

**INVITATION TO BID**  
**in the**  
**GREEN VIPP 2006/2007 Auction**

**Confidential Document**

**Issued by the**  
**Commission For Energy Regulation**

**Issued: 29<sup>th</sup> May 2006**  
**Close of bids Auction 1 : 1<sup>st</sup> June 2006**  
**Close of bids Auction 2 : 8<sup>th</sup> June 2006**

# **GREEN VIRTUAL IPP Allocation**

## **Invitation to bid**

### **Index**

	<b>Page</b>
<b>1. GENERAL NOTICE</b>	<b>1</b>
<b>2. GLOSSARY</b>	<b>2</b>
<b>3. INTRODUCTION and PRINCIPLES</b>	<b>5</b>
<b>4. GENERAL CONDITIONS</b>	<b>8</b>
<b>5. BIDDER REGISTRATION LETTER</b>	<b>16</b>
<b>6. BID FORM</b>	<b>17</b>
<b>7. GVIPP AGREEMENT</b>	<b>19</b>
<b>Annexure to the Bid Form</b>	<b>I</b>
<b>and</b>	<b>I</b>
<b>Schedule 2 to the GVIPP Agreement</b>	<b>I</b>
<b>Schedule 1</b>	<b>I</b>
<b>Appendix A ( Provisional Timeline )</b>	<b>I</b>

## **1. GENERAL NOTICE**

- 1.1 The Commission has issued this GVIPP invitation to bid on the terms set out below for the purpose of inviting expressions of interest in the on-sale of energy defined as Green. The sale will consist of 191MW of capacity which will be sold separately in units of 1MW. This GVIPP Invitation to Bid process is only open to parties to the Trading and Settlement Code and will comply with the final principles paper published by the Commission (CER/06/041). The sole right of each successful Bidder will be the transfer of ownership of a pro-rated volume, calculated using the percentage capacity awarded at the time of the auction, of any energy generated by this GVIPP capacity at a price set by the terms of the GVIPP Agreement. Any reduction in GVIPP capacity (i.e., AER plant whose capacity was included in the auction, but subsequently becomes unavailable to ESB) will lead to a pro-rata reduction in the volume, relative to the total MW capacity reduction, offered to each successful Bidder. The nature and the purpose of this GVIPP sale are described in more detail in the Introduction section and the General Conditions section of this Invitation to bid.
- 1.2 The right to the pro-rated energy generated will be dependent on the Contracted MW Share that has been awarded to the successful Bidder and the GVIPP Capacity. The output is subject to plant availability and to climatic conditions and neither the Commission nor ESB can warrant that any specific amount will be delivered in any one year or defined period. Bidders must make their own enquiries and take their own advice on the level of output that will be generated.
- 1.3 By participating in this GVIPP Invitation to Bid process, bidders accept the terms of this Invitation to Bid and accept that the terms of the GVIPP Agreement shall apply to successful Bidders.
- 1.4 While this Invitation to Bid has been prepared with due care, neither the Commission nor ESB makes any representation, warranty or undertaking, express or implied, in or in relation to this GVIPP Invitation to Bid and (except to the extent that any representation, warranty or undertaking was made fraudulently) no responsibility or liability is or will be accepted by the Commission or ESB as to, or in relation to, the accuracy or completeness of this Invitation to Bid, any suggestion made by it or any other written or oral information made available to any interested party or its advisers and any such responsibility or liability is hereby expressly disclaimed.
- 1.5 The aim of the Commission in undertaking this GVIPP Offer is to enable licensed green suppliers to increase their sources of green generation by successfully bidding for the right to purchase generated electricity on the standard terms set out in the GVIPP Agreement.

- 1.5.1 This GVIPP Auction process is being conducted by the Commission. The Commission will evaluate the bids and recommend the allocation of the percentage of GVIPP Capacity to be awarded to successful Bidders. The Commission will then request ESB to accept the bids in accordance with that allocation and to enter into GVIPP Agreements with the successful bidders. Any information disclosed to the Commission or to ESB in connection with this GVIPP Auction process may be communicated to ESB or the Commission as the case may be.
- 1.6 Neither the receipt of this Invitation to Bid by any person nor any information contained in it or supplied with it or subsequently communicated to any person constitutes or is to be taken as constituting the giving of investment advice by the Commission or ESB to any person.
- 1.7 The Commission and ESB individually reserve the discretionary right not to proceed with this GVIPP Offer, or any part of it, and may terminate this GVIPP Offer process at any time.
- 1.8 This Invitation to Bid is governed by the laws of Ireland to the exclusion of any other national law.

