

# Operational Update

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Paul Hurlock

Network Operations

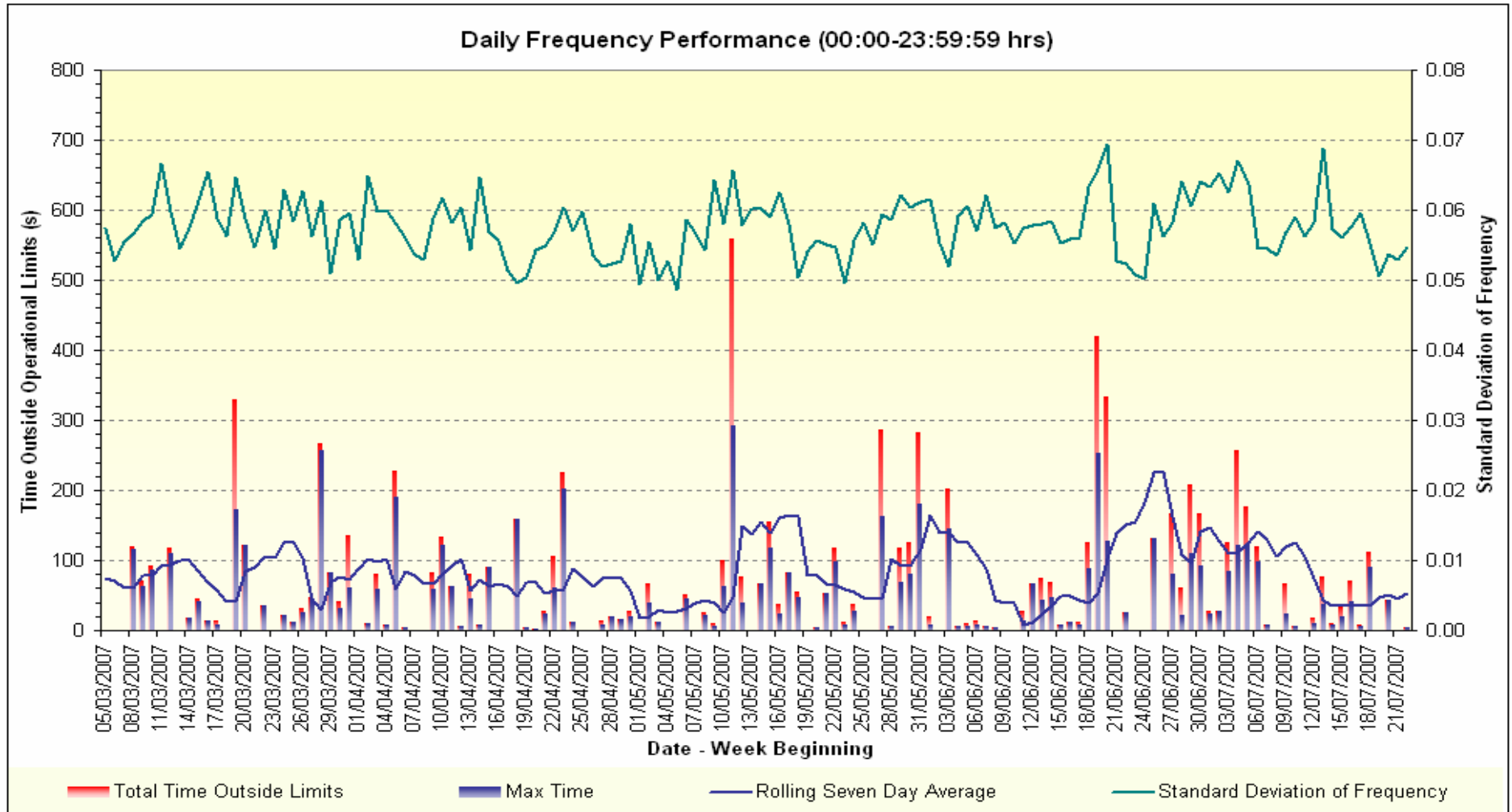
# Agenda

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- Recent Operational Performance
- System Operator cost update
- Buy Price Adjustment correction

