Request for Proposal (RFP)
8 April 2026

Network Flexibility Services

Contents

1. Introduction

WEL Networks (WEL) invites proposals from suitably qualified parties to provide up to 5 MW of network flexibility services within the WEL distribution area.

The purpose of this procurement is to secure dispatchable flexibility capable of reducing peak demand or increasing local supply during periods of network constraint. The flexibility procured through this process will be used as a non-network alternative to conventional transmission and/or distribution network reinforcement, helping manage peak demand while maintaining reliability and supporting continued electrification across the region.

WEL is open to proposals that utilise:

- Demand response (load reduction or shifting)
- Distributed generation
- Battery storage
- Aggregated distributed energy resources
- Hybrid solutions combining multiple technologies

While solutions may involve multiple sites or participants, WEL's preference is to contract with a single counterparty, such as an aggregator or service provider, who is responsible for coordinating delivery of the contracted flexibility.

This RFP is intended to test the market for flexibility solutions capable of addressing the identified network constraint and to inform WEL's assessment of non-network alternatives relative to conventional reinforcement options. It is issued for the purposes of market engagement and information gathering only and does not constitute an offer or commitment to procure. WEL may elect not to proceed where proposals do not demonstrate sufficient value, reliability, or deliverability.

All descriptions of network requirements, flexibility capacity, dispatch characteristics, and indicative parameters are provided for information only and are subject to change. Respondents must rely on their own assessment and are responsible for all costs incurred in preparing and submitting a proposal.

2. Network Context

The flexibility sought through this RFP is intended to be procured from one or more providers and be capable of delivering power reduction flexibility that SYSCON can call upon for a minimum duration during network constraint events, noting that dispatch instructions may be issued by WEL or its authorised network or system operations provider (including SYSCON) depending on the nature of the event.

Example use cases include, but are not limited to, the provision of flexible load in response to;

- where load management is required during a WEL Network planned outage
- a grid emergency with the system operator requiring the network to shed load
- replacement of load during rolling outages during an extreme dry year
- when the grid operator requires pre- or post-contingent load management actions during a GXP transfer overloading

Without intervention, addressing this constraint will imminently require investment in upstream transmission capacity and/or reinforcement of elements within the WEL distribution network. These types of upgrades typically involve significant capital investment and long delivery timeframes.

WEL is therefore seeking to explore flexibility solutions capable of reducing peak demand or providing additional supply during critical periods, enabling better utilisation of existing infrastructure and potentially deferring or avoiding conventional network reinforcement.

Flexibility services procured through this process will help to:

- Defer or avoid conventional network reinforcement
- Defer transmission charge increases following a GXP transformer upgrade
- Reduce peak loading on infrastructure
- Improve utilisation of existing transmission and distribution assets
- Support continued growth and electrification within the region

3. Location of Flexibility

Flexibility resources electrically connected anywhere within the WEL distribution network may be considered under this RFP. While flexibility connected close to the Hamilton supply area is expected to provide the greatest benefit, WEL recognises that resources connected at other locations on the network may also contribute to satisfying the load demand due to the interconnected nature of the network.
The GXP locations that will be considered are:

- Hamilton GXP
- Te Kowhai GXP
- Huntly GXP

Proponents should clearly identify:

- The physical location of participating assets
- The point of electrical connection to the network
- Any network constraints or dependencies that may affect dispatch performance

WEL will assess the network effectiveness of proposed flexibility based on location and electrical impact. Respondents are not expected to undertake detailed network analysis or assess the extent to which a proposed solution addresses specific network constraints. Information regarding asset location, connection point, and operational characteristics is requested solely to enable WEL to undertake its own network modelling and assessment. Proposals should therefore focus on clearly describing the capability and location of the flexibility offered, rather than its network optimisation.

WEL will determine the network effectiveness and constraint relief value of any proposed flexibility as part of its internal evaluation.

4. Flexibility Requirement

WEL is seeking proposals capable of delivering up to 5 MW of flexible capacity.

Flexibility may be delivered through one or more of the following approaches.

Demand Response

Reduction or shifting of electricity demand during dispatch periods. Examples include:

- Industrial load management
- Commercial building demand response
- EV charging load control
- Aggregated residential load flexibility

Distributed Generation

Dispatch of local generation resources during network peak periods. Examples include:

- On-site generation assets
- Distributed generation with dispatchable export capability
- Community energy projects

Energy Storage

Battery or other storage technologies capable of discharging energy during peak demand periods.

Aggregated Solutions

Aggregated portfolios of distributed energy resources coordinated through:

- Virtual power plants
- Retailer or aggregator platforms
- Energy management systems

5. Contracting Structure

While flexibility may be delivered from multiple underlying assets or providers, WEL's preference is to contract with a single counterparty responsible for coordination and delivery.

