

Participation Guidance – Dynamic Service

Pre-Qualification: Apr-22 to May-22

UK Power Networks (Operations) Limited

Reference: PE1-0036-2022 Flexibility Services

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1 Summary

UK Power Networks is seeking to recruit Flexibility Services which are ready for dispatch in the near-term. Flexibility Services which successfully pre-qualify will be awarded a framework contract under which UK Power Networks can dispatch the Flexibility Services from time to time over the service period. Contracted Flexibility Services will be used to alleviate network constraints as well as test closer-to-real time markets. Key features of the recruitment are summarised below:

- How to participate
 - In order to pre-qualify, providers must complete the following PQ steps:
 - Online Dynamic Purchasing System application via the Piclo Flex platform and;
 - Pre-Qualification Questionnaire (PQQ)
 - UK Power Networks will pre-qualify providers subject to review of the above.
 - Flexibility Providers which pass Pre-Qualification (PQ) will be awarded a contract

- Timelines for recruitment
 - The PQ period will open on 12 April 2022 and close 31 May 2022 12:00
 - Providers must submit PQ documentation by the PQ closing date.

- Service description - contracts are for the Dynamic Service:
 - Utilisation fee only (£/MWh energy) – set by the provider and can be varied on a monthly basis subject to maximum fees provided in Appendix 4
 - Projected energy dispatch for the period August 2022 to August 2023 are provided in Appendix 4
 - Optional service – it is optional on the provider to participate in the service.

- Contract term
 - Providers can set their service start date between 1 August 2022 and 1 February 2023 inclusive in the PQQ submission.
 - All awarded contracts will end on 31 July 2023.
 - The service period therefore ranges from 6-12 months.

2 Procurement timetable

The stages and dates of Flexibility Services recruitment are shown below.

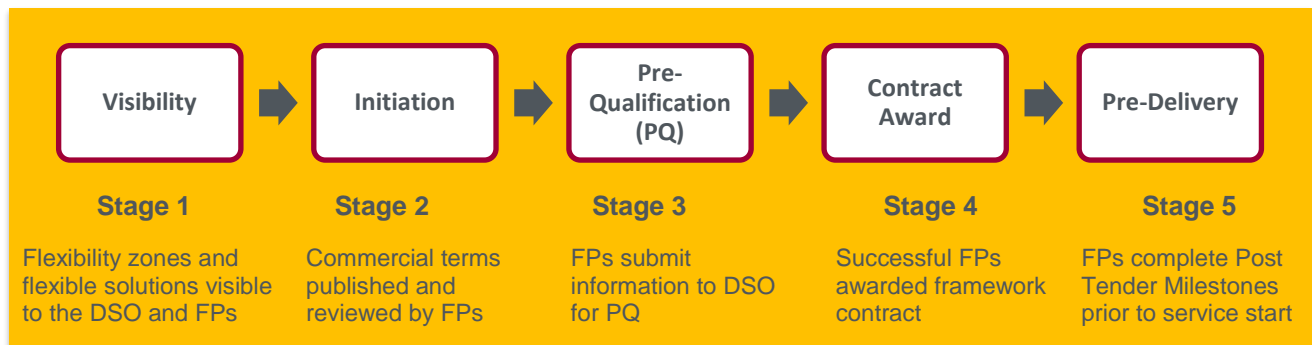


Table 1: Key dates for Participation

Stage	Activity	Dates
Stage 1 Visibility	Flexibility zones signposted	July 2021
Stage 2 Initiation	Documentation published	Tue, 12 Apr 2022
Stage 3 Pre- Qualification (PQ)	PQ Open	Tue, 12 Apr 2022
	PQ Close	Tue, 31 May 2022
	PQ Results	Mon, 20 Jun 2022
	PQ Results appeal deadline	Thu, 23 Jun 2022
Stage 4 Contract Award	Notification letter	Wed, 29 Jun 2022
	SAP registration completed (does not apply if provider already on UKPN system)	Fri, 8 Jul 2022
	Contract award	Thu, 14 Jul 2022
	Signed contract deadline	Thu, 28 Jul 2022

Stage	Activity	Dates
Stage 5 Pre-Delivery	Solutions prepared for delivery in accordance with Post Tender Milestones (includes Proving Test)	In accordance with PQQ submission and contract

3 Flexibility Services Overview

3.1 Introduction

- 3.1.1 UK Power Networks is seeking to recruit Flexibility Providers (FP) for the **Dynamic** service.
- 3.1.2 The Dynamic service is an optional service where FPs can choose whether to deliver upon receiving requests from UK Power Networks. UK Power Networks sends requests close to the time of required delivery, typically a day ahead or within the same day. The service is ideal for flexible assets which can only commit to delivering flexibility on these short time scales, such as those participating in other energy or flexibility markets or those with variable flexible capacity (e.g. demand reduction). FPs are paid an utilisation fee for energy delivered. FPs can adjust their utilisation fee on a monthly basis to reflect their expected running or opportunity costs.
- 3.1.3 UK Power Networks will typically procure Dynamic services to manage demand constraints on the network where high demand leads to exceedance of network limits for short periods. We are seeking demand turn-down and generation turn-up services to reduce net demand to within network limits. These Flexibility Services offer an alternative approach to traditional network reinforcement solutions such as upgrading network assets.

