



Webinar - Routes to Participation WPD 2020 Procurement Cycle 2

Helen Sawdon
Flexible Power Commercial Officer

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 today's slides are available on our website www.flexiblepower.co.uk/tools-and-documents and a recording of today's webinar will be available to view on our website from 24th 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 email wpdflexiblepower@westernpower.co.uk to arrange a follow up call.

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
- 1.4 CMZ Value Calculator

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)
- 2.4 Timeline & Key dates
- 2.5 Sources of additional information

3. Contract Award Arrangements

- 3.1 Pricing & Clearing process

4. Key operational aspects post award

1. CMZs included within this current procurement cycle

- 45 CMZs with peak requirements totalling 303.7MW.
- 40 are existing CMZs with ongoing requirements.
- 5 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 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

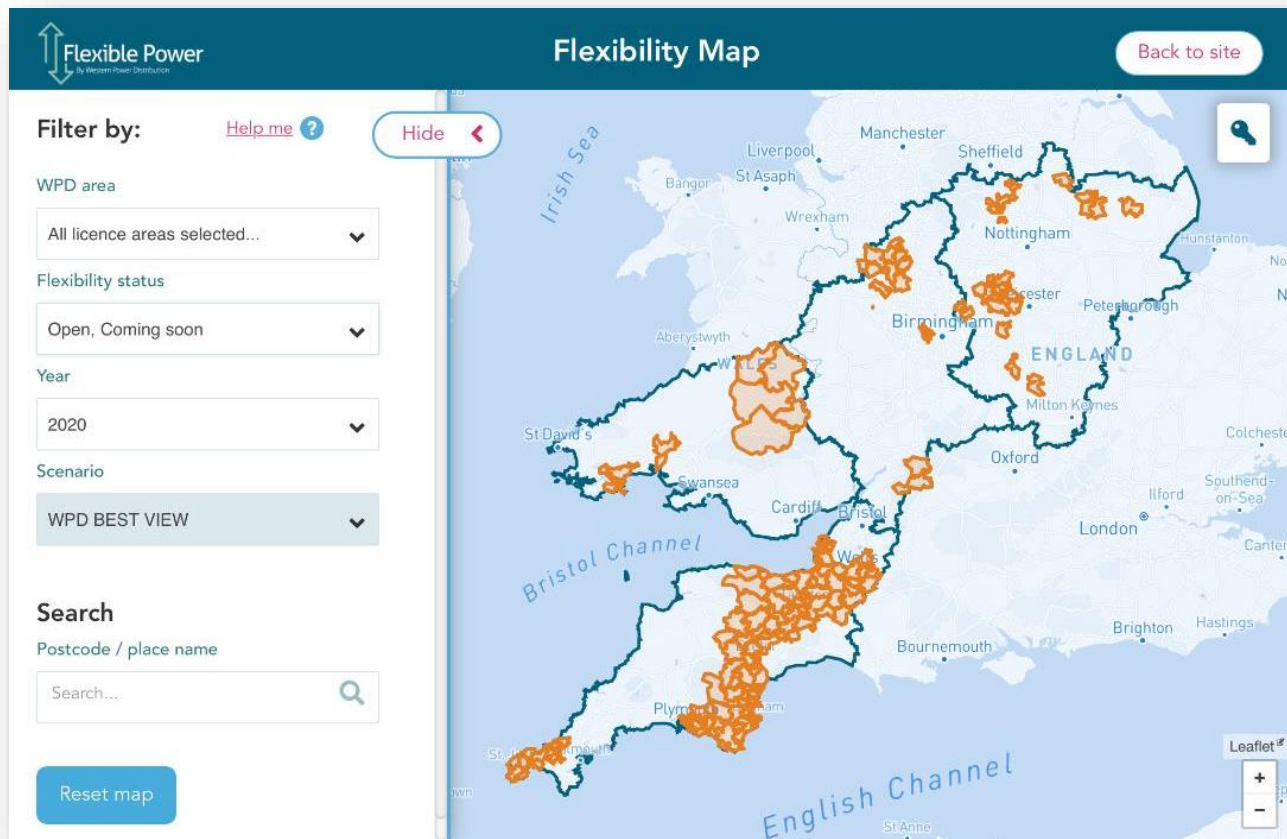
- Our CMZs will be visible on Piclo.
- Providers with assets uploaded to these platforms will be able to identify which of their assets are within a CMZ.
- If these platforms identify a asset/CMZ match, the provider will then need to continue the process directly with Flexible Power.
- Providers do not need to be registered with Piclo to participate and can enter directly through Flexible Power or via a 3rd party aggregator.

