

# **Policy Document for Managing Interactive Offers**

**Version 1.1**

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# 1. Interactivity

## 1.1 Background

Interactivity occurs where a customer Connection Offer due to be made would affect the terms of an outstanding unsigned customer offer, which is reliant upon the completion of the same transmission reinforcement works. National Grid refers to such offers as Interactive Offers.

## 1.2 Interactive Process

*Note – The following is to be read in conjunction with the process map in Appendix 1. Further policy examples can be found in Appendix 2.*

During the process of producing a new customer Connection or Modification Offer, National Grid will assess and identify whether the new offer will affect the terms of other outstanding unsigned offers.

If an offer in production is identified to affecting the terms on other outstanding unsigned offers, then, an Interactive Queue will be created. The Interactive Queue will be comprised of the Affected Parties and their position in the queue is determined by their Clock Start Date. The Affected Party with the earliest Clock Start Date will be 1st on the queue, the Affected Party with the next earliest Clock Start Date will be placed 2nd on the queue and so on.

- If two or more parties have the same Clock Start Date then they will be given the same joint position in the queue.

All Affected Parties will be notified by National Grid that their offers are classed as Interactive and will receive a Notice of Interactivity Letter informing them:

- Their offer had become Interactive.
- The applicants position in the Interactive Queue as determined by their Clock Start Date.
- The process and allowable dates for submitting acceptances.

Once notification has been issued that an offer has become interactive, National Grid will suspend the affected parties' right to accept their offer for 5 business days. This is known as the Moratorium Period and ends at 09:00 on the 6th business day.

- The Offer Acceptance Period will be extended for all Interactive unsigned offers by the 5 days to cover the Moratorium Period.

After the Moratorium Period has ended, the Offer Acceptance Period will resume and Affected Parties will be able to submit their acceptances.

National Grid will assess which offers have been received by e-mail (or where requested by the customer, fax) as at 17:00 each day after the Moratorium Period and apply the following principles:

- Where an acceptance is returned on a business day later than another acceptance, the earlier acceptance will be successful regardless of their position in the interactive Queue.
- Where two or more acceptances are received on the same day the Affected Party with the highest position in the Interactive Queue will be successful.
- If two or more Affected Parties have the same position in the Interactive Queue then the Affected Party who submits their acceptance first on the same day will be successful.

The number of offers which can be accepted will also depend upon the capacity requested by the Affected Party, and actual capacity available at the requested connection date. National Grid will only take acceptances until the Interactive capacity has been allocated.

This process will continue on each subsequent day throughout the Customer Offer Acceptance Period until:

- Offers have been accepted for all the available capacity.
- The Interactive Offer has lapsed due to the validity period expiring.

In the event of all available capacity being allocated National Grid will notify all remaining Affected Parties that their offers have been withdrawn, and will be amended and re-issued with a later connection date.

National Grid will notify all Affected Parties who have sent back their acceptances whether they were successful or had their offers withdrawn.

- Successful parties should send two signed, complete originals of each agreement within two business days of National Grid's confirmation as in line with the terms of their original offer.
- Both copies will be countersigned by National Grid and one copy will be returned.

