



Webinar - Routes to Participation WPD 2019 Procurement Cycle 2

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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 and a recording of today's webinar will be available to view on our website from 17th July.
- 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 7th August in central 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

- 17 CMZs with peak requirements totalling 184MW.
- 15 are existing CMZs with ongoing requirements.
- 2 are new CMZs 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 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.

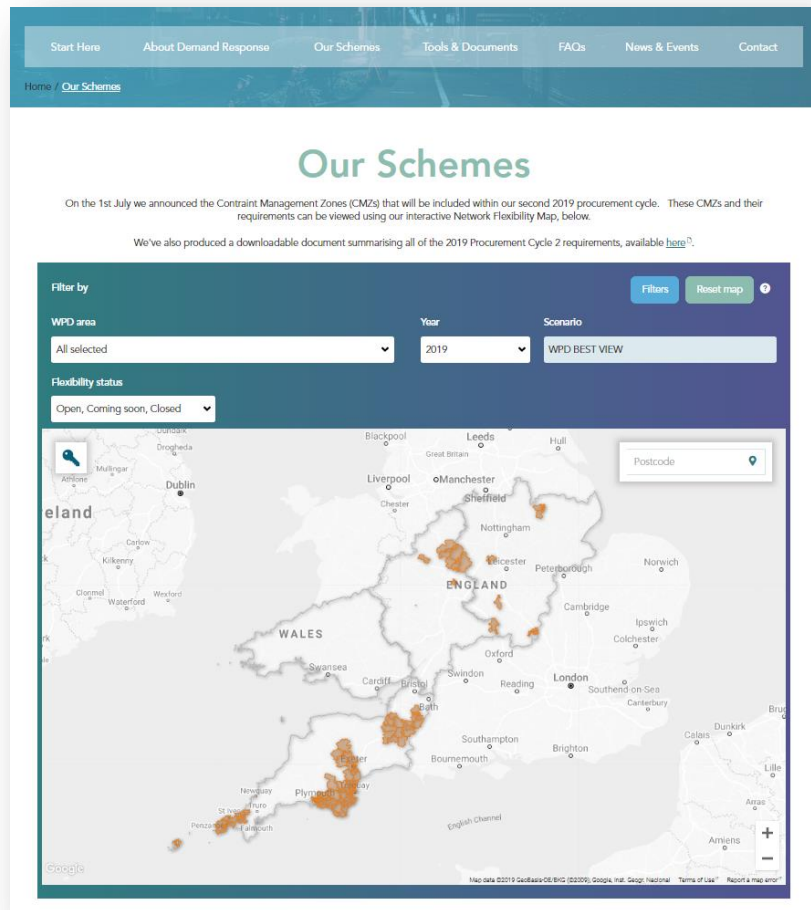
1. CMZs included within this current procurement cycle

- Our CMZs are visible on Piclo and also through 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:

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

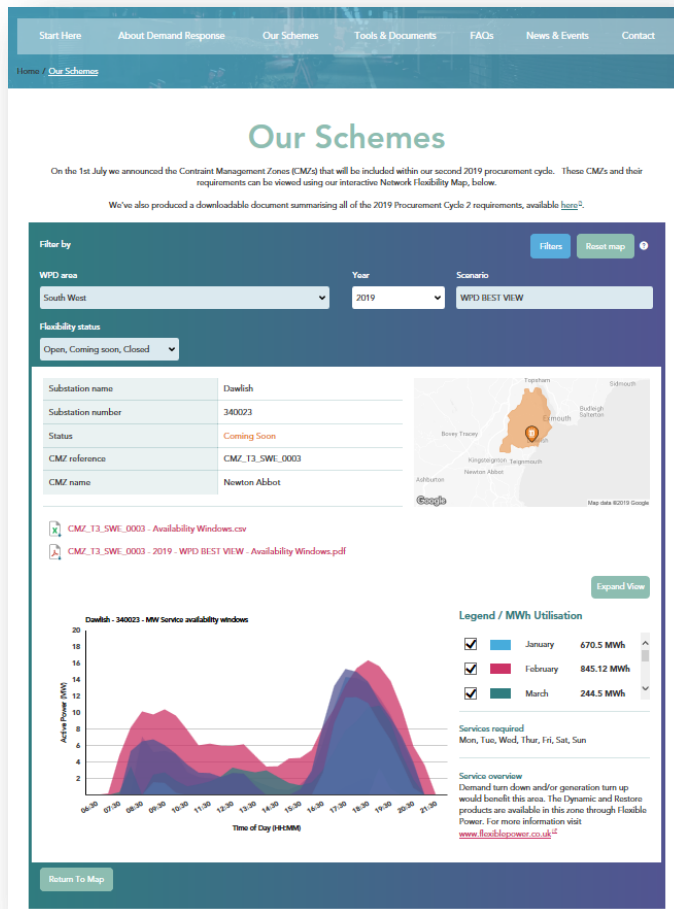


1. CMZs included within this current procurement cycle

Use our interactive map:

Detailed Forecast Includes:

- Times of day availability required.
- Days of the week and months of the year we have a requirement.
- Forecast utilisation volume.



1. CMZs included within this current procurement cycle

Download the document online, www.flexiblepower.co.uk/our-schemes:

Flexible Power Procurement Requirements.

