

Technical tender – Project
identification

Welcome to our WebEx for Early Competition

We will commence the meeting on the hour



nationalgridESO

Agenda

- Introductions
- Housekeeping
- Content challenge and review
- Next steps



On the call today from the Early Competition Team are...

Sally Thatcher (ESO)

Network Competition Policy
Manager



Richard Paterson (ESO)

Network Competition Policy
Development Analyst



Hannah Urquhart (ESO)

Commercial Analyst



Monika Stachowiak

KPMG



Geoff Randall

KPMG



Tell us about you

Who are you? Where do you work? What is your interest in early competition?

On the call today from the Early Competition Team are...

Sally Thatcher (ESO)

Network Competition Policy
Manager



Richard Paterson (ESO)

Network Competition Policy
Development Analyst



Alastair Grey (ESO)

Commercial Analyst



Monika Stachowiak

KPMG



Geoff Randall

KPMG



Tell us about you

Who are you? Where do you work? What is your interest in early competition?

On the call today from the Early Competition Team are...

Sally Thatcher (ESO)

Network Competition Policy
Manager



Richard Paterson (ESO)

Network Competition Policy
Development Analyst



Alastair Grey (ESO)

Commercial Analyst



Monika Stachowiak

KPMG



Matthew Curtis

KPMG



Tell us about you

Who are you? Where do you work? What is your interest in early competition?

House Keeping

We've scheduled the meeting for 1 hour and appreciate how precious people's time is so to help us keep to time:

Please feel free to ask questions and challenge views but please don't be offended if we need to park questions or discussion if we start to move off topic, or if we are running out time.

In this circumstance we can advise if this topic area is covered in one of our subsequent workshops, or we can make contact with you separately to further discuss at a later date.

Also please feel free to call questions out when you have them, or use the chat function.

Project identification– Key Components



Assumptions

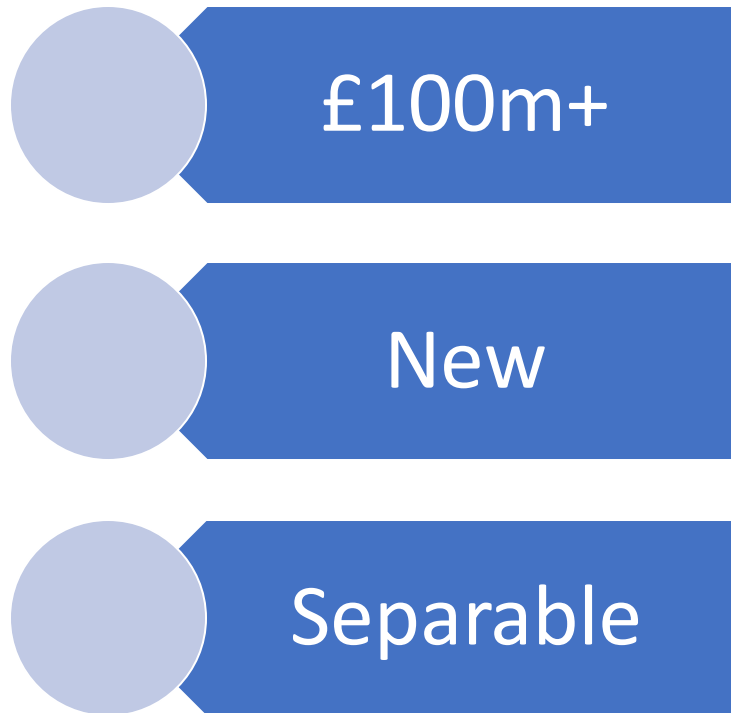
Network investment should be open to competition wherever there is likely to be consumer benefit from doing so.

The earlier the tender the greater the scope for innovative solutions that lead to greater consumer benefit.