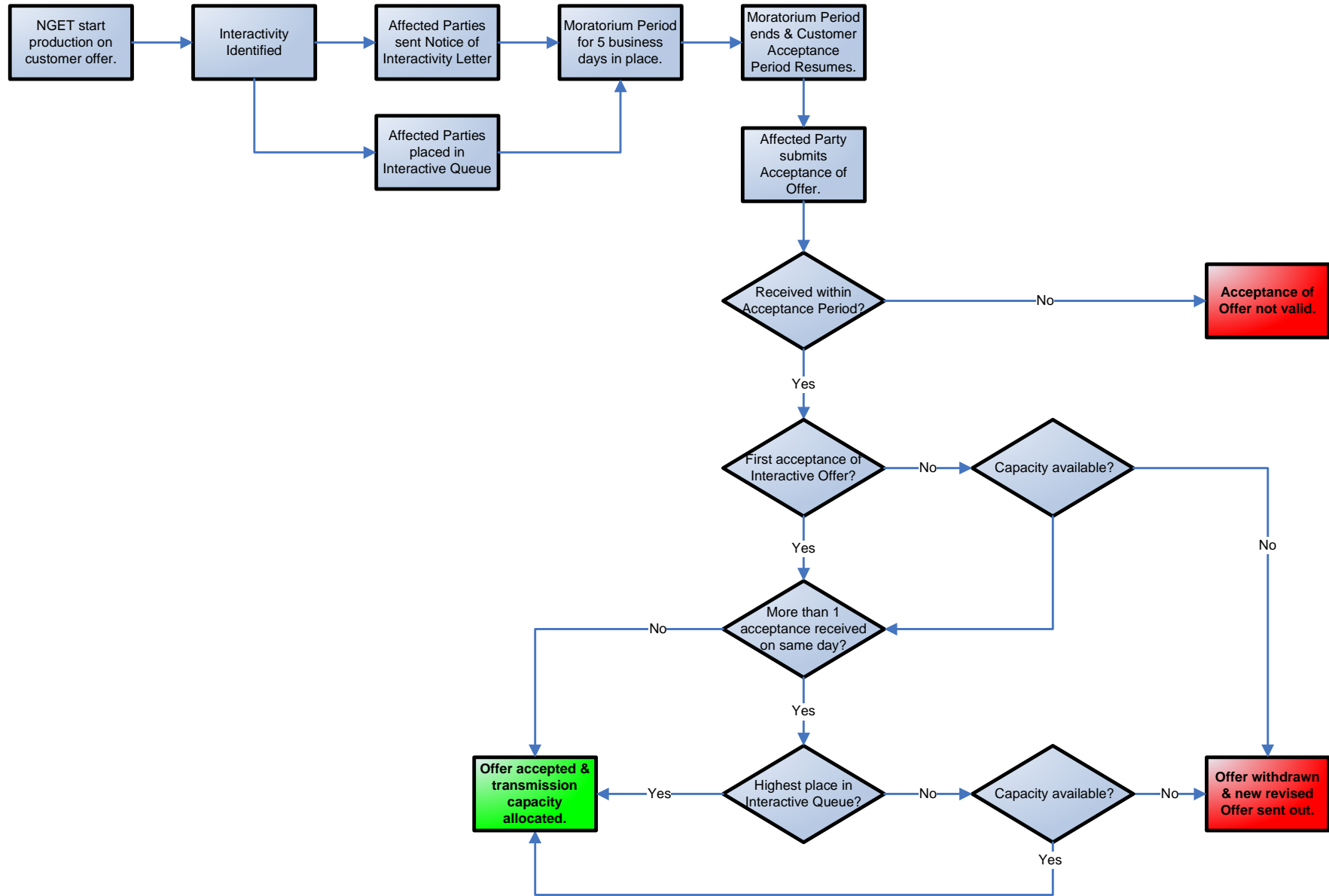
Any Affected Parties who submitted their acceptance but were unsuccessful will receive revised offers within 3 months.

- Where a re-issued offer is subject to further Interactivity, the Affected Parties place in the Interactive Queue will be determined by their original Clock Start Date.

### **1.3 Connect and Manage**

Connect and Manage (C&M) was implemented 11th August 2010. Interactivity is limited to the connection date of the Enabling Works hence leading to lesser instances in which an Offer will be deemed to be interactive. In their July 2010 consultation document, The Department of Climate Change (DECC) recognised that interactivity would continue with C&M, and concluded that the industry should continue to follow the current process.

Appendix 1 - Interactive Process Map



**Appendix 2 – Example Scenarios**

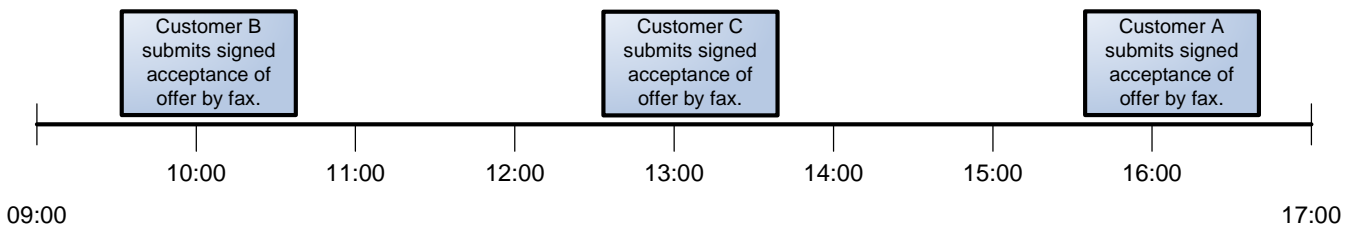
**Example 1 - Available Capacity on the Transmission System = 500MW**