## 2. GLOSSARY

Capitalised terms used in this Invitation to Bid are defined in the GVIPP Agreement or below:

<b>“Act”</b>	means the Electricity Regulation Act, 1999 as amended;
<b>“Auction 1”</b>	the first auction, for a capacity of 40MW, conducted by the Commission on the condition that its output is dedicated to domestic customers;
<b>“Auction 2”</b>	the second auction, for a capacity of 151MW with any additional remnant from Auction 1, conducted by the Commission;
<b>“Auction Clearing Price”</b>	means either of the following: <ul style="list-style-type: none"> <li>- the lowest bid price where the auction is under-subscribed; or</li> <li>- the price of the lowest winning bid as defined in this Invitation to Bid where the auction is</li> </ul>

over-subscribed or fully  
subscribed;  
provided that these prices are above  
or at the Reserve Price;

<b>“Bidder”</b>	That party responding to this Invitation to Bid;
<b>“Bidder Registration Letter”</b>	Part 5 to this Invitation to Bid;
<b>“BNE”</b>	The best new entrant price as time to time revised and published by the Commission;
<b>“Close of Bids”</b>	means:  5 p.m. on Thursday , June 1 <sup>st</sup> 2006 in relation to submission of bids for Auction 1; and  5 p.m. on Thursday, June 8th 2006 in relation to submission of bids for Auction 2,  subject to section 4.6.1 and section 4.9.2.
<b>“Commission”</b>	means the Commission for Energy Regulation established pursuant to section 8 of the Act;
<b>“Contracted MW Share”</b>	means, in relation to each GVIPP Supplier, the percentage of the total of the GVIPP Capacity in MWs allocated to such GVIPP Supplier calculated in accordance with Schedule 1, section 1.2 of the GVIPP Agreement;
<b>“Domestic Customer”</b>	defined as DG1 or DG2 in ‘The Rules for Application of DUOS Tariff Group’ published by ESB DSO;
<b>“ESB”</b>	means the Electricity Supply Board;
<b>“Final Customer”</b>	means any customer, either domestic or other, further defined in the ‘The Rules for Application of DUOS Tariff Group’ published by ESB DSO;

<b>“General Notice”</b>	Part 1 to this Invitation to Bid;
<b>“Glossary”</b>	Part 2 to this Invitation to Bid;
<b>“GVIPP Electricity”</b>	means electricity supplied to the GVIPP Supplier by ESB under the terms of the GVIPP Agreement;
<b>“GVIPP Agreement”</b>	means the GVIPP auction agreement and its schedules to be entered by ESB and the GVIPP Supplier in the form set out in Part 7 of this Invitation to Bid.
<b>GVIPP Capacity</b>	means the total capacity expressed in MW that is the object of this GVIPP auction and which is determined by the Commission in accordance with the sub-section 3.2 of this Invitation to Bid
<b>“GVIPP Supplier”</b>	That party who has been awarded MW in the auction for GVIPP Capacity.
<b>“Introduction and Principles”</b>	Part 3 of this Invitation to Bid;
<b>“Invitation to Bid”</b>	means this Invitation to Bid in the Green Virtual IPP Auction issued by the Commission;
<b>“MRSO”</b>	means Meter Registration System Operator;
<b>“MW”</b>	MegaWatt
<b>“MWh”</b>	one thousand (1000) kWh;
<b>“PSO”</b>	Public Service Obligation has the meaning given to it in Section 39 (11) of the Act.
<b>“Related Entities”</b>	means any body corporate, partnership, association, or other legal entity of whatsoever form which controls or is controlled by a Bidder or is under common control with a Bidder, whether through the holding or controlling of a majority of voting rights or the right to appoint or

remove a majority of directors or the exercise of a dominant influence or the power to direct the policy of the undertaking.

**“Reserve Price”**

means, as regards these Auctions, the BNE;

**“Supplier”**

A person having a licence to supply electricity to Customers under Section 14 (1) (c) of the Act;

**“Trading and Settlement Code”** has the meaning given to it in Statutory Instrument No. 49 of 2000 entitled Electricity Regulation Act, 1999 (Trading Arrangements in Electricity) Regulations 2000;

**“Use of System Agreements”**

means the Transmission Use of System Agreements and the Distribution Use of System Agreements;

**“Weekday hours”**

The hours of weekday , 8am to 9pm, Monday to Friday, inclusive of bank holidays;

**“Weekend/night hours”**

the hours of 9pm to 8am each night Monday to Sunday and 8am to 9pm Saturday and Sunday;

### **3. INTRODUCTION AND PRINCIPLES**

3.1 The market for electricity supply was fully opened on February 19<sup>th</sup>, 2005 in the Republic of Ireland in accordance with Directive 96/92/EC.

