



NETWORKS



# NATIONAL NETWORK LOCAL CONNECTIONS PROGRAMME

## Pilot 3 –Flexibility Services

*(Pilot of Scale)*

### Information Memorandum



# Contents

1. Introduction to Market Consultation Process .....	3
2. ESB Networks DAC Overview.....	5
3. Scope of Preliminary Market Consultation.....	6
4. Procurement Approach .....	7
5. Guidance w.r.t. Market Consultation .....	7
5.1 Accuracy of Information .....	7
5.2 No Implied Contract.....	7
5.3 Rights of the Contracting Entity .....	8
5.4 Confidentiality and Data Protection.....	8
5.5 Use of Respondent Information .....	8
5.6 Costs .....	8
6. Use of eTenders System.....	9
7. Market Consultation Documentation .....	9
8. Guidance on Completing Market Consultation Questionnaire .....	9
9. Submission of Market Consultation Questionnaire .....	9

# 1. Introduction to Market Consultation Process

This Information Memorandum – including the Market Consultation Questionnaire and any other updates or clarifications subsequently sent to interested parties (together the “Preliminary Market Consultation Documentation”) – is issued in relation to the establishment of framework(s)/contracts(s) related to the National Network, Local Connections Programme Flexibility Services Pilot, as set out in subsequent paragraphs.

ESB Networks DAC (ESB Networks) wishes to engage in a preliminary market consultation with interested parties for provision of flexibility services to the Distribution System Operator (DSO) in the sub zones listed in Table 1 below – Mullingar and surrounding area. The scope of this pilot is distribution-connected customers (industrial and commercial customers, domestic customers and generators) connected to the ESB Networks electricity distribution system only; transmission-connected customers are not included.

Flexibility services can be provided by suitably qualified distribution-connected customers – such as generation, storage or demand response, individually or via aggregation – that can alter their consumption or generation pattern to support ESB Networks in its role as the Distribution System Operator, to deliver a safe, secure and efficient distribution system.

As part of this pilot, in addition to the procurement of flexibility services from industrial and commercial participants, ESB Networks is looking to engage domestic participants who can provide the minimum active and reactive power required (individually or aggregated) with smart meters installed.

Initial services would take the form of a contracted remunerated service for altering consumption or generation in response to a pre-agreed schedule with the DSO or in response to communications/signals from ESB Networks. A payment structure, consisting of availability and utilisation is being considered for this pilot.

ESB Networks envisages the procurement of a number of different services, with dedicated Service Windows (months and days of the week) and Delivery Periods (hours of the day) defined.

ESB Networks is seeking to carry out a pilot to procure (i) active power kW, and (ii) reactive power kVAr, flexibility services from flexible assets connected within specific zones of the distribution system (encompassing corresponding geographic areas). These flexibility services will be scheduled for delivery or will be available for delivery to meet ESB Networks requirements during pre-agreed Service Windows and will, as necessary, be utilised to manage network conditions. This pilot will likely be established for an initial period of 2 years, with an option for ESB Networks to extend for a further period at its discretion. The purpose of the pilot is to (i) gain an understanding of how a scaled flexibility services market will be developed for implementation by 2025, (ii) in the more immediate term, understand how flexibility on the distribution system can be harnessed to

support the distribution system into the future and (iii) help address localised network issues or scarcities (relating to voltage or thermal conditions) arising in the locations where services are procured.

This pilot will be of interest to market participants who have the capability of providing a change in (i) active power kW (kW import or kW export), and/or (ii) reactive power kVAr (kVAr import or kVAr export). There are potential benefits for such market participants and the wider community, including:

- The participant secures a new source of revenue for being available and providing a service to the DSO on request
- Enabling new customers to be connected in your local area, supporting economic development in your locality
- Supporting the electrification of heat and transport and decarbonisation of your local community
- Supporting the realisation of Ireland’s Climate Action Plan targets

The following flexibility (sub) zones are under consideration for service delivery from Q4 2023 onwards:

Table 1

<b>38kV Station<sup>1</sup></b>	<b>Congested MV Feeder<sup>2</sup></b>
Athboy	Kells
Ballinderry	Millmount
Ballinderry	Maglona
Ballinderry	Milltownpass
Ballinderry	Rochfortbridge
Ballinderry	Marlinstown
Ballinderry	Killucan
Ballinderry	Petitswood
Clara	Ballinderry
Clara	Horseleap
Clonminch	Daingean
Delvin	Delvin
Delvin	Collinstown
Delvin	Killucan
Delvin	Hill of Down
Edenderry	Castlejordan
Lloyd	Oldcastle
Loughanalla	<i>Left blank intentionally</i>

<sup>1</sup> 38kV substation is broadly indicative of the location of the zone

<sup>2</sup> MV feeder provides a more localised indication of the location of the zone

Loughanalla	Mullingar
Loughanalla	Finnea
Mullingar	Grange
Mullingar	Green Bridge
Mullingar	College Hill
Mullingar	Austin Friars Street
Mullingar	Castlepollard
Mullingar	Grand Parade
Newbrook	<i>Left blank intentionally</i>
Newbrook	<i>Left blank intentionally</i>
Newbrook	Dysart
Oldcastle	Kells
Oldcastle	Millbrook

Mapping of the flexibility (sub) zones listed above is in progress and will be made available via the eTenders website in the coming weeks. Potential Flexible Service Providers<sup>3</sup> interested in providing flexibility services at, or near, the flexibility (sub) zones listed above are asked to complete the Market Consultation Questionnaire.