Scenario 1

Customer	Application Clock Start Date	Position in Interactive Queue	Capacity Requested
A	4/8/2011	1	<b>250MW</b>
B	5/8/2011	2	<b>250MW</b>
C	6/8/2011	3	<b>250MW</b>

**Total Capacity Requested 750MW**

On the 27<sup>th</sup> October Customers are advised that their offers will be despatched on Friday 5<sup>th</sup> November 2011. Once they receive their offer, Customers are notified of the “Interactivity”. They will also be advised that the Moratorium Period is now in place for a period of 5 business days. Signed offers that are returned after 09:00 on Friday 12<sup>th</sup> November 2011 will be accepted by National Grid



*Customer A* will secure their requested capacity as they submitted their signed acceptance of Offer by 17:00 and have the highest position in the Interactive Queue.  
**(Total 250MW allocated out of 500MW available).**

*Customer B* also secures their capacity as their place in the Interactive Queue is higher than *Customer 3*.  
**(Total 500MW allocated out of 500MW available).**

*Customer C* will have their offer withdrawn and a new offer provided as there is no capacity available.

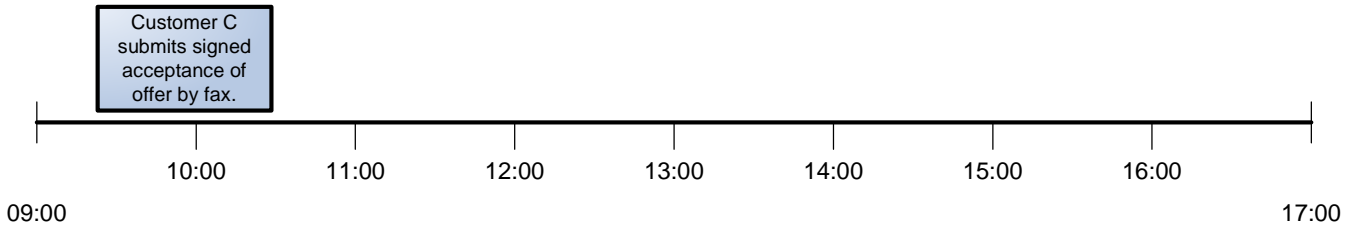
Scenario 2

Customer	Application Clock Start Date	Position in Interactive Queue	Capacity Requested
A	4/8/2011	1	<b>250MW</b>
B	5/8/2011	2	<b>250MW</b>
C	6/8/2011	3	<b>250MW</b>

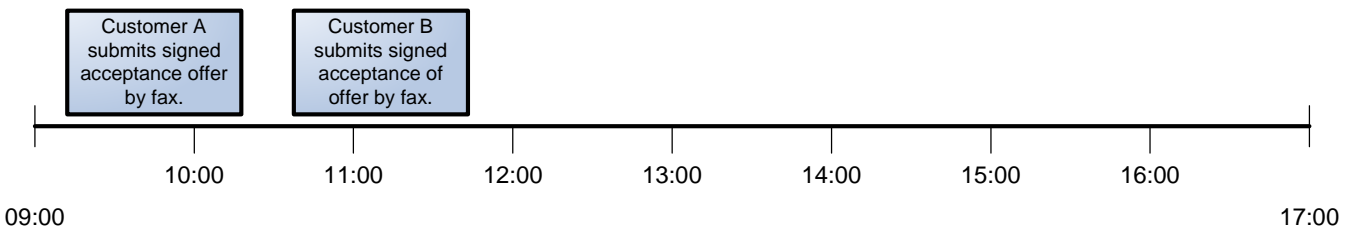
**Total Capacity Requested 750MW**

On the 27<sup>th</sup> October Customers are advised that their offers will be despatched on Friday 5<sup>th</sup> November 2011. Once they receive their offer, Customers are notified of the “Interactivity”. They will also be advised that the Moratorium Period is now in place for a period of 5 business days. Signed offers that are returned after 09:00 on Friday 12<sup>th</sup> November 2011 will be accepted by National Grid.