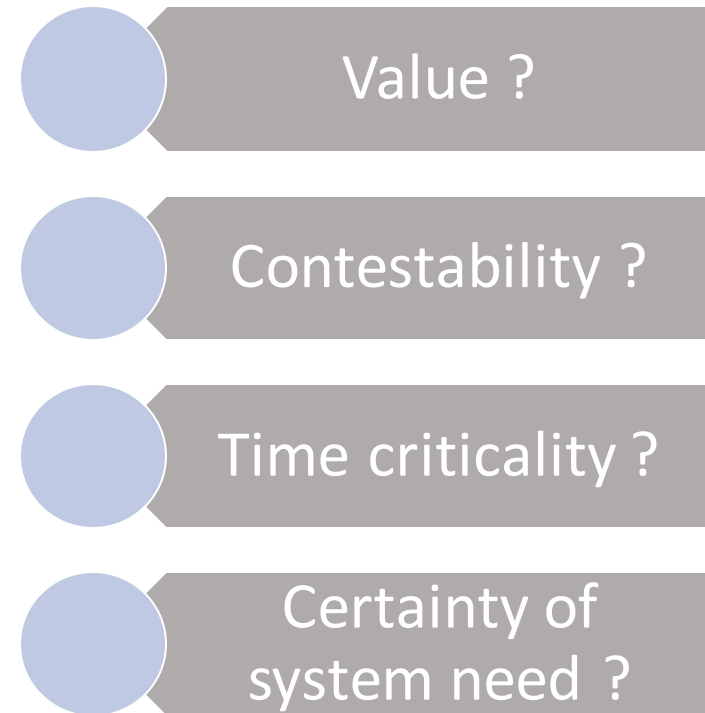
Ofgem retain the ultimate decision on the criteria and whether specific projects will be subject to competition.

Background

Late model criteria



Early Competition



RIIO-2 TO Business Plans

HVDC Peterhead
to Drax

South London to
South East Coast

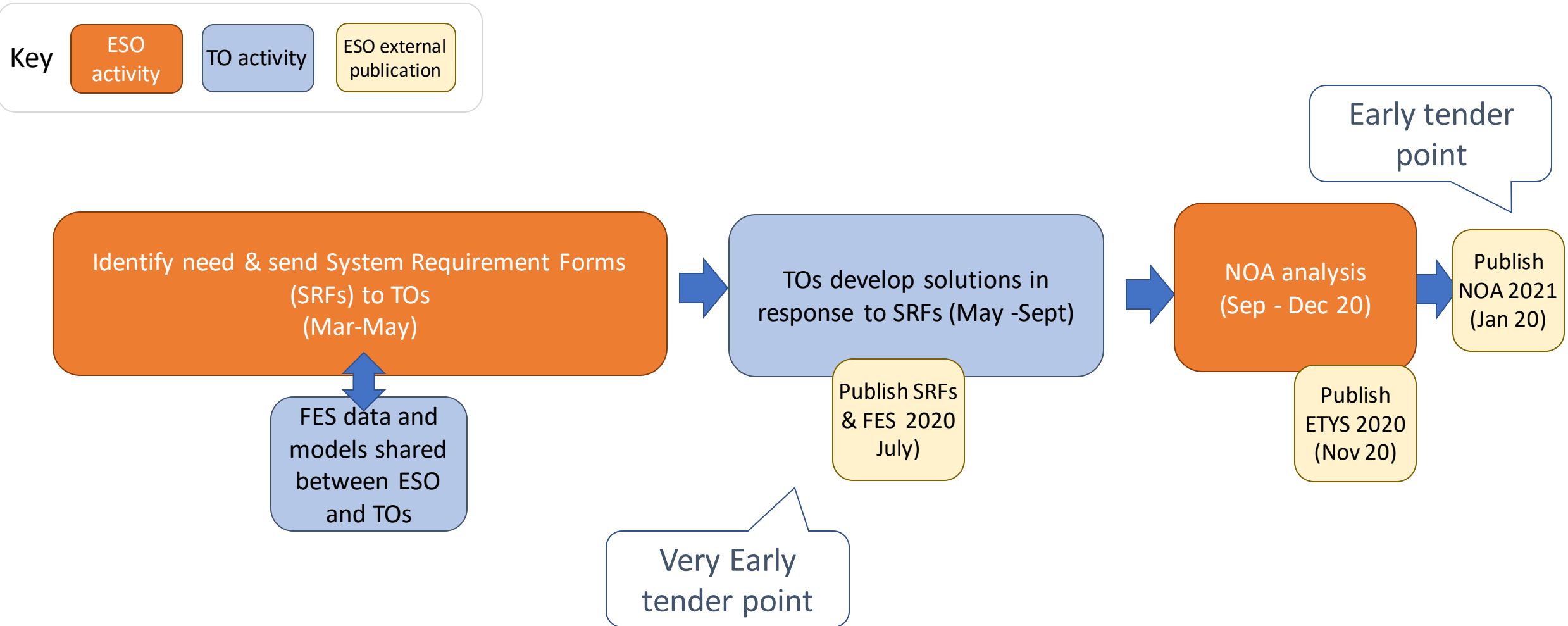
Central Yorkshire

Kinardochy
Reactive
compensation

Eccles
project (Hybrid
synchronous
compensation)

