# Conditions of Tender – Secondary Control Power

## Valid for invitations to tenders with a delivery period after 1 June 2018

1. In performance of its tasks as operator of the Swiss transmission system, Swissgrid is hereby inviting bids for the provision of secondary control power on a monthly basis and calling on prequalified SSPs 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 www.sdl.swissgrid.ch.
2. Bids must be received by Swissgrid by the date specified in the tender schedule. Swissgrid will duly inform all SSPs of the result by the date specified in this schedule. The tender schedule will be published in a separate notice on the Swissgrid website.
3. By submitting a bid, the SSP declares its agreement with the following conditions of tender:
   - To participate in the tendering process, the SSP must have signed a valid Framework Agreement with Swissgrid which is valid at least until the end of the tender period.
   - The SSP 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.
   - The volumes offered include either positive or negative control power. Bids must be made in positive or negative output windows of +5 MW or -5 MW respectively and any additional output windows in increments of (+/-)1 MW and for the duration of the entire tender period indicating a demand charge per MW for the period mentioned in the invitation to tender; the provision of control power from a pool of generating units is expressly permitted and desired.
   - A bid is defined as a number of combinations of the volume offered (positive or negative power band in MW) and the demand charge (CHF per MW) for this volume. A bid must contain at least one such combination. A bid can include both combinations with positive power bands as well as combinations with negative power bands. The permissible number of combinations described here that a bid may contain is not only unlimited; but, subject to compliance with the bid rules (minimum of (+/-) 5 MW; increases in increments of at least (+/-) 1 MW), it is expressly desired that as large a number of volume-demand charge combinations as possible is indicated, even if there is no change in the demand charge for various power volumes. (A high degree of granularity makes it easier for Swissgrid to determine the cost-minimising selection). The maximum power to be offered per bid is limited to 100 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 SSP may submit an unlimited number of bids. Each SSP bid is, however, binding and separate from all other bids, and therefore every combination of bids from a SSP in turn constitutes a binding bid.
   - 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, remuneration will be in accordance with the bid submitted by the SSP (bid price).
   - Bids are binding for both parties. An SSP 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 bided capacity until it has been notified of the outcome of the tender by Swissgrid, but 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 is accepted, the supply contract shall come into effect upon the bid from the SSP being accepted by Swissgrid.
   - If the SSP does not pass the acceptance test within the defined period, the supply contract shall be null and void.
   - If a contract is awarded, the SSP 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 in accordance with Clause 3 of the Framework Agreement.

- Remuneration takes place in accordance with the price requested by the SSP (bid price); energy is remunerated as set forth in the Framework Agreement. Any grid usage charges must be borne solely by the SSP and included in the demand charge bid of the SSP.
- 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.