# Frequency Performance

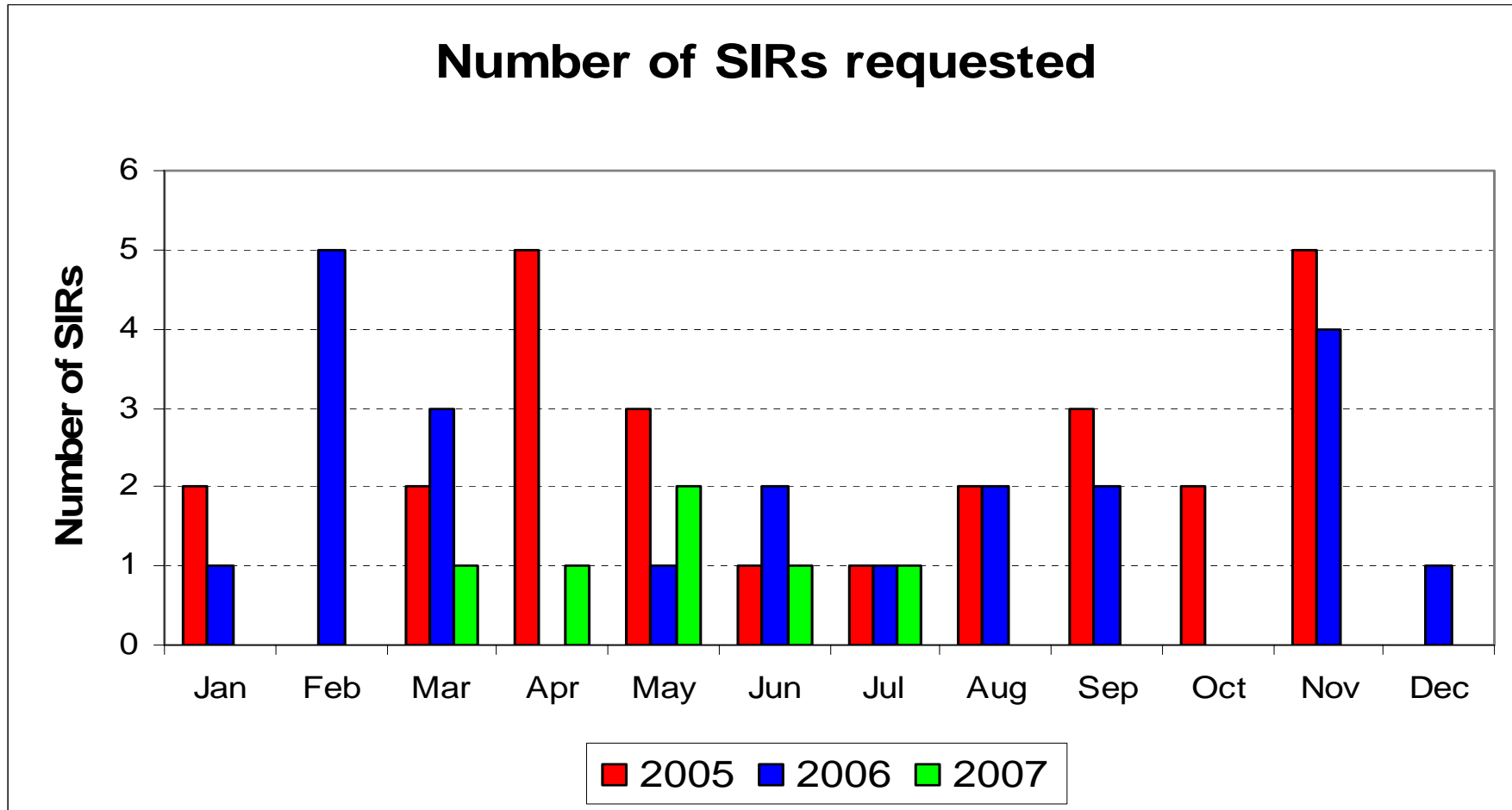
## Recent Daily Excursions



- No significant frequency deviations to report in Jun/Jul

