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Instructions to Tenderers – EOI and Consultation

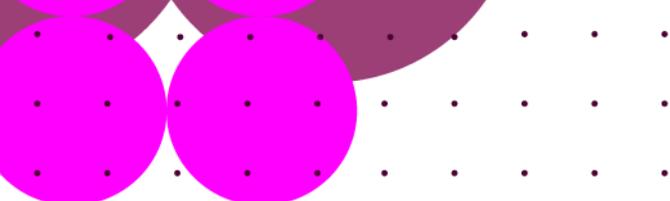
Mid-Term (Y-1) Stability Market

Tender Year: 2025–2026

Delivery Year: 2027–2028 / 29

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Legal Disclaimer

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Delay, cancellation, and/or suspension of tender events

NESO unconditionally reserves the right to delay, suspend and/or cancel the Tender Event at any point at its sole discretion and without any liability. The tender timelines provided by NESO are subject to change. NESO unconditionally reserves the right to amend the tender timeline at its sole discretion and without any liability.

Purpose of this document and the EOI Pack

This document and the other documents that make up the EOI Pack have been provided in good faith. The purpose of these documents is to: 1) provide the market with information about the tender rules and requirements to enable market participants to make an informed decision to express their interest, and 2) allow an opportunity for the market to give their feedback through the consultation prior to the Invitation to Tender (ITT). When the ITT launches, these documents may be updated following feedback from the market and/or to reflect the progression from EOI stage to ITT. Bidders may also receive additional documents and/or information, for example about how their tender submissions will be assessed. This means ITT documents may supersede earlier documents and/or information previously communicated during the EOI.

Commercial Decisions

Any commercial decisions made by bidders to facilitate or support tender submissions are made at the full discretion of the tender participant. NESO shall not be liable for any results of these commercial decisions and does not accept responsibility for any commercial decisions made by participants.

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Version Control

Version Number	Date	Notes
V1	14 th January 2026	Instructions for tenderers during the Expression of Interest (EOI) and consultation stages of the tender. This document may be amended or updated at the Invitation to Tender (ITT) stage.

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Introduction

On behalf of National Energy System Operator (NESO), this document invites bidders to provide expressions of interest (EOI) in the third tender round of the Mid-Term (Y-1) Stability Market and to provide EOI consultation feedback.

NESO's approach will largely replicate the tender process followed during previous years. Any refinements following this consultation period will be outlined at the ITT stage. The second Mid-Term (Y-1) Stability Market tender will be referred to as '**Mid-Term 27/28**' herein. For other key terms please refer to the Glossary.

To assist the market, this document:

- provides advanced information about how the tender process will be facilitated
- provides key instructions, rules, and guidelines
- explains how bidders can respond to the EOI and consultation

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1. Mid-Term (Y-1) Stability Market Overview

The Mid-Term (Y-1) Stability Market operates based on annual tender rounds, where contract award will be made approximately one year prior to the service delivery year in question.

The design of the Mid-term Stability Market is that typically each tender round will primarily focus on one delivery year at a time. However, for the Mid-term 27/28 tender, NESO is offering bidders the opportunity to bid for a two-year delivery period. This means that during the tender round held between 2025 and 2026, bidders are requested to submit bids covering one delivery year (2027–2028) and two delivery years (2027–2029). NESO reserves the right to award contracts for either one or both delivery years, depending on the nature and quality of bids received.

To be contracted for a specific delivery year, bidders would need to take part in the relevant tender round.

Each tender round will be open to new bidding companies and/or new solutions/assets. It is not a pre-requisite to partake in a previous tender round to be able to partake in subsequent tender rounds.

For each tender round NESO will confirm the requirement and provide tender documentation to facilitate the process. Please note this document and the other published documentation that make up this **Mid-Term 27/28** EOI Pack are only applicable to the third tender round. As and when future tender rounds are completed, new tender documents will be published.

	2025	2026	2027	2028	2029	2030
2027/28 delivery year		25-26 Tender		27-28 Delivery	27-29 Delivery	
2028/29 delivery year		26-27 Tender			28-29 Delivery	TBC during future tender round

2. Mid-Term 27/28 Requirements – Summary Information

NESO is seeking solutions to support Great Britain’s inertia requirements between October 2027 and September 2028, with an option to procure up to September 2029.

The table below provides a high-level summary of the requirements for this tender, but please refer to the other tender documents, for example the **Mid-Term 27/28** Technical Specification, for full details.

