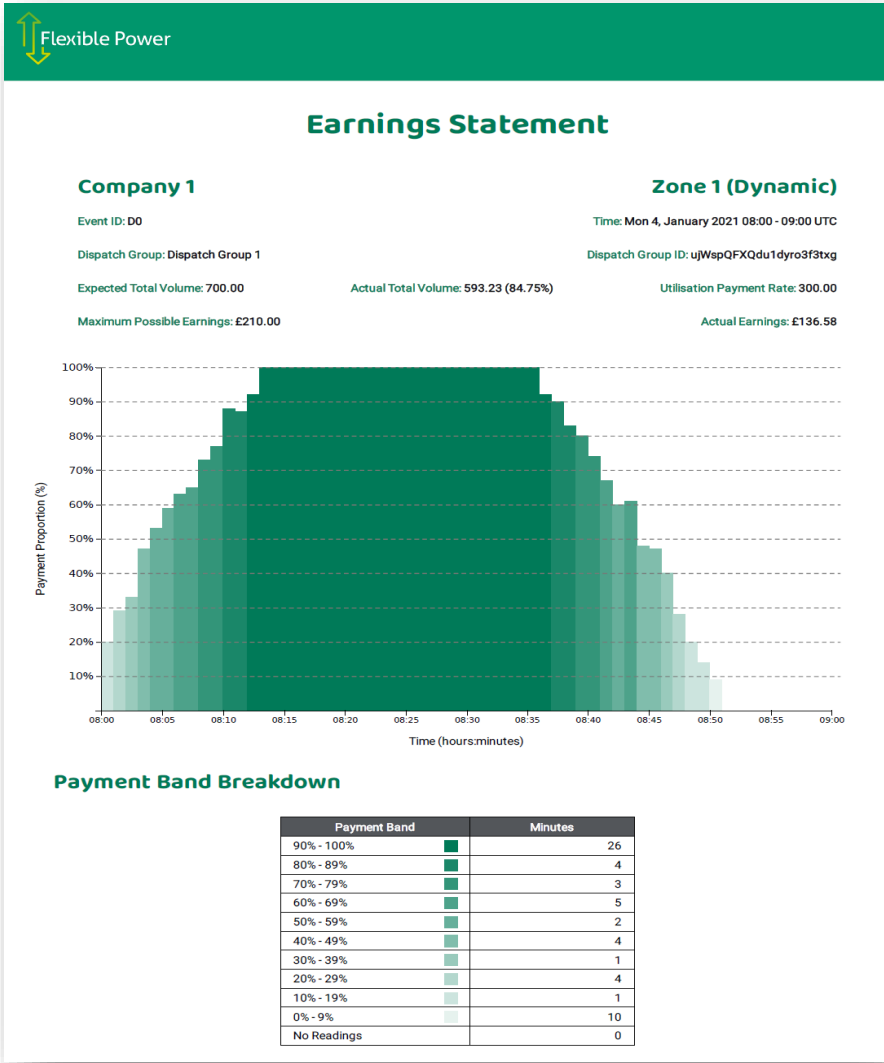
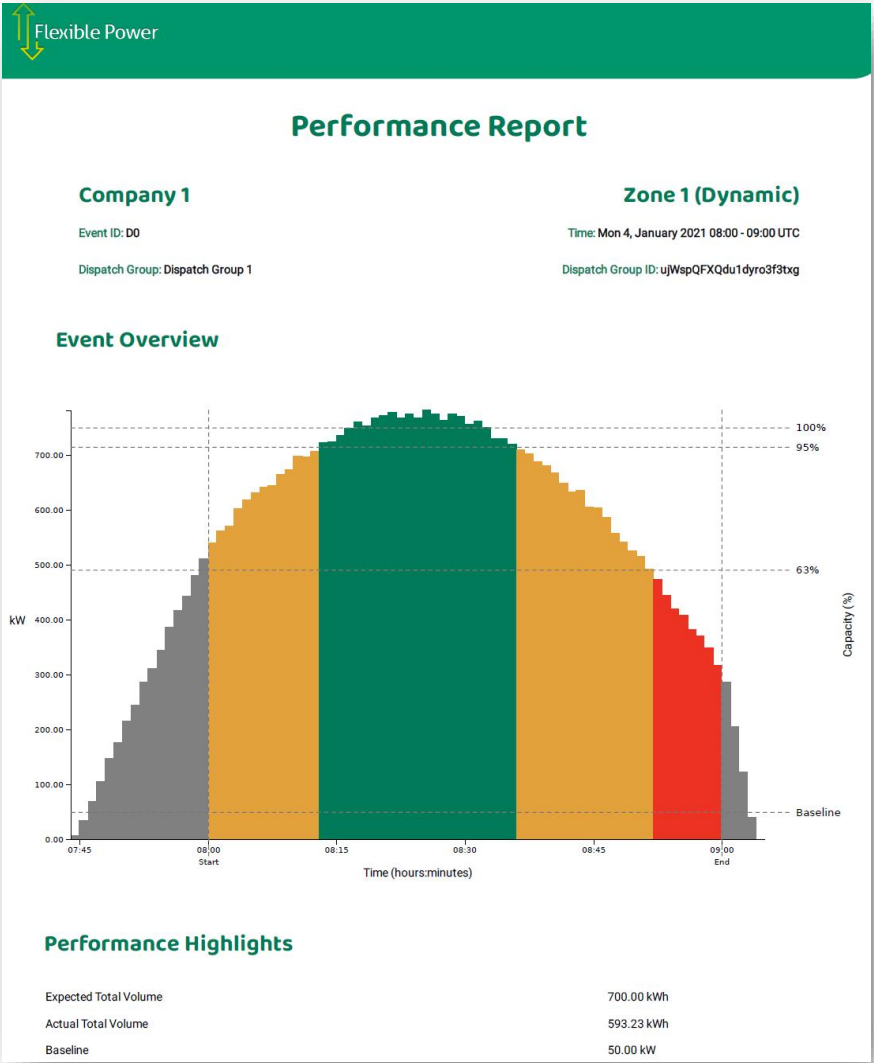
Value