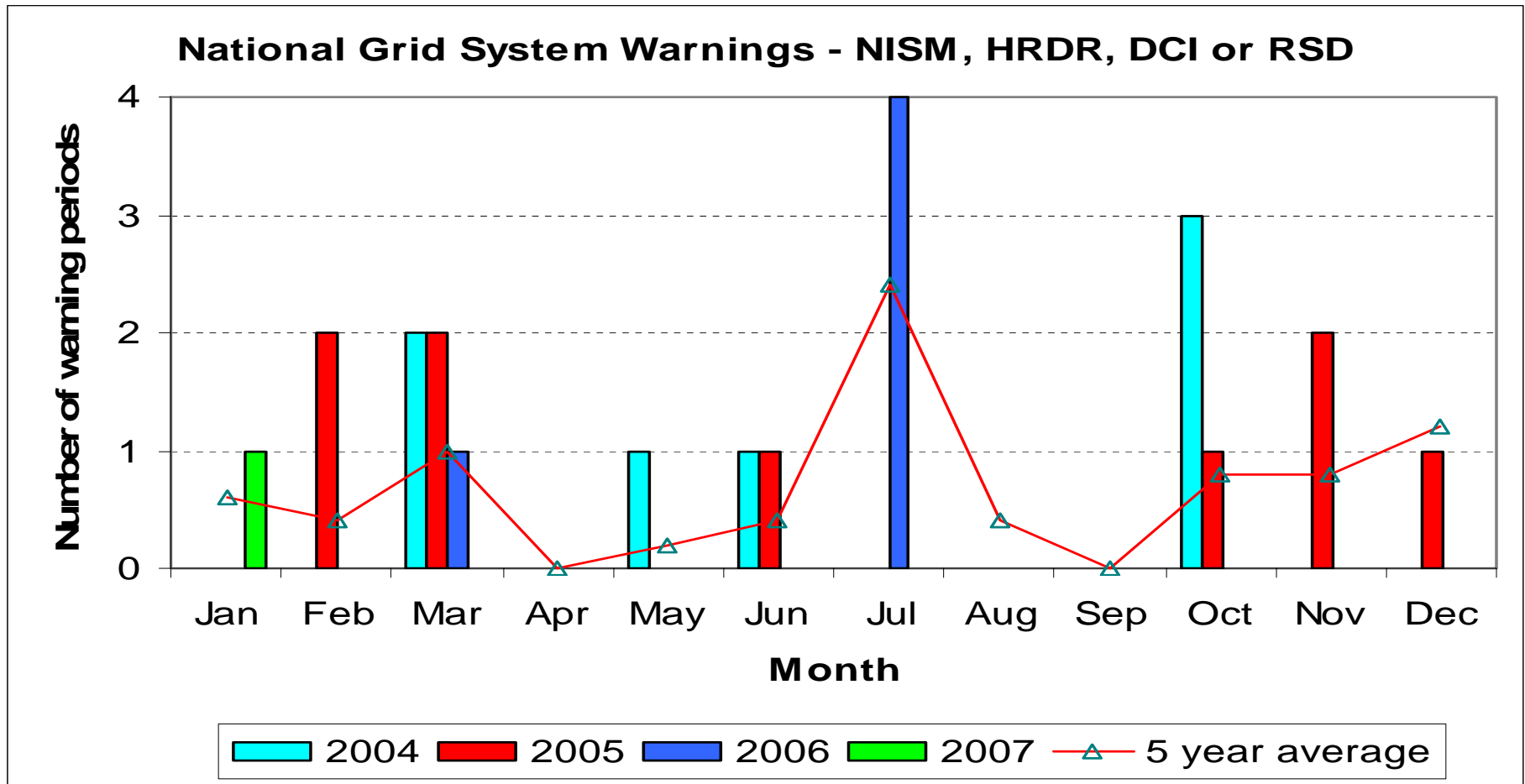
# Generator Performance

## SIR performance



- 1 SIR in June and 1 in July – significant improvement so far on both 2005 and 2006.

