

# Webinar - Routes to Participation WPD 2021 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](mailto: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](http://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](http://www.flexiblepower.co.uk/tools-and-documents) and a recording of today's webinar will be available to view on our website from next week.
- 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](mailto: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

- 38 CMZs with peak requirements totalling 239MW.
- 25 are existing CMZs with ongoing requirements.
- 13 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](http://www.flexiblepower.co.uk/our-schemes)
- Here you can also download a document detailing the requirements within each zone or you can view requirements of individual zones using our interactive map.

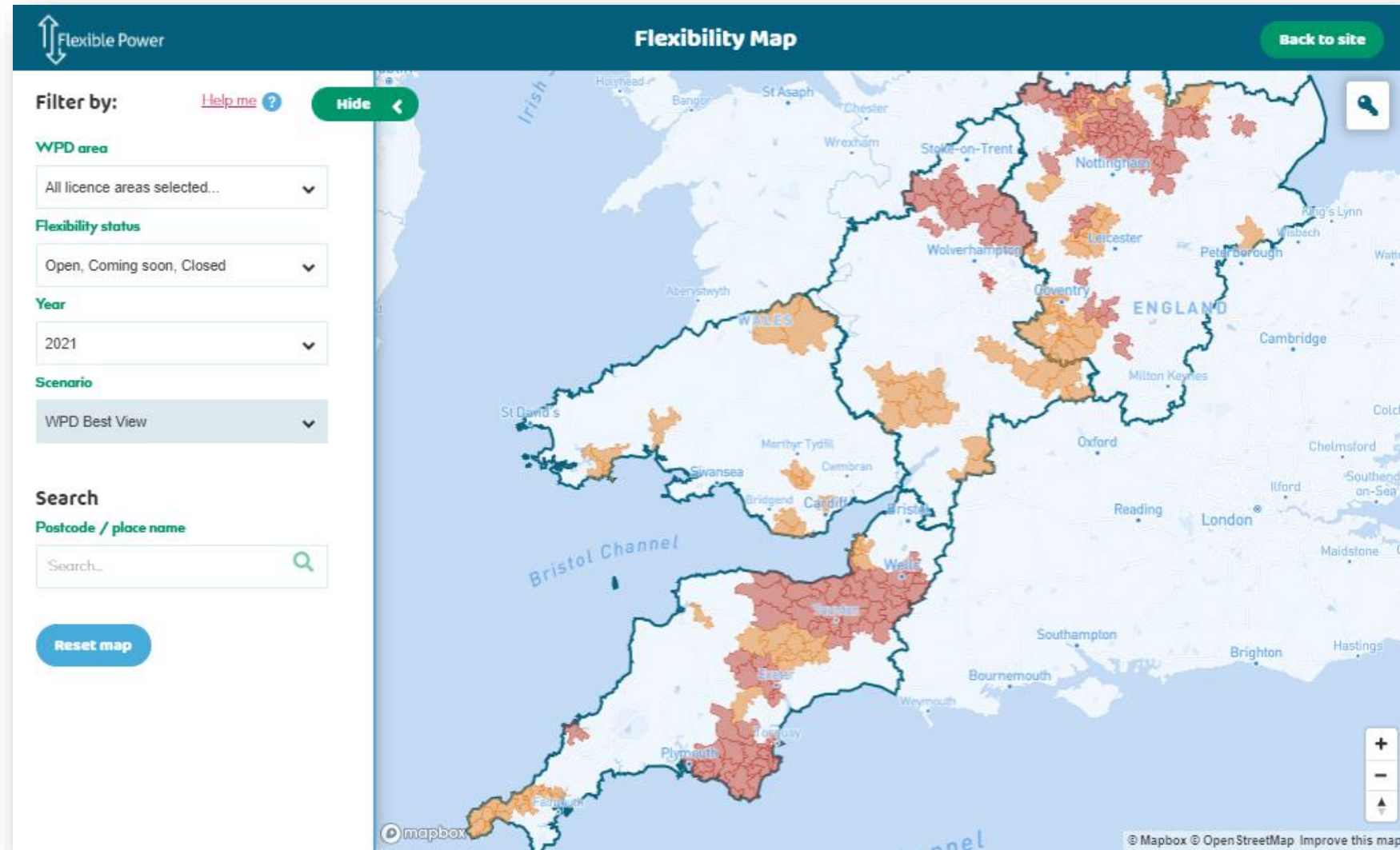
# 1. CMZs included within this current procurement cycle