Table 1

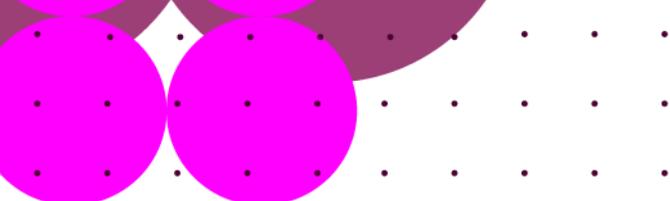
Topic	Detail
Requirement	<p>The requirement for procurement in this tender is 15 GVA.s inertia between 2027 and 2028 (with an option to bid up to 2029). The outturn requirement that NESO procure may be above or below this volume according to the bids received and what NESO considers to be the most economic action to take based on the assessment criteria.</p> <p>The indicative requirement reflects NESO’s best view of the requirement based on several different scenarios that the NESO has forecasted. For more details, please refer to the Technical Specification.</p>
Service delivery period	<p>1 October 2027 to 30 September 2028 (with an option to 30 September 2029)</p>
What voltage levels can solutions be offered at?	<p>Solutions must either be directly connected to the transmission system or if Embedded have a User System Entry Point of 132kV. For clarity anyone connecting to the transmission system would be eligible to take part in this tender, including tertiary and grid park connections. This is due to the challenges in allowing DNO connections below 132kV, some of these challenges are:</p> <p>Solutions connecting at 110kV or above have more stringent technical requirements in the Grid Code. This includes enhanced fault ride through characteristics which are an important attribute for solutions providing stability services, which would need to be demonstrated by distribution assets. Further to this, there are technical limitations around being connected to low level voltages in DNO networks and interactions with loss of mains protection.</p> <p>There are several additional requirements to the normal technical requirements for Grid Forming technologies. Grid forming is a new emerging technology that is being deployed in very limited numbers across GB. Currently, there are no DNO connected grid forming assets deployed in GB, through this Mid-Term (Y-1) Stability Market we would first like to understand the performance and limitations of grid forming</p>

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	<p>assets providing stability/inertia to the NESO at the higher voltage levels in DNO networks before expanding to cover lower voltage levels.</p> <p>To address some of these issues NESO has an ongoing innovation project for the monitoring of inertia which will likely help us to better understand the impact of inertia sources connected at lower voltage levels on the national requirement. NESO are also exploring opportunities to undertake further innovation work to assess the effectiveness of distribution connected solutions towards the national inertia requirement. Through this work NESO intend to work with DNO's to understand the implications for their networks from the installation of grid forming technology. Depending on the findings upon conclusion of these innovation projects, the eligibility criteria for the Mid-Term (Y-1) Market may be updated in the future.</p>
Technology type	<p>Mid-Term 27/28 is technology agnostic. NESO is seeking technologies that provide inertia services, based on a technology-agnostic specification. Any solution proposed must meet the tender criteria, such as the Technical Specification and the Eligibility Criteria (please refer to the separate documents for details).</p>
Availability	<p>This service requires at least 90% availability, and the contract will be paid on a pay-as-bid basis.</p> <p>For GBGF-S technologies, there are two forms of payments. One payment will be an availability fee on a £/settlement period basis, which will be paid when assets are available for provision of their contract stability services, but they have not been actively instructed to provide the service. There will be a further utilisation payment when instructed throughout the delivery year (see next section).</p> <p>For GBGF-I technologies, payment will be made through a single availability fee payment with no separate utilisation payment. For both GBGF-S and GBGF-I units, the availability fee will be fixed for the delivery year, with no indexation applied.</p> <p>For information on how stacking will impact availability and availability payments please see Section 9 below.</p>
Utilisation Profile	<p>During periods when contracted GBGF-S solutions have been instructed to provide the service, the intention is that, for GBGF-S technologies both the availability and utilisation payments will be made subject to the provider's solution being available and accepting the instruction to provide the service. The utilisation fee will be fixed for each delivery year, with no indexation applied. For more details on utilisation payment, please refer to the contract terms and conditions.</p>

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	<p>For GBGF-I technologies payment will be made through a single availability only fee as there will be no additional utilisation instruction for these technologies.</p> <p>Please refer to the Technical Specification for information on the utilisation profile, and the Contract Award Criteria for how utilisation will be assessed in the tender assessment. Please note the utilisation will not be capped in the contract.</p> <p>For information on how stacking will impact availability and availability payments please see Section 9 below.</p>
Can 0MW solutions take part?	0MW solutions can participate in the tender process. Any proposed solution must satisfy the tender requirements (including the Eligibility Criteria) to be considered for a contract. Please refer to the Contract Award Criteria for more information.
Can Non-0MW solutions take part?	Non-0MW solutions can participate in the tender process. Any proposed solution must satisfy the tender criteria (including the Eligibility Criteria) to be considered for a contract. Please refer to the Contract Award Criteria for more information.
Can services be stacked?	Yes, please refer to Section 9 of this document for more details.
Can existing connections participate?	Yes. Any solution proposed must satisfy the tender criteria (including the Eligibility Criteria) to be considered for a contract. Please refer to the Contract Award Criteria for more information.
Can Transmission Owners participate?	No. TOs are not permitted to participate in this market. Their regulatory arrangement does not allow for this.
Can Distribution Network Owners participate?	No. DNOs are not permitted to participate in this market. Their regulatory arrangement does not allow for this.
Can Offshore Transmission Owners participate?	No. OFTOs are not permitted to participate in this market. Their regulatory arrangement does not allow for this.
Can Interconnectors participate?	Yes. Interconnectors are able to participate in this market and receive a commercial contract for the provision of the service. Any proposed solution must satisfy the tender criteria (including Eligibility Criteria) to be considered for a contract. Please refer to the Contract Award Criteria for more information.
Will any redundancy be procured based on N-1?	No, NESO is not seeking to procure redundancy based on the N-1 methodology in this tender. However, please note NESO's comments within the 'Requirement' row of this table.



