



Webinar - Routes to Participation WPD 2019 Procurement Cycle 1

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Webinar – Routes to participation

- 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 to all Q&A submitted over the course of the next two weeks on our website www.flexiblepower.co.uk/tools-and-documents.
- A copy of the slides used today will be available to view on our website from 4th March.
- 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 book an appointment to attend our information surgery on 5th March in London, email wpdflexiblepower@westernpower.co.uk to request an appointment.

Content covered today

1. CMZs included within this current procurement cycle

- 1.1 CMZ locations
- 1.2 Availability windows
- 1.3 Products attributed to each zone

2. Procurement process

- 2.1 DPS (Dynamic Purchasing Register)
- 2.2 PIN (Periodic Indicative Notice)
- 2.2 PQQ (Pre-Qualification Questionnaire)
- 2.3 ITT (Invitation to tender)

3. Contract Award Arrangements

- 3.1 Pricing
- 3.2 Clearing process

4. Timeline & Key dates

5. Sources of additional information

6. Key operational aspects post award

1. CMZs included within this current procurement cycle

- Twelve CMZs with peak requirements totalling 93.4MW.
- Five are existing CMZs with ongoing requirements.
- Seven are new CMZs with 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 products are applicable to each zone.
- Details of all our zones can be viewed online at www.flexiblepower.co.uk/our-schemes
- Here you can download a document detailing the requirements within each zone or you can view requirements of individual zones using our interactive map.

1. CMZs included within this current procurement cycle

- Our CMZs will shortly be visible on Piclo and the Cornwall LEM.
- Providers with assets uploaded to these platforms will be able to identify which of their assets are within a CMZ.
- If these platforms identify a asset/CMZ match, the provider will then need to continue the process directly with Flexible Power.

1. CMZs included within this current procurement cycle

Use our interactive map:

The screenshot displays a web browser window with the URL <https://www.flexiblepower.co.uk/our-schemes>. The page title is "Our Schemes". Below the title, a text block states: "On the 4th Feb we announced the Constraint Management Zones (CMZs) that will be included within our first 2019 procurement cycle. Our 2019 Procurement Cycle 1 document contains the details of these zones, you can view the document [here](#)".

The main content area features an interactive map of England and Wales. The map is overlaid with orange-colored regions representing CMZs. To the left of the map, there are filter controls:

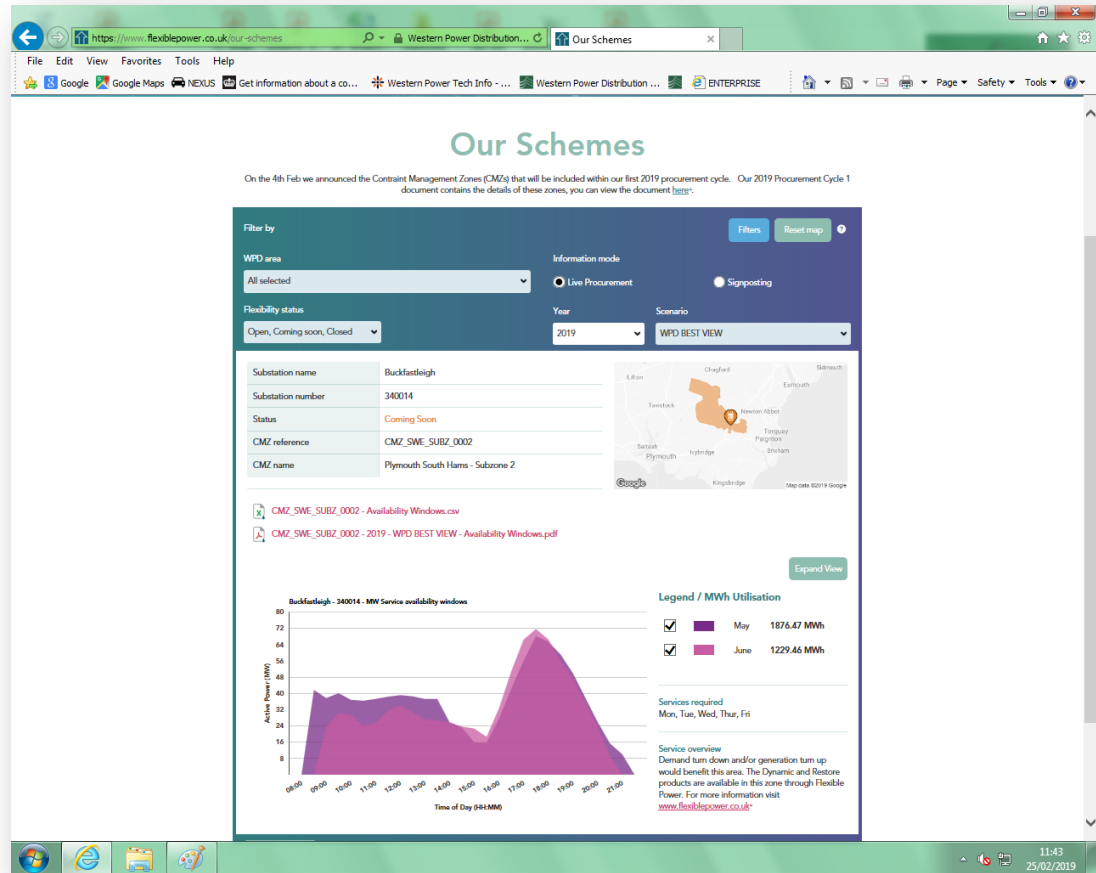
- Filter by**
- WPD area**: A dropdown menu currently set to "All selected".
- Flexibility status**: A dropdown menu currently set to "Open, Coming soon, Closed".
- Information mode**: Two radio buttons, "Live Procurement" (selected) and "Signposting".
- Year**: A dropdown menu currently set to "2019".
- Scenario**: A dropdown menu currently set to "WPD BEST VIEW".