Use our interactive map:

[www.flexiblepower.co.uk/our-schemes](http://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](http://www.flexiblepower.co.uk/postcode-checker)

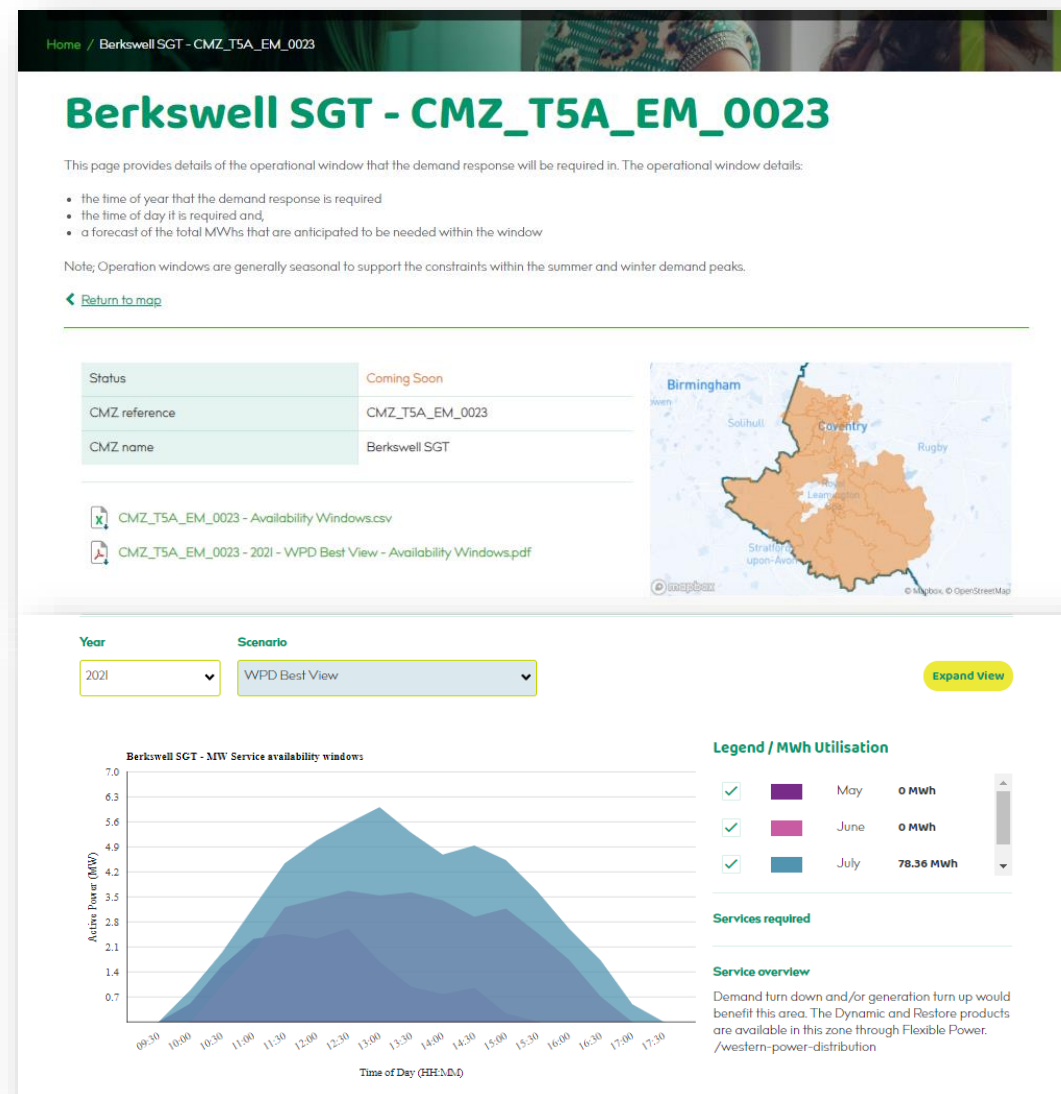




# 1. CMZs included within this current