



Early Competition

Information Provision

Agenda

Network information provision

Introductions

Phase 2 feedback summary

Before Tender event starts

During Tender event

After an award has been made

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

Richard Paterson (ESO)

Network Competition Policy
Development Analyst



Sally Thatcher ESO)

Network Competition Policy
Manager



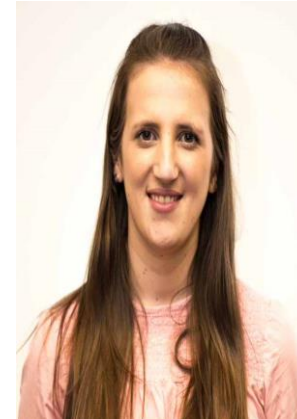
Oscar McLaughlin

KPMG



Hannah Urquhart (ESO)

PMO Analyst



Rachel Payne (ESO)

Stakeholder Lead

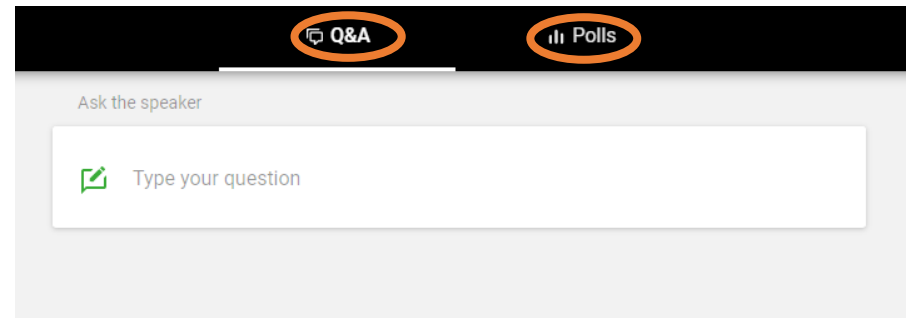
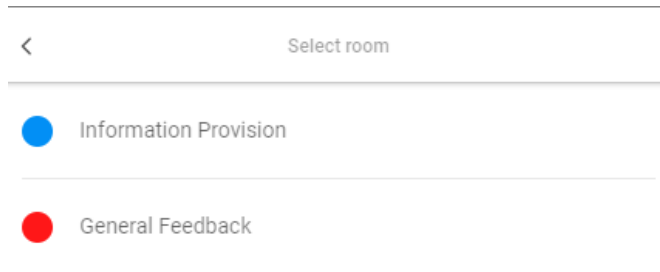


Tell us about you

Who are you? Who are you representing? What is your interest in early competition

Navigating Sli.do

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Phase 2 summary



Phase 2 proposal

ETYS models to be encrypted and Non Disclosure Agreement for bidders not party to Codes and Licence obligations

Type	Description	Source
System Requirement	Sets out required and expected boundary transfer capability needs over next 10 years, indicating where reinforcement or management solutions are required	ESO
ETYS models	Circuit information e.g. how nodes/substations connected, electrical and physical properties and changes across ETYS study years	ESO
Network Modelling	Software to model how proposal affects network capability	Market
Study guidelines	Sets out assumptions to be used for modelling	ESO
Land	Information on land ownership, access rights, existing surveys	TO
Oracle tool	A tool that allows TO's to run their own indicative cost benefit analysis of options	ESO
Pre-submission review	The ESO works with TO's to identify any obvious issues with an option ahead of NOA submission	ESO
Shadow studies	ESO runs shadow studies to check against TO studies – discrepancies reviewed to understand why	ESO

Phase 2 feedback summary

Generally, the list of information will provide enough to develop a technical proposal

However, a number of stakeholders raised that the interaction and impact on network will need to be assessed to get a complete picture of costs

Some stakeholders asked what would be an appropriate sanction for providing inaccurate information or breach of a NDA

Some stakeholders raised questions about how information would be kept updated through the tender

Some support for pre-submission reviews was expressed, but this was balanced against a concern of providing “free” consultancy

Before Tender



Before a tender is launched

In Year 1 a NOA cycle has been completed and potential opportunities for early competition have been identified. A period of market engagement follows, which could include an Expression of Interest or Request for Information



Q. What would you expect to see in an Expression of Interest or Request for Information?

During the tender



Impact on the network

A number of stakeholders have highlighted that they believe all proposals need to be assessed for their impact on the network, to fully understand whether they are technically feasible and economically viable.