Below the filters is a search bar labeled "Postcode". The map itself shows the outlines of England and Wales, with various cities and towns labeled. Orange-shaded areas are visible in the Midlands, the East of England, and parts of Wales. The map is credited to "Google" in the bottom left corner.

At the bottom of the page, there is a dark blue footer containing the "Flexible Power" logo, the "WESTERN POWER DISTRIBUTION" logo, and a block of small text providing legal information and contact details. The system clock in the bottom right corner shows "11:42 25/02/2019".

1. CMZs included within this current procurement cycle

Use our interactive map:



1. CMZs included within this current procurement cycle

Download our online document:

Flexible Power Procurement Requirements.

2019 Procurement Cycle 1 – Issued Feb 2019

Flexible Power Procurement Cycle 1



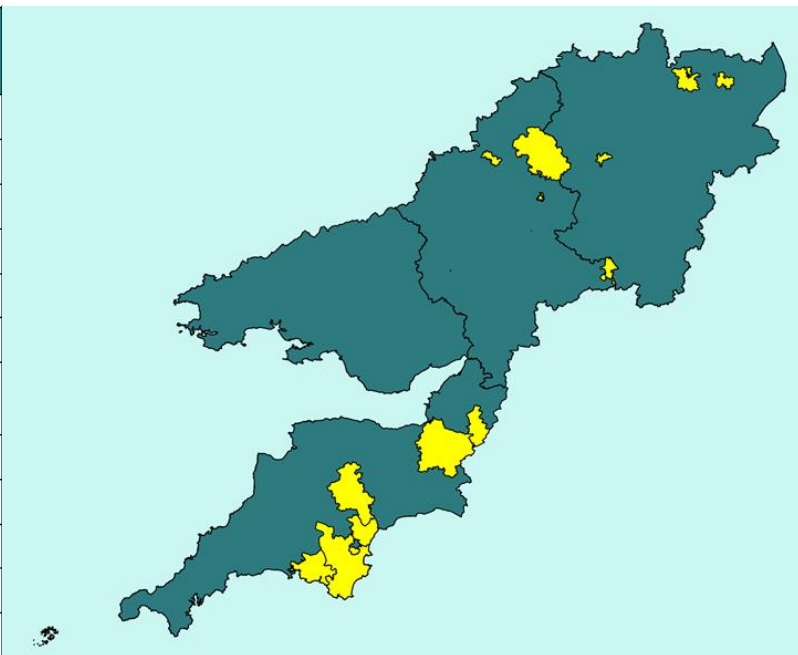
Section 2 - Cycle 1 CMZ Summary

WPD's 2019 cycle 1 demand respond requirements are across 12 CMZs, totalling 93.4MW. This table summarises each CMZ WPD intends to include within its first 2019 procurement cycle.

Zone Name	Zone Location	Applicable Products	MW Peak	Season
Banbury	Banbury, Oxfordshire	Dynamic & Restore	6.9	Summer
Bridgwater/Street	Bridgwater, Somerset	Secure & Restore	4.5	Summer
Donnington	Donnington, Leedbury	Dynamic & Restore	0.5	Winter
Lincoln/Beevor Street	Lincoln, Lincolnshire	Dynamic & Restore	2.6	Winter
Lincoln/North Hykeham	Lincoln, Lincolnshire	Dynamic & Restore	3.7	Winter
Mantle Lane	Coalville, Leicestershire	Dynamic & Restore	4.6	Winter
Plymouth/South Hams 1 & 2	Plymouth & South Hampton, Devon	Dynamic & Restore	35.8 (71.6)	Summer
Newton Abbot	Newton Abbot, Devon	Dynamic & Restore	16.4	Winter
Radstock	Radstock, Somerset	Dynamic & Restore	4	Winter
Woodhall Spa	Woodhall spa, Lincolnshire	Secure & Restore	0.5	Winter
Rugeley SGT	Rugeley, Staffordshire	Secure & Restore	12	Winter
Smethwick	Smethwick, Birmingham	Secure & Restore	1.9	Winter

1.1 CMZ locations

Zone Name	Zone Location	Applicable Products	MW Peak	Season
Banbury	Banbury, Oxfordshire	Dynamic & Restore	6.9	Summer
Bridgwater/Street	Bridgwater, Somerset	Secure & Restore	4.5	Summer
Donnington	Donnington, Ledbury	Dynamic & Restore	0.5	Winter
Lincoln/Beevor Street	Lincoln, Lincolnshire	Dynamic & Restore	2.6	Winter
Lincoln/North Hykeham	Lincoln, Lincolnshire	Dynamic & Restore	3.7	Winter
Mantle Lane	Coalville, Leicestershire	Dynamic & Restore	4.6	Winter
Plymouth/South Hams 1 & 2	Plymouth & South Hampton, Devon	Dynamic & Restore	35.8 (71.6)	Summer
Newton Abbot	Newton Abbot, Devon	Dynamic & Restore	16.4	Winter
Radstock	Radstock, Somerset	Dynamic & Restore	4	Winter
Woodhall Spa	Woodhall spa, Lincolnshire	Secure & Restore	0.5	Winter
Rugeley SGT	Rugeley, Staffordshire	Secure & Restore	12	Winter
Smethwick	Smethwick, Birmingham	Secure & Restore	1.9	Winter