procurement cycle

## Detailed Forecast Includes:

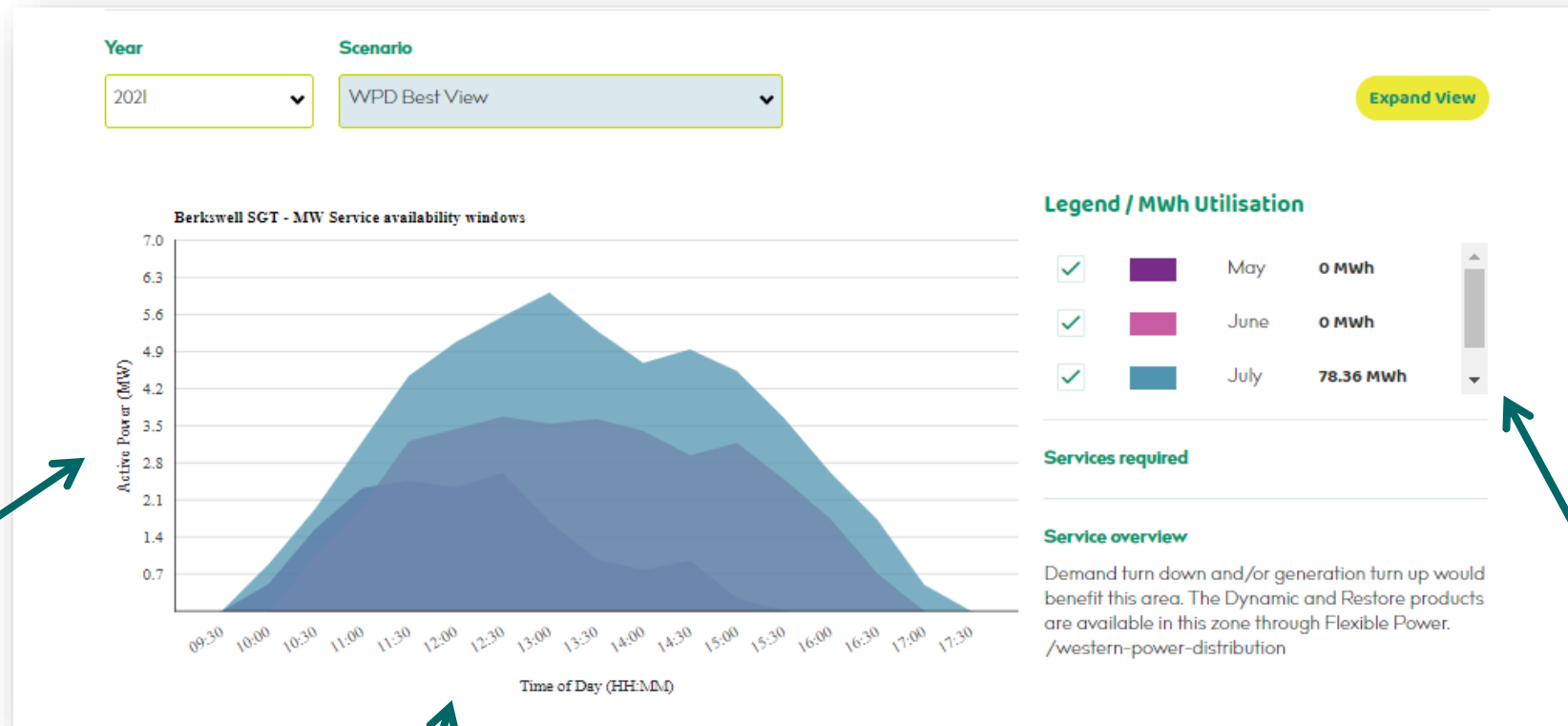
- Times of day availability required.
- Days of the week and months of the year we have a requirement.
- Forecast utilisation volume.
- Data can be downloaded in pdf or CSV.