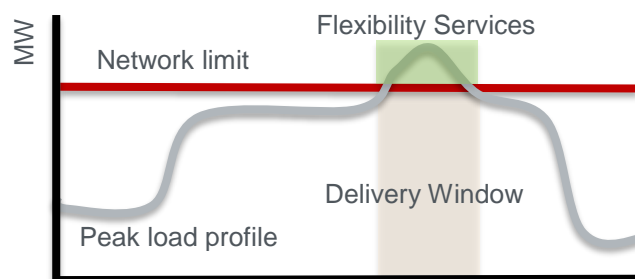


Figure 1: Flexibility Services targeting peak electricity demand at a substation

- 3.1.4 Flexibility Services can be provided by a **Distributed Energy Resource (DER)**. With respect to the provision of Flexibility Services, a DER is an asset that can change its level of consumption or generation relative to its normal operations. The DER may be a generation, storage or demand asset, or a combination of these located at the same site. A DER participating in Flexibility Services has three key auxiliary systems:
 - A DER has a live **Electrical Connection** between the DER and the network. In particular, the DER should be electrically connected to the network asset(s) subject to the constraint and at a connection voltage less than or equal to the constraint voltage, or **Maximum Connection Voltage**, to ensure that it is effective at resolving the constraint. The area of the network containing suitable points of connection is referred to as a **Flexibility Zone**. The approximate zone boundary and maximum connection voltage are provided on the visibility platform **Piclo Flex**¹.

¹ Piclo Flex - <https://picloflex.com/>

- A DER or the Flexible Unit it belongs to (see 3.1.5) has **Communications** equipment and processes capable of both receiving instructions and sending information as required. In practice, these communications can be provided through an Application Programming Interface (API) or email. Further details are provided in 4.3.
 - A DER has **Metering** installed for the purposes of baselining, calculation of delivered energy and settlement. The metering is located at a suitable location and meets certain accuracy and granularity requirements as detailed in 4.4.
- 3.1.5 A group of DERs can be aggregated together into a single controllable unit called a **Flexible Unit (FU)**. A FU is a notional DER that can be made up of one or more real DER located within the same zone.
- 3.1.6 Under the Dynamic service, FUs are contracted for close to real time service provision. The FP is paid a Dynamic Utilisation Fee (£/MWh) for the energy delivered when requested by UK Power Networks. The fee can be adjusted by the FP on a monthly basis subject to it not exceeding a maximum set by UK Power Networks in Appendix 4.

Table 2 outlines the key characteristics of UK Power Network’s Dynamic service.

Table 2: Summary of key Dynamic service characteristics

Characteristic	Dynamic
Minimum capability eligible	<ul style="list-style-type: none"> • 10kW FU flexible capacity, sustainable for 30 minutes, can be delivered within 120mins of instruction if required • Solution can be made up of existing and/or planned DERs • For planned DERs, these must be ready in time for the Proving Test (see 3.3)
Commodity required	<ul style="list-style-type: none"> • Active power and energy • Reduction in imports, increase in exports to grid • Delivered through generation turn-up and/or demand turn-down • Response provided on close to real-time instruction
Procurement mechanism	<ul style="list-style-type: none"> • Pre-Qualified FPs are awarded a contract • No committed availability, closer to real time activation • Service period up to 1 year • Service starting between 1 August 2022 and 1 February 2023
Contractual	<ul style="list-style-type: none"> • No contractual exclusivity • Standard Flexibility Services Agreement
Payment method	<ul style="list-style-type: none"> • Utilisation fee only • Payments for energy delivered • Paid monthly in arrears
Dispatch	<ul style="list-style-type: none"> • Instructions through email/API • Frequency of dispatch based on specific network conditions • Dispatch triggered pre-fault and/or post-fault
Metering	<ul style="list-style-type: none"> • Minute-by-minute or half-hourly metering • Site boundary or DER terminal metering • Metering data provided ex-post for settlements

3.2 Eligibility

- 3.2.1 FPs need to submit and pass company and financial checks by signing onto the **Dynamic Purchasing System (DPS)** via Piclo Flex. By signing onto the DPS and participating in Pre-Qualification, the FP accepts the terms and conditions of the Standard Flexibility Services Agreement and procurement (Appendices 1 and 3 respectively).

- 3.2.2 All FPs are required to submit a **Pre-Qualification Questionnaire (PQQ)** in order to pre-qualify FUs.
- 3.2.3 The earliest service start date is 1 August 2022 and the latest is 1 February 2023. FPs can choose any service start date between these two dates as part of their PQQ submission. An FP offering more than one FU can choose a different start date for each FU.
- 3.2.4 UK Power Networks will award a framework contract (Flexibility Services Agreement) for all FUs that pass the DPS and PQQ assessments. UK Power Networks will award a contract to FUs where the following conditions are satisfied:
- The FP is accepted onto the DPS
 - The sites at which the DERs are installed/to be installed are known at the time of Pre-Qualification and the associated Meter Point Administration Numbers (MPANs) are provided within the PQQ
 - The MPANs are electrically connected to the network asset(s) subject to the constraint and at a connection voltage less than or equal to the Maximum Connection Voltage. The Flexibility Zones on Piclo Flex give an indication of whether a site is electrically connected to a constraint but UK Power Networks will conduct a more definitive connectivity check as part of the PQ assessment using the MPAN data provided.
 - UK Power Networks is satisfied that the FU will meet the **Service Requirements** (Section 4) by the time of the Proving Test.
- 3.2.5 UK Power Networks has the right to reject an incomplete PQQ submission. UK Power Networks may request an FP to provide additional evidence in support of a PQQ submission where appropriate.