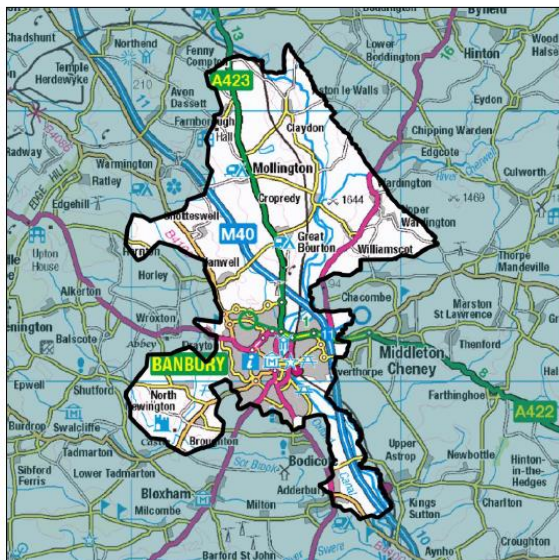
Our online postcode checker will help you determine if you suitable have sites within our CMZs; www.flexiblepower.co.uk/postcode-checker

1.1 CMZ locations

Flexible Power Procurement Cycle 1



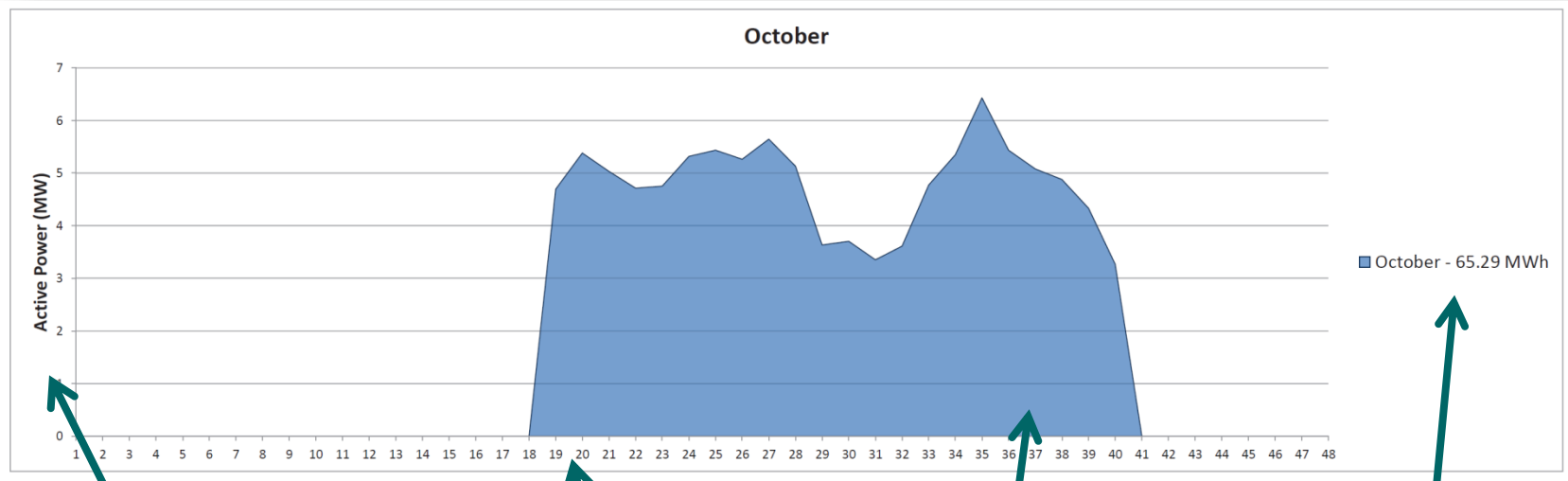
Flexibility Analysis Report for CMZ_T3_WM_0002 - Banbury



Products	Season	MW Peak
Dynamic & Restore	Summer	6.9

Products	Season	MW Peak
Dynamic & Restore	Summer	6.9

1.2 Availability windows



The peak of the
MW requirement

Half hourly
intervals over 1
day

The maximum
daily requirement
profile

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.

2. Procurement process

**Join the
Dynamic
Purchasing
Register (DPS)**

**Respond to the
PIN notice**
<https://rfxxp.westernpower.co.uk/ECE>

**PQQ documents
will be emailed
to the named
contact for
completion**

**DPS
Registration
Complete**

**Respond to an
Invitation to
tender**

**Receive email
notification of
all CMZ tenders**

**Ascertain if you
have a suitable
site within a
CMZ**

**Complete the
ITT**

2.1 DPS (Dynamic Purchasing Register)

- Holds a record of all parties who have completed a pre-qualification process to be eligible to tender for demand response services in any of our current or future zones.
- Eligibility to join the DPS is not assessed on technical ability or on geographical location of assets, these are only 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 must be renewed annually.

2.2 PIN (Periodic Indicative Notice)

- Simple online form within our online procurement portal.
- Only needs to be done once annually.
- PIN Support document download.
- Login access set-up to our online procurement system for next stages.
- Link to PIN response <https://rfxwp.westernpower.co.uk/ECE>

2.2 PIN (Periodic Indicative Notice)

WESTERN POWER DISTRIBUTION
Serving the Midlands, South West and Wales

Welcome to Kontiki ECE.

Kontiki ECE is the web portal where potential bidders have access to our current RFIs, RFPs, etc. The entire process from public all users, while some interactions will require a registration.