# 1.1 CMZ locations

CMZ Name	Location	CMZ Name	Location
Alfreton	Derbyshire	Loughborough	Leicestershire
Apollo - Tamworth	Staffordshire	Mackworth	Derbyshire
Berkswell SGT	Berkswell	Manton	Oakham
Bridgwater/Street	Somerset	Moretonhampstead	Newton Abbot North
Brimscombe	Stroud	Mountain Ash	Rhondda Cynon Taf
Cardiff North	Cardiff	Nailstone	Nuneaton
Chesterfield Main	Chesterfield	New Dove Valley	Derbyshire
Clowne	Mansfield	Pembroke - BroadField	South Wales
Coalville	Leicestershire	Pembroke - St Florence	South Wales
Crowland	Crowland	Pembroke - Tenby	South Wales
East Aberthaw	Aberthaw	Roundswell	Devon
Feckenham South	Worcestershire	Tamworth Main	Staffordshire
Grassmoor	Chesterfield	Tiverton	Devon
Hayle - Camborne	Cornwall	Trevaughan	South Wales
Hereford - Ledbury Ring	Herefordshire	Truro - Truro Treyew	Truro - Truro Treyew
Hereford BSP	Hereford BSP	Union Street - Rugby	Warwickshire
Isles of Scilly	Isles of Scilly	Weston Super Mare	Somerset
Lincoln-Anderson Lane	Lincolnshire	Witheridge	Devon
Llandrindod - Rhayader	South Wales	Woodbeck	Retford

# 1.2 Availability windows



The peak of the MW requirement

Half hourly intervals over 1 day

The total MWhs required within the month



## 1.3 Products attributed to each CMZ

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

### Secure

#### Pre-Fault Constraint Management

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

### Dynamic

#### Post-fault Constraint Management

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

### Restore

#### Restoration Support

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


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

# 1.4 CMZ value calculator

## 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

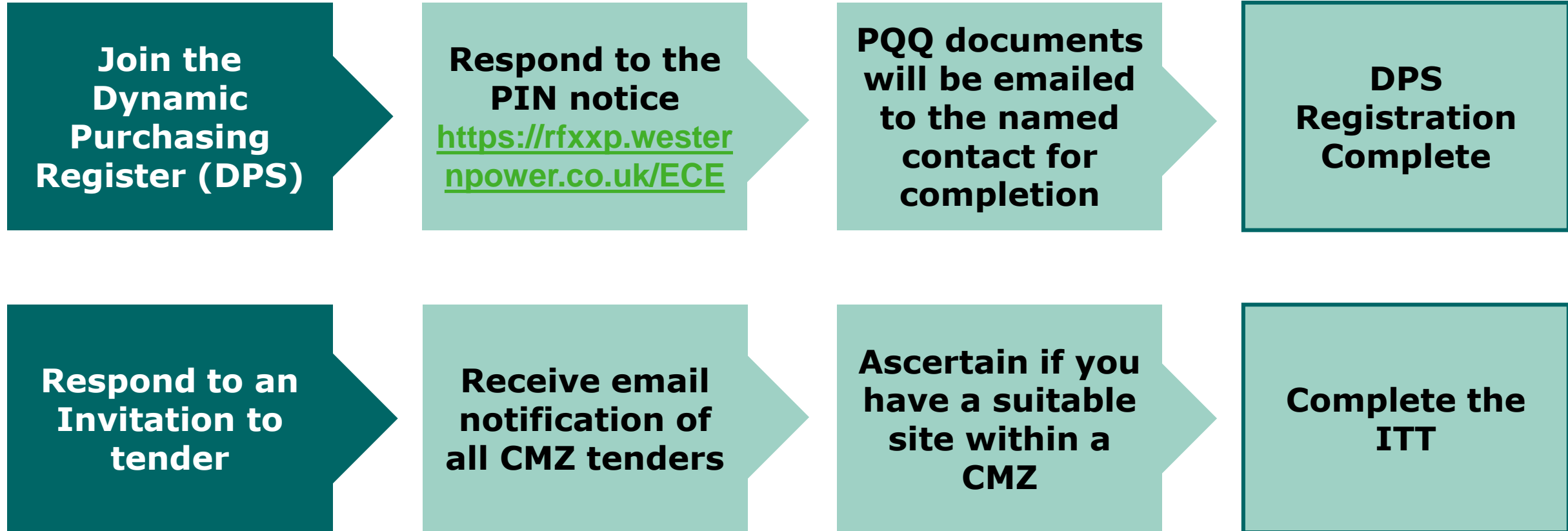
**Most Valuable  
Zone**

**£18,259/MW/yr**

**Average Zone  
Value**

**£5,903/MW/yr**

## 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://rfxxp.westernpower.co.uk/ECE>

## 2.2 PIN (Periodic Indicative Notice)

The image displays two screenshots of the Contiki ECE web portal, illustrating the process for accessing and participating in a Request for Information (RFI).