2019 Procurement Cycle 2 – Issued July 2019

Flexible Power Procurement Cycle 2 – July 2019

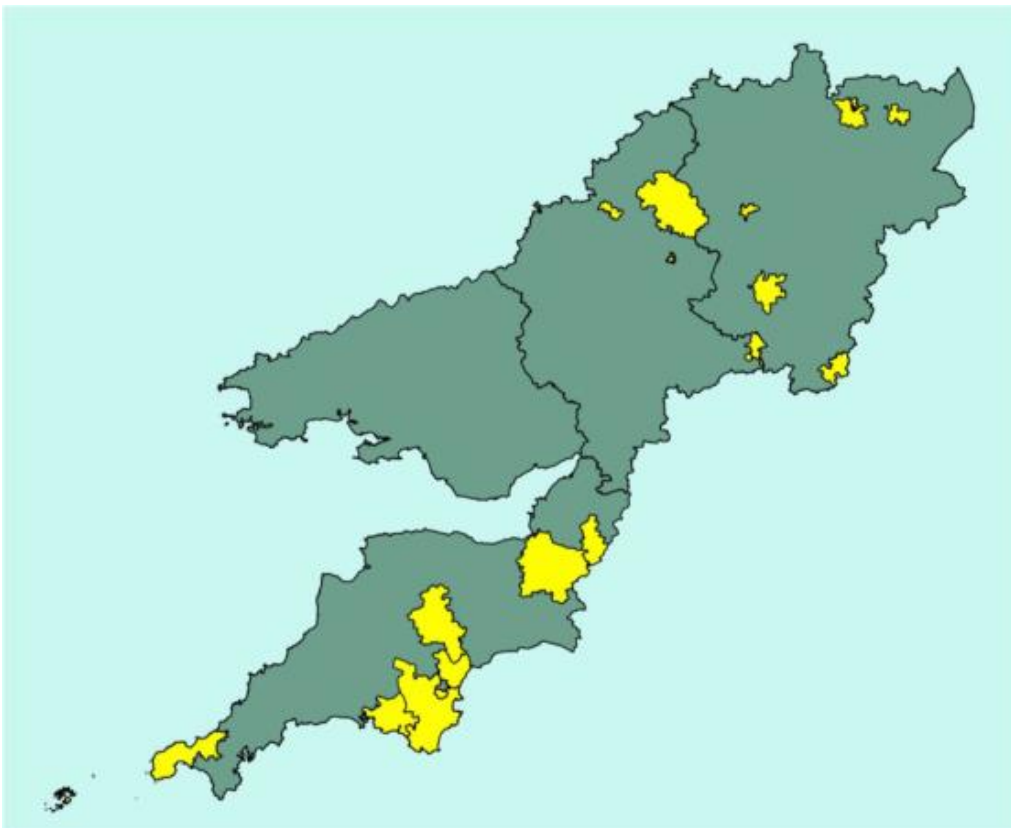


Section 2 - Cycle 2 CMZ Summary

WPD's 2019 cycle 2 demand respond requirements are across 17 CMZs, totalling 184MW. This table summarises each CMZ WPD intends to include within its second 2019 procurement cycle.

Zone Name	Zone Location	Applicable Products	MW Peak	Season
Banbury	Banbury, Oxfordshire	Dynamic & Restore	8.1	Summer
Bridgwater/Street	Bridgwater, Somerset	Secure & Restore	11.2	Summer
Donnington	Donnington, Ledbury	Dynamic & Restore	2.7	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	46.56 (93.12)	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	16.8	Winter
Smethwick	Smethwick, Birmingham	Secure & Restore	10.8	Winter
Exeter	Exeter, Devon	Dynamic & Restore	24.9	Winter

1.1 CMZ locations



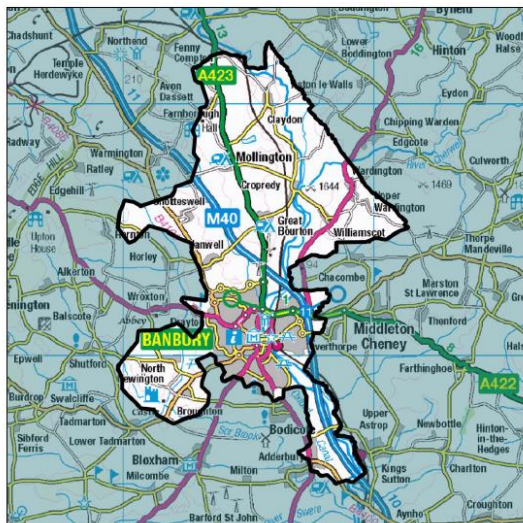
Zone Name	MW Peak	Season
Banbury	8.1	Summer
Bridgwater/Street	11.2	Summer
Donnington	2.7	Winter
Lincoln/Beevor Street	2.6	Winter
Lincoln/North Hykeham	3.7	Winter
Mantle Lane	4.6	Winter
Plymouth/South Hams 1 (& 2)	46.56 (93.12)	Summer
Newton Abbot	16.4	Winter
Radstock	4	Winter
Woodhall Spa	0.5	Winter
Rugeley SGT	16.8	Winter
Smethwick	10.8	Winter
Exeter	24.9	Winter
Bletchley	16.1	Winter
Rugby	6.1	Winter
Hayle/Camborne	8.1	Winter
Isles of Scilly	0.7	Summer