Publicly available request processes

Number	Description	Published
302411	Flexible Power 2019 PIN for Demand Response Services	24 Dec 2018

Kontiki ECE version 6.14.2.1575 (Application server version 6.14.2.1575)

[Home](#) - [Flexible Power 2019 PIN for Demand Response Services](#)

RFI - Request for Information: Flexible Power 2019 PIN for Demand Response Services

Description

Details

Type:	RFI - Request for Information	Procedure:	Regulated Tender
Status:	Awaiting vendor response	Contract type:	Purchasing Contract
Number:	302411	Framework contract:	No
Publication date:	24 Dec 2018	Preferred currency:	
Response due date:	30 Dec 2019 12:00	Accepted languages:	
Formal opening:			

All dates are relative to time zone (UTC+00:00) Dublin, Edinburgh, Lisbon, London

Documents available for download

Final ITT Documents

- [Flexible Power Demand Response 2019 PIN Supporting Document](#)
(21 Dec 2018, 414.62 KB)

[Download all documents as a ZIP file](#)

Contact person

Contract Co-ordinator RFX: Dodimead, Paul, email: pdodimead@westernpower.co.uk, phone: 332475

Product and service groups

10 Future Networks

Availability: Public

Please make yourself acquainted with this rfi - request for information, including any documents. Having done so, you are welcome to register your intent to participate or not here.

Your current status:

Not registered

[Register intent to participate](#)

[Decline to participate](#)

You are currently not authenticated. Registration will be required.

2.2 PIN (Periodic Indicative Notice)

The screenshot shows a web browser window with the URL <https://rfxp.westernpower.co.uk/ECE/Pages/AuthenticateUserOrInterestedParty.aspx>. The page header features 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 (Left):** For existing users, it asks for "Email:" and "Password:". It includes a link "Did you forget your password?" and a "Log in" button.
- Step 2 of 2 (Right):** 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:
- Country: (with a dropdown menu showing "[Please select your country]")

At the bottom of the registration form are "Register" and "Clear" buttons.

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, Exarl Norway AS" on the right.

2.3 PQQ (Pre-Qualification Questionnaire)

- Emailed to main contact after PIN completed.
- Three documents;
 - PQQ Guidelines,
 - PQQ Form,
 - UCR Questions.
- Only needs to be done once annually.
- Provide details of your sites and assets.
- These can be anywhere within WPDs network, don't have to be within an identified CMZ.
- Changes/additions can be re-submitted at any time.
- We'll notify you within 10 working days if you've been successfully added to our DPS.

2.3 PQQ (Pre-Qualification Questionnaire)

Flexible Power PQQ Guidance Notes v1



Flexible Power PQQ Guidance Notes

This document is intended to be read in conjunction with the Pre-Qualification Questionnaire (PQQ) Form. Its purpose is to provide additional context and information to support your completion of the PQQ Form.

Context

Western Power Distribution (WPD) is seeking to procure demand response services within Constraint Management Zones (CMZs) it has identified and published on its Flexible Power website, www.flexiblepower.co.uk

WPD will maintain a Dynamic Purchasing System (DPS) for its demand response requirements. The DPS will hold records of all potential suppliers that have passed a Pre-Qualification Questionnaire (PQQ) to ensure they meet minimum eligibility criteria. The PQQ does not control either party to service provision. The PQQ also asks for site information which will support WPD's assessment of zone viability, and inform which zones proceed to full procurement.

In order to join the DPS, interested parties are first required to first register their interest via WPD's 2019 Periodic Indicative Notice (PIN), available [here](#). All parties who respond to the PIN throughout 2019 are asked to complete the PQQ. To be successfully registered on the DPS parties must complete all mandatory sections of the PQQ.

Parties who pass the PQQ stage will be added to the DPS. These parties will receive an Invitation to Tender (ITT) to all of WPD's 2019 Demand Response requirements. Interested parties who respond to the ITT and are successful will be awarded non-exclusive contract(s) for WPD's demand response service requirements. A draft contract (CMZ Terms and Conditions) is available [here](#). The contract does not guarantee any demand response service provision, which will be determined in accordance with the terms of the CMZ Terms and Conditions.

Interested parties are invited to review the Supporting Documents (at the end of this document) in order to ensure they understand how the service will operate.

2019 DPS registration timescales

31st December 2018 - 30th December 2019 - window open for PIN responses

4th February 2019 - 30th December 2019 - window open for PQQ responses

Pre-Qualification Mandatory Questions

1. Mandatory Ineligibility


We confirm that, to the best of our knowledge, the bidder is not in breach of the provisions of Regulation 57 of the Public Contracts Regulations 2015 (as amended) and in particular that:

The bidder or its directors or any other person who has powers of representation, decision or control of the named organisation has not been convicted of any of the following offences:

- conspiracy within the meaning of section 1 or 1A of the Criminal Law Act 1977 or article 9 or 9A of the Criminal Attempts and Conspiracy (Northern Ireland) Order 1983 where that conspiracy relates to participation in a criminal organisation as defined in Article 2 of Council Framework Decision 2008/841/JHA;
- corruption within the meaning of section 1(2) of the Public Bodies Corrupt Practices Act 1889 or section 1 of the Prevention of Corruption Act 1906, where the offence relates to active corruption;
- the offence of bribery, where the offence relates to active corruption;
- fraud, where the offence relates to fraud affecting the European Communities' financial interests as defined by Article 1 of the Convention on the protection of the financial interests of the European Communities, within the meaning of –
 - the offence of cheating the Revenue;
 - the offence of conspiracy to defraud;
 - fraud or theft within the meaning of the Theft Act 1968, the Theft Act (Northern Ireland) 1969, the Theft Act 1978 or the Theft (Northern Ireland) Order 1978;
- fraudulent trading within the meaning of section 458 of the Companies Act 1985, article 451 of the Companies (Northern Ireland) Order 1986 or section 993 of the Companies Act 2006;
- fraudulent evasion within the meaning of section 170 of the Customs and Excise Management Act 1979 or section 72 of the Value Added Tax Act 1994;
- an offence in connection with taxation in the European Union within the meaning of section 71 of the Criminal Justice Act 1993;
- destroying, defacing or concealing of documents or procuring the execution of a valuable security within the meaning of section 20 of the Theft Act 1968 or section 19 of the Theft Act (Northern Ireland) 1969;
- fraud within the meaning of section 2, 3 or 4 of the Fraud Act 2006;
- making, adapting, supplying or offering to supply articles for use in frauds within the meaning of section 7 of the Fraud Act 2006;
- money laundering within the meaning of section 340(1) of the Proceeds of Crime Act 2002;
- an offence in connection with the proceeds of criminal conduct within the meaning of section 93A, 93B or 93C of the Criminal Justice Act 1988 or article 45, 46 or 47 of the Proceeds of Crime (Northern Ireland) Order 1996;

PQQ Form V1						
www.flexiblepower.co.uk						
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 wpd@flexiblepower.co.uk or via 03332 827436						
Section 1: Contracting Party						
Contracting Party						
Main Address						
Postcode						
Name of main contact						
Email Address						
Phone Number						
Technical Capability						
Can you provide live aggregated 1 min metering for all sites?						
Are you able to dispatch sites remotely?						
Section 2: Basic Site Information						
	Example	Site 1	Site 2	Site 3	Site 4	Please insert columns to add sites as required
Site Name						
Address						
Postcode						
NPA/N (Meter Point Administration Number)						
Brief summary of the business and site activity						
Asset Information						
What flexible asset(s) are on site?						
What is the total peak power of these flexible asset(s)?						
What amount of power could be available from the asset(s) for distribution flexibility?						
If called upon, can the asset(s) respond within 15 minutes?						
How long can the asset(s) hold a response?						
Does the site already provide demand response services to other markets?						
If yes, which services? (for example: STOR, Capacity Market, DFR, FRAID avoidance, Energy trading, Peak Charge Avoidance...)						
For generators only						
Generator(s) details:						
Type (stand-by / CHP / battery)						
Asset Size						
Fuel						
Number of assets on site						
Site Contact Details						
Name						
Phone Number						
Email						
Any additional notes						
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						

2.3 PQQ (Pre-Qualification Questionnaire)

PQQ Form V1	
www.flexiblepower.co.uk	
	
<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	
Phone Number	
Technical Capability	
Can you provide live aggregated 1 min metering for all sites?	
Are you able to dispatch sites remotely?	

Completed UCR questions and PQQ Forms must be returned to:

flexiblepowerpqq@westernpower.co.uk

Section 2: Basic Site information						
	Example	Site 1	Site 2	Site 3	Site 4	Please insert columns to add sites as required
Site Name						
Address						
Postcode						
MPAN (Meter Point Administration Number)						
Brief summary of the business and site activity						
Asset information						
What flexible asset(s) are on site?	Diesel generation					
What is the total peak power of these flexible asset(s)?	1MW					
What amount of power could be available from the asset(s) for distribution flexibility?	1MW					
If called upon, can the asset(s) respond within 15minutes?	Yes					
How long can the asset(s) hold a response?	2.5hrs					
Does the site already provide demand response services to other markets?	Yes					
If yes, which services? (for example: STOR, Capacity Market, FFR, TRIAD avoidance, Energy trading, Peak Charge Avoidance...)	FFR					
For generators only						
Generator(s) details:						
Type (stand-by / CHP / battery)	Stand by generators					
Asset Size	500KW					
Fuel	Diesel					
Number of assets on site	2					
Site Contact Details						
Name						
Phone Number						
Email						
Any additional notes						
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			

2.4 ITT (Invitation to Tender)

- One document to complete per contracting party.
- Parties tendering within multiple CMZs will need to complete a separate copy of the 'Tender Questions' section for each CMZ.
- Administered through our online procurement portal.
- Responses are not scored against weighted criteria.
- But a number of responses will assessed as PASS/FAIL.

2.4 ITT (Invitation to Tender)

- The following requirements will be assessed PASS/FAIL;
 - Site/asset location within CMZ boundary.
 - 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 2 hours.
 - Acceptance of CMZ Terms & Conditions.
 - Each site must be built or have a connection agreement with the final milestone before the CMZs operating window.
 - 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.

3. Contract Award Arrangements

- The CMZ contract is available to download from the tools and documents page: www.flexiblepower.co.uk/tools-and-documents
- Key features are:
 - No exclusivity clauses.
 - No obligation to provide availability.
 - No penalties for non-delivery, only loss of revenue through underperformance clawback.
 - Shared & Capped Liabilities

3. Contract Award Arrangements

- The contract award duration is for 1 year.
- The option to extend the contract into further years will be offered if the CMZ continues to have ongoing requirements.
- After 1 year, participants within ongoing CMZs will not need to re-tender.
- However, if after the year a participant wants to change the service they are providing, such as increase capacity, then this would need to be tendered for.
- Once awarded a schedule will be appended to the CMZ Terms & Conditions to detail what has been awarded, the applicable price of the award and the contract expiry date.

3.1 Pricing

From 2019 onwards, WPD will implement a new pricing strategy, which we see as having three distinct phases.