# System Warnings



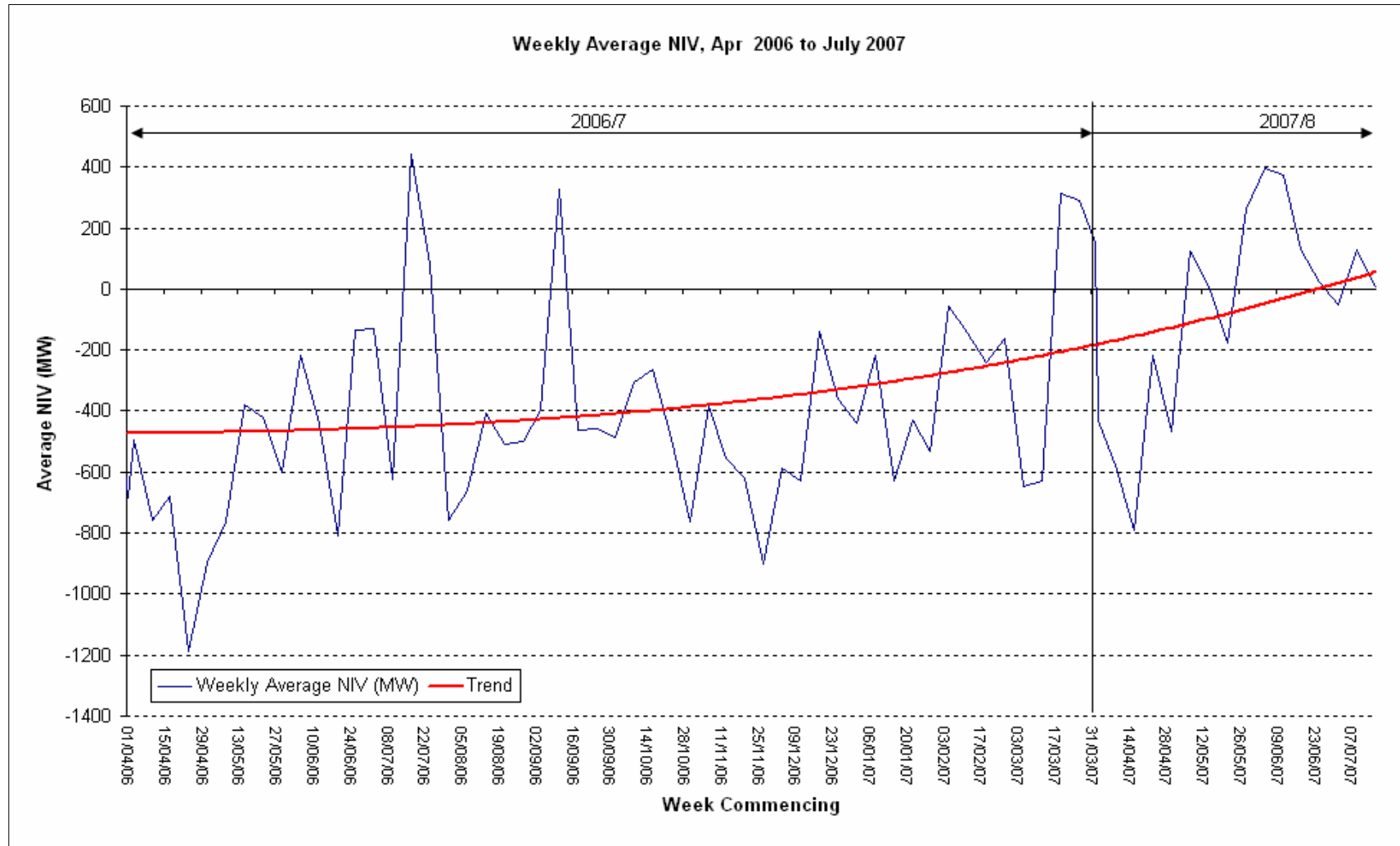
- No margin related system warnings issued since 27 July 06 (Risk of System Disturbance 18 Jan 07).

