



Flexible Power

Procurement Results

2022 CYCLE 2

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Background

National Grid Electricity Distribution (NGED) recognises that within its distribution area many electricity consumers have the potential to decrease import by shifting demand away from peak periods or the ability increase export by switching their consumption to on-site generation. Where NGED has a known constraint on its network, it wishes to enter into contract with these consumers which will allow NGED to utilise this demand and generation flexibility in return for a payment. This type of arrangement is widely referred to as demand response. Constraints on NGED's network are confined to specific geographical locations, NGED defines these locations as Constraint Management Zones (CMZs). NGED has been seeking to procure demand response services within CMZs it has identified and published on its Flexible Power website, www.flexiblepower.co.uk.

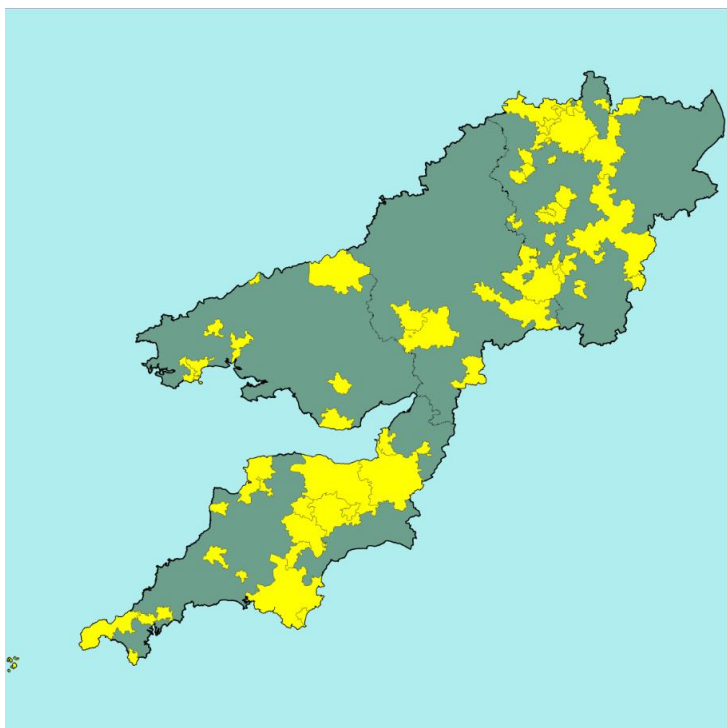


Image 1: Locations of the 47 CMZs identified in NGED's distribution area.

2022 PROCUREMENT CYCLE 2

NGED's 2022 Procurement Cycle 2 demand response requirements were across 47 CMZs, totalling 297.69MW. The timetable for this round was as follows;

Procurement Cycle 2

27th June 2022 – Proposed CMZs published
25th July 2022 – ITT issued to all participants accepted onto the DPS
2nd September 2022 – ITT Deadline
20th September 2022 – Contracts awarded
3rd October 2022 – Procurement results

This was NGED's ninth formal procurement exercise following the initial launch of flexibility procurement in 2016.



Procurement Process

NGED procures all flexibility requirements through formal tender. To facilitate this NGED use a Dynamic Purchasing System (DPS). The DPS holds records of all potential flexibility providers that would like the opportunity to respond to a current or future flexibility tender. DPS registration is enduring; therefore NGED will provide DPS registration to any party without restriction.

In order to join the DPS, interested parties are required to first register their interest via NGED's [Periodic Indicative Notice \(PIN\)](#). All parties who respond to the PIN and complete a Pre-Qualification Questionnaire (PQQ) are added to the DPS. The PQQ does not assess technical or commercial ability to provide services; requiring only the contact details of the potential provider and, if available, high-level information about their potential assets.

Parties registered onto the DPS will go on to receive a formal Invitation to Tender (ITT) to all of NGED's upcoming demand response requirements. DPS registrants have the choice to respond to each ITT should they consider they have potential assets within the locational boundary of any Constraint Management Zone (CMZ) open for tender at that time.

Pricing Strategy

NGED has previously calculated a fixed price for flexibility within our CMZs based on cost efficiency set at around £300/MWh for the contract. From 2019 onwards, NGED has implemented a phased [pricing strategy](#), which will seek market led pricing where feasible;

- 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.
- Where there is sufficient competition, 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.

Within the tender, NGED asked all bidders to acknowledge their understanding of the pricing strategy and provide a market price offer, which may be higher or lower than NGED's fixed prices, should the CMZ go to [clearing](#).



2022 Cycle 2 Results

Following completion of the tender, NGED awarded 2 contracts totalling 147.432 MW.

1.1. TECHNOLOGY TYPES

TECHNOLOGY TYPE	NO. OF ASSETS	VOLUME OF ASSETS MW
Flexible Demand	0	0
Renewable Generation	0	0
Non-renewable Generation	0	0
Storage	0	0
Energy Generation	7	147.2
Other	0	0
Un recruited/unknown	10	0.232
	0	147.432

Summary

- 2 ITT responses received, which included a total of 7 recruited asset bids and 10 un-recruited asset bids.
- 13 of the 47 CMZs included in this round received bids.
- No CMZs had required the level of competition needed to proceed to clearing.
- All contracts were awarded on a fixed price basis, 2 in total.
- Contracts were awarded on a 1 & 4 year basis.



