

# Fast Reserve

## Market Information for Tenders for October 2004

National Grid Transco publishes this information, in order to inform potential participants for the Fast Reserve tender round for October 2004.

### Fast Reserve Availability

Our indicative daily requirement for Fast Reserve in October is shown on a Settlement Period basis in Figure 1. This requirement covers weekdays, Saturdays, Sundays and Bank Holidays.

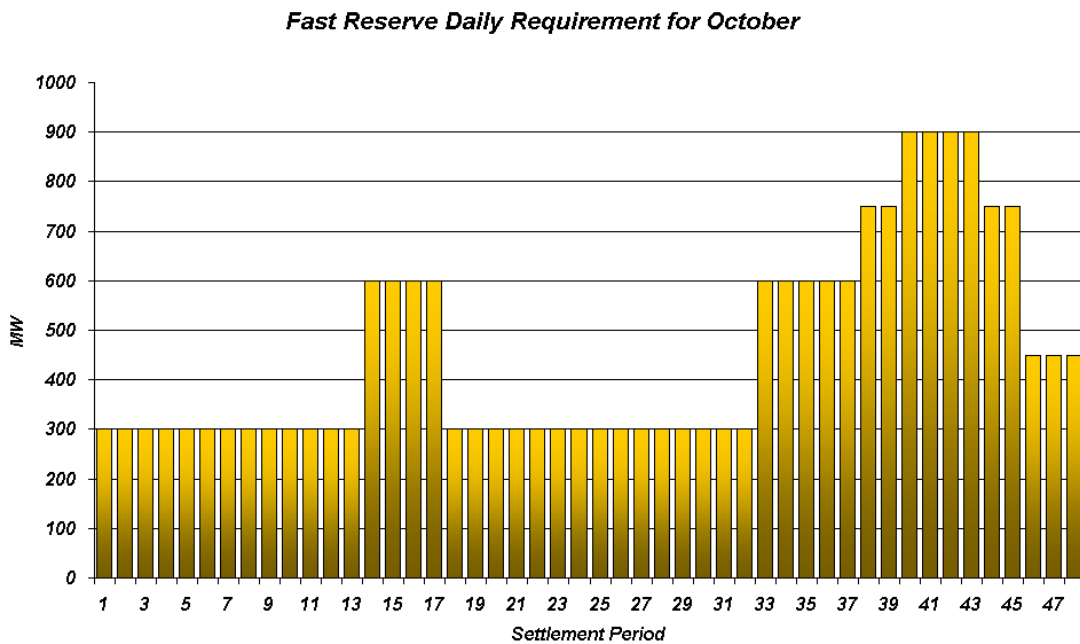


Figure 1

This figure gives an indication of the times of day when Fast Reserve is most useful to us. The actual amount of Fast Reserve "holding" varies from day to day, according to system conditions, but on average amounts to approximately one half of these requirements.

**Fast Reserve Utilisation**

Figure 2 shows the daily utilisation of Fast Reserve in the BM and elsewhere during July (1<sup>st</sup> – 31<sup>st</sup> July 2004) and August (1<sup>st</sup> – 31<sup>st</sup> August 2004). The BM information is based on the aggregate of Offers plus |Bids| accepted to provide Fast Reserve.

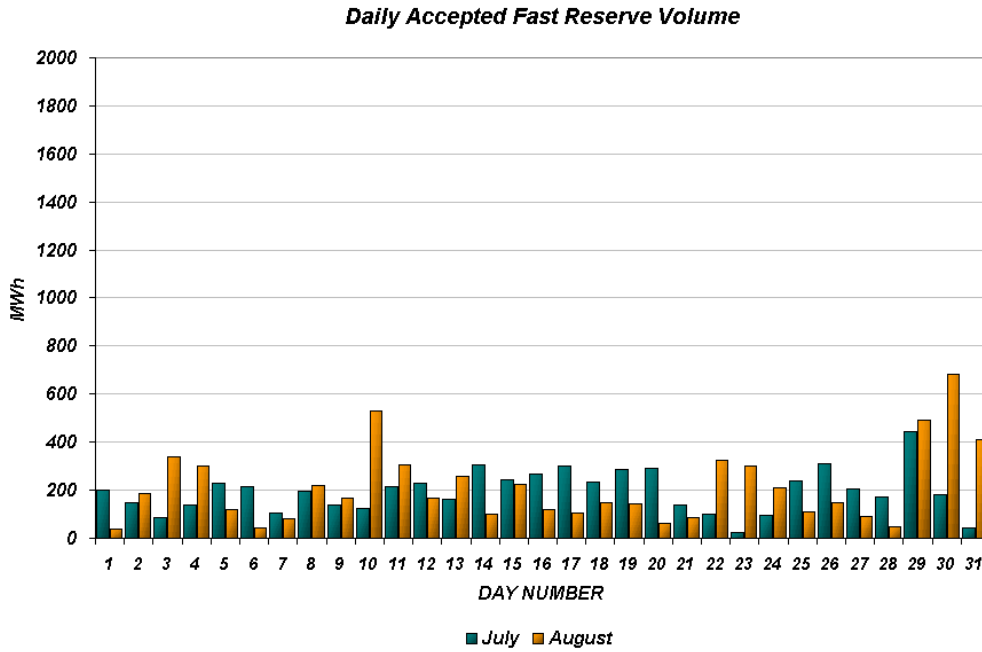


Figure 2

Figure 3 re-presents this data, as an average utilisation per Settlement Period across each month. This shows the daily profile of Fast Reserve utilisation.