Potential Flexible Service Providers with operational control of assets at, or near, these flexibility (sub) zones – who may be in a position to offer services and wish to provide further details of their capabilities – are asked to complete the Market Consultation Questionnaire.

The purpose of this Preliminary Market Consultation is to:

- Inform of the market of ESB Networks' intention to establish framework(s)/contracts(s) for this Flexibility Services Pilot;
- Seek feedback from potential market participants, on their services and solutions, their implementation capabilities, as well as any existing or potential delivery partnerships that the Flexible Service Provider is involved with (or plans to be involved with);
- Understand the optimum procurement approach, together with informing technical and operational requirements for the pilot.

## 2. ESB Networks DAC Overview

ESB Networks, a wholly owned subsidiary of ESB, is the licence holder for operating the distribution system in Ireland. As Distribution System Operator (DSO) and the Distribution Asset Owner ESB Networks meets the needs of all electricity customers, providing access to the electricity system,

---

<sup>3</sup> "Flexibility Service Provider" (FSP) means a legal entity which owns or has rights to operate Flexible Service Unit(s) consisting of Flexible Service Asset(s)

and delivering and managing the performance of a system. Further information about ESB Networks can be accessed by clicking on the following link: <https://www.esbnetworks.ie/who-we-are/about-esb-networks> The Distribution System is extensive and provides all customer connections to the system – currently standing at c.2.4m customer connections.

The distribution network includes all distribution stations, overhead electricity lines, poles and underground cables which transport electricity from the bulk supply points to all electricity users across the Country. ESB Networks carry out all of the functions under the Distribution System Operator License (DSO) granted by the CRU including planning, construction, maintenance and operation of all medium and low voltage electricity network infrastructure nationwide. In addition, Networks is also responsible for metering of customer end use and provision of data to all electricity supply companies in Ireland.

### 3. Scope of Preliminary Market Consultation

ESB Networks wishes to engage in a preliminary market consultation with interested parties in relation to the establishment of framework(s)/contract(s) as outlined above. This notice is not an invitation to tender or call for competition.

For this pilot, ESB Networks intends to run a Pre-Qualification Questionnaire (PQQ) stage, followed by a Request for Tender (RFT) stage, for any subsequent procurement process. It will be structured in two lots. The currently envisaged timelines are as follows:

- Lot 1 PQQ stage commencing in December 2022 and an associated tender stage in May 2023;
- Lot 2 PQQ stage commencing in March 2023, with an associated tender stage in August 2023.

The contents of Lot 1 and Lot 2 will be set out in the Procurement process.

ESB Networks' final decision around the structure of PQQ and RFT stages (and, indeed, the running of any subsequent procurement process at all) will, in part, be informed by the findings captured as part of this consultation.

Following its review of the responses received to the Market Consultation Questionnaire, ESB Networks may seek further information (through meetings or by telephone) and/or hold webinars with selected interested parties. Not all interested parties who submit responses to the questionnaire will necessarily be invited to provide further information to ESB Networks.

## 4. Procurement Approach

It is anticipated that flexibility services will be procured as Contracts, using the negotiated procedure in accordance with Directive 2014/25/EU<sup>4</sup> and implementing Irish Regulations. However, the final decision in this regard will, again, in part, be informed by the findings captured as part of this consultation.

The procurement approach that will ultimately be implemented will be advised in the contract notice and will be in accordance with Directive 2014/25/EU and implementing Irish regulations.

## 5. Guidance w.r.t. Market Consultation

### 5.1 Accuracy of Information

The Market Consultation documentation is preliminary in nature and is being made available on the understanding, and condition, that it is to be used solely for the purposes outlined in this Information Memorandum.

Participants are advised that the Market Consultation documentation does not purport to contain all information relevant for the purposes of the proposed procurement process. Following the conclusion of this consultation process, the information in this Market Consultation documentation may no longer be accurate and/or up to date and will, in any event, be superseded by the contract notice to be published in the Official Journal of the European Union and the associated PQQ and Tender documentation. The information in this document is provided without prejudice to any subsequent procurement process.