3.3 Testing

- 3.3.1 The FP will choose the date of the Proving Test in their PQQ submission which shall be no later than one week before their chosen service start date for each FU.
- 3.3.2 The FP shall demonstrate the following as part of a Proving Test in respect of each FU:
- Receive and respond to UK Power Networks' instructions;
 - Deliver its Flexible MW from the start time;
 - Maintain active power delivery for an agreed continuous period; and
 - Demonstrate delivery through the metered data from each DER/FU.
- 3.3.3 Where the outcome of the Proving Test evidences a flexible capacity less than the FU's maximum contracted capabilities, UK Power Networks will update the contracted capabilities of the FU in line with the outcome of the Proving Test.
- 3.3.4 Where an FP is unable to undertake the Proving Test no later than one week before the chosen service start date of the FU, UK Power Networks reserves the right to terminate the contract with the FU.
- 3.3.5 FPs have the right to request a retest on one occasion in case they were not able to demonstrate the full contracted capabilities of the FU. The outcome of the second Proving Test will be conclusive even if it results in lower capacity than the first Proving Test.
- 3.3.6 Each party shall bear its own cost in relation to the Proving Test.
- 3.3.7 The detailed test procedure shall be agreed between the FP and UK Power Networks. UK Power Networks is developing an enduring electronic dispatch solution and will provide more specific testing requirements in future.

3.4 Operations

- 3.4.1 The network conditions under which UK Power Networks will initiate a utilisation instruction can either be:

- Pre-fault: when near real-time electricity demand on the network is expected to reach the network limit or;
- Post-fault: when demand has already exceeded the network limit resulting in a fault on the network².

The utilisation instruction can be activated automatically or manually. UK Power Networks are developing an enduring automated dispatch solution and therefore may adapt the below method in future.

3.4.2 UK Power Networks will dispatch FUs in accordance with three **dispatch principles** – cost efficiency, security of supply, and operability as set out in Figure 2.

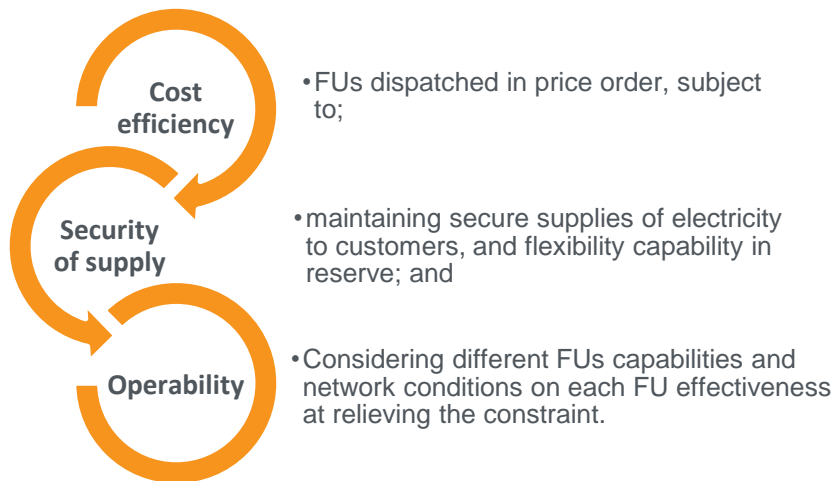


Figure 2: Dispatch principles

3.4.3 Figure 3 illustrates an example generator or storage FU increasing active power following a utilisation instruction.

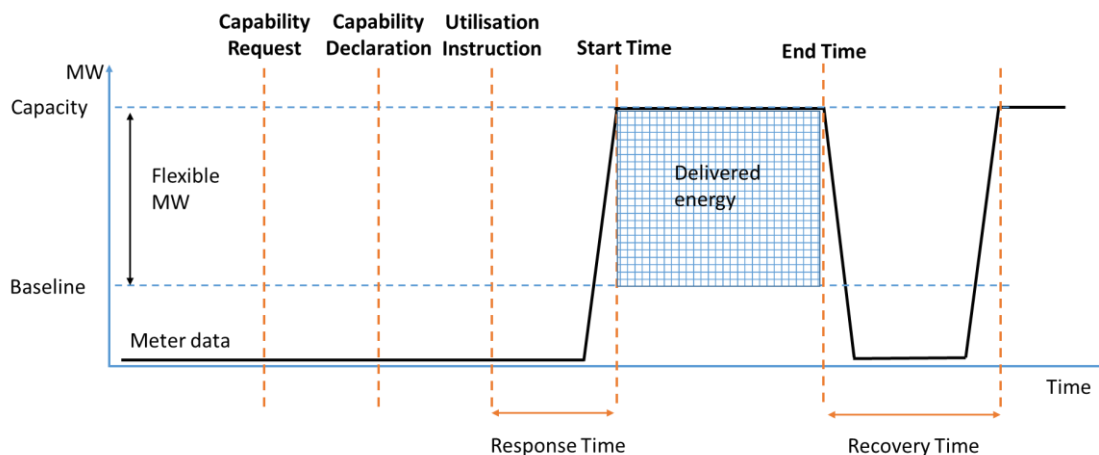


Figure 3: Operational parameters during a utilisation event

3.4.4 Under the Dynamic service, UK Power Networks may issue a **Capability Request** to the FP at any time, via email or API (method as submitted in the PQQ). The Capability Request comprises:

- Start date(s) and start time(s)