1.1 CMZ locations

Flexible Power Procurement Cycle 2 – July 2019



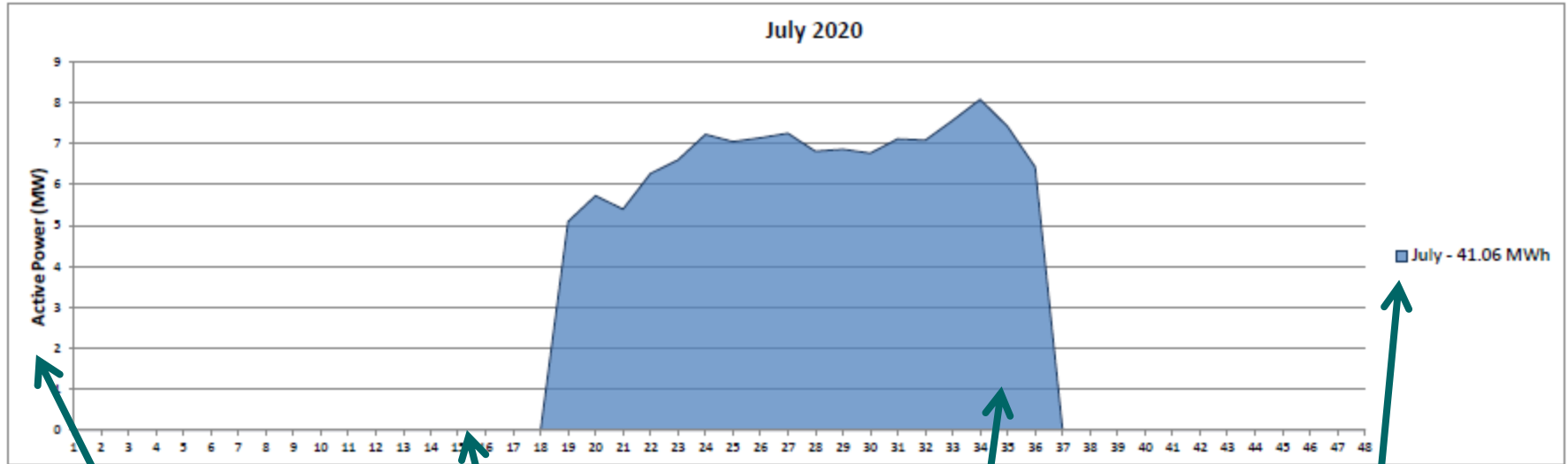
Flexibility Analysis Report for CMZ_T3_WM_0002 - Banbury



Products	Season	MW Peak
Dynamic & Restore	Summer	8.1

Products	Season	MW Peak
Dynamic & Restore	Summer	8.1

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

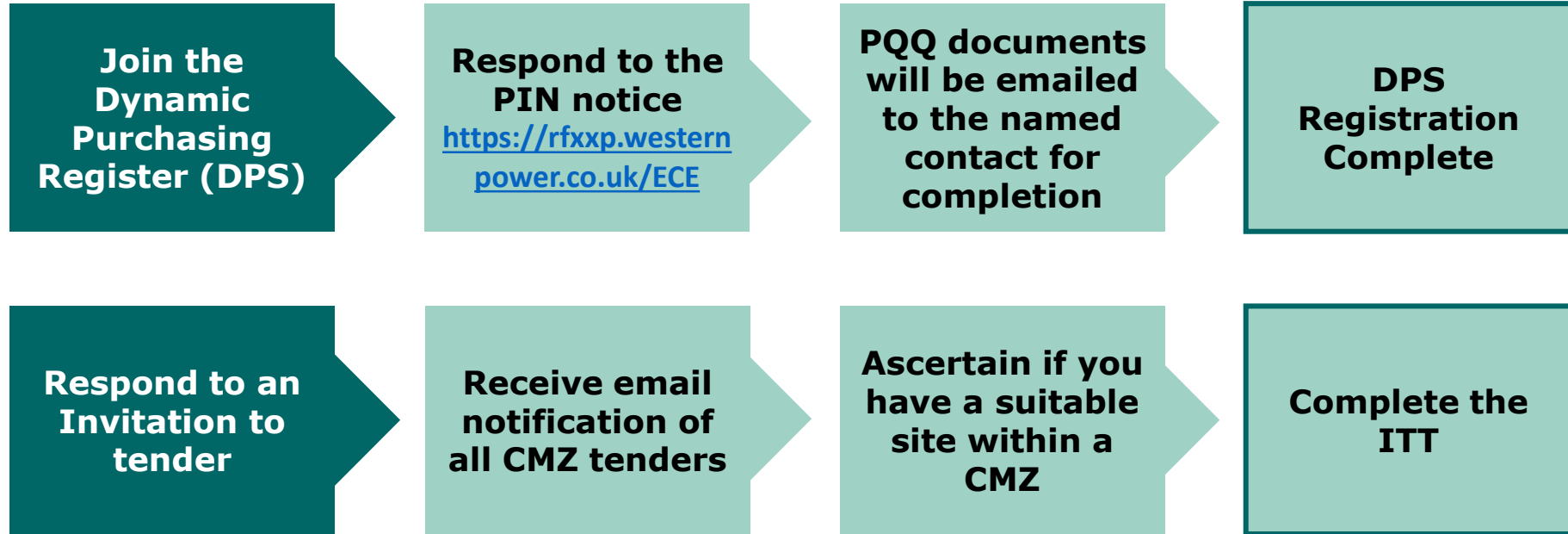
Our **Dynamic** service has been developed to support the network in the event of specific fault conditions, such as during maintenance work. It offers a low availability payment and higher utilisation payment.

