

Review of Winter 2004/05 Demand & Plant Availability

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Agenda

- Demand
 - Temperature
 - Peak Demand
 - Triads
 - Customer Demand Management
- Plant Availability
- GB Demand
- Coming Up

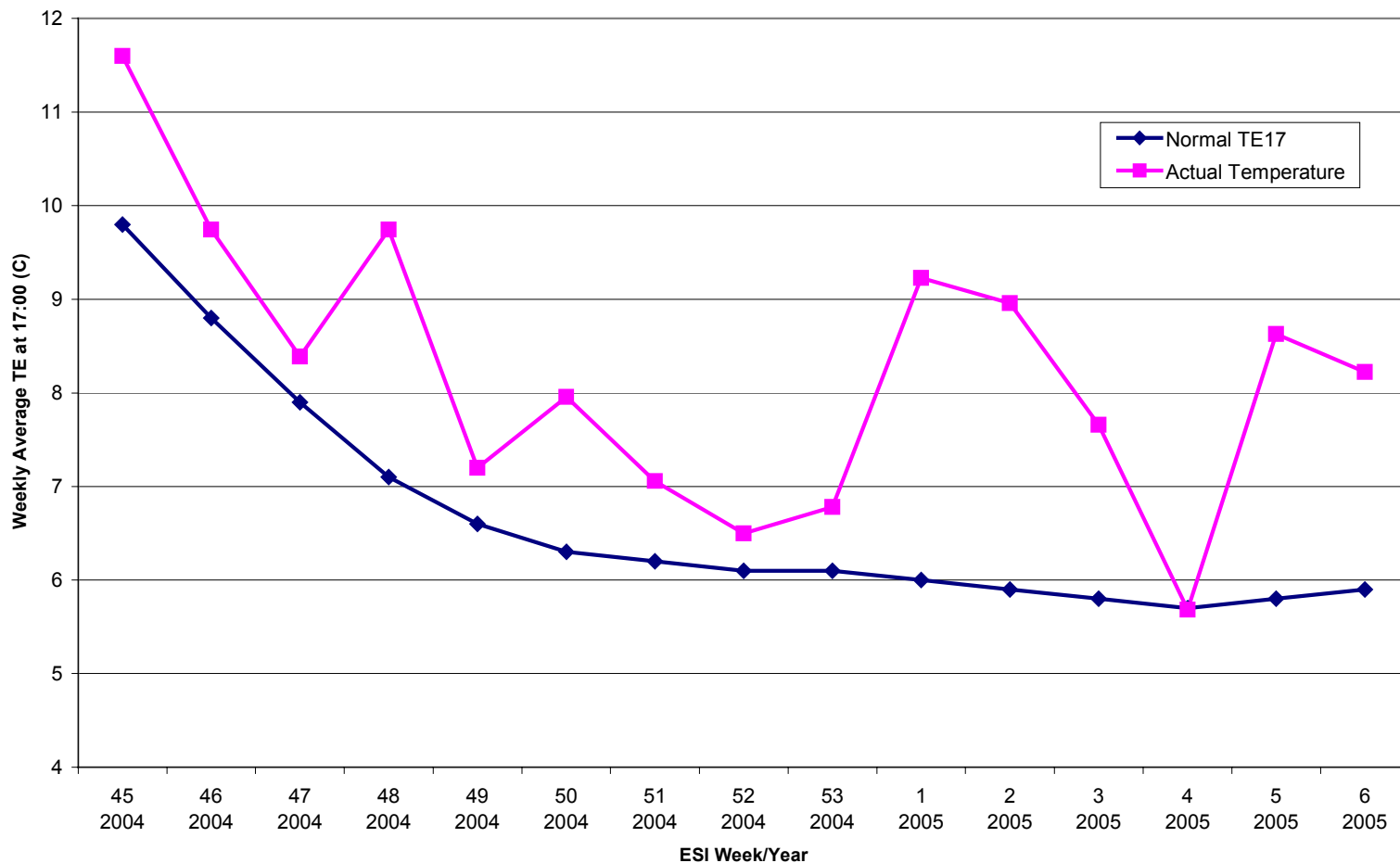
Winter 2004/05 Out-turn

Weather

- November 2004
 - A very dry month. A dull month, particularly over western areas. Mean temperatures were around 1-2 °C above average.
- December 2004
 - A dry month across most southern and eastern areas of the UK. Mean temperatures were above average. Sunshine levels generally above average.
- January 2005
 - Mean temperatures were the warmest since 1990 for England, Wales and the UK. Most of England and Wales had well below average rainfall. Well above average sunshine over the south-east of the UK.