² Energy Networks Association product definitions - <http://www.energynetworks.org/assets/files/ON-WS1-P2%20DSO%20Service%20Requirements%20-%20Definitions%20-%20PUBLISHED.pdf>

- End date(s) and end time(s)
- 3.4.5 In response to the Capability Request, the FP may, but is not obliged to, issue a **Capability Declaration** to UK Power Networks for the FU. The Capability Declaration will specify the maximum flexible capacity that can be provided for each of the half-hour intervals spanning the Capability Request time period. The maximum flexible capacity can be set to zero, where no flexible capacity is available for a specific half-hourly settlement period. UK Power Networks will only consider FUs that have provided a Capability Declaration for utilisation.
- 3.4.6 If no Capability Declaration is received by UK Power Networks within 3 hours from the Capability Request, the FU will be deemed to not be available for the requested time period.
- 3.4.7 UK Power Networks may, but is not obliged to, respond to an FP’s Capability Declaration with a **Utilisation Instruction** for the FU by specifying the:
- **Accepted MW** for each half-hourly settlement period
 - **Accepted Start Time**
 - **Accepted End Time** (optional for Utilisation Instruction)
- If an End Time is not specified in the Utilisation Instruction, the End Time shall either be the earlier of the:
- Accepted End Time as specified in a **Stop Instruction**
 - **Maximum Run Time** from the Accepted Start Time
 - End Time of the Capability Request
 - 3 hours from the Accepted Start Time
- 3.4.8 In the event that the Accepted End Time is greater than the Maximum Run Time of the FU (as specified in the PQQ) from the time of instruction, then the FP shall only be expected to deliver up to its Maximum Run Time.
- 3.4.9 The lead-time from the time of the instruction to the start time (or end time in the case of a cease instruction) shall be no less than the FP’s **Response Time** as specified in the PQQ.
- 3.4.10 Figure 4 provides an overview of the Dynamic dispatch process.
- 3.4.11 The process of Dynamic dispatch may change based on subsequent improvements in UK Power Networks’ communications capabilities, and will be communicated to FPs prior to any future implementation.