During the procurement process for the first half of 2019, we expect most zones to continue on a fixed price basis, however where there is sufficient competition, we will move 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

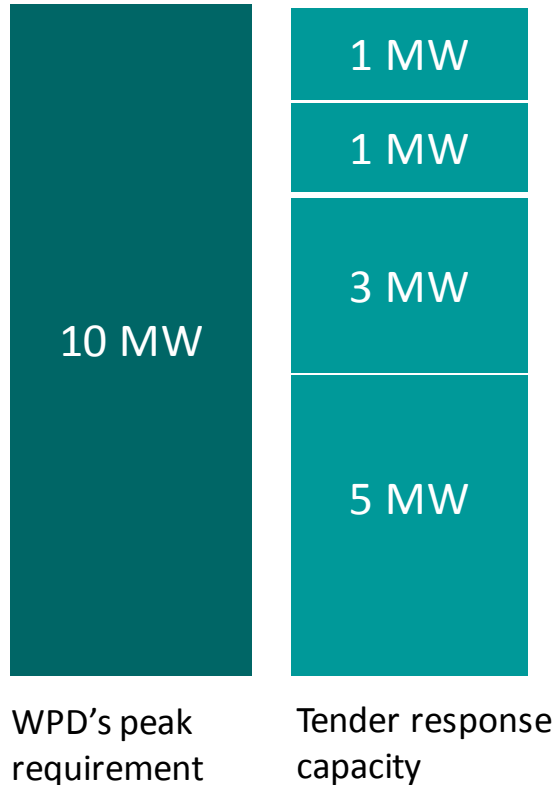
These prices will only be applicable to CMZs that do not have multiple flexibility providers with a total capacity that exceeds the CMZs needs.

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

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 split as per the fixed price product ratios;
Secure – A42% U58%, Dynamic – A2% U98%, Restore – A0% U100%
- 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.

3.2 Clearing – scenario 1

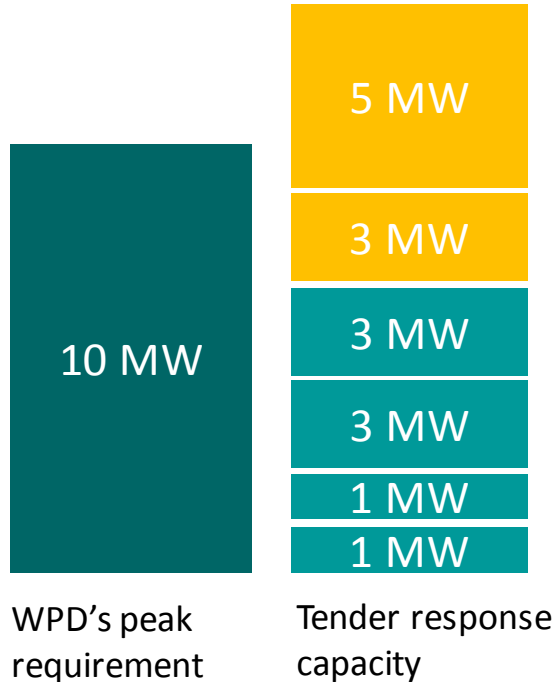


The total capacity of tender responses meets of MW peak.

In this scenario the tendering parties would be awarded a contract on the fixed price.

Note: We may chose to re-open the procurement within the year in order to achieve additional redundancy or future flexibility.

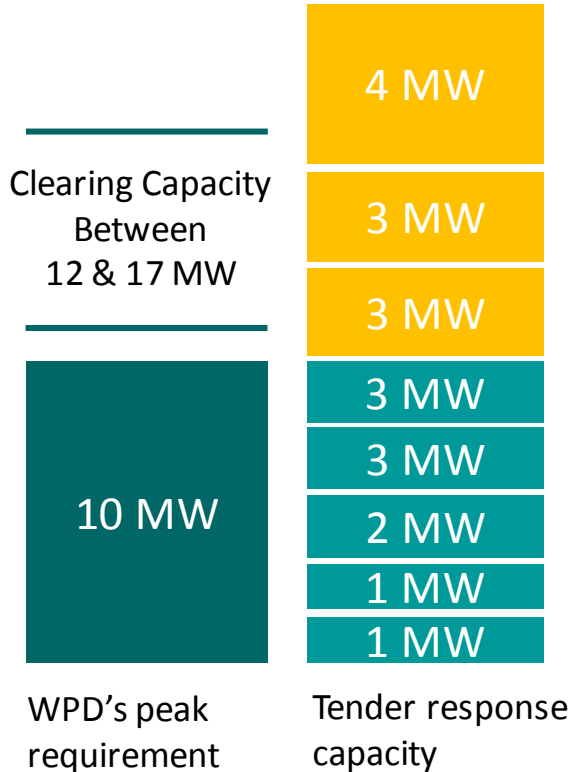
3.2 Clearing – scenario 2



The total capacity of tender responses exceeds the MW peak, however if we were to remove the two largest providers under the N-2 test we cannot meet the peak.

In this scenario the tendering parties would be awarded a contract on the fixed price.