Day 1



Day 2



*Customer C* secures their requested capacity as they have submitted their signed acceptance of Offer by 17:00 on Day 1. *Customer C* has the lowest place in the Interactive Queue however *Customer A* and *Customer B* have not submitted a signed acceptance of Offer. **(Total 250MW allocated out of 500MW available).**

*Customer A* secures their requested capacity as they have submitted their signed acceptance of Offer by 17:00 and has a higher position in the Interactive Queue than *Customer B*. **(Total 500MW allocated out of 500MW available).**

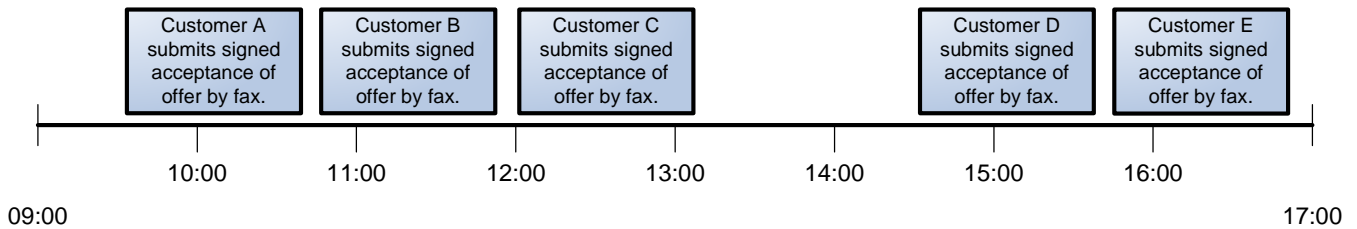
*Customer B* will have their offer withdrawn and a new offer provided as there is no capacity available.

**Example 2 - Available Capacity on the Transmission System = 1000MW**

Scenario 3

Customer	Application Clock Start Date	Position in Interactive Queue	Capacity Requested
A	6/9/2011	1	<b>300MW</b>
B	7/8/2011	2	<b>500MW</b>
C	8/8/2011	3	<b>100MW</b>
D	9/8/2011	4	<b>200MW</b>
E	10/8/2011	5	<b>50MW</b>

**Total Capacity Requested 1150MW**



*Customer A* will secure their requested capacity as they submitted their signed acceptance of Offer by 17:00 and have the highest position in the Interactive Queue.  
**(Total 300MW allocated out of 1000MW available).**

*Customer B* will secure their requested capacity as they submitted their signed acceptance of Offer by 17:00 and have the 2nd highest position in the Interactive Queue.  
**(Total 800MW allocated out of 1000MW available).**

*Customer C* secures their requested capacity as they submitted their signed acceptance of Offer by 17:00 and have the 3rd highest position in the Interactive Queue.  
**(Total 900MW allocated out of 1000MW available).**

*Customer D* requested 200MW but as there is only 100MW available they will have their Offer withdrawn and a new Offer provided.

*Customer E* requested 50MW but as their position in the Interactive Queue is lower than *Customer D* they cannot have 50MW of the remaining 100MW. Subsequently *Customer E* will have their offer withdrawn and a new offer provided.