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For the avoidance of doubt, NESO seeks to secure an overall portfolio of solutions that minimises costs to manage inertia across the system. As a result, NESO may procure more or less than its requirements if it is economic to do so.

If none of the solutions tendered by bidders provide economic benefits against the forecasted alternative cost of managing inertia through the Balancing Mechanism (BM) then this **Mid-Term 27/28** tender may not proceed to award contracts. It's possible that only part of the requirement is awarded through this tender, whilst the remaining requirement is sought through the BM.

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3. Tender Process and Timeline Overview

The **Mid-Term 27/28** tender will follow the process outlined below, which consists of a pre-tender Expression of Interest (EOI) stage followed by a combined commercial and technical Invitation to Tender (ITT).



Table 2

Indicative Timelines (subject to change)	
Task	Date
EOI Launch	w/c 12 January 2026
Consultation Deadline	6 February 2026
EOI Deadline	13 February 2026
ITT Launch	25 February 2026
ITT Window	February 2026 – May 2026
ITT Deadline	May 2026
NESO Internal Tender Assessments	June 2026 – August 2026
NESO Internal Sanction Process	September 2026
Contract Award	October 2026

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4. Expression of Interest Deadline

The deadline to submit expressions of interest in participating in **Mid-Term 27/28** is **13th February 2026**.

All bidders are required to formally submit their expression of interest by this deadline if they wish to participate. Expressing an interest does not result in an obligation to submit a full tender submission at ITT stage. Any bidder who registers at EOI may withdraw from the process at any point prior to the ITT tender submission deadline. NESO ask that any bidder who does withdraw provides a reason for doing so.

See **Section 5** below for details on how to submit an expression of interest.

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5. Expressions of Interest Process

To participate in this **Mid-term 27/28** tender and be invited to the ITT, participants must do the following:

- Complete the EOI Submission Pro-forma

This form asks you to confirm various company information such as:

- Company Name
- Nominated Contact (multiple contacts can be provided if necessary)
- Contact Phone Number (for each contact provided)
- Contact Email Address (for each contract provided)
- Postal Address
- Company Ariba ID information (if available)
- Complete the EOI due-diligence criteria

Return the completed EOI submission pro-forma by the EOI Deadline to NESO by email to box.stability@neso.energy

Note: this will be the primary email address used to facilitate this tender process. Submitting the pro-forma to any other email address does not guarantee receipt and / or processing as part of this tender.

Expressions of interest must be received by the EOI deadline (see Section 4 above). Please ensure the contact details provided as part of the EOI submission are up-to-date and correct for anyone you wish for NESO to engage with throughout this tender process. NESO will not be held liable if incorrect contact information is provided.

Note: Participation by Joints Ventures (JV) / Groups is permitted. When JVs/Groups express their interest, the company names of all JV / Group members must be provided. Only companies who express an interest will be invited to participate in the ITT, therefore, it is not possible for a JV / Group to dissolve and for individual company members to submit a Tender separately if those individual members have not expressed an interest as individuals. See Appendix C for more details.

During the EOI stage, bidders will have the opportunity to provide consultation feedback on the draft tender documents that have been shared. See Section 6 below for more details.

Conditions of expressing an interest

By expressing an interest in response to this EOI, bidders are agreeing to be bound by the terms of the EOI Pack and/or any revisions of said terms as made by the ITT. Bidders also confirm that they shall ensure that any JV/Group/consortium members and/or subcontractors comply with all applicable laws, codes of practice and statutory guidance.

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Information that is supplied as part of this EOI is supplied in good faith. The information contained in the EOI Pack and in any related written or oral communication is believed to be correct at the time of issue, but NESO will not accept any liability for its accuracy, adequacy or completeness and no warranty is given as such. This includes but is not limited to Ofgem's announcement on the treatment of synchronous condensers which can be found [here](#).

Any reliance by a bidder or any third party on the information provided by NESO as part of this EOI is at the Bidder's and/or third party's risk.

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6. Consultation Deadline and Process

As part of the EOI, the market is also invited to provide feedback on the published information. The deadline to return any consultation feedback to NESO is **6th February 2026**. If a participant wishes to provide feedback it should be done using the Consultation Feedback Form and returned to box.stability@neso.energy.

Any market participant can respond to the consultation regardless of whether they are expressing an interest or not. Those who express an interest are encouraged to provide consultation feedback.

Providing feedback on the documents shared in this EOI is optional. Providing feedback does not result in an obligation to express an interest or propose a tender submission.

The deadline to provide consultation feedback is deliberately earlier than the EOI deadline to allow sufficient time for NESO to review market feedback and if necessary, make any updates to the tender process, requirements and/or tender documents prior to the launch of the ITT. The staggered nature of the consultation deadline and EOI deadline will not be amended.