3.2 The Commission will determine the GVIPP Capacity based on the following:

- The output must be generated by renewable sustainable or alternative sources of energy;
- such output must be fully contracted to ESB under Alternative Energy Requirement (AER) type contracts;
- the generators must be party to the Trading and Settlement Code; and

- exclude that portion of the capacity which is necessary to facilitate this GVIPP Auction and to allow for efficient settlement.
- 3.3 The CER has requested that ESB offer 191MW of this GVIPP Electricity for auction, the GVIPP Capacity. The GVIPP agreements entered into with the successful bidders will be for a supply period of twelve (12) months beginning in July 2006 and ending in June 2007.
- 3.4 The GVIPP Capacity will be sold in units of 1MW in two separate auctions. Auction 1 will be for 40MW of the GVIPP Capacity and its output is restricted for supply to Domestic Customers. Auction 2 will be for 151MW and any remnant from Auction 1.
- 3.5 Where the auction is oversubscribed, no entity including its Related Entities (defined to include all associations of companies, subsidiary or related undertakings) may secure more than 40% of the GVIPP Capacity.
- 3.6 In case of oversubscription, namely where the demand under this GVIPP Auction exceeds the GVIPP Capacity, as regard the first or second auction, the units to be awarded to those bids that are not disqualified and are at the Clearing Price, will be allocated on a pro-rata basis to equal the GVIPP Capacity.
- 3.7 All energy generated by GVIPP Capacity will be allocated to GVIPP Suppliers at the proportion of the capacity awarded to them in the two auctions for every trading period for use during the period of the GVIPP Agreement at the interface between the transmission and distribution grid (trading point) consistent with the Trading and Settlement Code.
- 3.8 Successful bidders should ensure that they are familiar and fully compliant with the Trading and Settlement Code.
- 3.9 The aim of the Commission in undertaking this GVIPP Offer is to enable licensed green suppliers to increase their sources of green generation by successfully bidding for the right to purchase electricity on the standard terms set out in the GVIPP agreements. The Commission will deal with all enquiries from interested bidders. In addition, the Commission will be responsible for the conduct of the auction, which will include the opening of all of the bids.
- 3.10 Successful bidders should ensure that they are familiar with the procedures and time periods required for the registering of both existing and new customers. They should contact the Meter Registration System Operator (MRSO) in this regard as early as possible.
- 3.11 Bids for individual units of capacity to purchase will be accepted on the basis that the bidders fulfil the defined purchase criteria and the purchase declared is valid. Evaluation of bids will be conducted as detailed in section 4. 7.



- 3.12 The GVIPP Supplier will be billed for the energy at the time as defined in the GVIPP Agreement.
- 3.13 The successful Bidder will also pay any system charges, PSO charges, Capacity Margin charges, industry levies and other charges under the Act and the Trading and Settlement Code and charges for the use of ESB's transmission and distribution network systems and any other charges appropriate to a licensee.
- 3.14 GVIPP Suppliers whose bids are accepted under this Invitation to Bid will take the output from the GVIPP Capacity in accordance with the terms of the GVIPP Agreement and the Trading and Settlement Code and be settled by Standing Bilateral Contract prepared on their behalf by the Settlement System Administrator (the SSA), pursuant to the Trading and Settlement Code, where ESB will act as the seller.
- 3.15 GVIPP Suppliers shall not be entitled to any capacity margin payments.
- 3.16 Any capitalised word used in this Invitation to Bid which is not defined in the Glossary shall, where defined in the Definition and Interpretation section of the GVIPP Agreement, bear the same meaning as in the GVIPP Agreement.