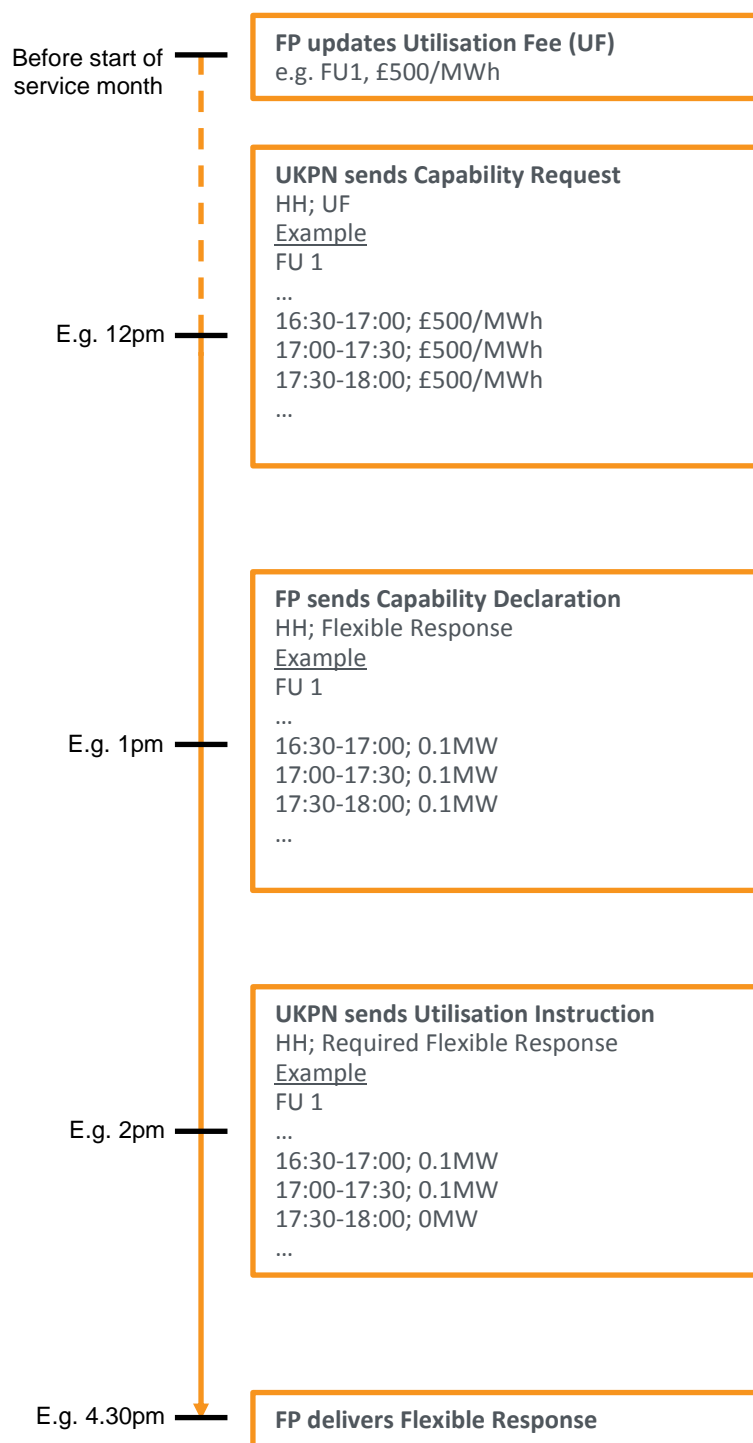


Figure 4: Dispatch process for the Dynamic service

3.5 Payment

3.5.1 Figure 5 shows a high-level process of calculating payments for Flexibility Services.

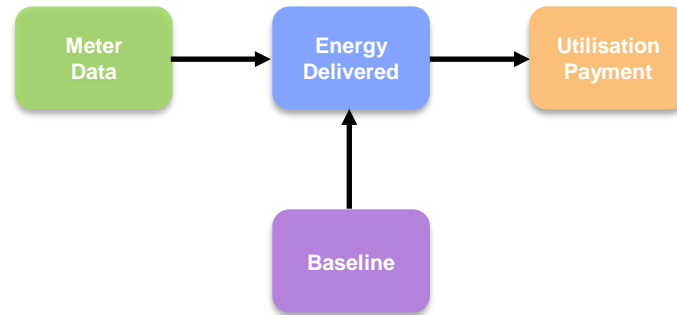


Figure 5: High-level process of payments

3.5.2 At the end of each month, the FP shall submit half-hourly or minutely resolution meter data for all DERs within the FU to UK Power Networks. The meter data is compared to the baseline to calculate the energy delivered during utilisation events and hence utilisation payments, where $\text{Utilisation Payment (£)} = \text{Utilisation Fee (£/MWh)} * \text{Energy Delivered (MWh)}$.

3.5.3 Figure 6 gives an example of a generator or storage FU responding to a Utilisation instruction and shows the energy delivered (green box) and the expected energy to be delivered (yellow box).

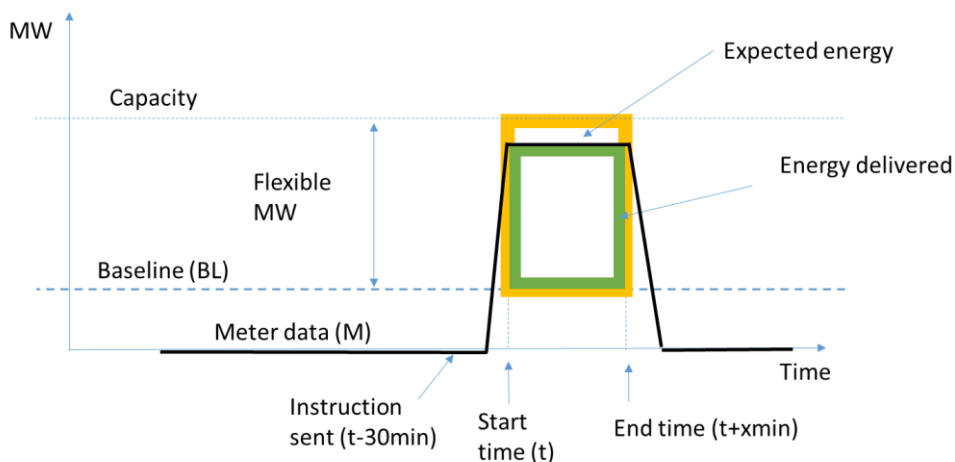


Figure 6: Delivery of flexible energy from an example generator or storage

- 3.5.4 Note that over-delivery during one period will not be treated as compensating for under-delivery in another.
- 3.5.5 For net import sites, the consumption and baseline will be treated as negative export, and the calculation is the same.
- 3.5.6 The FP can update their Dynamic Utilisation Fee monthly but cannot exceed the Maximum Dynamic Utilisation Fee set by UK Power Networks (Appendix 4). The FP can vary the Dynamic Utilisation Fee before the start of a service month to apply to service in that month. The FP cannot vary the Dynamic Utilisation fee that applies in a service month after it has already started.
- 3.5.7 The baseline for the Dynamic product will be based on the Recent History Baseline methodology or Last Observation Baseline (see 3.6.1).

3.6 Baseline methodology

3.6.1 The Dynamic utilisation baseline can be either:

Recent History Baseline: For a Utilisation Instruction on a weekday, the baseline is calculated as the average metered output across the five most recent weekdays preceding the Utilisation Instruction (excluding prior utilisation event days). The average is calculated for the time period defined in the Utilisation Instruction. For weekends, the two most recent weekend days will be used.

Last Observation Baseline: This baseline is defined as the average output of the FU in the last full half hour preceding a Utilisation Instruction.

3.6.2 UK Power Networks may consider an alternative baseline to the baseline methodologies described in 3.6.1 if the FP enters an appeal to flexibility@ukpowernetworks.co.uk providing satisfactory reasons why these methodologies are not suitable prior to Pre-Qualification close. UK Power Networks can accept or reject that request.

3.6.3 The baseline methodology cannot be changed during the contract term without satisfactory reason as per 3.6.2.

4 Service Requirements

The Service Requirements must be satisfied by the Service Period in order to provide Flexibility Services. The FP will need to declare how these are or will be satisfied at Pre-Qualification.

4.1 Capability

- 4.1.1 Direction - the FU shall be able to deliver a reduction in import/increase in export and/or an increase in import/reduction in export of active power from or onto the distribution network.
- 4.1.2 Capacity – Each individual DER comprising a FU has a maximum flexible capacity as defined below:
- For generation and storage DERs, the maximum flexible capacity is the nameplate capacity of the asset;
 - For demand DERs, the maximum flexible capacity is the maximum reduction in consumption that could be delivered considering the chosen baseline methodology (see 3.6).