7. EOI and Consultation Content

The **Mid-Term 27/28** EOI Pack consists of the following:

- 1. Instructions to Tenderers – EOI and Consultation (this document)
- 2. Technical Specification
- 3. Eligibility Criteria
- 4. Contract Award Criteria
- 5. EOI Proforma
- 6. Consultation Feedback Form

All documents listed above are applicable to all bidders unless otherwise indicated. At any time during the EOI, prior to any deadlines, NESO may amend any of the EOI Pack or provide additional information. If there is any inconsistency or conflict between the terms of these instructions and any other document comprised in the EOI Pack, the provisions of these instructions prevail.

When the ITT launches, these documents may be updated following feedback from the market and/or to reflect the progression from EOI stage to ITT. Bidders may also receive additional documents and/or information. This may supersede information previously communicated during the EOI. It is the responsibility of bidders to ensure that they fully understand the ITT documents and to reach out to the NESO if they have any questions.

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8. Eligibility Criteria

Bidders will be considered for a contract in the **Mid-Term 27/28** tender provided that the eligibility criteria have been satisfied. Please refer to the Contract Award Criteria document for how the assessment will be carried out.

If bidders have any queries or concerns regarding how they meet the eligibility criteria, please contact the Stability Market team through the query process defined in Section 11 below.

9. Service Stacking Rules

Service stacking is permitted under the contract for **Mid-Term 27/28**, such that, in NESO’s sole opinion, it does not impact the bidder’s ability to provide the contracted service. The table below lists out which services can be stacked.

Table 3

Service	Is Stacking Permitted?
Frequency Response (FR)	Yes – providing sufficient capability is reserved to deliver the contracted stability services in parallel with the contracted Frequency Response service. This capability must be demonstrated and accepted by NESO before the services can be stacked. NESO expect to provide more details at a later stage on how this can be done.
Reserve	Yes – providing sufficient capability is reserved to deliver the contracted stability services in parallel with the contracted Reserve service. This capability must be demonstrated and accepted by NESO before the services can be stacked. NESO expect to provide more details at a later stage on how this can be done.
Reactive power (RP)	Yes – paid for through ORPS. This capability must be demonstrated and accepted by NESO before the services can be stacked. NESO expect to provide more details at a later stage on how this can be done.
Capacity Market (CM)	<p>Yes - does not impact service delivery</p> <p>Please note, NESO do not believe it is not necessary to list the Mid-Term Stability Market as a "Relevant Balancing Service" within the Capacity Market, because in the event where there is a Capacity Market Stress Event, from a whole system perspective it is unlikely that there will also be a need to instruct providers in the Mid-Term Stability Market. So there is no need to prioritise the Mid-Term Stability Market through the Capacity Market’s definition of Relevant Balancing Services.</p> <p>Furthermore, it is a requirement of the contract, that the H-Constant of the plant is fixed for the duration of the contract year and that any operation of the plant must be in compliance with Grid Code requirements. This offers a very limited opportunity for the plant to provide any additional active power capability during a CM Stress Event.</p>

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Restoration	Yes - does not impact service delivery
Constraint Management Intertrip Service (CMIS)	Yes: Permitted on the basis that the provider can demonstrate capability on the basis of quick de-load (or alternative activation of CMIS) where the stability service is left intact as part of tests. <i>Note: Providers cannot be connected behind another entity who holds a CMIS contract whereby their availability could be impacted if said CMIS contract was tripped.</i>
Balancing Mechanism (BM)	Yes - however Non-0MW synchronous providers will forego payment when they generate above 0MW due to being instructed by NESO in the BM
Wholesale Market (WM)	Yes - however Non-0MW synchronous providers will forego payment when they generate above 0MW either due to self-dispatching (>0MW FPN) or are instructed by NESO in the BM

Please note from an availability perspective with regards to the 90% requirement, in any settlement periods where providers are stacking any of the **permitted** services above, the provider will still be treated as available. Please see the below table for how this will translate into payments under this contract whilst stacking services.

Table 4

Example	Will payment still be made under the Stability Mid-Term contract when stacking?							
	FR	Reserve	RP	CM	Restoration	CMIS	BM	WM
Non-0 MW synchronous generator able to provide stability at 0MW export (GBGF-S)	Yes	Yes	Yes	Yes	Yes	No	No	No
Non-0 MW synchronous generator unable to provide stability at 0MW export (GBGF-S)	Does not meet eligibility criteria, would not receive a Mid-Term 27/28 contract.							

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OMW export Synchronous compensator (GBGF-S)	N/A	N/A	Yes	N/A	Yes	No	N/A	N/A
Non-synchronous battery storage solution with grid forming capability (GBGF-I)	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
Non-synchronous battery storage solution without grid forming capability	Does not meet eligibility criteria, would not receive a Mid-Term 27/28 contract.							