1. CMZs included within this current procurement cycle

Use our interactive map:

www.flexiblepower.co.uk/our-schemes

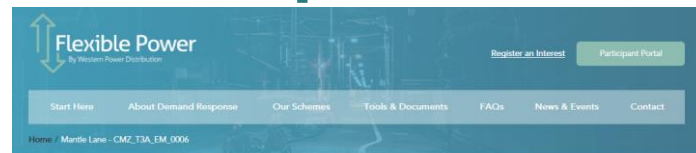
Our online postcode checker will help you determine if you suitable have sites within our CMZs;
www.flexiblepower.co.uk/postcode-checker



1. CMZs included within this current procurement cycle

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.



Mantle Lane - CMZ_T3A_EM_0006

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 MWh 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.

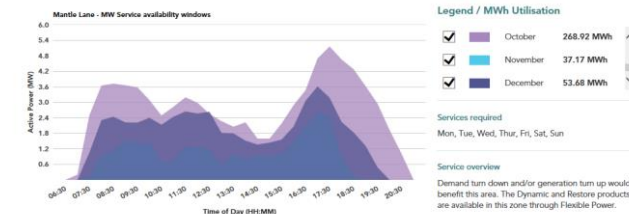
[Return to map](#)

Status	Coming Soon
CMZ reference	CMZ_T3A_EM_0006
CMZ name	Mantle Lane

[CMZ_T3A_EM_0006 - Availability Windows.csv](#)
[CMZ_T3A_EM_0006 - 2020 - WPD BEST VIEW - Availability Windows.pdf](#)



Year: 2020 Scenario: WPD BEST VIEW [Expand View](#)



CMZ Valuation

Please 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.

If you need to calculate the value for a different zone, please use our [Value Calculator Tool](#)

Capacity (enter value): 1 MW [Calculate](#)

Calculated Value: £4,559.36

1. CMZs included within this current procurement cycle

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

Flexible Power Procurement Requirements.

2020 Procurement Cycle 2 –
Issued June 2020

Flexible Power Procurement 2020 Cycle 2 – June 2020



Section 5 - Detailed information on each CMZ's requirement

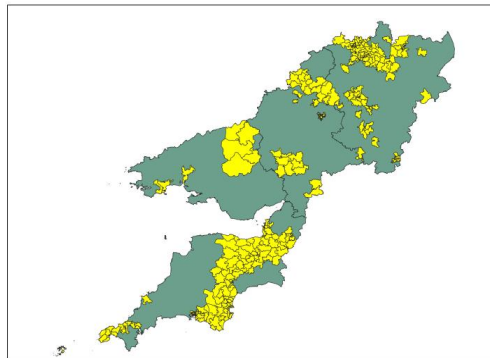


Image: map of WPD licence areas showing all CMZs included in the 2020 demand response procurement cycle 2.

The following pages provide detail on each of the CMZs WPD propose to include in the 2020 demand response procurement cycle 2.

