



SSEN GLOBAL CALL FLEXIBILITY WEBINAR Q&A

September 2023

Q1: Will you be proving forecast utilisation for these services?

A1: We are working on providing a utilisation forecast for the Secure service, this will be available ahead of opening the tender for price submission in January. We would like to highlight that once provided this is a forecast based on a combination of expected growth and historical demand patterns. There will be variation to this forecast due to short term changes in need due to outages or weather, and that it should therefore be treated as indicative only.

Dynamic, Restore, and Emergency Flex services will not have utilisation forecasts. The nature of these services mean they are used infrequently and at times of unplanned events. In future we aim to provide historical information on dispatch utilisation, which may help understanding of expected utilisation.

Q2: In Dynamic & Restore services; would flex service providers be required to manage operational aspects of the network?

A2: The operational aspect and dispatch is managed by the SSEN's Flexible Solutions team who will dispatch services as necessary. These two services in particular are used for operational issues on our network, meaning they are less predictable and are expected to be utilised infrequently.

Q3: Do existing suppliers to SSEN still need to register?

A3: Those already registered on the DPS do not need to register again but will have to complete the acceptance and signing of the overarching agreement. The first key deadline for those already on the system is the 13th of November 2023, when the overarching agreement acceptance closes.

Q4: Why do you need to fill in two separate pre qualifications? (sounds a bit bureaucratic)

A4: This is a result of SSEN operating both north (SHEPD) and south (SEPD) license areas, but we agree this does create an additional bureaucratic step. We are always looking to see how we can improve our processes, so thank you for the feedback. We are open to further suggestions on how we can improve processes such as pre-qualification, please feel free to send any further feedback on this area to flexibilityprocurement@sse.com.

Q5: What happens where a flex provider who is committed and can't fulfil the requirement when called on?

A5: This scenario would activate reduction of charges for the flexibility service provider, i.e., the provider will be paid less for the provision of the service if it is below the performance threshold



of 90% and will not be paid if the service is not delivered at all. Consistent under-delivery over a sustained period of time may result in additional requirements on the supplier, or eventually contract termination under the 'service failure' section of the contract. Full details can be found in the terms on our website: <https://www.ssen.co.uk/globalassets/our-services/flexibility-services-document-library/service-documentation/flexibility-services-standard-agreement-example.pdf>

Q6: Will you be providing a report on historic prices that have been accepted to give potential providers data to support pricing.

A6: Previous tender information including previous pricing data is available in the Flexibility Services Contract register on our website: <https://www.ssen.co.uk/globalassets/our-services/flexibility-services-document-library/reports/flexibility-services-contract-register.xlsx>

Q7: Was the budget mentioned per year for secure or over multiple years?

A7: The secure service budget is only for the 2024/25 financial year, beginning in April 2024.

Q8: In Dynamic & Restore services, how many MWh have been procured per annum to date? How many MWh do you forecast to use?

A8: Previous procured information broken down by service can be found in our latest SLC31E 2022/23 Report Supporting Data: <https://www.ssen.co.uk/globalassets/our-services/flexibility-services-document-library/reports/slc31e---ssen-2022-23-report-supporting-data.xlsx>

Please see question one for an answer on forecast utilisation for the current procurement areas.

Q9: When will the West London tender open?

A9: We are in the process of confirming the final details for this, we expect to announce those details in the coming months. We are currently working on the technical requirements for service windows and forecasts of availability. Any update to this will be provided via the DPS, email interaction or a SSEN press release.

Q10: Will there be any penalties for under or over delivering?

A10: There are two aspects where there is loss of revenue due to service delivery being not aligned with contracted volumes.

The delivery of the service is paid based on delivered energy (MWh) up to the contracted volume. Where there is over-delivery of the service, the maximum performance threshold is 110% of the instructed power charge. For under-delivery below the performance threshold of 90%, the provider will receive reduced utilisation payment and no availability payment (for applicable services). Additionally, consistent under-delivery over a sustained period of time may



trigger the 'service failure' section of the contract which may lead to further action from the DNO to rectify the under-performance.

Details on the reduction in payments for under delivery can be found on the service terms in the document library on our website here: <https://www.ssen.co.uk/globalassets/our-services/flexibility-services-document-library/service-documentation/flexibility-services-standard-agreement-example.pdf>

Q11: Are the Constraint Managed Zones (CMZs) different from the tender round from Autumn 2022?

A11: The CMZs for the secure service in this tender are the same CMZs as previous tenders where we were not able to procure the level of flexibility required. For Dynamic, Restore and Emergency services we are aiming to procure these services across all regions. These services will be mapped to an appropriate CMZ, to allow identification of the area where a change in electricity generation or consumption will influence the power flows. The West London tender will contain new CMZs, please register and sign the overarching agreement if you would like to participate in the future tender for this region.

Q12: How did you arrive at the 700k budget?

A12: We have calculated the size of the market for this tender period to be £700k using information from avoided reinforcement cost.

Q13: Are DSO new connections notifying the Flexible Services team to enable flex services to pick up the shortfall in reinforcement delivery?

A13: We have a flexibility first commitment at SSEN meaning flexible solutions of all forms are considered as part of the investment process. At the moment, our ability to use flexibility services to enable new connections is limited by lack of certainty over where we have flexible assets on our network, what capacity these assets have, and how dependable they are.

One of the key drivers behind this global call initiative is to gather more information on where flexibility providers are located on our network, which we are working towards using to enable new connections in conjunction with the connections team. We are also expanding our offering of flexible connections through our Flexible Solutions team, more information about this is available here: <https://www.ssen.co.uk/our-services/flexible-solutions/flexible-connections/>.

Q14: Is there more information on the commercial aspects? Pricing, penalties etc

A14: Yes, this information is available in the tender requirement document and the service term documents both available in the document library on our website: <https://www.ssen.co.uk/our-services/flexible-solutions/flexibility-services/flexibility-services-document-library/>

Q15: What would be the methodology of baselining used?



A15: The baselining methodology used is expected to be “Nominated Baseline”. For providers with a very consistent export or import under normal conditions, an averaged historical baseline value may be used.

Q16: Is it still the case that availability requests will be for every day of a month?

A16: The availability requests vary for each CMZ and are dependent on a case-by-case basis as a result of latest forecasts.

Q17: Can V2G apply for this tender?

A17: Anyone who can provide 10 kW or more of flexibility when aggregated to a specific CMZ can respond to this tender.

Q18: Do you see this Flex campaign extending into the longer-term future?

A18: Yes, the overarching agreement approach to contracting in particular is a methodology that will allow scaling of flexibility procurement for both long- and short-term procurement in the future. We will provide flexibility service providers with further information on our longer-term procurement strategy in the coming months.

Q19: What dates officially begin and end each season for Winter, Spring, Summer, and Autumn?

A19: The below table contains the details of dates for each season. Please note that each SSEN license area has different applicable dates per season.

Season	North License Area (SHEPD)	South License Area (SEPD)
Spring	1 st April - 31 st May	1 st March - 30 th April
Summer	1 st June - 31 st August	1 st May - 31 st August
Autumn	1 st September - 31 st of October	1 st September - 30 th November
Winter	1 st November - 31 st March	1 st December - 28 th February (29 th February for leap years)

If you have any additional questions or require more information, please contact us at flexibilityprocurement@sse.com