

Conditions of Tender – Primary Control Power

Valid for invitations to tenders with a delivery period after 1st of February 2017

1. In performance of its tasks as operator of the Swiss transmission system, Swissgrid is hereby inviting bids for the provision of primary control power on a weekly basis and calling on prequalified ASPs who have concluded the requisite Framework Agreement with Swissgrid to submit bids electronically. The volumes and periods put out to tender can be seen on <https://sdl.swissgrid.ch/>.
2. Bids must be received by Swissgrid by the date specified in the tender schedule. Swissgrid will duly inform all ASPs of the results by the date specified in the tender schedule. The tender schedule will be published in a separate notice on the Swissgrid website.
3. By submitting a bid, the ASP declares its agreement with the following conditions of tender:
 - » To participate in the tendering process, the ASP must have signed a valid Framework Agreement with Swissgrid which is valid at least until the end of the tender period.
 - » The ASP provides explicit assurance once again that it is compliant with the corresponding prequalification criteria and undertakes to discharge the duties specified in the Framework Agreement and the prequalification criteria if the contract is awarded.
 - » Bids must be submitted in symmetrical capacity blocks of at least ± 1 MW and any additional capacity blocks in increments of ± 1 MW and for the duration of the entire tender period, specifying a demand charge per MW (\pm) for the volume offered; the provision of control power from a pool of generating units is expressly allowed and desirable.
 - » A bid is defined as a number of combinations of the volume offered (symmetrical power band in MW) and demand charge (EUR per MW) required for this volume. A bid must contain one such combination at least. The permitted number of combinations described here, which a bid can contain, is not only unlimited; it is rather subject to the compliance with bid rules (minimum of ± 1 MW; increase in increments of at least ± 1 MW). The specification of the largest number of volume-demand charge combinations possible is expressly required, even if the requested demand charge does not change for different power volumes. (A higher granularity aids Swissgrid when it comes to determining the lowest-cost choice). The maximum power to be offered per bid is limited to 25 MW.
 - » Bids cannot be curtailed in the sense that Swissgrid is only allowed to award a contract for a combination of volume and demand charge which is expressly contained in the bid. Furthermore, a bid is defined such that Swissgrid can select at most one of the combinations contained therein.
 - » In principle, every ASP may submit an unlimited number of bids. Each ASP bid is, however, binding and separate from all other bids, and therefore every combination of bids from an ASP in turn constitutes a binding offer.
 - » The criterion for selecting the bids is the minimisation of the costs of power provision subject to the best possible fulfilment of the capacity put out to tender. Where there are two or more bids with an equal price, the primary criterion will be the contribution to the minimisation of costs and the second criterion will be the date of receipt. In allocating the tender, Swissgrid may reduce the volume slightly if acceptance of the bid would result in excess procurement. Moreover, irrespective of the procedure for determining which bids are successful, remuneration will be in accordance with the bid submitted by the ASP (bid price).
 - » Bids are binding for both parties. An ASP whose bid is ultimately not accepted (and so does not result in the conclusion of a supply contract with Swissgrid) will not have free disposal of the offered capacity until it has been notified of the outcome of the tendering process by Swissgrid – this being no later than the time stipulated in the tender schedule. The bid is binding for Swissgrid in that Swissgrid expressly waives a reduction of bids in accordance with the above provisions.
 - » If a bid proves successful, the supply contract will come into effect upon Swissgrid's acceptance of the ASP's bid.

- » If a contract is awarded, the ASP undertakes to independently supply the power to be provided for the entire duration from the start of the tender period (without further action by Swissgrid). The details of the IT connection are governed by Clause 3 of the Framework Agreement.
 - » Remuneration will take place in accordance with the price requested by the ASP (bid price); costs for energy, any balance energy costs and grid usage charges must be borne solely by the ASP and included in the demand charge bid of the ASP.
 - » In the event that inadequate quantities are offered to cover the control power requirements of Swissgrid, a second tendering process is carried out.
4. The second tendering process takes place after closure of the first tendering process, at the request of Swissgrid. The ASPs are notified of this by e-mail.
- » All the proposals submitted for the first tendering process are “frozen” at this point and can be neither modified nor deleted. In the second tendering process the ASPs can only submit additional proposals, but these can be freely modified until closure of the second tendering process. The properties such as minimum quantity, maximum size and combination options of the proposals remain identical. The remuneration mechanism also remains identical.
 - » Following closure of the second tendering process, the contracts are awarded according to the criteria stated in section 3 across all the proposals of both tendering processes.
 - » If the entire quantity offered in the first and second tendering processes is not adequate to cover the control power requirements of Swissgrid, Swissgrid examines the possibility of reducing the control power requirements, as well as the possibility of a reallocation of quantities between the control power products.