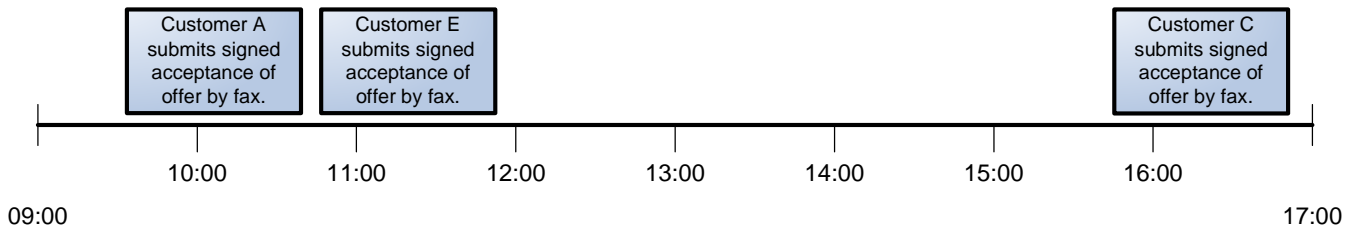


Scenario 4

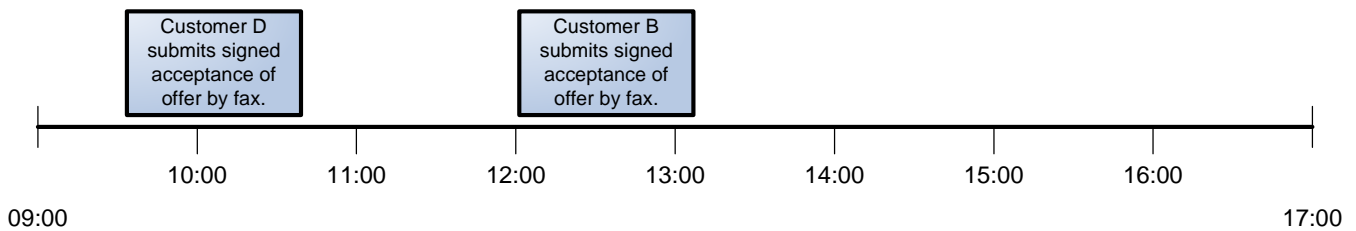
Customer	Application Clock Start Date	Position in Interactive Queue	Capacity Requested
A	6/9/2011	1	<b>300MW</b>
B	7/8/2011	2	<b>500MW</b>
C	8/8/2011	3	<b>100MW</b>
D	9/8/2011	4	<b>200MW</b>
E	10/8/2011	5	<b>50MW</b>

**Total Capacity Requested 1150MW**

Day 1



Day 2



*Customer A* will secure their requested capacity as they submitted their signed acceptance of Offer by 17:00 and have the highest position in the Interactive Queue.  
**(Total 300MW allocated out of 1000MW available).**

*Customer C* will secure their requested capacity as they submitted their signed acceptance of Offer by 17:00 and have a higher position in the Interactive Queue.  
**(Total 400MW allocated out of 1000MW available).**

*Customer E* will secure their requested capacity as they submitted their signed acceptance of Offer by 17:00 and have a higher position in the Interactive Queue. *Customer E* has the lowest place in the Interactive Queue, however there is capacity available and *Customers B* and *D* did not submit their acceptance.  
**(Total 450MW allocated out of 1000MW available).**

*Customer B* has secured their requested capacity as they are placed higher in the Interactive Queue.  
**(Total 950MW allocated out of 1000MW available).**

*Customer D* will have their offer withdrawn and a new offer.

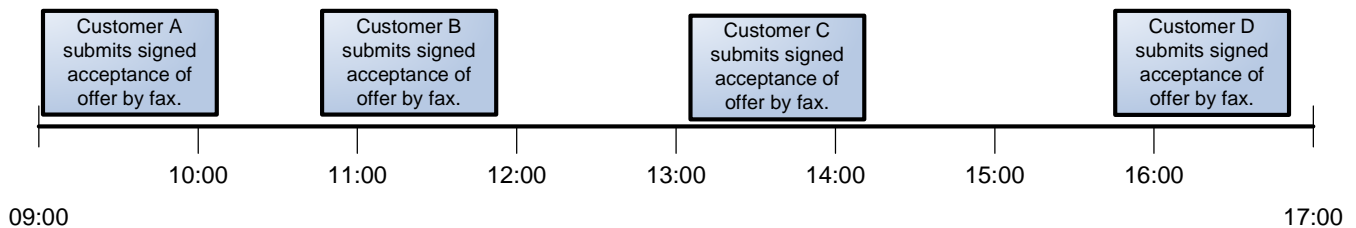
### Example 3 - Available Capacity on the Transmission System = 750MW

This example reviews how National Grid would manage offers where two or more Customers have the same "Clock Start Date". If this scenario was to occur, the first party that signs their offer that is offered the capacity.