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



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://rfxyp.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)

WESTERN POWER DISTRIBUTION
Serving the Midlands, South West and Wales

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:

- Log in section:** Labeled "Step 1 of 2". It contains fields for "Email:" and "Password:". Below these fields are links for "Did you forget your password?" and a "Log in" button.
- Temporary key section:** Labeled "Step 2 of 2". It contains a "Temporary key:" field and a "Log in" button.


Below these sections is a registration form 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 form includes fields for "Company name:", "Company no:", "First name:", "Last name:", "Email:", "Repeat email:", "Phone:", and "Country:". A "Country:" dropdown menu is currently set to "[Please select your country]". At the bottom of the form are "Register" and "Clear" buttons.

The footer of the page displays "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, and then renew annually.
- If available, 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)

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 not need to complete more than one tender.
- 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 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 will 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.
- 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.

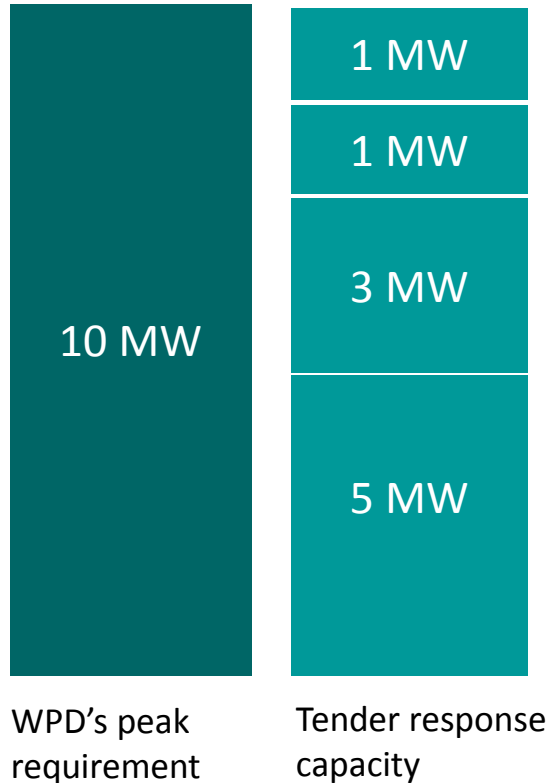
The ITT will ask you to confirm you understand the scenarios when fixed prices will be awarded.

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 split 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.