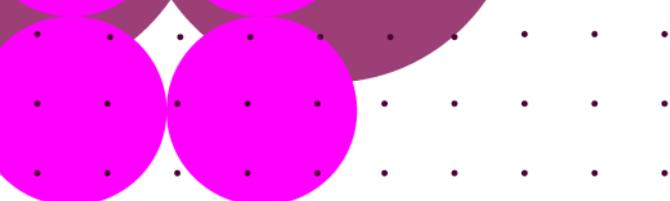
Table 4 above is not exhaustive. If you have any concerns with regards to how the stacking rules apply to your proposed solution, please contact the Stability Market team in line with the query process defined in Section 11 below. If there is a service you wish to stack that is not listed above, please contact the Stability Market team in line with the query process defined in Section 11 below so that this can be addressed.

In reference to other Network Services/Pathfinder contracts, please see details below on these stacking rules.

Table 5

Service	Is stacking permitted?
Voltage 2026 contracts	<p>Generally, these contracts can be stacked.</p> <p><u>GBGF-S Technologies</u></p> <p>Where the same reactive power capability is stacked in these contracts, the provider will forgo the ORPS payments due under the Mid-Term (Y-1) Stability Market contract and only be paid for its reactive power capability through the Voltage 2026 contract.</p> <p>With regards to stability payments, the provider will continue to be paid the availability fee under the Mid-Term (Y-1) Stability Market</p>

	<p>contract when stacking, and be paid the utilisation fee under the Mid-Term (Y-1) Stability Market contract when the system inertia (published here System Inertia National Energy System Operator) is below the NESO's target inertia level at that time based on the published FRCR policy.</p> <p><u>GBGF-I Technologies</u></p> <p>Where the same reactive power capability is stacked in these contracts, the provider will forgo the ORPS payments due under the Mid-Term (Y-1) Stability Market contract and only be paid for its reactive power capability through the Voltage 2026 contract.</p> <p>With regards to stability payments, the provider will continue to be paid the availability fee under the Mid-Term (Y-1) Stability Market contract when stacking.</p>
<p>Stability Phase 1 contracts</p>	<p>These contracts are expiring during the delivery year therefore no stacking is expected.</p>
<p>Stability Phase 2 contracts</p>	<p>Stacking these contracts is permitted so long as any capability bid into the Mid-Term (Y-1) Stability Market is additional stability capability beyond what is already contracted in the existing Stability Phase 2 contract (i.e., the stability capability must only be contracted under one stability contract).</p> <p>Furthermore, for GBGF-S, the provider needs to be able to dispatch this additional capability independently from the dispatch of the existing capability already under the existing Stability Phase 2 contract, such that the inertia contracted under each contract would be available to the NESO separately.</p>
<p>Stability Phase 3 contracts</p>	<p>Stacking these contracts is permitted so long as any capability bid into the Mid-Term (Y-1) Stability Market is additional stability capability beyond what is already contracted in the existing Stability Phase 3 contract (i.e., the stability capability must only be contracted under one stability contract).</p> <p>Furthermore, for GBGF-S, the provider needs to be able to dispatch this additional capability independently from the dispatch of the existing capability already under the existing Stability Phase 3 contract, such that the inertia contracted under each contract would be available to the NESO separately.</p>



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The stacking rules about Stability Pathfinder contracts also apply to any other type of contract that may be in place where a bidder is compensated for stability services.

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10. Pre-Tender EOI and Consultation Webinars

To support the EOI and consultation process, NESO will be publishing a set of pre-recorded webinar videos. These will be available for market participants to watch at their convenience. Any questions bidders have related to these videos should be submitted in line with the query process set out in Section 11.

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11. Query Process – EOI and Consultation Stage

Any queries must be submitted to the following email address: box.stability@neso.energy

Please be advised that all communications, questions, clarifications, and feedback relating to this Invitation to Tender must be submitted exclusively through the designated tender communication process as outlined above.

Bidders must not directly contact, approach, or otherwise engage any officer, employee, or representative of NESO outside of the approved communication channels for the purpose of providing opinions, seeking guidance, or influencing any aspect of this procurement.

Any attempt to solicit feedback, provide unsolicited commentary, or engage NESO personnel outside the prescribed process may be considered a breach of the communication protocol and may result in disqualification from the tender process.

Any generic queries received will be documented and the responses shared with the wider market through a generic query document on the NESO website. Any confidential queries and responses will be documented in a bidder’s confidential query log.

Where bidders believe their queries are confidential, these should be marked as such. If NESO receive a query that has been flagged by a bidder as confidential, but NESO do not agree that it is confidential then NESO will confirm this with the relevant bidder and seek agreement that the response can be made available to the wider market. If the relevant bidder does not agree with NESO’s determination that the query is not confidential they will be able to withdraw the query.

Please note that NESO are particularly keen to facilitate virtual meetings during the ITT window. NESO are also willing to facilitate virtual meetings during the EOI and consultation. To request a call please send an email to box.stability@neso.energy. All questions and responses in these meetings will be documented. Confidential questions and responses will be documented in a bidder’s confidential query log. Any non-confidential questions that are answered in these sessions will be documented and shared with the wider market as described above.

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12. Ariba

The ITT stage for **Mid-Term 27/28** will be facilitated using Ariba. Ariba is the name of a web-based document management and collaboration solution that allows NESO to communicate and share the latest information with all bidders in a secure online environment that maintains tender confidentiality and integrity. The system enables tasks to be generated, information to be issued, and requests for information to be routed to the right people for action and subsequent follow-up.