PROCUREMENT RESULTS BY ZONE

CMZ NAME	CMZ CODE	SERVICE REQUIREMENT	SERVICES	ZONES MW PEAK	NUMBER OF BIDS RECEIVED	MW TOTAL OF BIDS RECEIVED	FLEXIBILITY NEEDS MET?	ELIGIBLE FOR CLEARING TEST*	FIXED PRICING OR CLEARING	PRICE £	MW AWARDED IN PREVIOUS ROUNDS	UNFULFILLED MW
Aberaeron	CMZ_T5B_SWA_0008	Winter/Summer	Dynamic	0.74	0	0	NO	NO	FIXED	305.00	0.35	0.39
Alfreton	CMZ_T4A_EM_0016	Summer	Secure	3.10	0	0	NO	NO	FIXED	300.00	2.190	0.91
Apollo - Tamworth	CMZ_T4A_EM_0009	Winter	Secure	0.95	0	0	NO	NO	FIXED	300.00	2.100	
Berkswell SGT	CMZ_T5A_EM_0023	Summer	Secure	10.15	0	0	NO	NO	FIXED	300.00	5.215	4.93
Bridgwater/Street	CMZ_T3A_SWE_0005	Summer	Dynamic	15.06	0	0	NO	NO	FIXED	305.00	166.174	
Chesterfield Main	CMZ_T4A_EM_0010	Winter	Secure	3.88	1	0.050	NO	NO	FIXED	300.00	2.877	0.95
Chewton Mendip	CMZ_T6B_SWE_0026	Winter	Secure	0.05	1	0.014	NO	NO	FIXED	300.00	0	0.04
Clowne	CMZ_T4A_EM_0011	Winter	Dynamic	1.42	4	63.216	YES	NO	FIXED	305.00	3.610	
Coalville	CMZ_T4A_EM_0012	Winter/Summer	Dynamic	35.40	0	0	NO	NO	FIXED	305.00	12.120	23.28
Countess Wear	CMZ_T6B_SWE_0023	Winter	Secure	0.91	0	0	NO	NO	FIXED	300.00	0	0.91
East Aberthaw	CMZ_T5A_SWA_0006	Summer	Dynamic	10.89	0	0	NO	NO	FIXED	305.00	0.200	10.69
East Yelland	CMZ_T5B_SWE_0017	Winter	Dynamic	6.89	0	0	NO	NO	FIXED	305.00	7.700	
Feckenham South	CMZ_T5A_WM_0008	Winter	Dynamic	16.61	0	0	NO	NO	FIXED	305.00	13.920	2.69
Grassmoor	CMZ_T4A_EM_0013	Winter/Summer	Secure	2.73	1	6.000	NO	NO	FIXED	300.00	3.260	



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Grendon - Corby 132kV	CMZ_T6A_EM_0029	Summer	Secure	17.71	0	0	NO	NO	FIXED	300.00	0	17.71
Gunnislake	CMZ_T6B_SWE_0022	Winter	Secure	1.24	0	0	NO	NO	FIXED	300.00	0	1.24
Hayle - Camborne	CMZ_T3B_SWE_0007	Winter/Summer	Dynamic	51.24	0	0	NO	NO	FIXED	305.00	10.840	40.40
Hemyock	CMZ_T5B_SWE_0018	Winter/Summer	Dynamic	1.37	0	0	NO	NO	FIXED	305.00	0.980	0.39
Hereford - Ledbury Ring	CMZ_T4B_WM_0001	Winter	Secure	6.93	0	0	NO	NO	FIXED	300.00	6.598	0.33
Hereford BSP	CMZ_T5A_WM_0009	Winter	Secure	5.08	0	0	NO	NO	FIXED	300.00	44.150	
Ilkeston	CMZ_T5B_EM_0028	Winter/Summer	Dynamic	10.23	1	0.013	NO	NO	FIXED	305.00	2.940	7.28
Isles of Scilly	CMZ_T3B_SWE_0008	Winter	Secure	0.31	0	0	NO	NO	FIXED	300.00	1.990	
Laneast	CMZ_T6A_SWE_0021	Winter	Secure	0.32	0	0	NO	NO	FIXED	300.00	0	0.32
Lincoln-Anderson Lane	CMZ_T4B_EM_0002	Winter	Secure	5.20	0	0	NO	NO	FIXED	300.00	4.710	0.49
Llandrindod - Rhayader	CMZ_T4A_SWA_0001	Winter/Summer	Dynamic	1.13	1	0.018	NO	NO	FIXED	305.00	1.510	
Llanfyrnach	CMZ_T5B_SWA_0009	Winter	Dynamic	2.71	1	43.000	YES	NO	FIXED	305.00	0.360	
Loughborough	CMZ_T5A_EM_0024	Winter/Summer	Dynamic	15.83	1	0.014	NO	NO	FIXED	305.00	8.410	7.41