## **4. GENERAL CONDITIONS**

### **4.1 General**

- 4.1.1 This GVIPP Auction process is being conducted by the Commission in accordance with the timeline set out in Appendix A. The Commission will evaluate the bids and recommend the allocation of units of capacity to successful bidders. The Commission will then request ESB to accept the bids in accordance with that allocation and to enter into GVIPP Agreements with the successful bidders.
- 4.1.2 Bidders may register their intention to bid with the Commission in order to receive direct correspondence from the Commission as the case may be in relation to this GVIPP Auction. Relevant additional information will be issued by the Commission to registered bidders. Information will also be published by the Commission on its web site. Bidders can only register by sending a letter or facsimile in the form of the Bidder Registration Letter to the addressee shown in section 5. A Bidder who subsequently wishes to withdraw from this registration may do so by notifying the Commission in writing, although it cannot do so after it has submitted a bid.
- 4.1.3 The terms of this GVIPP Auction are set out in this Invitation to Bid, which comprises the General Notice, the Glossary, the Introduction and Principles, the General Conditions, the Bidder Registration Letter, the Capacity Volume Request Form, the GVIPP Agreement, Schedule 1 and Appendix A.
- 4.1.4 Bidders must satisfy themselves that they have understood the complete Invitation to Bid and any other information relevant to their participation in this GVIPP Auction. Bidders may ask the Commission for clarifications on the Invitation to Bid or additional information prior to the final date as provided in the timeline set out in Appendix A. Where additional information or clarification is given, it may also be disclosed to all other bidders. Enquiries in relation to this Invitation to Bid should be made in writing to Mr. Seán Mac an Bhaird at:

Commission for Energy Regulation,  
Plaza House  
Belgard Road  
Tallaght  
Dublin 24  
Tel: 00 353 1 4000800  
Fax: 00 353 1 4000850  
E-mail: smacanbhaird@cer.ie

- 4.1.5 Bidders must make their own enquiries about the Final Customer market and regulatory and other requirements for supply of electricity to Final Customers and about Use of System Agreements and

participation in the Trading and Settlement Code. Enquiries should be made in writing to:

Customer Relations Team (Transmission Use of System Agreement)  
ESB National Grid.

Gay Kirwan (Distribution Use of System Agreement) ESB Distribution  
Department.

Seán Mac an Bhaird, Commission for Energy Regulation.

#### **4.2 What is being auctioned?**

- 4.2.1 The GVIPP Auction is an auction of 191MW of capacity in units of 1MW that allow the purchase of the corresponding output from the GVIPP Capacity generated and allocated in MWh per MW awarded, on the terms of the GVIPP Agreement, for a period from the 1st of July, 2006 to the 30th of June 2007.
- 4.2.2 For each unit or part thereof of GVIPP Capacity awarded on the terms and conditions of the GVIPP Agreement, the successful Bidder will be entitled to enter into a Standing Bilateral Contract pursuant to the Trading and Settlement Code. The SSA will undertake this on behalf of GVIPP Supplier.
- 4.2.3 The reserve price is BNE at the Trading Point (exclusive of Value Added Tax) for each MWh or part thereof of the output from each one MW unit of GVIPP Capacity. Bids must be for amounts equal to or greater than the reserve price. The value of the bid should be expressed in terms of the BNE and an additional €/MWh value. The additional value must be a positive figure. This additional, positive, €/MWh value must be stated for each 1 MW unit in the Bid Form as contained in the Annexure to the Bid Form and Schedule 2 to the GVIPP Agreement.
- 4.2.4 The reserve price, BNE, and the Auction Clearing Price to be paid will increase or decrease with increasing or decreasing published Commission decisions on BNE.
- 4.2.5 Each MW of the GVIPP Capacity of each Auction will be treated as being identical as regard its output. In relation to each Auction, the total output generated by the GVIPP Capacity and to be allocated following this GVIPP Auction process shall be divided equally by the amount of units (MW) that comprised the GVIPP Capacity without regard to the actual difference in productivity between the various units of capacity.
- 4.2.6 The price paid by the GVIPP Suppliers will be the Auction Clearing Price, that may from time to time be amended to reflect any change in the BNE, profiled for Weekday hours and Weekend/night hours as set out in the GVIPP Agreement.

#### **4.3 Conditions of Purchase of GVIPP Electricity**

- 4.3.1 The output from Auction 1 must be retained for sale to Domestic Customers.
- 4.3.2 Bidders bidding in Auction 1 must submit a written and signed statement to the Commission with their bids confirming that all output from Auction 1 will be used solely to serve the Domestic Customers for the duration of the GVIPP 2006/2007 supply period (July 1st 2006 to June 30th 2007). Appropriate evidence of satisfaction of this condition must be included with the Bid Form.
- 4.3.3 Bids submitted in relation to Auction 1 will be deemed invalid and rejected if unaccompanied by the above written and signed statement.
- 4.3.4 The Commission will require successful bidders in Auction 1 to provide written evidence to the Commission regarding on going compliance with the requirement as stated in sections 4.3.1 and 4.3.2 at three monthly intervals from the date of commencement of the GVIPP 2006/2007 supply period (July 1st, 2006). The Commission may request additional information to that provided here and/or may require that the information be provided in a different format for verification purposes.
- 4.3.5 Suppliers who successfully bid in Auction 1 and who fail to provide the required written evidence as stated in section 4.3.4 to the Commission and/or whom the Commission deems are not supplying domestic customers with the output purchased in Auction 1 will be deemed to be non-compliant with the terms of Auction 1 and the appropriate action will be taken.