3.2 Clearing – scenario 1

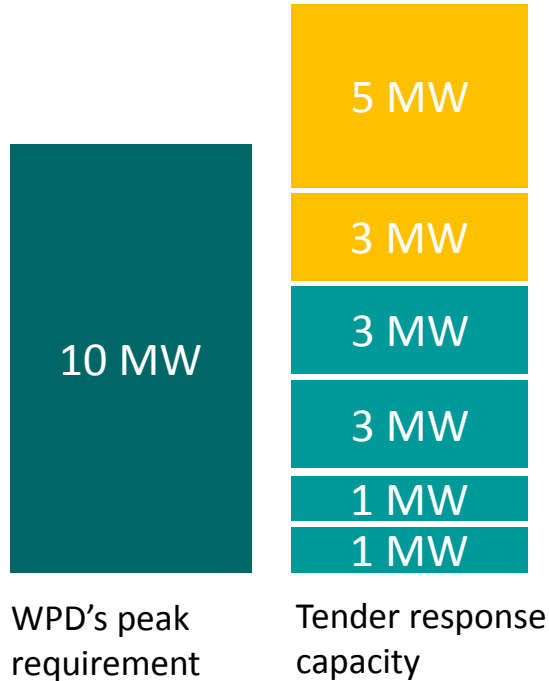


The total capacity of tender responses meets of MW peak.

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.

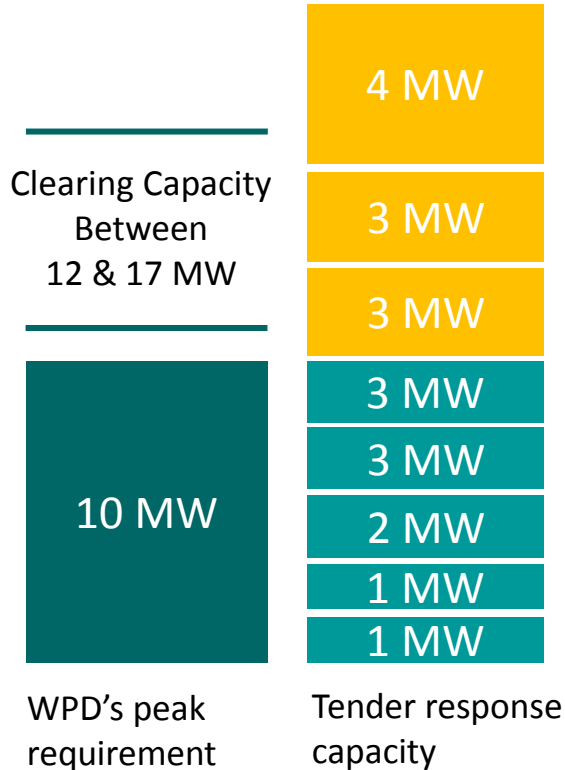
3.2 Clearing – scenario 2



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

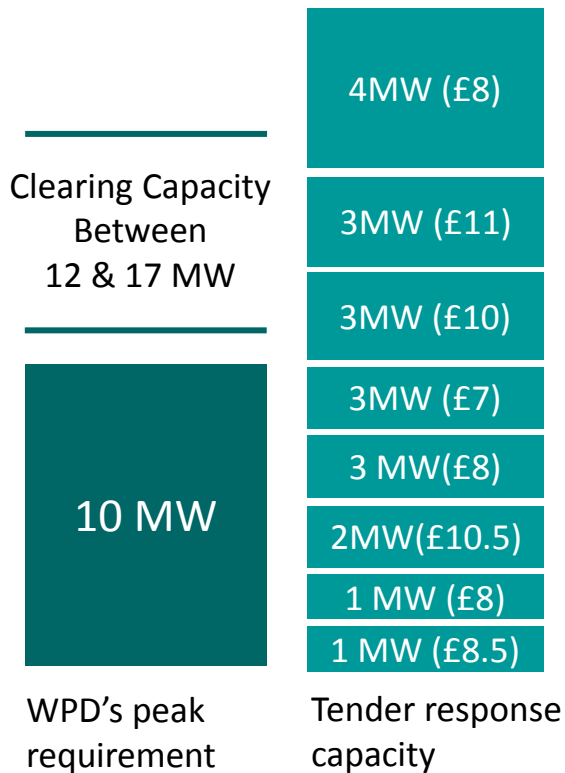


In this scenario we have multiple responses that exceed our requirement . If we stack all responses in order of size we see that this group passes the N-2 test; any 2 of the providers can be removed without compromising delivery of service.