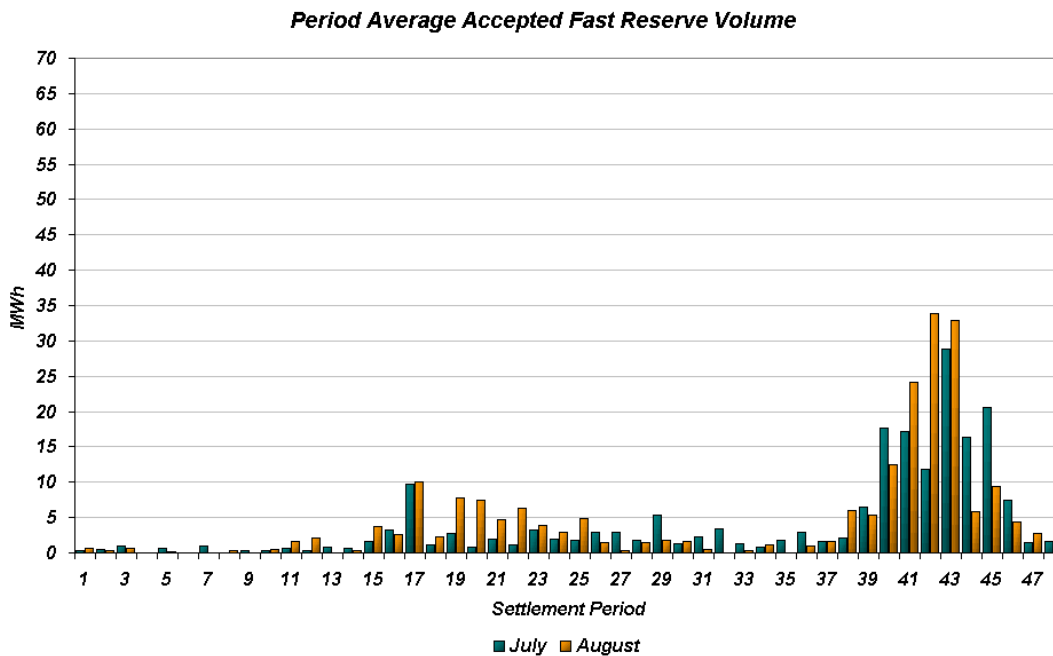


Figure 3

The total volumes of Fast Reserve utilisation of **6.1 GWh** for July and **6.6 GWh** for August break down into price bands as follows:

July	Price band (£/MWh range)	Volume (MWh)	Average Price (£/MWh)	Cost (£m)
<b>OFFERS</b>	2000 to 10000	0	n/a	n/a
	1000 to 2000	40	1,800	0.07
	300 to 1000	14	600	0.01
	0 to 300	5,972	124	0.74
<b>Total</b>		<b>6.0 GWh</b>		<b>£0.82 m</b>
<b>BIDS</b>	0 to 300	0	n/a	n/a
	-300 to 0	-25	-180	0.00
	-1000 to -300	-3	-600	0.00
	-2000 to -1000	-9	-1,800	0.02
	-10000 to -2000	0	n/a	n/a
<b>Total</b>		<b>0.0 GWh</b>		<b>£0.02 m</b>
<b>Total</b>		<b>6.1 GWh</b>		<b>£0.84 m</b>

August	Price band (£/MWh range)	Volume (MWh)	Average Price (£/MWh)	Cost (£m)
<b>OFFERS</b>	2000 to 10000	0	n/a	n/a
	1000 to 2000	41	1,800	0.07
	300 to 1000	0	n/a	n/a
	0 to 300	6,471	118	0.76
<b>Total</b>		<b>6.5 GWh</b>		<b>£0.84 m</b>
<b>BIDS</b>	0 to 300	0	n/a	n/a
	-300 to 0	-37	-158	0.01
	-1000 to -300	0	n/a	n/a
	-2000 to -1000	-9	-1,800	0.02
	-10000 to -2000	0	n/a	n/a
<b>Total</b>		<b>0.0 GWh</b>		<b>£0.02 m</b>
<b>Total</b>		<b>6.6 GWh</b>		<b>£0.86 m</b>

The above charts and tables show that from July to August overall Fast Reserve utilisation rose by ~ 8%, though with little rise in overall costs as average prices fell.

For October, the demand shape continues to move towards a winter profile with an associated gradual increase in the requirement for Fast Reserve. Fast Reserve utilisation patterns for October 2004 are expected to be similar to September 2004 and September/October 2003. Overall Fast Reserve utilisation for October 2004 should therefore be consistent with levels seen over the same period last year.

For the month of **October**, tenders from eligible Service Providers for a firm Fast Reserve service should be submitted to National Grid by close of business on Tuesday 14<sup>th</sup> September 2004. National Grid Transco will notify Service Providers of the outcome of the tender assessment by Tuesday 21<sup>st</sup> September 2004. National Grid is particularly interested in tenders for an overnight service (windows between 22.00hrs and 07.00hrs or part thereof) for a firm fast reserve service period running from October to March (or consecutive months within that period) from providers who have signed (or will have signed by 24<sup>th</sup> September) onto the new Fast Reserve Contract Terms as detailed in the communication found at the following link:

[http://www.nationalgrid.com/uk/indinfo/balancing/mn\\_whats\\_new.html](http://www.nationalgrid.com/uk/indinfo/balancing/mn_whats_new.html)

Tenders should be sent for the attention of:

Laura Barker  
Operations & Trading  
National Grid Transco plc  
NGT House  
Warwick Technology Park  
Gallows Hill  
Warwick  
CV34 6DA

Tenders can be sent by fax to Laura Barker on 01926 656612.