**Left Screenshot: Publicly available request processes**

The portal shows a table of publicly available request processes:

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

Contiki ECE version 6.16.6.24 (Application server version 6.16.6.24)

**Right Screenshot: RFI - Request for Information: Flexible Power 2020 PIN for Demand Response Services**

The details page for RFI 302930 is shown. The URL is <https://rfxp.westernpower.co.uk/ECE/Pages/RFXDetails.aspx?RFXId=10988>.

**Description:** RFI - Request for Information: Flexible Power 2020 PIN for Demand Response Services

**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:

**Procedure:** Regulated Tender

**Contract type:** Purchasing Contract

**Framework contract:** No

**Preferred currency:** No

**Accepted languages:**

**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 registered. Registration will be required.

**Documents available for download:**

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

Download all documents as a ZIP file

**Contact person:**

Contract Co-ordinator RFX: Mitchell Golder, email: [mgolder@westernpower.co.uk](mailto:mgolder@westernpower.co.uk), phone: 332383

**Product and service groups:**

- 10 Future Networks

Contiki ECE version 6.16.6.24 (Application server version 6.16.6.24)

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## 2.2 PIN (Periodic Indicative Notice)

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

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

There are two main sections for user identification:

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


Below these steps is a registration form for new users 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 dropdown menu with the text "[Please select your country]"). "Register" and "Clear" buttons are at the bottom right of the registration form.

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

## 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	
<a href="http://www.flexiblepower.co.uk">www.flexiblepower.co.uk</a>	
	
<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 <a href="mailto:wpdflexiblepower@westernpower.co.uk">wpdflexiblepower@westernpower.co.uk</a> 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](mailto: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:	Stand by generators					
Type (stand-by / CHP / battery)						
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 30mins.
  - 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 38 CMZs on the Flexible Power website on the **11<sup>th</sup> Jan.**
- Any party wishing to tender within one of these zones must be registered on the DPS before the ITT deadline on the **19<sup>th</sup> March.**
- 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 **8<sup>th</sup> Feb.**

### **Late interest:**

- Interested parties that approach us after the 19<sup>th</sup> March will not be able to participate within this procurement cycle.
- Any under-fulfilled zones will be considered for re-procurement in our 2021 cycle 2 procurement round, which begins in Jun 2021.
- 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:

**11<sup>th</sup> January** – flexibility zones and supporting information published

**8<sup>th</sup> February** – Invitation to tender (ITT) issued to all participants who have registered their interest and passed a pre-qualification (PQQ) stage

**19<sup>th</sup> March** – ITT deadline

**9<sup>th</sup> April** – Procurement results.



#### Expression of Interest

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



#### Procure

**ITT window open  
from  
8<sup>th</sup> Feb – 19<sup>th</sup> Mar**



#### Build and Test

**Contracts awarded on  
9<sup>th</sup> Apr  
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](http://www.flexiblepower.co.uk/our-schemes)
- Check if your site is within a CMZ: [www.flexiblepower.co.uk/postcode-checker](http://www.flexiblepower.co.uk/postcode-checker)
- Estimate your sites potential earnings: [www.flexiblepower.co.uk/value-calculator](http://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 2023, procurement results from previous tenders, month ahead forecasting, and much more. [www.flexiblepower.co.uk/tools-and-documents](http://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](http://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 has adopted the ENA Standard Contract for Flexibility.
- This contract was established with the collaborative input of all UK DNOs through the ENAs Open Networks project.
- A copy of the ENA Standard Contract for Flexibility template can be viewed [here](#).
- The ENA is planning to publish an updated version (v1.2) of the Standard Contract for Flexibility at the end of February 2021.
- WPD will likely adopt v1.2 and will therefore we issue it to tendering parties after the ITT open window but ahead of the ITT close on 19<sup>th</sup> March.