1.1 CMZ locations

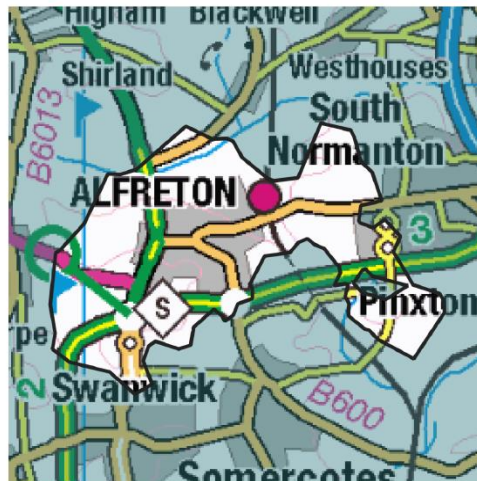
Midlands		South West & Wales	
Alfreton	Derbyshire	Abergavenny - Builth Wells	South Wales
Apollo - Tamworth	Staffordshire	Abergavenny - Brecon	South Wales
Ashby/Willesley	Leicestershire	Abergavenny - Glasbury	South Wales
Chesterfield GSP	Chesterfield	Llandrindod - Rhayader	South Wales
Chesterfield Main	Chesterfield	Pembroke - Broadfield	South Wales
Clowne	Mansfield	Pembroke - St Florence	South Wales
Coalville	Leicestershire	Pembroke - Tenby	South Wales
Grassmoor	Chesterfield	Trevaughan	South Wales
Hawton	Nottinghamshire	Bridgwater/Street	Somerset
Hinckley	Leicestershire	Exeter City	Exeter
Lincoln-Anderson Lane	Lincolnshire	Hayle - Camborne	Cornwall
Lincoln - Beevor Street	Lincolnshire	Isles of Scilly	Isles of Scilly
Lincoln - North Hykeham	Lincolnshire	Moretonhampstead	Newton Abbot North
Mantle Lane	Leicestershire	Newton Abbot	Devon
Nailstone	Nuneaton	Padstow	Cornwall
Tamworth Main	Staffordshire	Plymouth/South Hams	Devon
Union Street - Rugby	Warwickshire	Radstock	Somerset
Weedon	Northampton	Stokenham	South Hams
Woodbeck	Retford	Taunton GSP	Somerset
Woodhall Spa	Lincolnshire	Tiverton	Devon
Brimscombe	Stroud	Weston Super Mare	Somerset
Hereford - Ledbury Ring	Herefordshire	Witheridge	Devon
Oldbury	Birmingham		

1.1 CMZ locations

Flexible Power Procurement 2020 Cycle 2 – June 2020



Flexibility Analysis Report for CMZ_T4A_EM_0016 - Alfreton



Products	Season	MW Peak	Response
Secure & Restore	Summer	4.35	D↓ G↑

More information about this zone:

https://www.flexiblepower.co.uk/scheme/CMZ_T4A_EM_0016

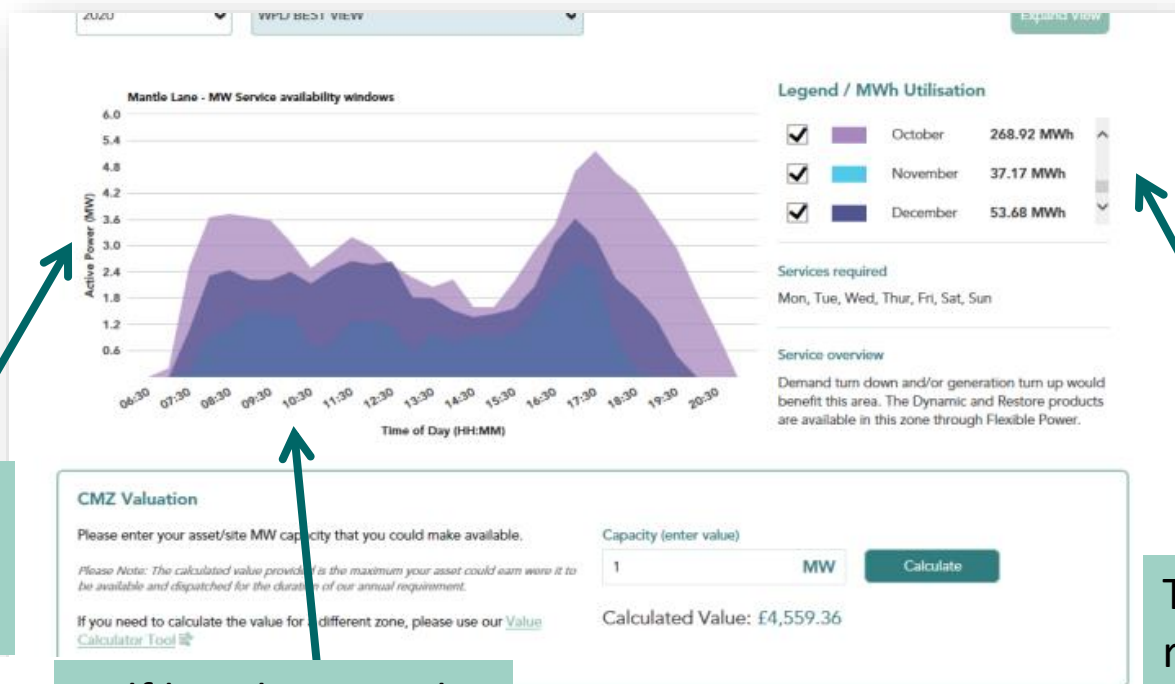
is the dedicated scheme page for this zone on the Flexible Power website, here you can view;