The EOI stage enables NESO to allow participant access to the **Mid-Term 27/28** ITT on Ariba.

If a bidder already has an Ariba account, details of this account should be provided with the EOI submission. If a bidder does not have an Ariba account, it is free to register, and it is similar to creating an organisational account for any other web-based solution.

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13. Bidder to Provide Password

When exchanging confidential information between a bidder and the NESO, password protection may be adopted to maintain confidentiality. Bidders are asked to provide a confidential password to NESO. If bidders have not provided a password by the time an exchange of confidential information is required, NESO will create a password and share this with the bidder.

When creating a password, it should be at least 8 characters long and should include at least one lower case, one upper case, one number and one special character e.g. Special@123, or, Pa55word!

14. Solution Caps and Bundling

Bidders will be able to propose multiple solutions within their tender submissions up to a cap.

For the avoidance of doubt, a solution is any one asset (e.g. one synchronous compensator) or group of assets (e.g. four aggregated synchronous compensators) connected through one connection point.

Bidders will be able to propose multiple solutions based on variations of the same underlying asset/group of assets, e.g., at different capacity levels, if they wish, up to the solution cap.

Where a bidder has multiple assets across different connection points, each asset with its own connection point represents a unique solution for the purpose of the **Mid-Term 27/28** tender cap.

The cap will be 3 solutions per underlying asset/group of assets through one connection point. This cap is absolute and cannot be exceeded.

There is no overall cap on how many different solutions can be bid. This tender rule will be finalised at the ITT stage.

This cap will also apply to bidders that are affiliated, or in some way linked, with the ownership of another bidder involved, even where the affiliate/ linked relationship is not one of a true parent. For example, where two bidders have the same ownership, or where a bidder takes part individually and as part of a JV.

Independent and mutually exclusive rules

For the purpose of the economic optimisation stage of the **Mid-Term 27/28** tender assessment there is a need to understand whether solutions are independent or mutually exclusive of one another. Please refer to the Glossary for definitions of these terms.

Please see below the rules that will be applied in the tender assessment:

- Where bidders propose solutions which are variations of the same asset/group of assets behind one connection point, e.g. at different capacity levels or different price points, these will be treated as mutually exclusive of one another.
 - Example: Bidder A owns a machine that connects at Substation X Connection Point 1. This Bidder could bid two solutions based on two variations of this machine. One offering 50MW.s inertia and the other offering 100MW.s inertia. These two solutions would be treated as mutually exclusive so that only one could be selected during the tender assessment process.
 - Bidders who own multiple assets (e.g., multiple synchronous compensator machines) that connect through one shared connection point are encouraged to provide these as one solution. If each asset is proposed as an individual solution, they will be treated as mutually exclusive of one another such that only one could be chosen.

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- Where bidders propose solutions based on multiple assets that each have their own separate connection points, these should be submitted as separate solutions and will be treated as independent of one another (unless otherwise agreed with NESO).
 - Example: Bidder B owns machine 1 that connects at Substation Y Connection Point 1, and also owns machine 2 that connections at Substation Z Connection Point 2. This Bidder could bid a solution based each of these machines. They could both offer 100MW.s inertia. These two solutions would be treated as independent (unless otherwise agreed with NESO) meaning that both could be selected during the tender assessment process.

Joint venture specific solution cap rules

Where joint ventures provide a tender submission and the companies that form the joint venture also submit as separate bidders, should both the joint venture and the individual bidders submit solutions based on the same underlying asset, then the cap will be applied across all parties.

For example, if Company X and Company Y form joint venture Z, and all three entities in separate tender submissions propose solutions based on the same asset, the cap that will be applied across all parties is **3**.

If in any doubt about whether companies would count toward the cap, please enquire about this with NESO through the query process (Section 11).

NESO's decision is final on whether companies are considered 'linked' for the purposes of this cap. NESO will not accept any solutions over the cap.

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15. Amendments to EOI / Consultation Feedback Submissions

EOI registrations or consultation feedback submissions can be amended at any time before the closing time and date for submission.

Public

16. Language

Tender submissions, supporting documents and subsequent communications relating to this tender shall be in the English language.

Public

17. Currency

During the ITT stage, the offer must quote prices in **pounds sterling**. All payments made under any subsequent contract shall be made in **pounds sterling**.

Public

18. Sufficiency and Accuracy of EOI Response

By expressing their interest or by providing a consultation feedback, bidders will be confirming that they have examined all the documents comprising the EOI Pack (and any amendments or additions thereto issued by NESO during the EOI window). It is the responsibility of each bidder to check the completeness and accuracy of their response.

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19. Suspension or Cancellation of Tender Event

By issuing this EOI, or by entering any communications with prospective bidders, NESO is not bound in any way to enter any contractual or other arrangement with any bidder. NESO reserves the right to terminate, suspend, amend, or vary (to include, without limitation, in relation to any timescales or deadlines) this tender. NESO will have no liability for any losses, costs or expenses suffered or incurred by tenderers because of such termination, suspension, amendment, or variation.