3.2 Clearing – scenario 3

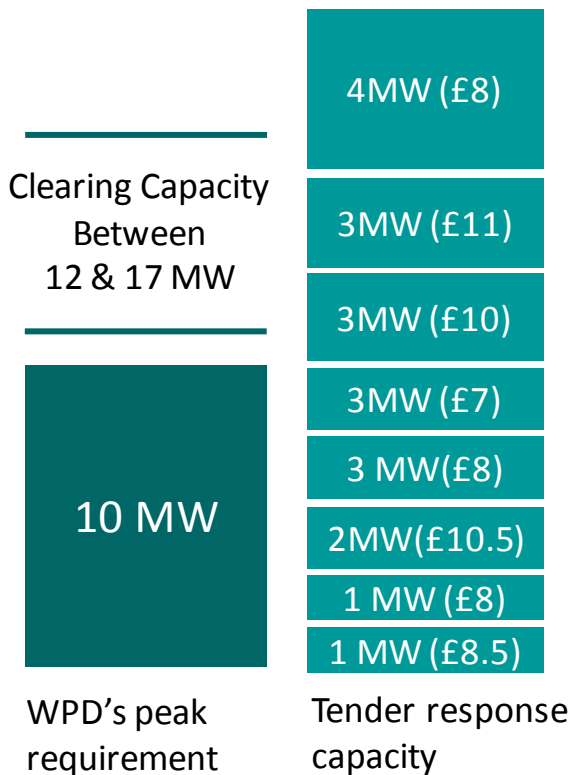


In this scenario we have multiple responses that exceed our requirement . If we stack all responses in order of size we see that this group passes the N-2 test; any 2 of the providers can be removed without compromising delivery of service.

They will now go on to establish the zones clearing capacity.

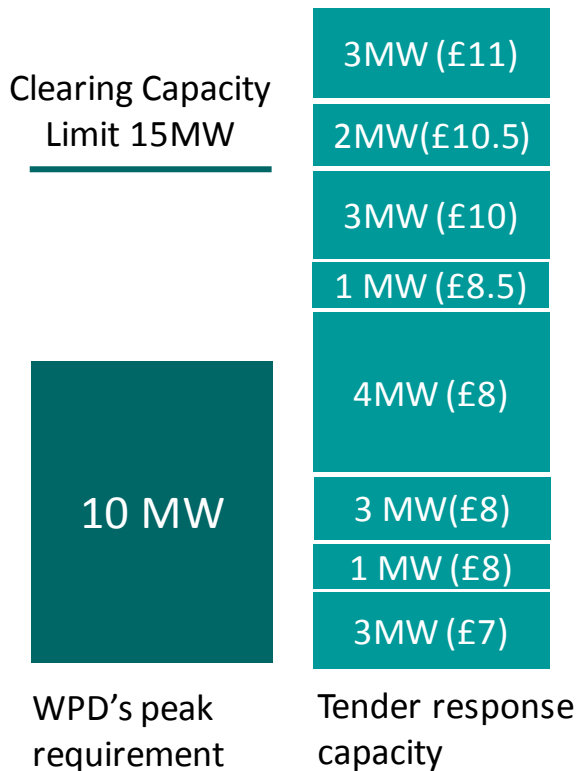
This scenario the tendering parties will go on to our clearing process.

3.2 Clearing – scenario 3



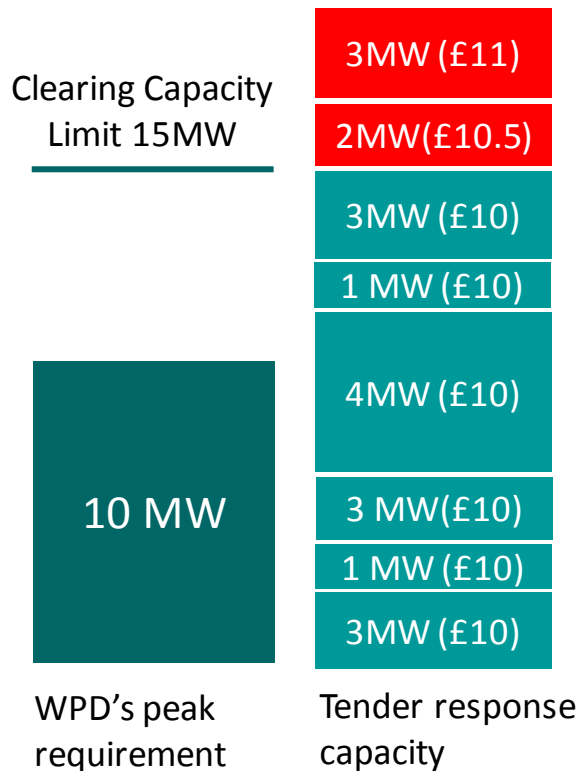
The procurement process in flexibility zones with sufficient competition take into account the prices provided by the participants.

3.2 Clearing – scenario 3



N-2 has been applied to providers sorted in ascending price order. Clearing capacity limit has been found to be 15MW and the zonal price clears at £10.

3.2 Clearing – scenario 3



Zonal price is set at £10.

All providers below the clearing capacity limit would be offered a contract at the zonal price.

Everyone below the clearing capacity will be subject to fair dispatch principles.

Everyone above the clearing capacity, can still sign contracts, but will be only be dispatched if the system needs exceed the flexibility offered by those within the clearing capacity and will still be settled at the zonal price. These will be dispatched in merit order by price submitted during procurement.

4. Timeline & Key dates

- We published our zones on the Flexible Power website on the **4th Feb**.
- Any party wishing to tender within one of these zones must be registered on the DPS before the ITT closes on the **22nd April**.
- 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 **19th March**.

Late interest:

- Interested parties that approach us after the 22nd April will not be able to participate within this procurement cycle.
- We anticipate most CMZs will re-open for procurement the following year.
- Under-fulfilled zones will likely be re-opened in our 2nd procurement cycle which begins in July with CMZ location publishing, then the ITT stage will open on **12th Aug**.
- We may choose to close CMZs with a low volume of interest, these CMZs will not proceed to contract award.