For example an HVDC proposal would require the harmonics to be assessed.

These impact studies are currently generally performed by the TO

Q. Is it possible/practical to provide information to bidders before they start development of their technical proposal that removes the need for an impact study? Or are these types of studies a unique response to the bidders technical proposal?

Q. If the studies have to be completed after the bidder has developed a proposal, and assuming the TOs are required to do the analysis, do you think:

- a) bidders should commission directly with the TOs
- b) the Procurement Body should commission the studies

Pre-submission review

Some stakeholders have stated that a pre-submission review would be useful to discuss and refine their proposal. Other stakeholders have raised concerns about providing a consultancy service, for which they are not funded.

It is expected that the tender process will include a formal clarification questions process where bidders and evaluators can ask clarifying questions of each other, to ensure bidders can maximise their proposal and they are fully understood during evaluation.

Unless there is a proven confidentiality requirement (Procurement body decision), all questions and responses will be published to ensure transparency, and avoid discrimination that might be caused by unintentionally coaching bidders.

Therefore **our current position is that pre-submission reviews will not be offered to bidders**, as the clarification process will allow bidders to develop their bid and preserve equal treatment.

Q. Do you agree with our current thinking?

Protection of sensitive information

Bidders access to the ETYS models is critical. Where bidders are not licensed and/or signed up to the STC, our preference is to only supply the ETYS models in an encrypted format and once a Non-Disclosure Agreement (NDA) has been signed.

Q. What do you consider to be a reasonable penalty for the breach of an NDA?

Event communications channel

Ease of access to documentation, information and control over the flow of communications will be important to the success of early competition and will be a key consideration for a Procurement Body. There are a number of options available:

Option	Description	Positive	Negative
1	SharePoint + email	Well known, accessible, low cost, familiar	Access control, easy to have to communication failures, multiple files
2	Data portal + email	All tender documents in single location, familiar	Access control easy to have communication failures, bidders responses kept in different systems
3	Procurement system	Access control, single location for all documentation, much lower risk of communication failures	Might be less familiar, additional cost to Procurement Body

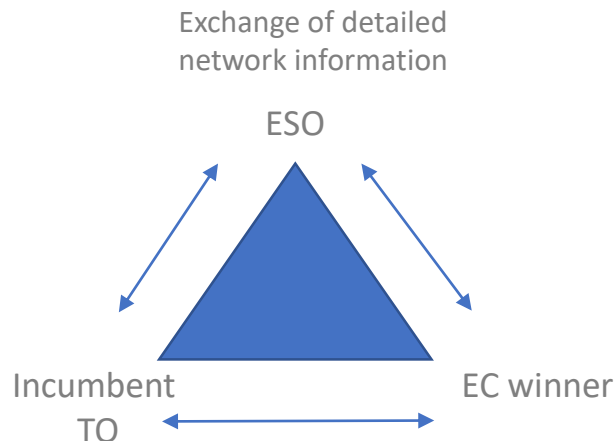
Q. Do you have a strong preference for which option you prefer?

After award



Detailed information exchange

The winning bidder will need to work closely with the ESO and potentially other TO/s. There will be a flow of more detailed and potentially sensitive/confidential information as the winning bidder moves into the delivery stages. **Our emerging thinking is that existing mechanisms are in place to manage these relationships.**



EC outcome	Mechanism setting out obligations		
	ESO to TO	ESO to EC winner	EC winner to TO
Incumbent TO wins	STC	N/A	N/A
Bidder (not incumbent TO) wins with a network solution, receives a TO Licence and signs up to STC (CATO LICENCE)	STC	STC	STC
Bidder (not incumbent TO) wins with a non-network solution and enters into a service contract with the ESO	STC	Licence Grid Code CUSC	Via ESO through Connection Agreement

Q. Is the table correct?

Q. What is your view on whether changes will be required to codes?

Next Steps

- Please take time to answer our feedback poll, on sli.do, to allow us to further improve your experience for future events.
- Alternatively contact us by email at:

Box.earlycompetition@nationalgrideso.com

- Our next milestone is the Early Competition Phase 3 Consultation Document which we expect to publish in December
- The slides and any notes from this session will be made available on our website