- Availability windows
- Monthly profiles
- Service overview
- Valuation tool
- Postcode checker
- Register interest

Products	Season	MW Peak	Response
Secure & Restore	Summer	4.35	D↓ G↑

[Back to CMZ list](#)

1.2 Availability windows



The peak of the MW requirement

Half hourly intervals over 1 day


The total MWhs required within the month

1.4 CMZ value calculator

CMZ Valuation

Please 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.

If you need to calculate the value for a different zone, please use our [Value Calculator Tool](#) 

Capacity (enter value)

MW

Calculate

Calculated Value: £31,270.39

**Most Valuable
Zone**

£31,271/MW/yr

**Average Zone
Value**

£7,774/MW/yr

**Most Hours
Expected**

294 h/yr

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

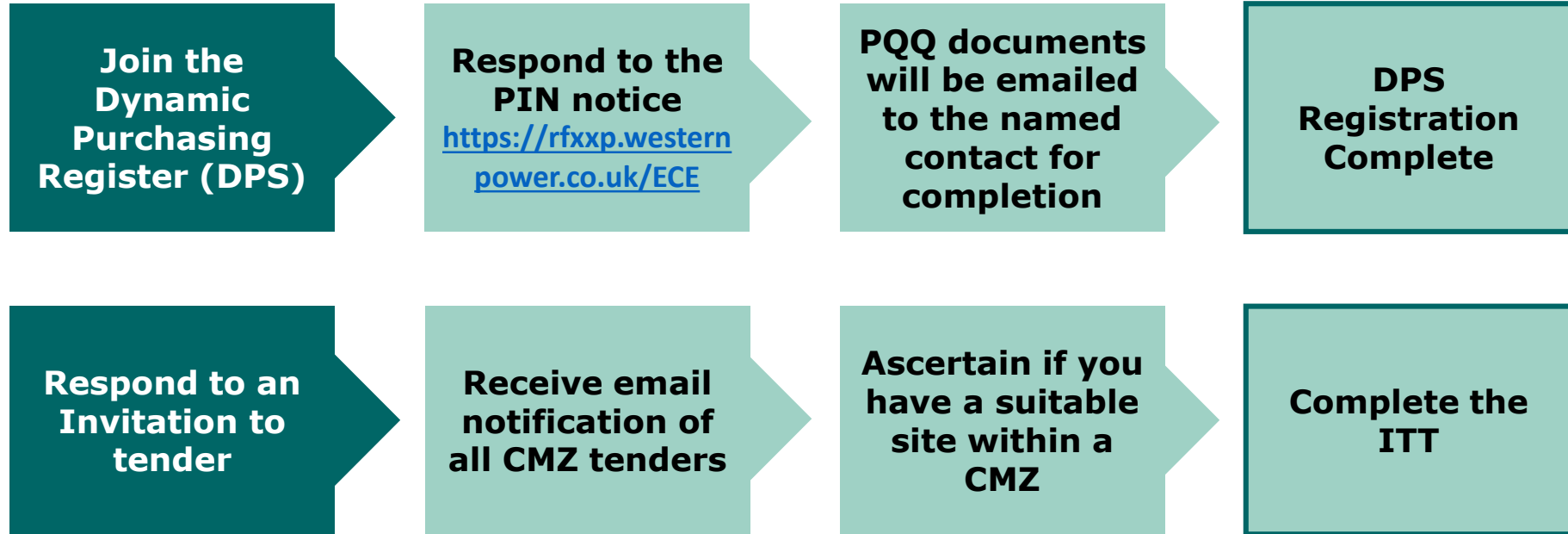
Our **Dynamic** service has been developed to support the network in the event of specific fault conditions, such as during maintenance work. It offers a low availability payment and higher utilisation payment.

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 is enduring and does not need to be renewed annually.

