

Conditions of Tender – Tertiary 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 tertiary control power on a monthly and weekly basis and for the period Monday-Friday 8.00 to 16.00 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.
 - » Bids are to be made in asymmetrical output windows of at least +5 MW (or -5 MW) and any additional output windows in increments of +1 MW (or -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 (power band in MW) and the demand charge (CHF per MW) for this volume. A bid must contain at least one such combination. 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 resp. -5 MW; increases in increments of at least +1 or -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 for determining which bids are successful, remuneration is at the price demanded by the SSP (bid price).
 - » Bids are binding for both parties. A 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 proves successful, the supply contract will come into effect upon Swissgrid's acceptance of the SSP's bid.
 - » 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 shall be at the price demanded by the SSP (bid price); energy is remunerated as set forth in the following paragraph. Any grid usage charges must be borne solely by the SSP and included in the demand charge bid of the SSP. The award of a contract to deliver reserve power obliges the successful SSP to submit an bid of the quantity of power remunerated for every time window. This bid may be amended up to the point at which it becomes binding, but may not be withdrawn. A bid becomes binding at the time designated for this purpose in the tendering schedule.
 - » Prequalified SSPs may submit voluntary bids until a maximal volume of 100 MW per SSP for a 4-hour block on the short-term energy market in euro per MWh, irrespective of whether they were successful in the bid for reserve power. In the case of SSPs which are paid for providing a certain quantity of power on the basis of the monthly and weekly tendering processes, bids will be deemed voluntary for that part of the power bided on the short-term market which exceeds the power remunerated. In the case of SSPs which are not remunerated for the provision of tertiary control power, the entire bid is voluntary. Voluntary bids can be amended or withdrawn before they become binding.
 - » Once the bids become binding, Swissgrid will rank them in order of the bid prices. This will be done irrespective of whether they are energy bids based on the monthly, weekly and weekday negative tertiary 8.00 to 16.00 tendering processes or voluntary bids. Bids commit the SSP to holding the corresponding power in reserve, irrespective of whether the bid is voluntary or whether it is remunerated on the basis of capacity or not. If Swissgrid requires tertiary control energy during the relevant time window, it will request the bids in the order of the bid prices. A request from Swissgrid constitutes a delivery contract for a certain quantity of energy. Remuneration for the energy will be in accordance with the price requested by the SSP (bid price).
 - » No request can be made for part of an bid. This means that requests are always for exactly the volume of power bided.
 - » Positive tertiary energy, i.e. the delivery of energy by the SSP, will be requested with a lead time of at least 15 minutes, irrespective of the time of the request.
 - » Negative tertiary energy i.e. the offtake of energy by the SSP, will always be requested at the full quarter hour. A lead time of at least 20 minutes must be observed.
 - » In case of insufficient bid quantity to cover the demand of Swissgrid, for the daily auctions a second tendering process is carried out. For the weekly auctions a second tendering process is not carried out. In case of insufficient bid quantity in the weekly auctions the remaining amount will be procured in the daily auctions.
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.