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20. Tender Conduct and Conflicts of Interest

For the duration of this **Mid-Term 27/28** tender process with effect from the launch of the EOI, any attempt by bidders or their advisors to influence the contract award process in any way may result in the bidder being disqualified.

Specifically, bidders shall not directly or indirectly, at any time:

- a) devise or amend the content of their EOI or Tender Submission in accordance with any agreement or arrangement with any other person, other than in good faith with a person who is a proposed subcontractor, funder, consultant or agent;
- b) enter into any agreement or arrangement with any other person as to the form or content of any other EOI or Tender Submission, or offer to pay any sum of money or valuable consideration to any person to effect changes to the form or content of any other EOI or Tender Submission;
- c) enter into any agreement or arrangement with any other person that has the effect of prohibiting or excluding that person from submitting a tender;
- d) canvass NESO or any employees or agents of NESO in relation to this procurement; or
- e) attempt to obtain information from any of the employees or agents of NESO or their advisers concerning another Tenderer or tender.
- f) Collude in any way;
- g) Fix or set the price for the services;
- h) Engage in bribery by you or your appointed advisers in relation to the competitive procurement event; or
- i) Inappropriately influence this procurement event in any other way

Bidders are responsible for ensuring that no conflicts of interest exist between the bidder and its advisers, and NESO and its advisers.

NESO reserves the right to disqualify from the tender process, any provider if they breach these tender rules.

Public

21. Negotiations

NESO reserves the right to initiate negotiations as part of this tender process. More details will be made available at ITT.

Public

22. Contracting Entity

Bidders should be aware that any contract(s) awarded because of this tender process will be entered into with National Energy System Operator Ltd.

Public

23. Form of Contract

Should a bidder be successful in this tender, the chosen form of contract for this requirement will be the Stability Mid-Term Market Framework Agreement and Standard Contract Terms. These are the terms on which NESO wishes to contract.

Contracts will be entered on a ‘per solution’ basis rather than on a ‘per company’ basis.

As the basis of this contract is a Framework Agreement, it is possible for bidders to be successful in receiving a Framework Agreement by meeting the baseline criteria, but not selected in the portfolio of the **Mid-Term 27/28** delivery year(s) specifically if the requirement can be met through more cost-effective solutions. For details on contract award methodology please refer to the Contract Award Criteria document.

Bidders should note that where a bidder is successful in being awarded a call-off contract, the contract form will be amended by NESO to incorporate information for that delivery year from the relevant ITT documentation and the winning Tender Submission (including any clarifications) in each case, as applicable.

24. Contract Signature Stage and Security Requirement

Where a Tender Submission is selected by NESO for contract award, then within 30 business days of receiving the contract for signature the Bidder must:

1. Sign the contract **and**
2. Provide the Acceptable Security.

Upon receipt of **both** the signed contract and Acceptable Security, NESO will countersign the contract.

NESO reserves the right to re-evaluate the Tender Submissions in line with the Contract Award Criteria if any successful Bidder fails to sign the Service Agreement and/or provide the Acceptable Security by the 30-business-day deadline.

The exact deadline for contract signature and provision of the Acceptable Security will be confirmed at contract award stage. The contract award letters will clearly state whether the award is linked to another party also signing their contract.

No information set out or referred to in this document shall form the basis of any contract. Any successful Bidder shall be required to enter into the contract, acknowledging that it has not relied on, or been induced to enter into such an agreement by, any representation, warranty, assurance or undertaking save as expressly set out in that agreement.

Please note that if the contracting entity doesn't exist yet and would be set up upon contract award, there will be no additional time granted.

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25. Publication of Bidder Information

Details of your response to this EOI and consultation shall not be disclosed to any third party unless such disclosure is required by OFGEM, DESNZ, and/or law or court order. Following the conclusion of the EOI and consultation, NESO reserve the right (but shall not be obligated) to publish an anonymised summary of responses.

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Appendices

Appendix A - EOI Pack – Document Checklist

Table 6

Mid-Term 27/28 EOI Pack	
Document Reference	Tenderer's Required Action
Stability Midterm Market Instructions to Tenderers – EOI (<i>this document</i>)	For Information
Stability Midterm Market Technical Specification	For Information
Stability Midterm Market Technical Eligibility Criteria	For Information
Stability Midterm Market Contract Award Criteria	For Information – this is a draft only and will be finalised at ITT.
Stability Midterm Market EOI Proforma	For Completion and Return
Stability Midterm Market Consultation Proforma	For Completion and Return – Optional but encouraged.