4. Timeline & key dates

First 2019 Procurement cycle:

4th February 2019 – Proposed CMZs were published on our website

19th March 2019 – ITT issued to all participants accepted onto the DPS

22nd April - ITT Deadline

13th May – Procurement results



Expression of Interest

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



Procure

**ITT window open
from
19th Mar – 22nd Apr**



Build and Test

**Contracts awarded on
19th May.
API build follows**



Operate

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

5. Sources of additional information

- View the CMZ locations and download supporting information: www.flexiblepower.co.uk/our-schemes
- Check if your site is within a CMZ: www.flexiblepower.co.uk/postcode-checker
- Estimate your sites potential earnings: www.flexiblepower.co.uk/value-calculator
- Register to join our purchasing register: <https://rfxwp.westernpower.co.uk/ECE>
- attend our information surgery on 5th March in London, email wpdflexiblepower@westernpower.co.uk to request an appointment.
- More about topics not covered today: www.flexiblepower.co.uk/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

6. 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.

Short Term Forecast - February 2019

One zone will be active in February 2019, below is our forecast of its flexibility requirements

Exeter Zone					
Service Window: Nov - Feb					
Date		Product	MWh Forecast Requirement	£ Value of our requirement	Window
w/c 11th Feb	M	Availability	0	£0	8AM - 9PM
		Utilisation	0	£0	
	T	Availability	0	£0	8AM - 9PM
		Utilisation	0	£0	
	W	Availability	0	£0	8AM - 9PM
		Utilisation	0	£0	
	T	Availability	0	£0	8AM - 9PM
		Utilisation	0	£0	
	F	Availability	15	£75	8AM - 9PM
		Utilisation	4.5	£1,350	
	S	Availability	0	£0	8AM - 9PM
		Utilisation	0	£0	
	S	Availability	0	£0	8AM - 9PM
		Utilisation	0	£0	
February Total Forecast			Availability 15	£75	
			Utilisation 4.5	£1,350	

6. 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 supply of security is maintained

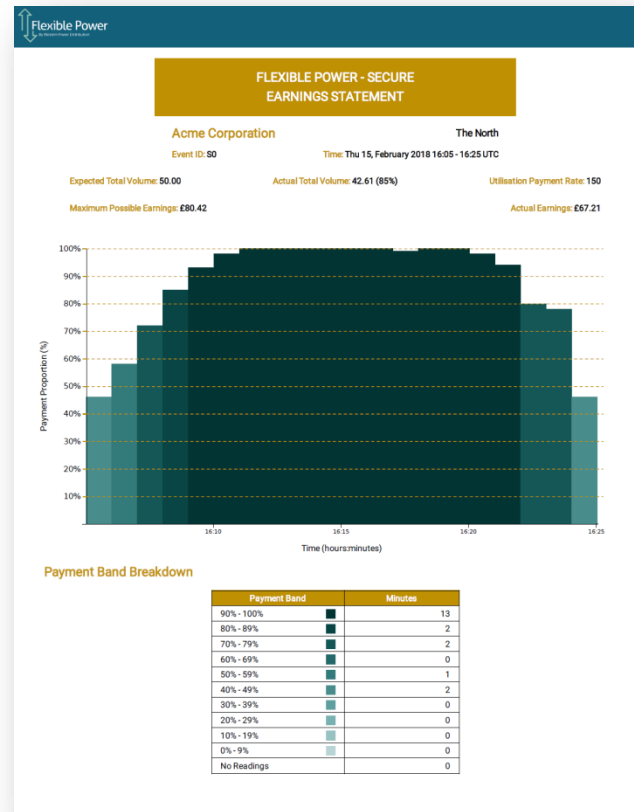
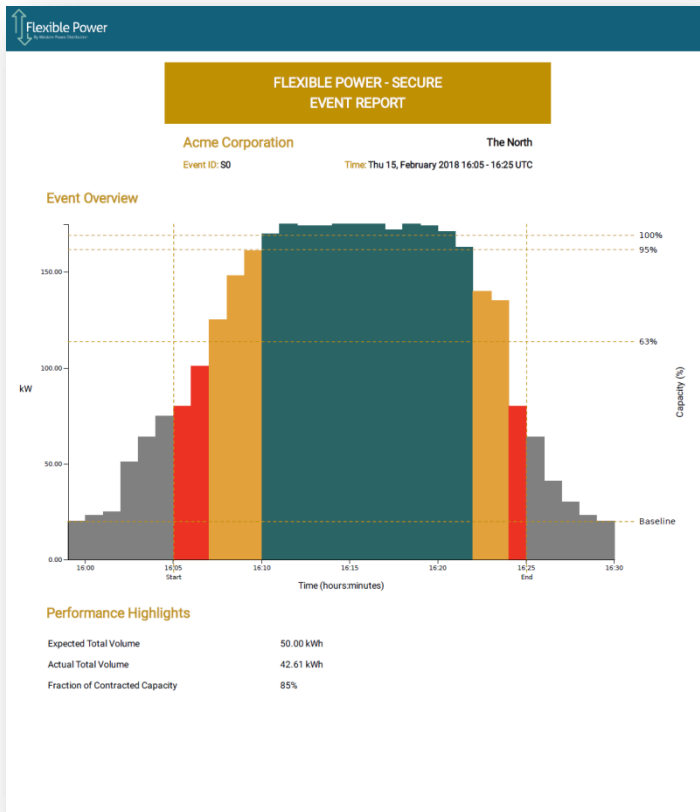
Value

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

6. 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.

6. Operation post award – Performance and earning statements



Key participant benefits

- ✓ Transparency of 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
- ✓ Stackable with other revenue streams
- ✓ Routes for direct entry or through aggregation
- ✓ Electronic availability and dispatch platform
- ✓ Automated performance reporting to enable monthly settlement

Get in touch

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