The Flexible MW of a FU providing the Dynamic service is defined as the sum of the DER maximum flexible capacities comprising the FU and shall be at least 10kW. FPs are able to vary the capacity they can deliver closer to real-time through Capability Declarations (see 3.4),

- 4.1.3 Run time - the FU shall be capable of sustaining the Flexible MW for the duration of the Maximum Run Time, on instruction from UK Power Networks. The submitted Maximum Run Time shall be at least 30 minutes, and is fixed for the duration of the contract.
- 4.1.4 Response Time - the Response Time, as the minimum lead-time from the time of the Utilisation Instruction to full delivery, from a FU shall be 120 minutes or less, and is fixed for the duration of the contract. Note that the Response Time should include any ramp up and ramp down times as well as lead-times in other markets which the FU may participate in.

4.2 Connection

- 4.2.1 Point of connection - the flexible DERs making up the FU shall be electrically connected to the network asset(s) subject to the limitation during intact and under first circuit outage of that asset(s). In the majority of zones, the network asset(s) will be a substation. The DER should be connected within the Flexibility Zone or otherwise where deemed to be beneficial to the network. Compliance with this clause should be confirmed by UK Power Networks who will check each DER's MPAN.
- 4.2.2 Generator compliance - exporting generators and storage assets, greater than 16A per phase shall have a long-term parallel connection compliant with the requirements of EREC G59 or G99. Those less than 16A per phase shall be compliant with the requirements of EREC G83 or G98.
- 4.2.3 Restrictions in Connection Agreement – in providing the Flexibility Services, the DERs should not breach any part of their Connection Agreement with UK Power Networks. This includes, but is not limited to, allowed import and/or export capacity. Flexible Connections or Timed connections are permissible subject to the conditions of the connection which will be checked by UK Power Networks as part of the Pre-Qualification assessment.

4.3 Communications

- 4.3.1 Receiving instructions - the FP shall be able to receive Capability Requests and Utilisation Instructions by email or API. The FU shall be a single point of communication and control.
- 4.3.2 Acting on instructions - the FP shall have appropriate systems and processes in place to provide Capability Declarations in response to Capability Requests and deliver flexibility from its DERs according to the Utilisation Instruction and its contracted capability.

4.4 Metering

- 4.4.1 Data resolution - each DER making up the FU shall have metering with half-hourly resolution or higher (e.g. minute-by-minute).
- 4.4.2 Data accuracy - meter measurements should meet the accuracy requirements of the relevant Code of Practice applicable at the time of installation³.
- 4.4.3 Metering point - the metering shall be at the boundary between the site on which the DER is located and the distribution network, or on the terminals of the DER, where approved by UK Power Networks.
- 4.4.4 Meter details - the FP should be able to provide technical details of the meter and a single line diagram of each DER on request. Note that a variety of metering device types are acceptable including transducers, analogue meters, pulsing meters and half-hourly meters.
- 4.4.5 Data provision - the FP shall make the meter data available to UK Power Networks on request and at the end of every month in the monthly Performance Report.

³ Metering Codes of Practices from Elexon - <https://www.elexon.co.uk/bsc-and-codes/bsc-related-documents/codes-of-practice/>

5 Stages of Procurement

5.1 Stage 1: Visibility

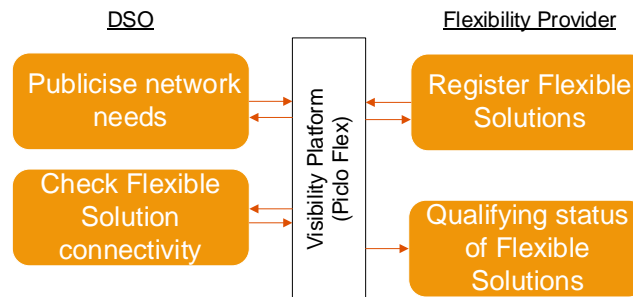


Figure 7: Visibility process

- 5.1.1 UK Power Networks will signpost flexibility zones with a potential future need. The requirements per zone are indicative and may change prior to the Initiation stage. FPs can register their DERs to communicate their location and capability to the DSO.
- 5.1.2 DERs will be shown as “Qualifying” once the company has been accepted onto the Dynamic Purchasing System (DPS) on Piclo Flex and if the geographic location and declared connection voltage matches that of the flexibility zone.
- 5.1.3 UK Power Networks will periodically check the electrical connectivity of Qualifying DERs prior to the **PQ Submission Deadline**. Where the electrical connectivity is not eligible, UK Power Networks will update Piclo Flex who will amend the DER status to not qualifying.

5.2 Stage 2: Initiation

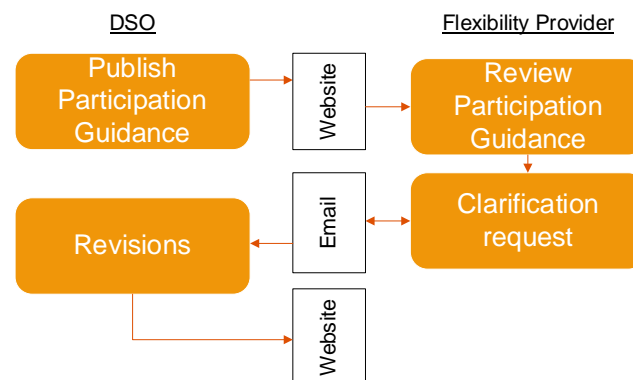


Figure 8: Pre-Qualification initiation process

- 5.2.1 UK Power Networks will decide whether to initiate Pre-Qualification at each flexibility zone and will publish the **Participation Guidance** on the website⁴. The Participation Guidance will contain detailed joining instructions and service terms of provision. Flexibility Providers can seek clarification by emailing: flexibility@ukpowernetworks.co.uk.