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

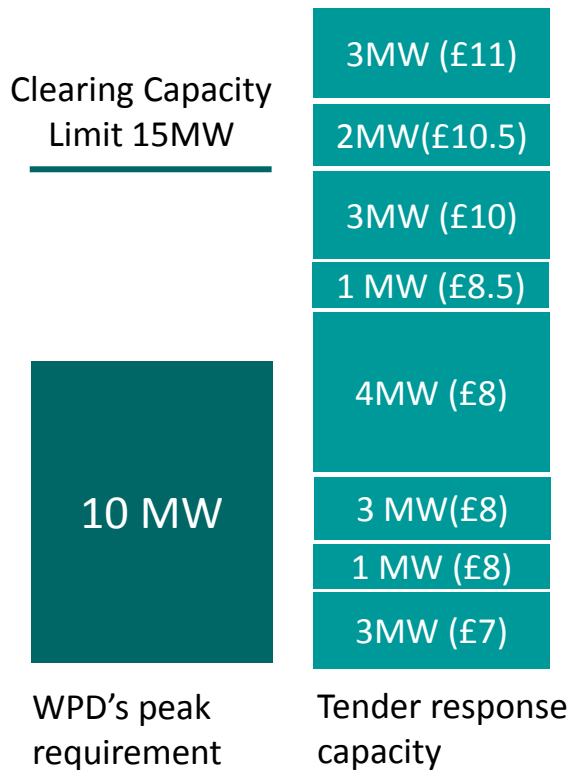
This scenario the tendering parties will go on to our clearing process.

3.2 Clearing – scenario 3



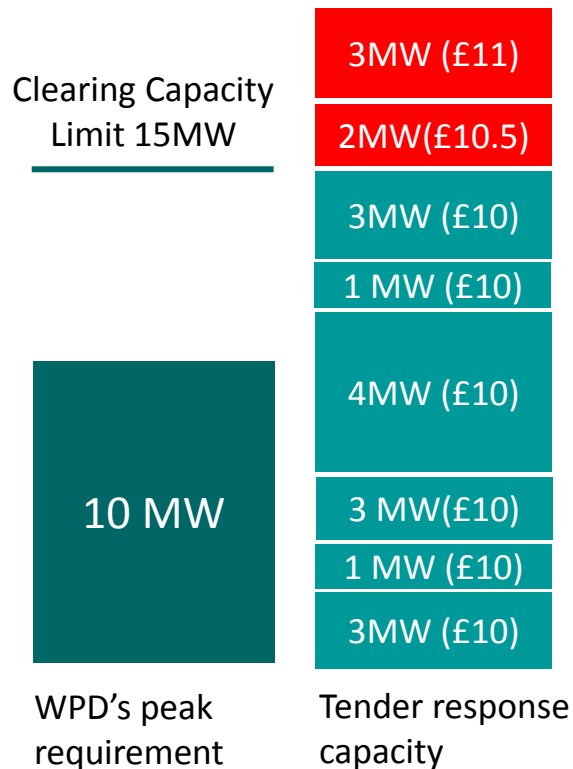
The procurement process in flexibility zones with sufficient competition takes into account the prices provided by the participants.

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 the 17 CMZs on the Flexible Power website on the **1st July**.
- Any party wishing to tender within one of these zones must be registered on the DPS before the ITT closes on the **20th 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 **12th August**.

Late interest:

- Interested parties that approach us after the 20th September will not be able to participate within this procurement cycle.
- We anticipate most CMZs will re-open for procurement the following year.
- Any under-fulfilled zones will likely be re-opened in our 1st 2019 procurement cycle which begins in Jan 2020 with CMZ location publishing, then the ITT stage will open on **3rd Feb**.
- 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:

1st July 2019 – Proposed CMZs were published on our website

12th August 2019 – ITT issued to all participants accepted onto the DPS

20th September 2019 - ITT Deadline

7th October 2019 – Procurement results



Expression of Interest

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



Procure

**ITT window open
from
12th Aug – 20th Sep**



Build and Test

**Contracts awarded on
7th Oct.
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 7th August in London, email wpdflexiblepower@westernpower.co.uk to request an appointment.
- Documents and information including; procurement dates out to 2021, procurement results from previous tenders, month ahead forecasting, and much more. 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 security of supply is maintained