2.2 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 Support 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>

2.2 PIN (Periodic Indicative Notice)

The image displays two screenshots of the Contiki ECE website, illustrating the process for a Periodic Indicative Notice (PIN).

Left Screenshot: Shows the "Welcome to Contiki ECE" page. A table titled "Publicly available request processes" lists the following:

Number	Description	Published
302930 - RFX-1	Flexible Power 2020 PIN for Demand Response Services	29 Nov 2019

Right Screenshot: Shows the details for the "RFI - Request for Information: Flexible Power 2020 PIN for Demand Response Services".

Description: RFI - Request for Information

Details:

- Type: RFI - Request for Information
- Status: Awaiting vendor response
- Number: 302930 - RFX-1
- Publication date: 29 Nov 2019
- Response due date: 31 Dec 2020 12:00
- Formal opening: All dates are relative to time zone (UTC+00:00) Dublin, Edinburgh, Lisbon, London

Procedure: Regulated Tender

Contract type: Purchasing Contract

Framework contract: No

Preferred currency: No

Accepted languages:

Documents available for download:

- Final ITT Documents
- Flexible Power Demand Response 2020 PIN Supporting Document (26 Nov 2019, 412.9 KB)

Right Panel: Availability: Public. A message states: "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." Below this, a "Your current status:" section shows "Not registered" and two buttons: "Register intent to participate" (highlighted with a green circle) and "Decline to participate".

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 (Login):** This section is for users who already have a registered email and password. It contains input fields for "Email:" and "Password:", a link for "Did you forget your password?", and a "Log in" button.
- Step 2 of 2 (Registration):** This section is for new users who have not been registered yet. It contains input fields for "Company name:", "Company no:", "First name:", "Last name:", "Email:", "Repeat email:", "Phone:", and "Country:". The "Country" field is a dropdown menu with the placeholder text "[Please select your country]". There are "Register" and "Clear" buttons at the bottom of this section.

At the bottom of the browser window, the Windows taskbar is visible, showing the search bar and various application icons. The system clock in the bottom right corner indicates the time is 11:54 on 18/02/2019.

2.3 PQQ (Pre-Qualification Questionnaire)

- Emailed to main contact after PIN completed.
- Three documents;
 - PQQ Guidelines,
 - PQQ Form,
 - UCR (Utilities Contract Regulations) Questions.
- Only needs to be done once per contracting company.
- 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 be 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 1 hour.
 - Acceptance of CMZ Terms & Conditions.
 - Each asset must be built and energised 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.

2.4 Timeline & Key dates

- We published detail of the 45 CMZs on the Flexible Power website on the **9th July**.
- Any party wishing to tender within one of these zones must be registered on the DPS before the ITT closes on the **11th 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 **3rd August**.

Late interest:

- Interested parties that approach us after the 11th September will not be able to participate within this procurement cycle.
- Any under-fulfilled zones will be considered for re-procurement in our 2021 procurement round, which begins in Jan 2020.
- We may choose to close CMZs with a low volume of interest, these CMZs will not proceed to contract award.

2.4 Timeline & key dates

First 2019 Procurement cycle:

9th July – flexibility zones and supporting information published

3rd August – Invitation to tender (ITT) issued to all participants who have registered their interest and passed a pre-qualification (PQQ) stage

11th September – ITT deadline

3rd October – Procurement results.



Expression of Interest

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



Procure

**ITT window open
from
3rd Aug – 11th Sep**



Build and Test

**Contracts awarded on
3rd Oct
API build follows**



Operate

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

2.5 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>
- Documents and information including; procurement dates out to 2022, 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

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 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.

3. Contract Award Arrangements

- WPD intends to adopt the ENA Standard Contract for Flexibility for this procurement round.
- This contract was established with the collaborative input of all UK DNOs through the ENAs Open Networks project.
- A copy of the ENA Standard Contract for Flexibility template can be viewed [here](#).
- WPD will be publishing its complete version of this contract on the tender release date of 3rd August.
- WPD will retain capped and mutual liabilities.