#### **4.4 Who may bid?**

- 4.4.1 Bidders in the Auction must
  - hold a supply licence issued by the Commission pursuant to section 14(1)(c) of the Act;
  - have signed the Framework Agreement;
  - be a party to the to the Trading and Settlement Code; and
  - have signed the Transmission and Distribution Use of System Agreements.

Appropriate evidence of satisfaction of these conditions must be included with the Bid Form.

- 4.4.2 Bidders in Auction 1 must provide the Commission with the written statements as set out in section 4.3 of this Invitation to Bid.

- 4.4.3 Successful bidders are required to have an Approved Credit Rating or must provide Security Cover, as specified in the GVIPP Agreement. In submitting their bids, bidders shall include confirmation that, if successful, they will be in a position to satisfy these requirements.

#### 4.5 **Form of bids**

- 4.5.1 Bids must be submitted on the Bid Form. The Annexure to the Bid Form will become Schedule 2 to the GVIPP Agreement. The Bid Form must be signed by an authorised officer of the Bidder and a witness and must include all the information specified in the Invitation to Bid.
- 4.5.2 All bids must be unqualified and unconditional.
- 4.5.3 Two original GVIPP Agreements executed by an authorised representative of the Bidder must be submitted with the Bid Form as per 4.6.4.
- 4.5.4 Each bid is an offer to ESB to pay for the calculated output (MWh) from each MW of GVIPP Capacity available at the time of this Invitation to Bid and awarded to them over the course of and under the terms of the GVIPP Agreement. Once submitted, a bid cannot be withdrawn without the consent of the Commission and cannot be withdrawn after close of bids.
- 4.5.5 Any reduction in the GVIPP Capacity will be considered a reduction in the total MW offered. The aggregate percentage won by the successful bidders in the GVIPP 2006/2007 auction will continue to apply for the duration of the GVIPP 2006/2007 supply period.
- 4.5.6 All bids must comply strictly with the requirements of this Invitation to Bid. Non-conforming bids will be rejected.
- 4.5.7 All bid prices will be deemed to be exclusive of Value Added Tax. Applicable Value Added Tax will be payable by successful bidders in addition to their bid price.

#### 4.6 **Submission of bids**

- 4.6.1 For each of the two auctions the close of bids is at 5.00 p.m. on the 1<sup>st</sup> of June, 2006 and the 8th of June, 2006, or such later time and date as may be notified to bidders up to two (2) Business Days before that time.
- 4.6.2 Late Bid Forms will be rejected and returned to the Bidder unopened.
- 4.6.3 Bid Forms and required accompanying documentation as detailed in sections 4.3 and 6.3 must be delivered by courier, registered post or by hand to the offices of the Commission and to be received before close of bids.

- 4.6.4 Bid Forms (a signed original and a signed copy of the Bid Form ) and required accompanying documentation as detailed in sections 4.3 and 6.3 must be submitted in a sealed envelope marked

“Private & Confidential.

To be opened by addressee only.

For the attention of Mr. Seán Mac an Bhaird

Bid by [Name of Bidder] in relation to the GVIPP Auction closing the 1st of June, 2006 and the 8th of June, 2006.

The envelopes must state a return address.

#### 4.7 **Evaluation of bids**

- 4.7.1 Bids will be opened by the Commission.

- 4.7.2 The Commission has stated that where the auctions are oversubscribed a maximum limit of 40% of the total GVIPP Capacity auctioned will be allocated to any one Bidder. In this case the percentage exceeding this 40% limit shall be disregarded and the bid shall be reduced to 40%. For the purpose of this limit, a Bidder and any Related Entity of such Bidder will be considered as a single Bidder. In this case the reduction shall operate in accordance with sub-section 4.7.4 below.