#### Scenario 5

Customer	Application Clock Start Date	Position in Interactive Queue	Capacity Requested
A	1/8/2011	1	<b>250MW</b>
B	2/8/2011	2	<b>250MW</b>
C	2/8/2011	2	<b>250MW</b>
D	4/8/2011	3	<b>250MW</b>

**Total Capacity Requested 1000MW**



*Customer A* will secure their requested capacity as they submitted their signed acceptance of Offer by 17:00 and have the highest position in the Interactive Queue.  
**(Total 250MW allocated out of 750MW available).**

*Customer B* will secure their requested capacity as they submitted their signed acceptance of Offer by 17:00, and though they have the same position on the Interactive Queue as *Customer C*, *Customer B* submitted their signed acceptance at an earlier time.  
**(Total 500MW allocated out of 750MW available).**

*Customer C* will secure their requested capacity as they submitted their signed acceptance of Offer by 17:00 and have a higher position in the Interactive Queue than *Customer D*.  
**(Total 500MW allocated out of 500MW available).**

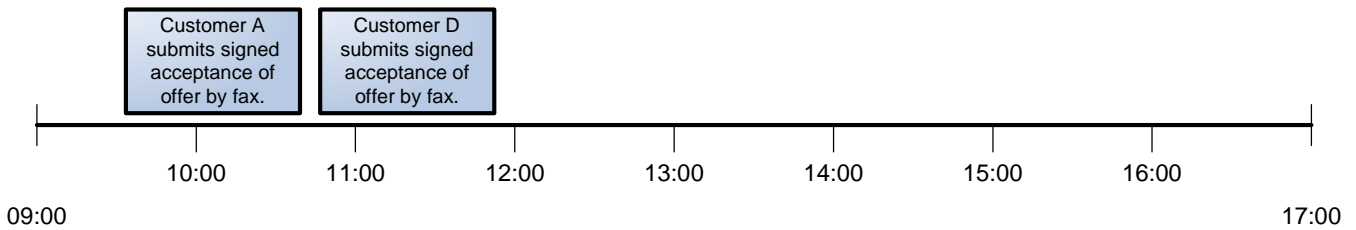
*Customer D* will have their offer withdrawn and a new offer.

Scenario 6

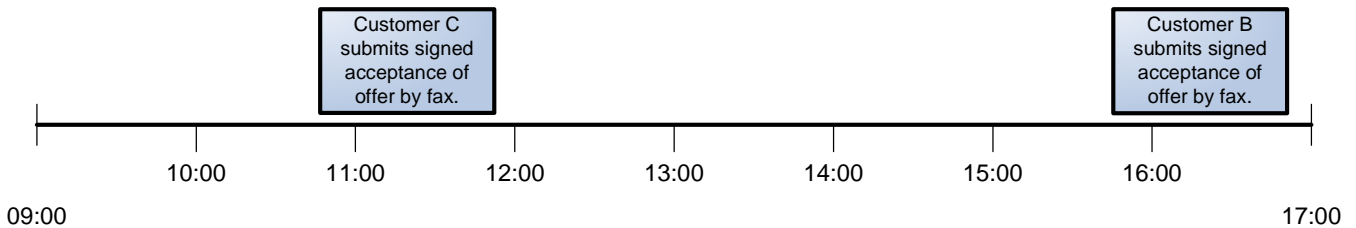
Customer	Application Clock Start Date	Position in Interactive Queue	Capacity Requested
A	1/8/2011	1	<b>250MW</b>
B	2/8/2011	2	<b>250MW</b>
C	2/8/2011	2	<b>250MW</b>
D	4/8/2011	3	<b>250MW</b>

**Total Capacity Requested 1000MW**

Day 1



Day 2



*Customer A* will secure their requested capacity as they submitted their signed acceptance of Offer by 17:00 and have the highest position in the Interactive Queue.  
**(Total 250MW allocated out of 750MW available).**

*Customer D* will secure their requested capacity as they submitted their signed acceptance of Offer by 17:00. *Customer D* has the lowest place in the Interactive Queue however there is capacity available and *Customers C* and *B* did not submit their acceptance on Day 1.  
**(Total 500MW allocated out of 750MW available).**

*Customer C* will secure their requested capacity as they submitted their signed acceptance of Offer by 17:00 on Day 2, and though they have the same position on the Interactive Queue as *Customer B*, *Customer B* submitted their signed acceptance at an earlier time.  
**(Total 750MW allocated out of 750MW available).**

*Customer B* will have their offer withdrawn and a new offer provided as there is no capacity available.