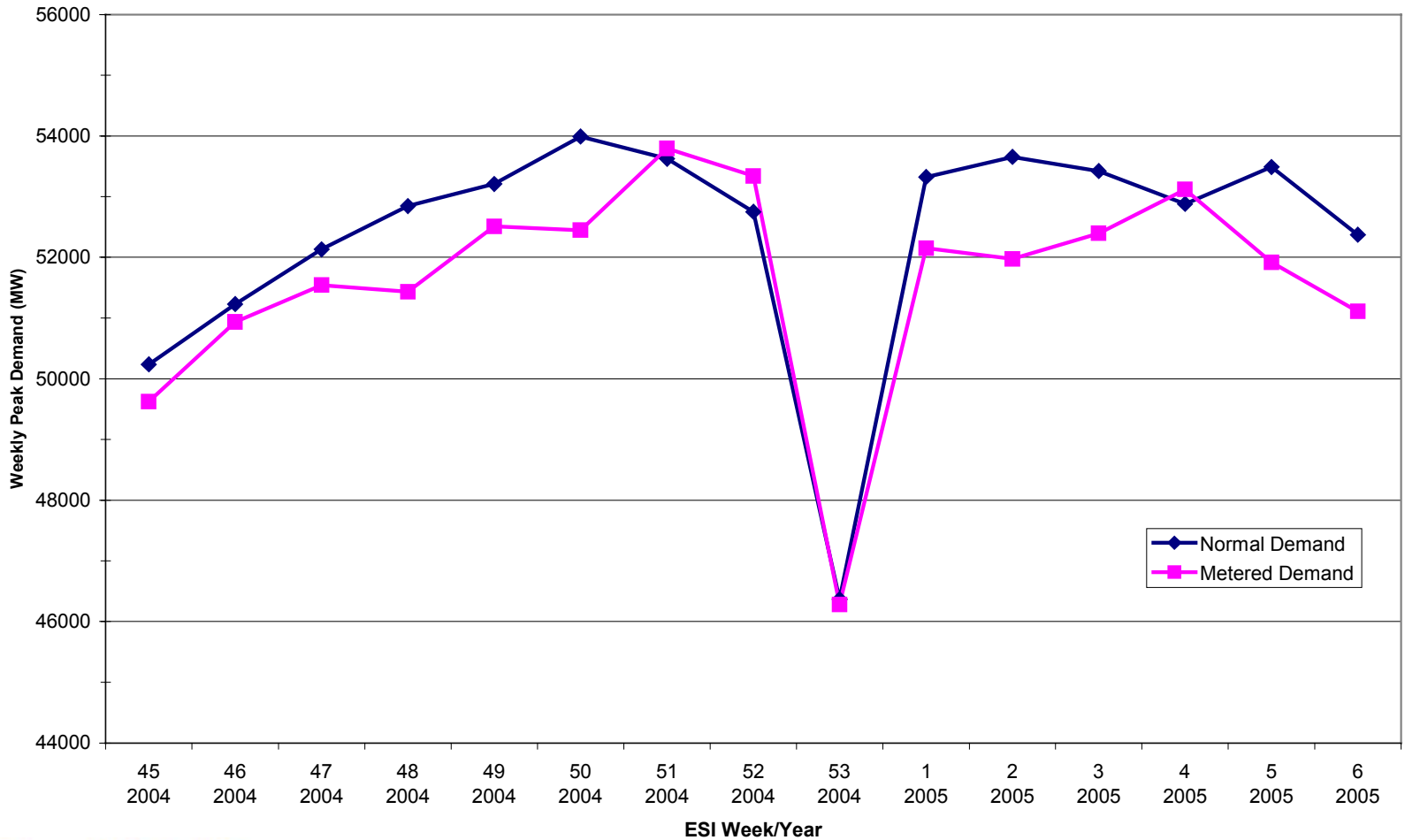
Winter 2004/05 Out-turn

Effective Temperature at 5 pm



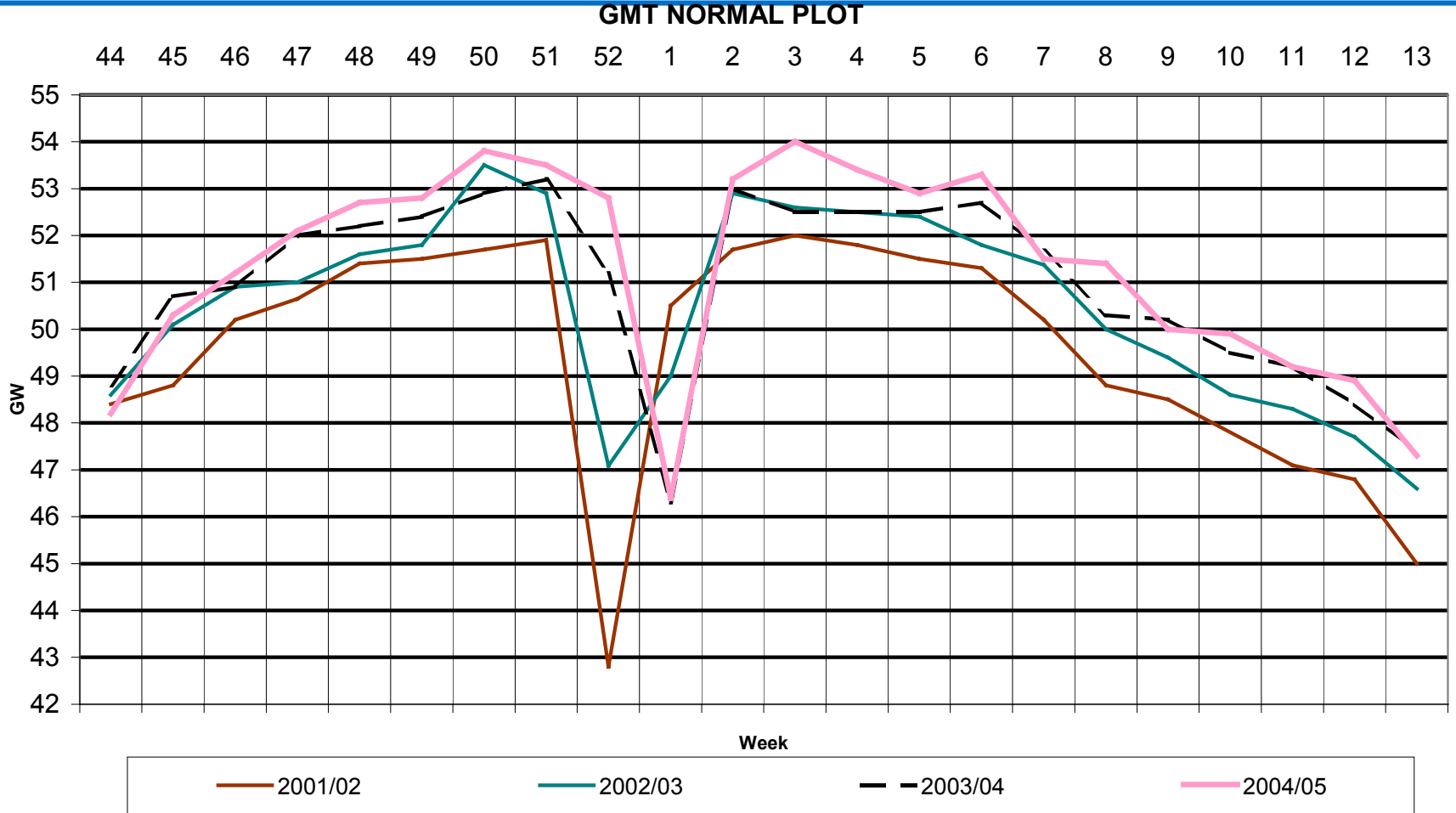
Winter 2004/05 Out-turn

Weekly Peak Demand



Winter 2004/05 Out-turn

Normal Demand Growth



Winter 2004/05 Out-turn

Triads (Provisional)

- 1st December 2004
 - 52511MW effective temperature at 5 pm 6.5C
- 13th December 2004 (Peak of the winter)
 - 53795MW temp 5.1C
- 24th January 2005
 - 53120MW temp 4.6C