- 4.7.3 For each separate Auction, bids will be evaluated initially by reference to the following:

- (a) validity of the Bid (this criterion will include: whether the bid has been received in time, is correctly executed, and has been submitted together with required information and executed GVIPP Agreements, whether there is any evidence of collusion on the part of the Bidder; whether the bid is unqualified and unconditional; and whether the reserve price exceeds the bid price);

and

- (b) qualification of the Bidder (this criterion will include: whether the Bidder holds a Supply Licence issued by the Commission pursuant to section 14(1)c of the Act, has signed the Framework Agreement, is a party to the Trading and Settlement Code and has signed Transmission and Distribution Use of System Agreements ( or Side Letter ) ) ;

- 4.7.4 Valid bids from qualified bidders will then be evaluated by reference to their price as follows:

- (a) the valid bids from qualified bidders shall be grouped together;

- (b) the grouped valid bids in Auction 1 shall be sorted in descending order of price offered;
- (c) where Auction 1 is undersubscribed , i.e. where the number of valid bids is less than the number of MW available, or if the total valid bids submitted equal the total MW available in Auction 1 no cap will apply;
- (d) where Auction 1 is oversubscribed, i.e. where the number of valid bids for MW units exceeds the number of MW available, a cap of 40% of the total MW on offer in Auction 1 will be applied to each bidder (defined to include Related Entities). Here, bids for each bidder will be reduced as follows:
  - where the price of these bids are different, the reduction shall operate starting from the bid which has the lowest price and ascending until the 40% limit is reached;
  - where the price of these bids are equal, the reduction shall operate on a pro-rata basis to meet the 40% limit;
- (e) each MW will be awarded up to the maximum available at the time of the allocation;
- (f) following the application of the 40 % cap as above, the Clearing Price for Auction 1 shall be determined;
- (g) all bids below the Clearing Price shall be rejected;
- (h) where a number of bids are equal in price to the Clearing Price and where the volume of the bids exceed the total amount of capacity being offered in Auction 1 that is available at the time of the allocation, the capacity awarded shall be reduced on a pro-rata basis amongst such bids to meet the capacity available;
- (i) if there is capacity remaining unsold in Auction 1 the remaining capacity will be auctioned in Auction 2 along with the capacity set aside for Auction 2. Interested parties will be notified of the capacity offered for Auction;
- (j) the valid bids in Auction 2 shall be sorted in descending order of price offered;
- (k) where Auction 2 is undersubscribed , i.e. where the number of valid bids is less than the number of MW available, or if the total valid bids submitted equal the total MW available in Auction 2 no cap will apply;
- (l) where Auction 2 is oversubscribed, i.e. where the demand for MW exceeds the number of units available, a cap of 40% of the

total MW on offer in both Auction 1 and Auction 2, i.e. 40% of the total GVIPP Capacity, will be applied to each bidder (defined to include Related Entities). Here, bids will be reduced as follows:

- where the price of these bids are different, the reduction shall operate starting from the bid which has the lowest price and ascending until the 40% limit is reached;
  - where the price of these bids are equal, the reduction shall operate on a pro-rata basis to meet the 40% limit;
- (m) each MW will be awarded up to the maximum available at the time of the allocation;
- (n) following the application of the 40 % cap as above, the Clearing Price for Auction 2 shall be determined;
- (o) all bids below the Clearing Price shall be rejected;
- (p) where a number of bids are equal in price to the Clearing Price and where the volume of the bids exceed the total amount of GVIPP Capacity that is available at the time of the allocation, the capacity awarded shall be reduced on a pro-rata basis amongst such bids to meet the capacity available;
- (q) any remaining MW unsold shall remain with ESB.

#### **4.8 Acceptance, rejection and conclusion of Agreement**

- 4.8.1 The Commission will advise ESB of the outcome of its evaluation giving details of recommended successful bidders and the amount that should be allocated to each of them. ESB will accordingly either accept or reject bids by writing “A” for “accepted” or “R” for “rejected” next to the offer on the Bid Form. Upon acceptance of a Bid, ESB and the Bidder shall enter into a binding agreement on the terms of the GVIPP Agreement for an agreed price. All the Bidder’s accepted expressions of interest to buy will be included within a single GVIPP Agreement between ESB and that Bidder.
- 4.8.2 The Commission will notify bidders of the outcome of their bids after each Auction.
- 4.8.3 The Commission reserves the right to publish the outcome of the GVIPP Auction process at a later date including the name of the successful bidders, the number of units allocated to them and the price.
- 4.8.4 The Bid Forms showing accepted bids will be incorporated into the GVIPP Agreement and the Commission will return one original GVIPP Agreement executed by ESB to the Bidder.