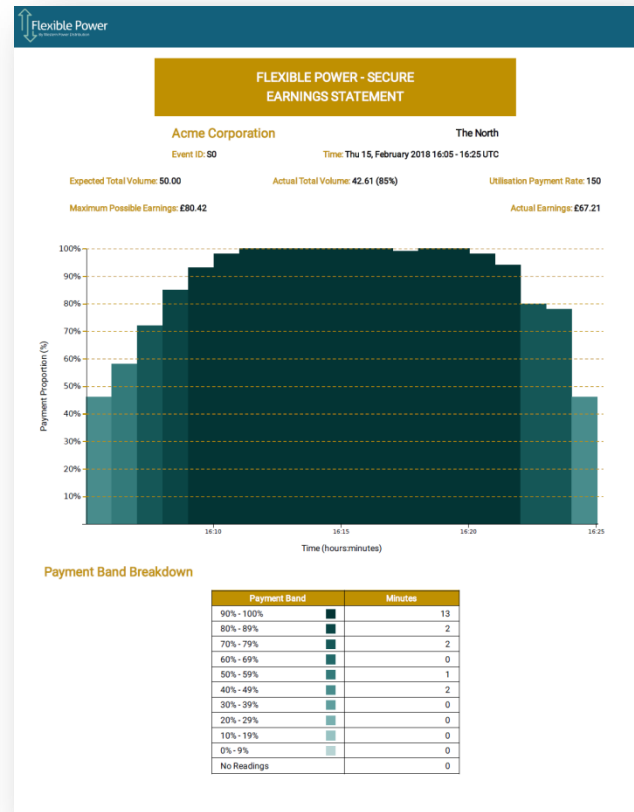
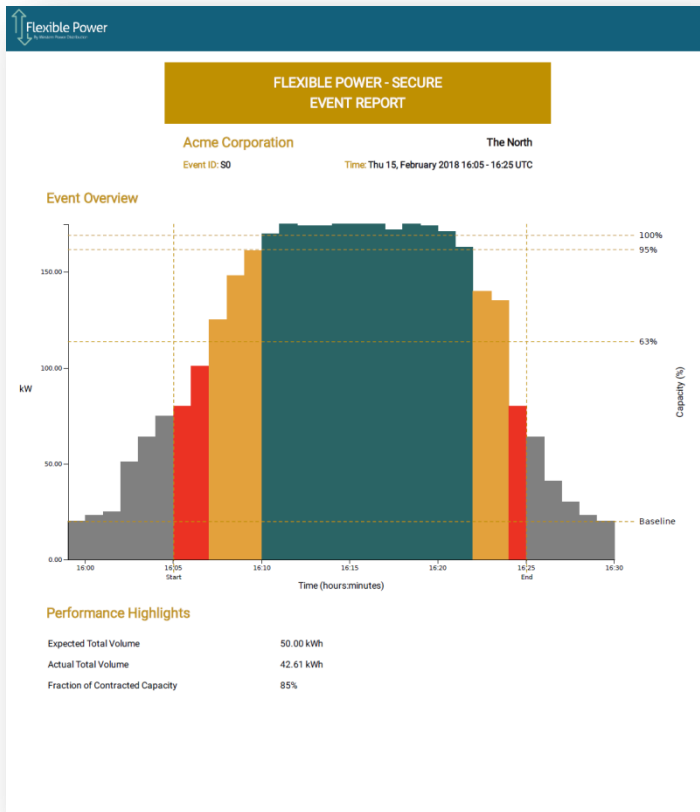
Value

- 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

Email: wpdflexiblepower@westernpower.co.uk

Call: 01332 827436