# June/July operational summary

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- ◆ June
  - ◆ Wettest June since records began
  - ◆ Severe flooding in some areas of the UK
  - ◆ Short markets resulting in high costs to meet energy balancing requirements
  - ◆ Higher demands than normal on account of poor weather
  - ◆ Live Earth and “Lights out London” had little discernible effect on demand
- ◆ July
  - ◆ Very wet with widespread flooding & unpredictable weather
  - ◆ Short on a regular basis throughout the daytime
  - ◆ Higher levels of synchronising actions including Fast Reserve and STOR required with the market continuing to outturn short during the day
  - ◆ Some constraint costs on account of flooding and other system conditions

# Weekly Average NIV



# Ten 'shortest' months...

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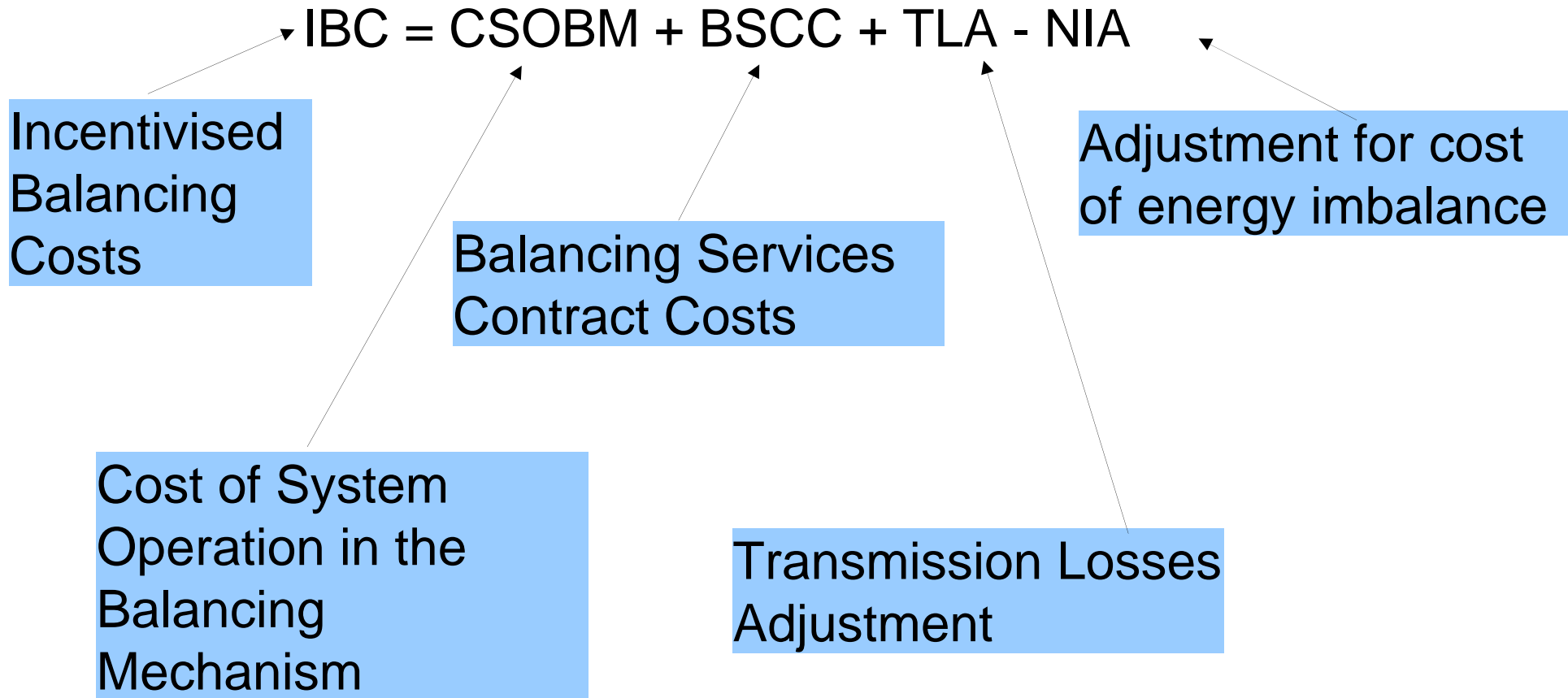
Month	NET NIV	POS_NIV	NEG_NIV
Jun-07	342,270	506,672	- 164,402
Jul-07	45,362	201,650	- 156,289
Jul-06	- 92,946	420,604	- 513,551
May-07	- 104,511	345,456	- 449,967
Mar-06	- 197,853	374,245	- 572,098
Mar-07	- 254,263	395,230	- 649,493
Sep-04	- 304,749	222,731	- 527,480
Feb-07	- 309,368	295,167	- 604,535
Sep-06	- 330,881	260,363	- 591,244