#### 4.9 **Other issues**

- 4.9.1 All participants in the GVIPP Auction process must participate on the terms of the Invitation to Bid. Any contract entered into as a result will be on the terms of the GVIPP Agreement, which are non-negotiable.
- 4.9.2 Bidders are notified that ESB Independent Energy, which is a Related Entity of ESB, may participate in the GVIPP Offer.
- 4.9.3 The Commission reserves the right to amend the Invitation to Bid by notice to bidders given not less than two (2) Business Days before close of bids and to cancel the Invitation to Bid at any time.
- 4.9.4 The Trading and Settlement Code is subject to approval by the Commission and it may be modified after bids have been accepted and before they are approved.
- 4.10 There must be no collusion by any Bidder with any other Bidder. Any such behaviour will result in disqualification of bids.
- 4.11 Bidders participate at their own cost. Neither the Commission nor ESB is liable for any costs or expense incurred by or on behalf of bidders in connection with this GVIPP Offer including in the event of its cancellation.

5. **BIDDER REGISTRATION LETTER**

**[Letterhead of Bidder]**

Mr. Seán Mac an Bhaird,  
Commission for Energy Regulation,  
Plaza House  
Belgard Road  
Tallaght  
Dublin 24  
Tel: 00 353 1 4000800  
Fax: 00 353 1 4000850

Dear Mr. Mac and Bhaird,

**Green Virtual IPP Offer: Intention to Bid**

[Name of Bidder] gives notice that it intends to make a Bid in the GVIPP Invitation to Bid for the period commencing on or after [Start Date] and ending on [Expiry Date].

Any communications in relation to the GVIPP Offer should be sent to [name of Bidder's contact person] at [fax number].

Yours sincerely

---

[Signature of authorised officer of the Bidder]  
[Name of authorised officer printed in block capitals]

**6. BID FORM**

**6.1 Completing this Bid Form**

This Bid Form (including its Annexure) must be completed by the Bidder and submitted to the Commission in accordance with this Invitation to Bid.

**6.2 Identity of Bidder**

Name:	
Address:	
E-mail:	
Telephone:	
Facsimile:	
Authorised Officer:	

**6.3 Qualifications for bidding**

6.3.1 The Bidder **MUST** include the following information with this Bid Form:

- (a) a copy of this completed Bid Form and its Annexure, originally executed by an authorised representative of the Bidder;
- (b) two original unamended GVIPP Agreements executed by an authorised representative of the Bidder;
- (c) evidence that it holds a supply licence issued by the Commission pursuant to section 14 (1) (c) of the Act, has signed the Framework Agreement, is a party to the Trading and Settlement Code and has signed the Transmission and Distribution Use of System Agreements;
- (d) the names of any Related Entities of the Bidder who have submitted a bid or intend to submit a bid, either alone or in concert with another party, or who hold or may in the future hold any legal or beneficial interest in any bid, or a declaration that to the best of the Bidder's knowledge, information and belief, no such Related Entities exist. This information is required by the Commission in order to ensure that the number of units of

capacity allocated to any one Bidder and its Related Entities does not exceed the limit, set by the Commission;

(e) the documentation required under section 4.3 where applicable.

6.3.2 As stated in the Invitation to Bid, evidence of collusion on the part of bidders will result in disqualification of bids.

**6.4 Bid**

6.4.1 The Bidder named above unconditionally offers to pay ESB at the price set out in the Annexure to this Bid Form on the terms of the GVIPP Agreement for the right to be allocated the pro-rated volume of GVIPP Electricity generated and offers to pay for GVIPP Electricity purchased at the price set out in the GVIPP Agreement and in accordance with the terms of the GVIPP Agreement.

6.4.2 Some or all of the bids may be accepted. To accept bids, ESB must write "A" for "accepted" next to the accepted bids and will reject the remainder by writing "R" for "rejected" next to the rejected bids and execute the Annexure where indicated.

**6.5 Execution by the Bidder**

Dated this                      day of    2006

For and on behalf of BIDDER

Signature of witness

Name

Name

Position

Position

**7. GVIPP AGREEMENT**

This section is the GVIPP Agreement.