⁴ <https://smartgrid.ukpowernetworks.co.uk/flexibility-hub/>

5.3 Stage 3: Pre-Qualification

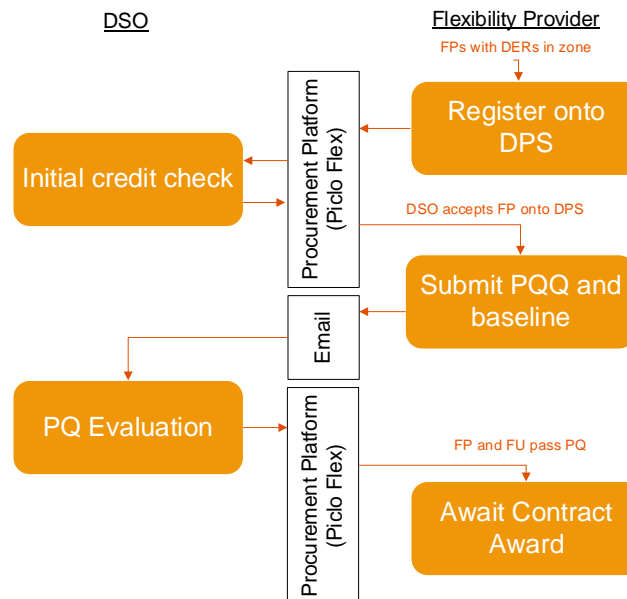


Figure 9: Pre-Qualification process

- 5.3.1 FPs with Qualifying DER/FU on Piclo Flex wishing to participate in Pre-Qualification will need to register for Pre-Qualification by the PQ Submission Deadline. This involves the FP submitting company details and technical solution details for evaluation. The company details are provided through the **Dynamic Purchasing System (DPS)** and technical details through the **Pre-Qualification Questionnaire (PQQ)**. The section below provides further information.
- 5.3.2 FPs will have 3 working days following the publication of Pre-Qualification results to raise any disputes. FPs should submit any disputes to flexibility@ukpowernetworks.co.uk including any Piclo Flex asset references to which the disputes relate and supporting evidence.

Dynamic Purchasing System

- 5.3.3 UK Power Networks will determine initial eligibility of FPs to participate in Flexibility Services based on information provided through the DPS. This may include undertaking an initial credit check of the FP. The FP needs to be a registered company, submit all required information, including company insurance cover, and be verified as a dependable supplier in order to be considered.
- 5.3.4 FPs will need to complete the DPS form on Piclo Flex submitting details of the company and declare that the terms of procurement and service have been accepted without amendment. The company details provided must be for the organisation that will be registering on UK Power Networks' SAP Sourcing and entering into contract with UK Power Networks. If the FP intends to transfer any of their rights, benefits, duties and obligations under the flexibility contract to another company after the Pre-Qualification it must inform UK Power Networks at this stage.
- 5.3.5 The FP will be notified within 10 working days of submitting the application of the result via an email notification from Piclo Flex.
- 5.3.6 FPs that are rejected will be provided with a reason for rejection and will have the opportunity to revise and resubmit their DPS application subject to Pre-Qualification timelines.
- 5.3.7 DPS applications submitted will be valid for future Pre-Qualification events, on condition that the FP's information has not changed.

Pre-Qualification Questionnaire

- 5.3.8 FPs that have been accepted onto the DPS, should complete the PQQ (Appendix 2). This should be emailed directly to UK Power Networks via flexibility@ukpowernetworks.co.uk.
- 5.3.9 UK Power Networks will undertake technical evaluation of the information submitted. The FP may be contacted to clarify the information submitted. Failure to submit all required information may result in a DER/FU failing Pre-Qualification.
- 5.3.10 The PQQ consists of three sections. In Section 1, the FP provides high-level information on the FUs it is entering into Pre-Qualification. In Section 2, the FP provides more granular detail of the Flexible Solutions which comprise each FU including MPANs. UK Power Networks will assess each FU against the criteria described in 3.2.4. In Section 3, the FP provides responses to market research questions posed by UK Power Networks. Unlike Sections 1 and 2, Section 3 is optional and will not be assessed.
- 5.3.11 The volume submitted in Section 1 of the PQQ should be the maximum flexible capacity of the FU. FPs will be able to declare the exact flexible capacity available for dispatch on operational timescales by sending Capability Declarations to UK Power Networks (in response to Capability Requests).
- 5.3.12 The MW total need displayed on Piclo Flex and in Appendix 4 for each Flexibility Zone is an indication of how much capacity is required overall for a zone. UK Power Networks may consider procuring more or less than this amount based on the pre-qualified volumes in the zone, budget available, other mitigating network measures, changes in load growth forecasts, and future tendering opportunities.
- 5.3.13 UK Power Networks retains the right to economically cover the risk of the loss of the largest FU to ensure security of supply.
- 5.3.14 UK Power Networks is also interested in DERs located outside published flexibility zones and may pre-qualify/contract with such DERs under the optional Dynamic service where considered useful to the network.
- 5.3.15 FPs can choose the service start date for each FU in Section 1 of the PQQ. The earliest service start date is 1 August 2022 (1 year service period) and the latest is 1 February 2023 (6 month service period).
- 5.3.16 UK Power Networks will also undertake detailed financial checks on the FPs with FUs that have passed the technical checks.