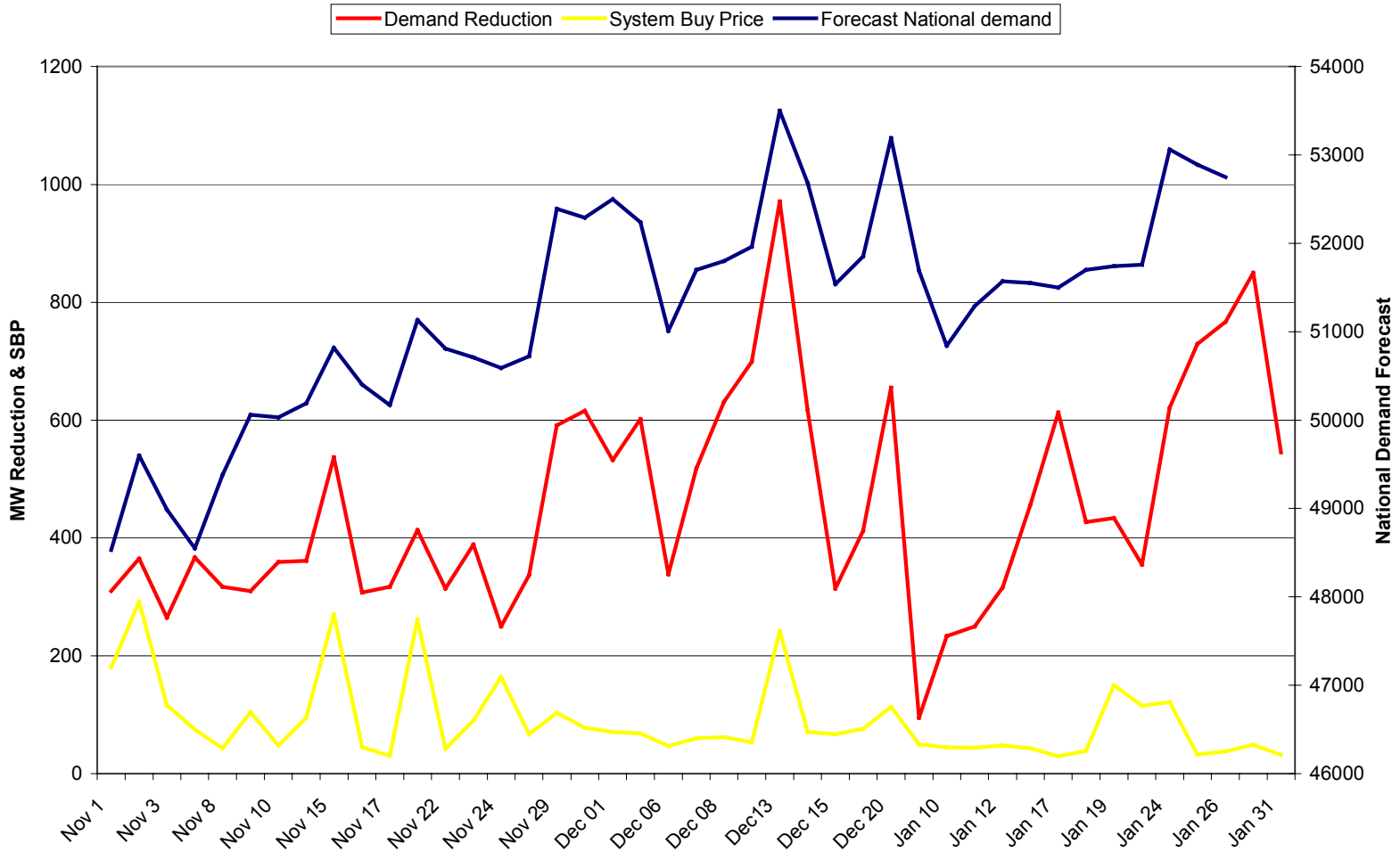
Winter 2004/05 Out-turn

Triad TNUoS charging

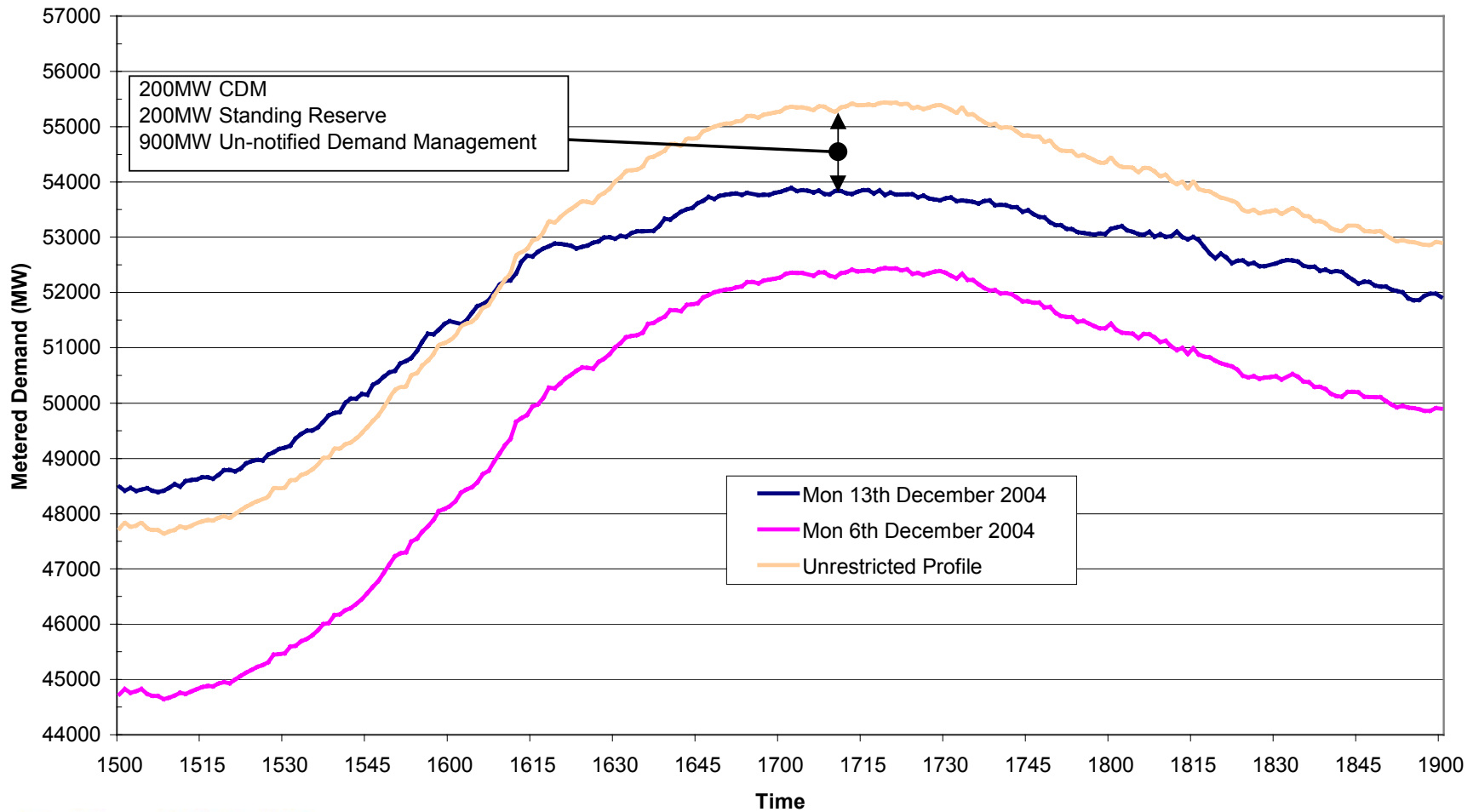
- Based on Peak Demand (Triad)
- Consumers have Half-Hourly (HH) meters or Non-Half Hourly (NHH) meters
- HH metered demand (large industrial customers) is charged on average demand at Triad (17GW)
- NHH metered demand (small commercial and domestic customers) is charged on daily consumption 4pm - 7pm