Appendix B – Glossary

Table 7

Term	Explanation/Definition
0MW solution	A solution which can provide inertia power whilst operating at 0MW active power export.
Contract Award	The point in time where NESO confirm to bidders whether they have been successful in the tender and will receive a contract for the stability mid-term market. Please note it is possible for bidders to receive a framework agreement for the mid-term market but not receive a call-off for the 2027/2028 delivery year if they were technically acceptable but not chosen in the most cost-effective portfolio for the 2027/2028 delivery year.
Contract Countersignature	The point in time where NESO countersigns the successful contracts, following Contract Signature
Contract Signature	The point in time where the successful bidder signs their contract(s).
Efficiency group	When multiple solutions could be offered for a price efficiency if all solutions were selected.
Embedded (as per Grid Code)	Having a direct connection to a User System or the System of any other User to which Customers and/or Power Stations are connected, such connection being either a direct connection or a connection via a busbar of another User or of a Relevant Transmission Licensee (but with no other connection to the National Electricity Transmission System).
EOI Pack	Collation of documents published by NESO at the EOI stage.
Expression of Interest (EOI) stage	The window of time for companies to express their interest in participating in the Mid-Term 27/28 tender process.
Facility	The term used to refer to the asset that is enabling the provision of the stability service through a contract, which a Provider is responsible for. Please refer to the contract for exact definition.
Independent	When two or more proposed solutions can be delivered independently of one another. The delivery of one does not impact the delivery of another.
Invitation to Tender (ITT) stage	The window of time for any company that expressed their interest to develop their tender submission, ending with the tender submission deadline

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Market participant / bidder / tenderer	A generic collective term to refer to third party market participants in both the singular and plural form who may take part in this tender. Might be used interchangeably.
Mutually exclusive	When only one solution out of two or more proposed solutions could be selected and therefore are mutually exclusive. The delivery of one impacts or prevents the delivery of another.
NESO	National Energy System Operator
Non-0MW solution	A solution which can provide inertia power irrespective of its MW output.
Provider	Used to refer to whichever company is successful and contracted for provision of the stability service when referring to their obligations within the technical specification or the contract. Please refer to the contract for an exact definition.
Solution	Any one asset or group of assets connected through one connection point/bay being proposed as a solution to the stability mid-term market. A change to the asset, the capacity of the asset, or connection point would represent a completely new and different solution.
Tender / Tender Process	The end-to-end sourcing process for the Mid-Term tender process for delivery year 2027/2028, from EOI through to Contract Award
Tender Submission	The overall proposal (both technical and commercial) made by a bidder in response to the Invitation to Tender. May include multiple solutions.
User System Entry Point (as per Grid Code)	A point at which a Power Generating Module, Generating Unit, a CCGT Module or a CCGT Unit or a Power Park Module, or an Electricity Storage Module or a DC Converter or an HVDC Converter, as the case may be, which is Embedded connects to the User System.

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Appendix C – Joint Ventures

If a Tenderer is responding to the EOI as a group / consortium (including any joint venture) (a "Group"), the following information must be provided in an additional document at EOI Submission:

- a. Company names of all Group members; and
- b. if the Group is formed as a separate legal entity to be contractually responsible for delivery of the contract (if successful), full details of the actual or proposed percentage shareholding of the constituent members within the new legal entity; or
- c. if the Group is not to be set up as a separate legal entity, then the Group lead (the entity with responsibility for submitting the Tender) should make it clear who the lead member of the group is, and who will be contractually responsible for delivery of the contract; and
- d. if the Group is not proposing to form a separate legal entity, full details of the proposed arrangements between the Group members.

Notwithstanding any indication by a Group that they do not intend to form a separate legal entity, NESO may require the Group to assume a specific legal form if awarded the contract, to the extent that a specific legal form is deemed by NESO as being necessary for the satisfactory performance of the contract.

By electing to submit a response and accepting these Instructions, the Tenderer (including all entities which are being relied upon to meet the requirements of the EOI and ITT stages, each subcontractor that is intended to play a significant role in delivering key contract requirements and, where the Tenderer is a Group, all members of the Group, as applicable) signifies its agreement to:

- a. keep and maintain the information contained in the EOI Pack and ITT Pack (including any addenda thereto, any clarifications or contact details issued by NESO) confidential. This obligation shall survive the Procurement and shall apply whether the Tenderer is successful or not. Any Tenderer which does not intend to submit a response shall be subject to the same confidentiality obligations hereunder. NESO requires each Group member to enter the Confidentiality Agreement set out as part of this tender; and
- b. where members of a Group are submitting Tender responses individually in addition to as part of a Group, that the terms of the Non-Collusion Agreement will be adhered to.

Tenderers are reminded that new Tenderers cannot be admitted to the ITT once the Expression of Interest deadline has passed. Accordingly, it is not possible for a Group to dissolve and for individual members to submit a Tender separately if those individual members have not

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registered at EOI Stage as individuals and provided separate Confidentiality Agreements and Non-Collusion Agreements.

Furthermore, it is not possible for a Group to dissolve and new Tenders to be submitted for individual member(s) after the Tender submission deadline has passed.

Tenderers are reminded that NESO must be notified immediately of any changes, or proposed changes, in relation to information provided by a Tenderer in their Tender response (including in relation to the bidding entity e.g. Group members) so that a further assessment can be carried out.

NESO reserves the right to eliminate a Tenderer prior to any award of a contract, either based on an assessment of the updated information where that assessment is carried out in accordance with the Contract Award Criteria or where a Tenderer fails to disclose any such change.