ESB Networks DAC, their respective directors, and their professional advisors, do not accept, individually or collectively, any responsibility or liability (i) in respect of the accuracy, adequacy or completeness of the contents of the Market Consultation documentation, and (ii) for any opinion, statement or conclusion contained in the documentation. Indeed, the above do not make any representation, or warranty, in respect of any such opinion, statement or warranty. No liability is accepted for any error, misstatement, or omission – negligent or otherwise – in this document or in any other information given to Parties.

### 5.2 No Implied Contract

The Market Consultation documentation does not constitute a representation that the framework(s)/contracts(s) will in fact be procured, in whole or in part. No information contained in this document – or in any communication made between ESB Networks and any party in connection

---

<sup>4</sup> Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors

with this phase – shall be relied upon as constituting a contract, or part of a contract, or an offer to make a contract. ESB Networks has no obligation to enter into a contract with any interested party or at all.

### 5.3 Rights of the Contracting Entity

ESB Networks reserves the right to: (i) change without notice the basis of, or the procedures (including the timetable) for, the process, (ii) invite some of the interested parties for further discussions, (iii) not invite an interested party for further discussions, (iv) terminate the process at any time, and (v) amend the Preliminary Market Consultation, its requirements and any information contained herein at any time.

### 5.4 Confidentiality and Data Protection

Participants must, when providing information, clearly identify any specific information they consider to be confidential and the reasons why they believe as such; it is not sufficient for a participant to include a statement that all its information is confidential.

Any customer data (MPRNs) provided to ESB Networks will be used for the purposes of determining the location of submitted Flexible Service Assets<sup>5</sup> (FSA), i.e. in which flexibility (sub) zone – and on which congested MV feeder – an FSA is located. Any personal data that you furnish with your submission will be managed in accordance with [ESB Networks' Privacy Notice and Cookies Policy](#).

### 5.5 Use of Respondent Information

ESB Networks reserves the right to use the information submitted in the responses in any future procurement processes that may arise.

### 5.6 Costs

No liability will be accepted by ESB Networks for any parties' costs in connection with this process, including – but without limitation – preparing a response to the Prior Information Notice Market Consultation, attending any briefings or presentations at ESB Networks premises (or elsewhere), or in connection with any visits made by ESB Networks representatives to parties' places of business, irrespective of the outcome (whether or not the process is cancelled or postponed).

---

<sup>5</sup> "Flexible Service Asset" (FSA) means a single standalone DER asset and/or installation capable of providing a flexibility service. A flexible service asset shall have the technical and operational capability to deliver flexible services in response to dispatch instructions from the relevant System Operator in accordance with the relevant Grid Code or Distribution Code



## 6. Use of eTenders System

It is the Contracting Entity's intention to run this preliminary market consultation through eTenders, the Irish Government's eProcurement website. There is no charge to contracting authorities, or suppliers, for this service: <http://www.etenders.gov.ie/>

## 7. Market Consultation Documentation

The Market Consultation documentation is available on the eTenders system (reference is RFT number 226110). All eTender messages should have the file reference "CON916 – National Network, Local Connections Programme – Pilot 3 – Flexibility Services (Pilot of Scale)" within the title line.

## 8. Guidance on Completing Market Consultation Questionnaire

Interested parties are requested to follow the format in the Market Consultation Questionnaire attached and to please answer all of the questions:

- The Market Consultation Questionnaire is to be completed in English
- The Market Consultation Questionnaire is contained in Appendix 1 of this Information Memorandum. Please use the format of the questionnaire provided in the Market Consultation Documentation for your submission
- Please ensure that your response is clear in terms of your area of interest relevant to the subject matter of this Information Memorandum (under any of the related, specific elements outlined above)
- Any queries or questions in relation to this Market Consultation should be forwarded to ESB Networks via the messaging function on eTenders for "CON916 – National Network, Local Connections Programme – Pilot 3 - Flexibility Services (Pilot of Scale)"

## 9. Submission of Market Consultation Questionnaire

1. Please return your completed Market Consultation Questionnaire spreadsheet via eTenders. All submissions should have the file reference number "CON916 – National Network, Local Connections Programme – Pilot 3 - Flexibility Services (Pilot of Scale)".
2. The final date and time for the receipt of the completed preliminary market consultation questionnaire is as stated on eTenders for RFT number 226110.

3. Participants at, or near, the flexibility (sub) zones listed in the Section 1 Introduction to Market Consultation Process above are invited to respond to the questions detailed in the Market Consultation Questionnaire response spreadsheet attached to this Information Memorandum. ESB Networks may consider these responses in the finalisation of the requirements prior to formal commencement of any procurement process.
4. It should be noted there is no advantage or disadvantage associated with any participation in this Market Consultation process. Response to this process does not, in any way, prejudice future participation in any subsequent procurement competition for the frameworks/contracts.
5. Participants may respond either (i) as part of a consortium, or (ii) individually. Additionally, ESB Networks, and its advisors, may enter discussions with individual respondents where clarification of submissions, or further discussion, is warranted.