## 3.1 Pricing

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

During procurement in 2019 & 2020, all zones contracted on a fixed price basis, however during 2021 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 exclude existing contracted capacity and only assess 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](http://www.flexiblepower.co.uk/downloads/178)

## 4. Operation post award Month ahead forecasting

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

Moretonhampstead				
Product	Date	MWh Forecast Availability Requirement	£ Value of our requirement	Availability Windows
Dynamic	w/c 30th Dec	M	2.7	09:00 - 20:30
		T	2.7	
		W	2.7	
		T	2.7	
		F	2.7	
		S	2.7	
		S	2.7	
Dynamic	w/c 7th Dec	M	2.7	09:00 - 20:30
		T	2.7	
		W	2.7	
		T	2.7	
		F	2.7	
		S	2.7	
		S	2.7	
Dynamic	w/c 14th Dec	M	2.7	09:00 - 20:30
		T	2.7	
		W	2.7	
		T	2.7	
		F	2.7	
		S	2.7	
		S	2.7	
Dynamic	w/c 21st Dec	M	2.7	09:00 - 20:30
		T	2.7	
		W	2.7	
		T	2.7	
		F	2.7	
		S	2.7	
		S	2.7	
Dynamic	w/c 28th Dec	M	2.7	09:00 - 20:30
		T	2.7	
		W	2.7	
		T	2.7	
		F	2.7	
		S	2.7	
		S	2.7	
Dec Total Forecast	Availability	94.5	£473	
	Utilisation	2	£600	

## 4. Operation post award – Dispatch Principles

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

WPD will consider the following factors to optimise our dispatch:

### Fairness

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

### Competitive

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

### Operability

- Providers offering greater operability will maximise their chance of participation