3.1 Pricing

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

During procurement in 2019, all zones contracted on a fixed price basis, however during 2020 we anticipate sufficient competition to 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 – Sustainable Propositions

- We want to protect the value for existing participants, whilst ensuring future price discovery can be achieved
- We will procure more flexibility in zones where there is a year on year increase in requirements due to load growth, but we will not procure more flexibility in zones where the contracted amount exceeds the peak requirement
- When procuring and assessing the competitiveness of a CMZ for pricing, we will include existing contracted capacity and capacity engaged through the procurement cycle
- Availability and utilisation in competitive zones will be shared proportionally based on the volumes declared by the participants within that week, in line with our dispatch principles.

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.
- A slide pack detailing the clearing process in full is available here;
www.flexiblepower.co.uk/downloads/178

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			15	£75	
			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

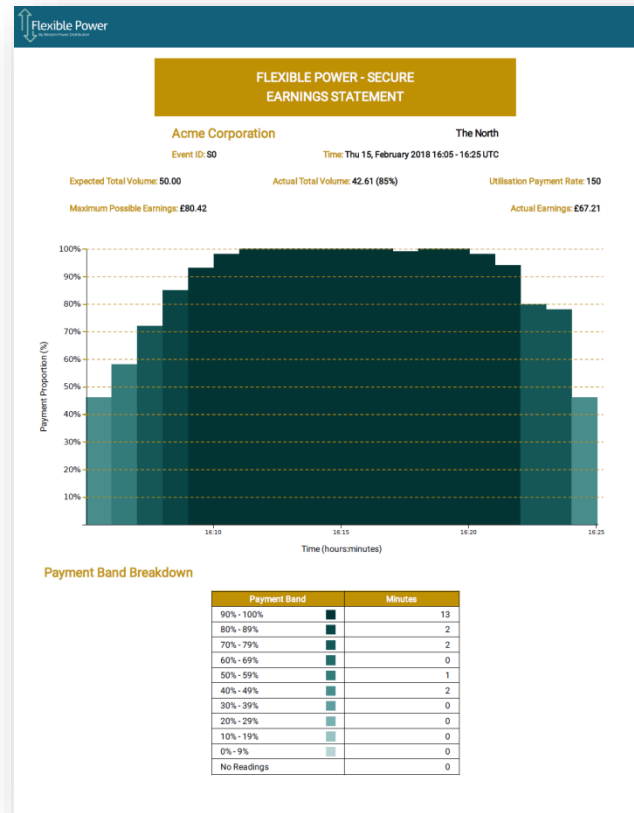
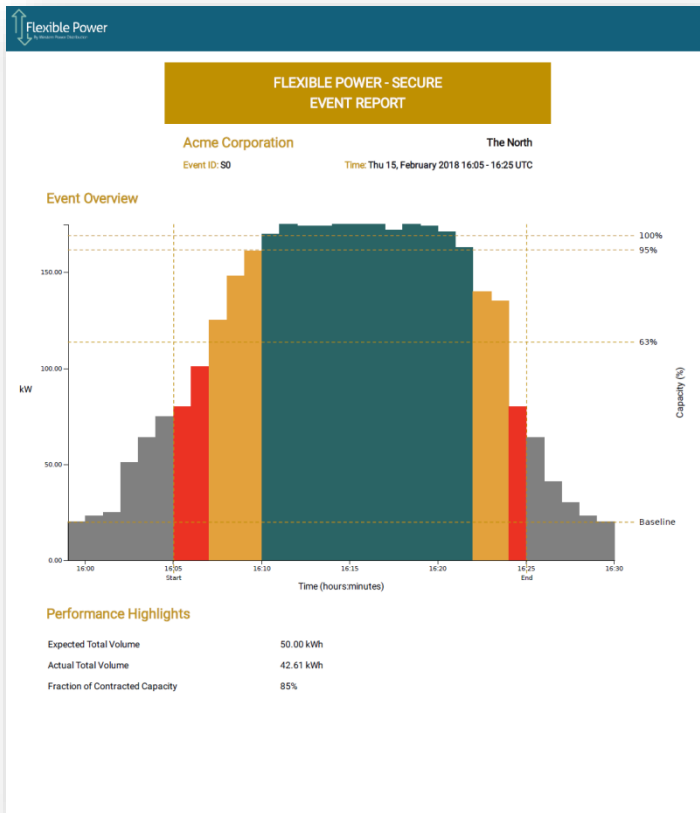
Value

- 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