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Mackworth	CMZ_T5A_EM_0025	Winter	Secure	1.32	2	30.019	NO	NO	FIXED	300.00	1.230	
Manton	CMZ_T5A_EM_0026	Winter/Summer	Secure	2.18	1	0.023	NO	NO	FIXED	300.00	1.190	0.97
Moretonhampstead	CMZ_T4A_SWE_0009	Winter	Dynamic	0.82	0	0	NO	NO	FIXED	305.00	1.320	
Morwenstow	CMZ_T6B_SWE_0025	Winter	Dynamic	1.15	0	0	NO	NO	FIXED	305.00	0	1.15
Mountain Ash	CMZ_T5A_SWA_0007	Winter	Secure	1.62	0	0	NO	NO	FIXED	300.00	18.68	
Mullion	CMZ_T5B_SWE_0019	Winter	Secure	1.17	0	0	NO	NO	FIXED	300.00	0.560	0.61
New Dove Valley	CMZ_T5A_EM_0027	Winter/Summer	Secure	2.27	0	0	NO	NO	FIXED	300.00	2.410	
Pembroke - BroadField	CMZ_T4A_SWA_0003_P1	Winter/Summer	Dynamic	1.65	0	0	NO	NO	FIXED	305.00	1.600	0.05
Pembroke - Tenby	CMZ_T4A_SWA_0003_P2	Winter/Summer	Dynamic	5.80	1	0.013	NO	NO	FIXED	305.00	1.050	4.74
Pembroke - St Florence	CMZ_T4A_SWA_0003_P3	Winter/Summer	Dynamic	0.78	0	0	NO	NO	FIXED	305.00	0.810	
Probus	CMZ_T6B_SWE_0024	Winter	Secure	10.66	0	0	NO	NO	FIXED	300.00	0	10.66
Roundswell	CMZ_T5A_SWE_0015	Winter/Summer	Secure	1.70	0	0	NO	NO	FIXED	300.00	0.960	0.74
Sharnbrook	CMZ_T6B_EM_0030	Winter	Dynamic	5.34	1	0.052	NO	NO	FIXED	305.00	0	5.29
Stokenham	CMZ_T6A_SWE_0020	Winter	Secure	0.30	0	0	NO	NO	FIXED	300.00	4.000	
Tiverton	CMZ_T4A_SWE_0010	Winter	Dynamic	11.82	0	0	NO	NO	FIXED	305.00	15.500	



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Trevaughan	CMZ_T4A_SWA_0004	Winter	Secure	3.01	0	0	NO	NO	FIXED	300.00	1.180	1.83
Truro - Truro Treyew	CMZ_T5A_SWE_0016	Winter	Dynamic	6.70	1	5.000	NO	NO	FIXED	305.00	2.590	
Weston Super Mare	CMZ_T4A_SWE_0013	Winter	Dynamic	8.49	0	0	NO	NO	FIXED	305.00	21.690	
Witheridge	CMZ_T4A_SWE_0014	Winter/Summer	Secure	0.64	0	0	NO	NO	FIXED	300.00	1.144	
Woodbeck	CMZ_T4A_EM_0020	Winter/Summer	Dynamic	2.19	0	0	NO	NO	FIXED	305.00	1.11	1.08

RESULT	MW
Awarded in 2022 Cycle 2	147.43
Awarded in previous rounds	379.23
Awarded in previous zones ¹	404.78
Grand Total	931.44

¹ In earlier procurement rounds, NGED have sought to procure services in zones which were not included in this procurement cycle.



AWARDS

COUNTERPARTY	VOLUME AWARDED	PRICING STRUCTURE	SERVICES	£ PRICE AWARDED (A/U) ²	TECHNOLOGIES	CONTRACT LENGTH
Conrad Energy (Trading) Limited	147.2	Fixed	Secure Dynamic Restore	125/175 5/300 0/600	Energy Generation	4 years
ev.energy	0.232	Fixed	Secure Dynamic Restore	125/175 5/300 0/600	Un-recruited / unknown	1 years

² Availability/Utilisation



PROCUREMENT CYCLES

NGED will continue to formally procure flexibility in CMZs which are unfulfilled in MW capacity contracted and/or have insufficient market competition, while also identifying new CMZ locations across the network. New CMZ locations will be announced in Q1 2023.

NGED will continue to run regular procurement cycles, future procurement rounds will be announced on the Flexible Power website www.flexiblepower.co.uk/national-grid-electricity-distribution. NGED also reserves the right to withdraw or add procurement at any time throughout the year.

FIND OUT MORE

The Flexible Power website is dedicated to providing visibility of the services NGED is looking to procure, it contains detailed information about active CMZs and supporting documentation. The website can be viewed at www.flexiblepower.co.uk.

Any parties wishing to participate in the next cycle of procurement should first respond to the [Periodic Indicative Notice \(PIN\)](#). Alternatively, please contact the NGED Flexible Power team nged.flexiblepower@nationalgrid.co.uk.