**Annexure to the Bid Form  
and  
Schedule 2 to the GVIPP Agreement**

**1. GVIPP Supplier's Details**

<b>Name:</b>
<b>Registered Office:</b>
<b>Address for Correspondence:</b>
<b>Email:</b>
<b>Telephone:</b>
<b>Facsimile:</b>
<b>Authorised Officer:</b> <b>Name:</b> <b>Position:</b> <b>Signature:</b>

## 2. Bids

Each bid set out below is for a 1MW unit of GVIPP capacity. Each price should be expressed as BNE + €/MWh. This additional value should be reported in the 'Price' column below.

### AUCTION 1

<b>Bid Number</b>	<b>Price (in €/MWh) at the trading point</b>	<b>Commission Recommendation</b>	<b>Acceptance by ESB ("accepted" or "rejected")</b>
1			
40			

### AUCTION 2

<b>Bid Number</b>	<b>Price (in €/MWh) at the trading point</b>	<b>Commission Recommendation</b>	<b>Acceptance by ESB ("accepted" or "rejected")</b>
1			
151			

**3. Acceptance**

ESB accepts the bids marked “accepted” in section 2 above and rejects those marked “rejected”.

The total number of bids accepted is:	
The GVIPP Contracted Volume in MW is:	
The total % of output that will be allocated is:	
The Auction Clearing Price for Auction 1 is:	
The Auction Clearing Price for Auction 2 is:	

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2006

**For and on behalf of ESB**

\_\_\_\_\_

NAME: \_\_\_\_\_

POSITION: \_\_\_\_\_

Witnessed By:

\_\_\_\_\_

NAME: \_\_\_\_\_

POSITION: \_\_\_\_\_



## **Schedule 1**

### **Amendments required to the Trading and Settlement Code prior to the Commencement of the GVIPP Supply Period**

Bidders should note that, in order to ensure the efficient settlement of the on-sale of the GVIPP output to successful bidders, the following changes to the Trading and Settlement Code and associated documentation, as approved by the Commission, will be required:

- A Standing Bilateral Record, Standing Bilateral Termination Record and the associated procedures will be developed by the SSA to be used in place of the Standing Bilateral Contract (SBILC) for the recording of the on-sale of GVIPP output from ESB to successful bidders.
- Changes will be made in the reporting data received from the SSA by participants from the end of the first invoicing period following the commencement of the GVIPP Supply period. Here, the SBCR will be revised to provide for an additional column that will flag whether or not the relevant information pertains to a SBILC or a Standing Bilateral Record.
- Revisions will be made by the SSA to the definition of a Non Import Export or other Bilaterals (NIEB) Participant to ensure that the security cover requirements for those participants are not altered as a result of the on-sale of GVIPP from ESB to successful bidders.
- Agreed Procedure No. AP09 will be revised to remove references to Market Participant ID 'E' (Green VIPP) as a separate MPID is not required for successful bidders in GVIPP 2006/2007.

## Appendix A (Timeline )

29/05/2006	GVIPP launch
	Final date for Bidder's to request clarifications
	CER response to Bidder clarifications.
1/06/2006	Submission of Bids for Auction 1
6/06/2006	ESB accepts/rejects tenders for Auction 1
6/06/2006	Notification of ESB and successful parties for Auction 1
8/06/2006	Submission of Bids for Auction 2
12/06/2006	ESB accepts/rejects tenders for Auction 2
12/06/2006	Notification of ESB and successful parties for Auction 2
1/07/2006	Green VIPP Agreement Supply Period Start Date
30/06/2007	Green VIPP Agreement Supply Period Expiry Date

## **Appendix B (Letter Required from Auction 1 Bidders)**

### **[Letterhead of Bidder]**

Mr. Seán Mac an Bhaird,  
Commission for Energy Regulation,  
Plaza House  
Belgard Road  
Tallaght  
Dublin 24  
Tel: 00 353 1 4000800  
Fax: 00 353 1 4000850

Dear Mr. Mac and Bhaird,

#### **Green Virtual IPP Auction 2006/2007, Auction 1: Sale of Output Exclusively to Domestic Customers**

[Name of Bidder] hereby confirm(s) that all GVIPP electricity purchased as a result of the percentage output secured in Auction 1 of GVIPP 2006/2007 shall be sold exclusively to Domestic Customers as defined in the GVIPP 2006/2007 Invitation to Bid for the duration of the GVIPP 2006/2007 supply period.

[Name of Bidder] hereby accept(s) that failure to comply fully with section 4.3 of the GVIPP 2006/2007 Invitation to Bid may result in the Commission taking any action deemed appropriate by the Commission in this regard.

Yours sincerely

---

[Signature of authorised officer of the Bidder]  
[Name of authorised officer printed in block capitals]