This counterparty may be:

- An energy retailer
- An energy generator
- A demand response aggregator
- A distributed energy platform provider
- A commercial or industrial energy services provider

Where aggregation is used, the contracted party will be responsible for:

- Coordinating participating assets
- Delivering the contracted capacity
- Managing operational dispatch
- Ensuring performance requirements are met

Proposals should clearly distinguish between the availability of flexibility (being available to respond when required) and the delivery of flexibility during dispatch events. WEL anticipates that commercial arrangements may include a combination of availability based and event-based payments, however respondents are encouraged to propose commercial structures appropriate to their solution and risk profile. Any references in this RFP to availability, dispatch, or reliability are indicative only. Performance standards, consequences of non-delivery, and any incentive or penalty mechanisms will be subject to discussion and agreement as part of any subsequent contracting process. No inference should be drawn from this RFP regarding the allocation of performance risk or liability.

Other Commitments and Exclusivity
Unless expressly agreed in writing, WEL does not require exclusivity in respect of any flexibility services proposed under this RFP. Respondents may participate in other demand response, flexibility, or market arrangements, provided that any material commitments that could affect delivery under this RFP are clearly disclosed in the proposal.

6. Dispatch Characteristics

Flexibility services are expected to be utilised with limited notice period.

Typical dispatch characteristics may include:

- Dispatch during peak winter demand periods
- Event durations of approximately 3 hours
- Advance notification of approximately 2 hours, where possible

WEL may also require contingency dispatch capability during unexpected network conditions.

Respondents should note that any flexibility procured must be reliable and repeatable for the duration offered. Where flexibility is unable to fully deliver when dispatched, WEL will take this into account when assessing value, risk, and suitability.

7. Indicative Technical and Operational Parameters

To assist respondents in preparing proposals, WEL provides the following indicative parameters describing the expected operating profile of the flexibility service. These values are indicative only and may be refined during the procurement process.

Parameter	Indicative Value
Target flexibility capacity	5 MW
Expected dispatch duration per event	3 hour minimum
Expected number of dispatch events per year	up to 20

These parameters are intended to give respondents an indication of the likely utilisation profile of the service so that solutions can be appropriately sized and commercially structured.

WEL may refine these parameters during the procurement process as additional information becomes available or as engagement with respondents informs final service design.

8. Proposal Requirements

Respondents should include, at a minimum:

- Description of the proposed flexibility solution
- Technology type and operating characteristics
- Total capacity offered
- Response time and dispatch duration capability
- Location of assets and GXP/network connection details
- Proposed commercial structure
- Delivery model, including whether the respondent is acting as principal or aggregator
- Metering, telemetry, and verification approach
- Relevant experience delivering comparable services
- Key assumptions, limitations, and dependencies
- Declaration of any other flexibility or demand response commitments,
- Metering and data availability assumptions,
- Key risks and dependencies affecting delivery.

9. Evaluation Approach

Proposals will be assessed on a holistic basis, including commercial value relative to conventional network reinforcement, deliverability, and confidence of performance. WEL expects to assess proposals against criteria including:

- Ability to relieve the Hamilton winter peak constraint
- Network effectiveness based on electrical location
- Reliability and dispatch certainty
- Proposed flexibility service commercial competitiveness with traditional methods
- Simplicity of contracting and operational delivery
- Scalability and future applicability
- Proponent capability and relevant experience
- Governance risk

Proposals involving multiple underlying assets may be viewed favourably where they are presented through a single lead counterparty and can demonstrate a clear and credible delivery model.

Following evaluation, WEL may elect to:

(a) proceed with one or more respondents;
(b) procure less than the total flexibility sought;
(c) enter into bilateral discussions or negotiations; or
(d) not proceed with procurement.

No respondent is entitled to any expectation of selection or engagement as a result of participating in this RFP.

10. Proposed Timeline

Stage	Date
RFP issued	8 April 2026
Questions close	21 April 2026
Proposal submissions due	24 April 2026
Shortlisting (if applicable)	1 May 2026
Commercial negotiation (if applicable)	15 May 2026
Contract award (if applicable)	18 May 2026
Service commencement (if applicable)	1 June 2026

11. Enquiries and Submission

Respondents may submit questions or requests for clarification during the RFP process via commercial@wel.co.nz

Interested parties are encouraged to engage early to ensure proposals appropriately address the network constraint and operational requirements described in this document.

Respondents must complete the mandatory response form as part of the application process.

All proposals submitted become the property of WEL. WEL may use proposal information (excluding confidential information) for the purposes of evaluation, internal planning, and future network development. WEL is not obliged to compensate respondents for any costs, concepts, or intellectual property contained in proposals that are not the subject of a subsequent contract.