Estimated value of
£1bn per year across
these projects

Existing network planning process



Project criteria

Separable

- Can 'separable' be applied in early or very early models?

New

- Can 'new' be applied in early or very early models?

Size/Value

- Does the size of a project affect whether it could be tendered?

Project criteria

Contestable

- Are there any types of projects that are not 'contestable' – I.e there is no realistic possibility that a different solution design could be used?

Urgency/ timing

- Do you think urgency should be a key determining factor in whether to tender a project?

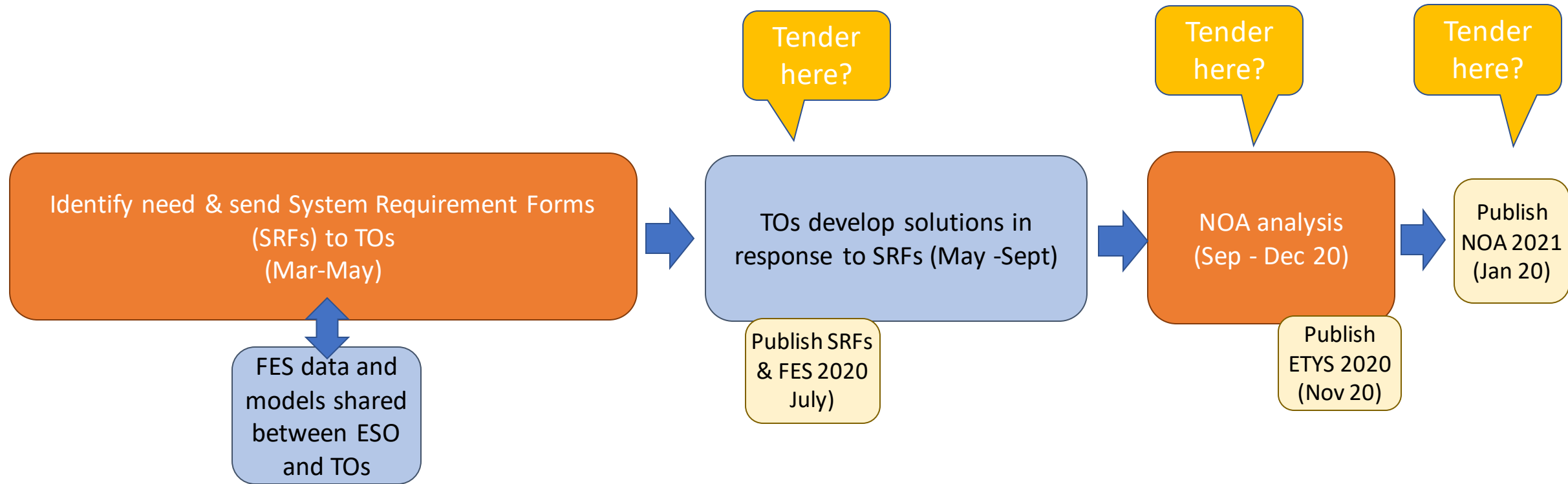
Certainty

- Should/can we consider the level of certainty over the network need be compete for?

Complexity/risk

- Do certain types of projects carry more complexity and risk than others? Which are most/least risky and why?

Existing network planning process



- When should a competition be launched?
- What roles should the TO play?
- Who should decide what is competed?

Next steps

- If you have feedback or wish to discuss anything please get in touch

Box.earlycompetition@nationalgrideso.com

- The slides and any notes from this session will be made available on our website
- We will be emailing a survey; please can you take the time to feedback on this session
- Our next milestone is the Early Competition Consultation Document which we expect to publish in July