### Security

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

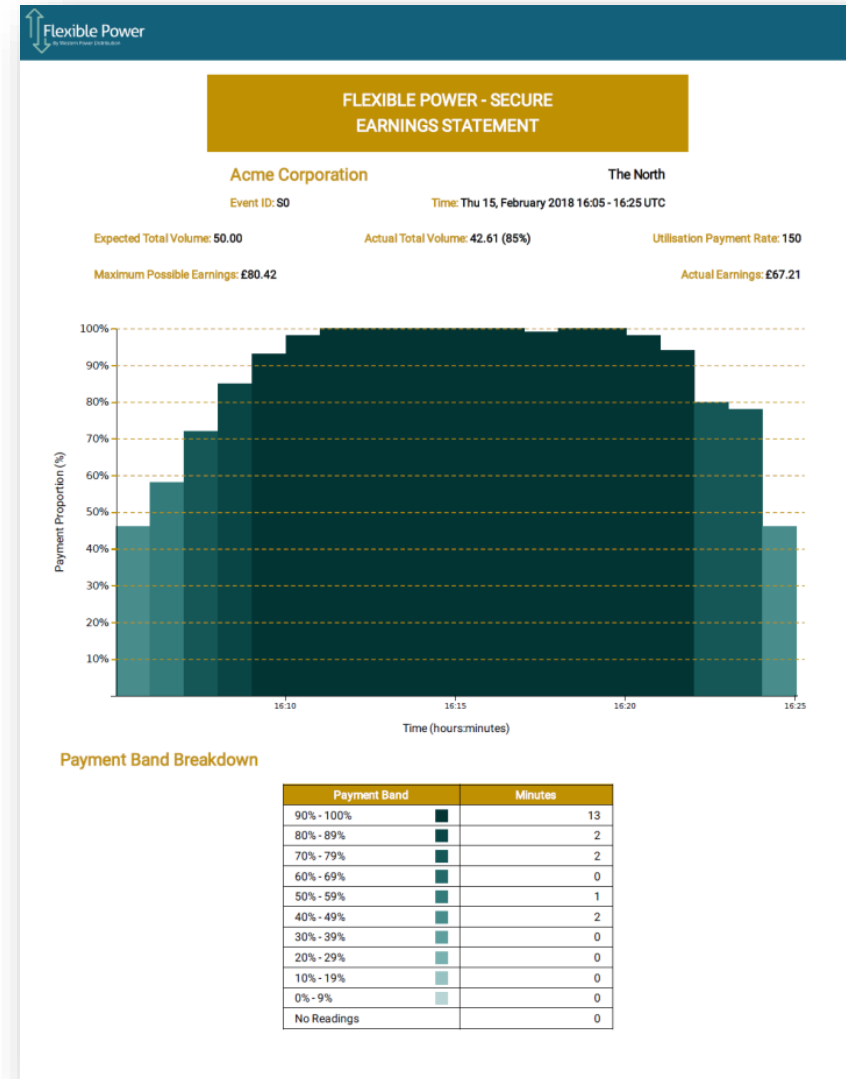
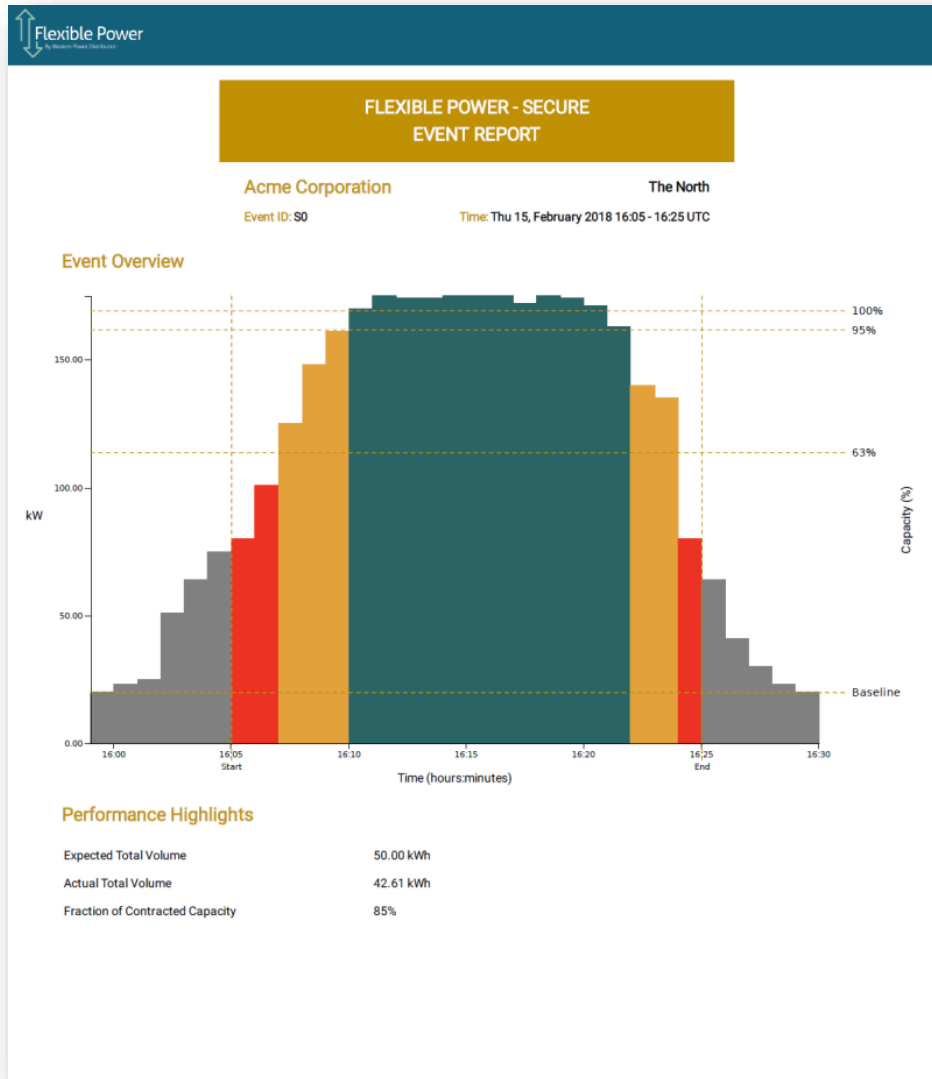
### Value

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

## 4. Operation post award – Availability, Dispatch & Settlement

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

# 4. Operation post award – Performance and earning statements





# Key participant benefits

- ✓ 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](mailto:wpdflexiblepower@westernpower.co.uk)**

**Call: 01332 827436**