- Flexibility will be operated to meet system needs with the minimum level of over-procurement

4. Operation post award – Availability, Dispatch & Settlement

- We provide all participants with access to our dedicated participant portal.
- Here participants can;
 - Provide their week ahead asset availability - Weds midnight cut-off.
 - Find out what has been accepted - Thurs mid-day cut-off.
 - Receive stop start signals.
 - Submit event metering data.
 - View event performance statement.
 - View event earning statements.
 - View and approve monthly invoices.
- An API link must be built to facilitate the communication between the portal and the participants asset control.

4. Operation post award – Performance and earning statements



Key participant benefits

- ✓ Transparent process – all documents published and online
- ✓ Pricing strategy which provides stability in early markets but also allows for price discovery in mature markets
- ✓ Mutual and capped liabilities
- ✓ No exclusivity clauses
- ✓ No obligation to provide availability
- ✓ No penalties for non-delivery, only loss of potential revenue
- ✓ Routes for direct entry or through aggregation
- ✓ Electronic availability and dispatch platform
- ✓ Automated performance reporting to enable monthly settlement

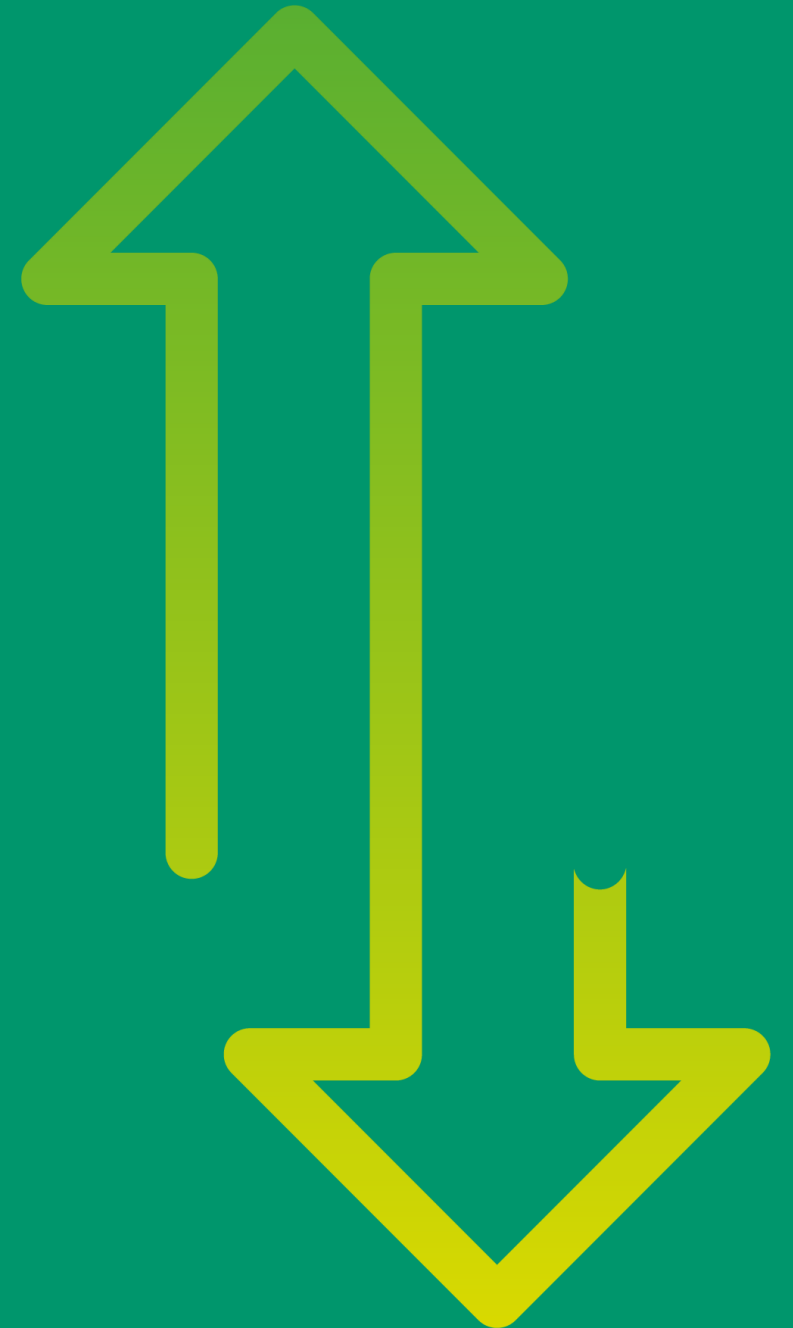


Flexible Power Surgery Days

Virtual Flexible Power Surgeries will take place on the 21st and 22nd July.

1 hour appointments with our flexibility experts to be held over Zoom.

Contact wpdflexiblepower@westernpower.co.uk to request an appointment, advising any preference of day or time.





Get in Touch

Email: wpdflexiblepower@westernpower.co.uk

Call: 01332 827436