Winter 2004/05 Out-turn

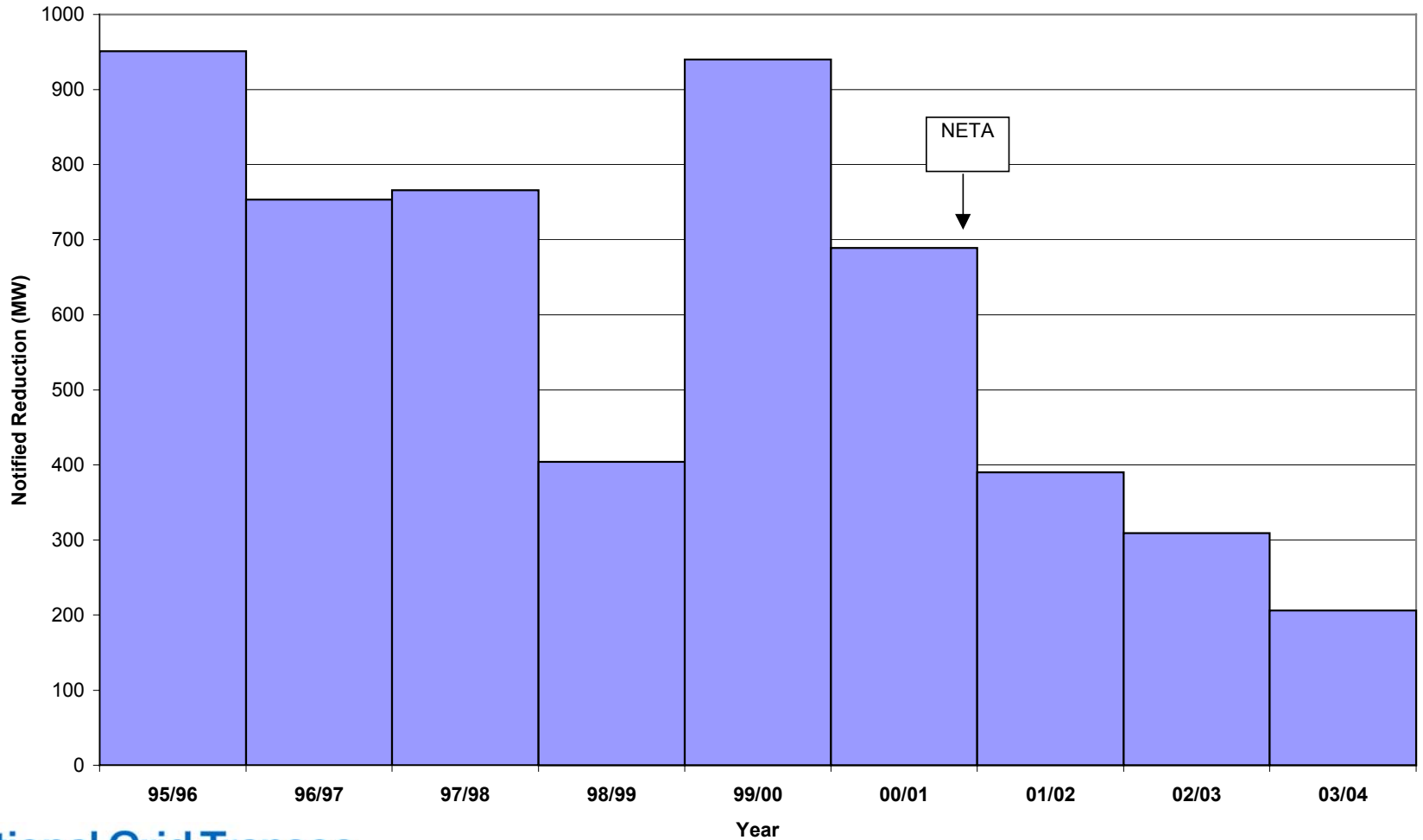
Triad Un-Notified Demand Management



Demand Management on Monday 13th December 2004



Maximum Notified Customer Demand Management on Triad Days



Notified Customer Demand Management

- NGC always want to improve the accuracy of its demand forecasts, thereby minimising uncertainty and reducing overall costs to the industry
- Under the Grid Code OC2, suppliers are obliged to inform NGC when they instruct demand management >12 MW at a GSP
- Notified Customer Demand Management (NCDM) is important as it helps NGC form a better view of the extent of demand response
- Possible reasons for NCDM decline are:
 - it not being notified despite GC obligations
 - customers demand managing unilaterally
 - market structure impacting on levels notified
- We welcome feedback on reasons behind the decline in NCDM

Generation Availability

- Availability Estimate assuming Operationally Reviewed Capacity is 64.9 GW, reflecting 1.5 GW of plant on sustained post-fault outage
- 0.8 GW of plant returned from mothballs for winter peaks
- Over 3 GW of imports from France and Scotland over darkness peak
- The plant on outage during the first half of the winter returned by early January
- Low volumes of notified outages for January-March 2005

GB Demand

- GB demand will be ~10% higher than E&W
- Elexon is consulting with industry as to treatment of non-BMU generation within Scotland
- There is roughly 800 MW of large licence-exempt generators between 5 (30) MW and 100 MW in Scotland
- Not all of these will choose to be BMUs
- ~600 MW of the 800 MW will have live metering and will be included in “Demand” and Availability
- Situation is not finalised
- NGC looking at making more information available to the industry

Forthcoming Reviews and Publications

- OC1/OC2 Review - ongoing
- Reserve Workshop - 23 February 2005
- ACS Demand Explanation- March 2005
- NGC GB Demand Definition - March 2005
- GB 7 Year Statement - May 2005
- Preliminary Winter Outlook - May 2005

Summary - update

- Mild Winter - Warm
- Cold Spell outside windows for maximum demand
- Successful return of plant from outage
- Return of mothballed plant and interconnector imports secured demand over actual peaks
- Average demand growth continues to around 1-2%
- Little growth over peak demands
 - Provisional view this is due in part to:
 - Increased un-notified customer demand management over DP
 - Increased embedded generation over high demand peak half hours



Any Questions?