

Ian Pashley

ian.pashley@uk.ngrid.com
Direct tel +44 (0)1926 653446
Direct fax +44 (0)1926 656612

www.nationalgrid.com

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ISSUE 1

Dear Service Provider

Constraint Management Service - Invitation to Tender CONSTRAINT MANAGEMENT REQUIREMENT NOTICE

Please be advised that an Invitation to Tender for the Constraint Management Service is now available on National Grid's website.

<http://www.nationalgrid.com/uk/Electricity/Balancing/services/systemsecurity/constraint/>

Requirement

Between 29th September and 3rd October 2008 there are outages on the Easterhouse – Longannet and Clydes Mill – Easterhouse – Newarthill circuits which may lead to constraints. The generation that may help to alleviate this constraint includes: - Longannet, Fife, Peterhead, Foyers, some hydro generation and a large proportion of Scottish wind output.

The requirement to constrain generation is uncertain based upon wind output, when and if marginal generation will run and whether generation returning from outages will do so on time. As such, the Constraint Management Service works well for this requirement as it allows us to 'hedge' our risk without the need to commit at this stage to cap generation.

The requirement for the service is as follows:

Between **10:00 – 19:00**

On Weekdays between **29th September** and **3rd October 2008**.

National Grid is interested in receiving tenders from generators (MW reduction) or demand (MW increase) from sites within Scotland.

Supporting Documentation

The ITT documents that have been published today are as follows:

1. Invitation to Tender Letter
2. Constraint Management Service Terms (version 2a)
3. Constraint Management Service Description
4. Tender Sheets
5. Tenderer's Contact Details pro-forma
6. Explanation and Tender Guidance Document
7. Tender Assessment Principles
8. Summary Report for Tender Round 3

The key dates for this tender round are as follows:

- Market Day: 17:00 hours on Thursday 26th September 2008
- Tender Opening: Friday 27th September 2008
- Tenderers notified of results: Friday 27th September 2008
- Service commencement: Monday 29th September 2008

Market Day is the latest day in which tenders can be accepted by National Grid - all tenders must be received by post (or delivered by hand) no later than 17:00 hours on Thursday 26th September 2008 to the address below. Envelopes should be clearly marked "CMS TR6".

Ian Pashley
Network Operations
National Grid plc
National Grid House
Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA

Should tenderers wish to deliver their tender by hand then this intention must be notified to National Grid in advance (see above for my contact details).

Standard Contract Terms

Providers wishing to provide the Constraint Management Service must sign on to the standard contract terms. Please contact either your Balancing Services account manager or myself to progress the necessary arrangements.

For further information and a more detailed explanation of the tender process please refer to the Constraint Management Service Description and the Explanation and Tender Guidance within the ITT documentation. Alternatively please contact either your Balancing Services account manager or myself if you have any queries.

Yours Sincerely,

Ian Pashley.