Dynamic Price Setting

- 5.3.17 Where flexibility is used to defer reinforcement, the benefit is the Present Value of the deferred reinforcement cost. The benefit is published to the market as Maximum Dynamic Utilisation Fees for each Flexibility Zone (see Appendix 4).
- 5.3.18 The FP should submit a Dynamic Utilisation Fee within Section 1 of the PQQ for each FU which cannot exceed the Maximum Dynamic Utilisation Fee for the Flexibility Zone in question.
- 5.3.19 The Dynamic Utilisation Fee can be easily changed during the contract term prior to the start of each service month and so does not form a long term commitment on the FP. The Dynamic Utilisation fee shall always remain below the Maximum Dynamic Utilisation Fee to ensure that dispatch is efficient.

5.4 Stage 4: Contract Award

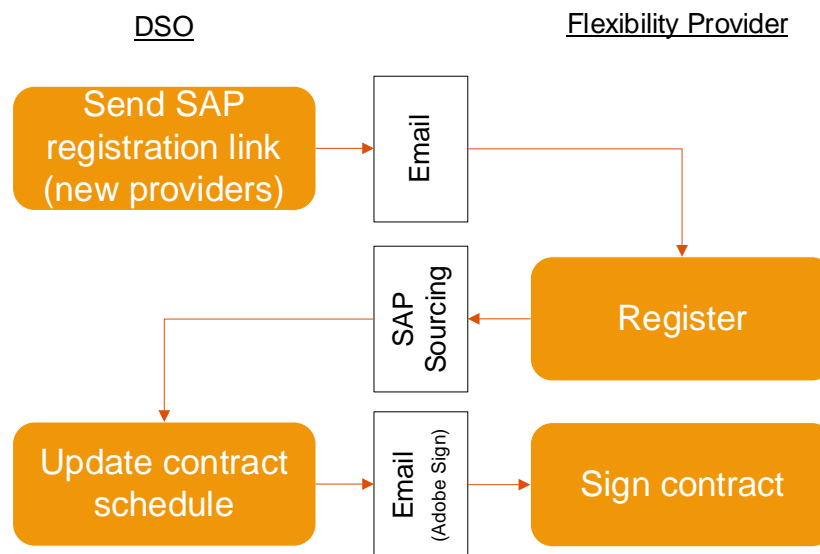


Figure 10: Contract process

- 5.4.1 UK Power Networks will award a contract to all FPs with pre-qualifying FUs subject to FPs successfully registering on SAP Sourcing.
- 5.4.2 FPs shall register on UK Power Network’s SAP Sourcing system as a supplier following the link sent by UK Power Networks (if not already registered). This will trigger an additional credit check of the FPs financial circumstances and will be subject to UK Power Networks’ usual Supplier checks. UK Power Networks reserve the right to withdraw the award.
- 5.4.3 FPs awarded a contract need to sign the Standard Flexibility Services Agreement with the updated schedules, as issued by UK Power Networks, and return it to UK Power Networks by the **Signed Contract deadline**. This should be either through UK Power Networks’ Digital Signature process using AdobeSign or if required by UK Power Networks, a single PDF emailed to flexibility@ukpowernetworks.co.uk, and two physical copies sent to the following address:
- UK Power Networks, Newington House, 237 Southwark Bridge Road, London, SE1 6NP
 For the attention of: Procurement Team, Flexibility Services
- 5.4.4 Only FPs that have pre-qualified, registered on SAP Sourcing and been awarded a contract shall be allowed to sign the Standard Flexibility Services Agreement. Thereafter, if successful FPs wish to transfer any of their rights, benefits, duties and obligations under the flexibility contract to another company, they shall do this in accordance with the clauses in the Standard Flexibility Services Agreement. UK Power Networks may require a parent company guarantee in the case of subsidiaries.
- 5.4.5 Any information provided by the FP at any point during the procurement event is subject to the Procurement Terms and Conditions (Appendix 3). This shall include UK Power Networks publishing Pre-Qualification information post-event.

5.5 Stage 5: Pre-Delivery

- 5.5.1 It is the responsibility of the FP to ensure that the FU meets all Service Requirements, including those pertaining to metering and communications, before their chosen Proving Start date.

6 Participant Check List

- Piclo Flex platform - <https://picloflex.com/>
- UK Power Networks' flexibility website - <https://smartgrid.ukpowernetworks.co.uk/flexibility-hub/>

Activity – Dynamic services Pre-Qualification Apr-22	When	Complete?
Check whether your DER/FU(s) are qualifying on the Piclo Flex platform	From Tue, 12 Apr 2022	
Review the Participation Guidance	From Tue, 12 Apr 2022	
Complete the DPS application	Open	
If passed DPS, complete and submit the PQQ	By Tue, 31 May 2022	
If passed PQ, register onto SAP Sourcing (if not already registered)	By Fri, 8 Jul 2022	
If passed PQ, sign contract	By Thu, 28 Jul 2022	

7 Appendices

Key Term	Definition
Appendix 1	Standard Flexibility Services Agreement
Appendix 2	Pre-Qualification Questionnaire (PQQ)
Appendix 3	Procurement Terms and Conditions
Appendix 4	Flexibility Zones Revenue Ranges

8 Version Control

Version	Updates	Updated information
0.0	First issue	
0.1	Updated timelines and correction to service requirements	
0.2	Update to service requirements	