# System Operator cost update

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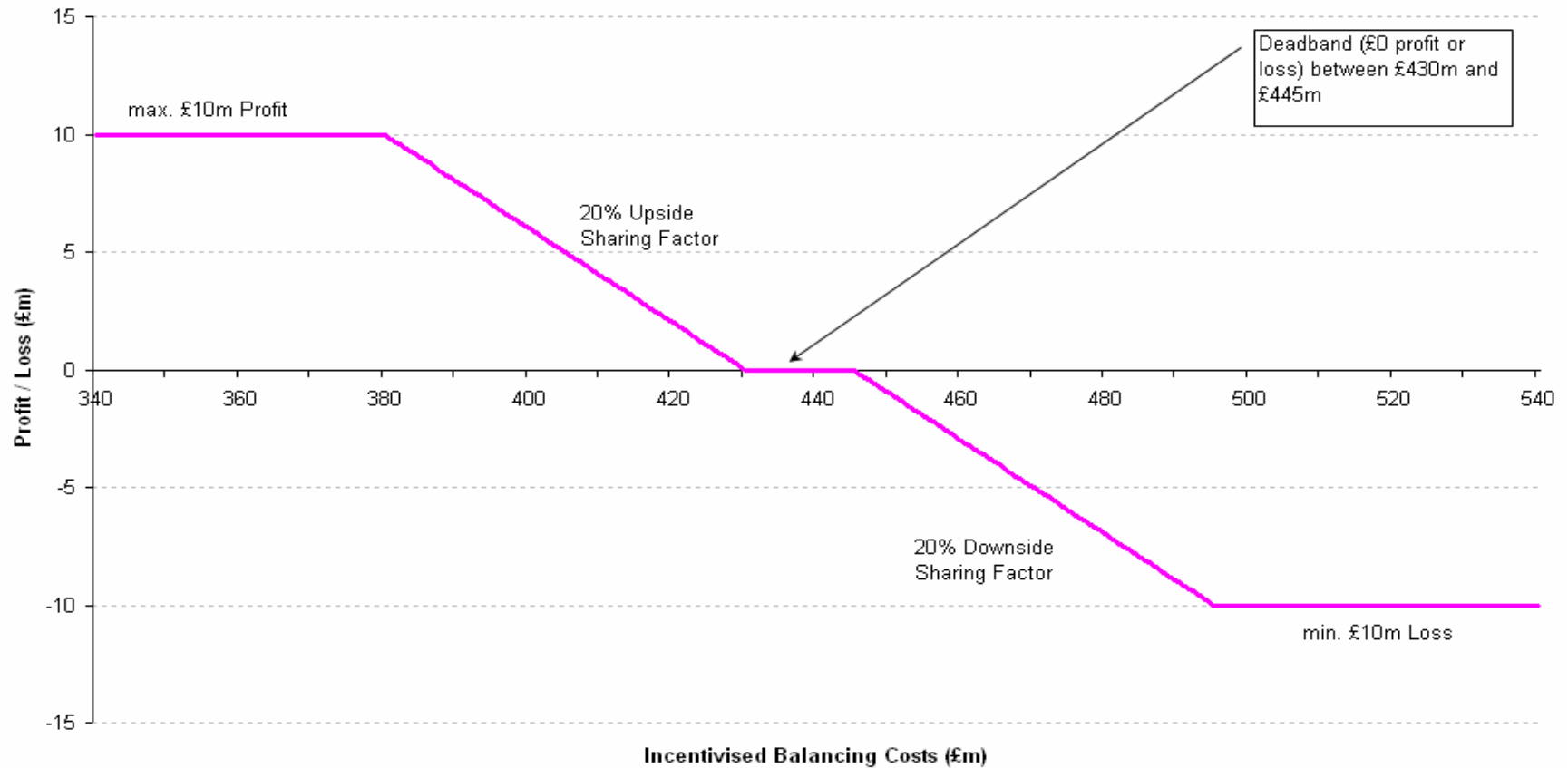
# IBC Component Breakdown

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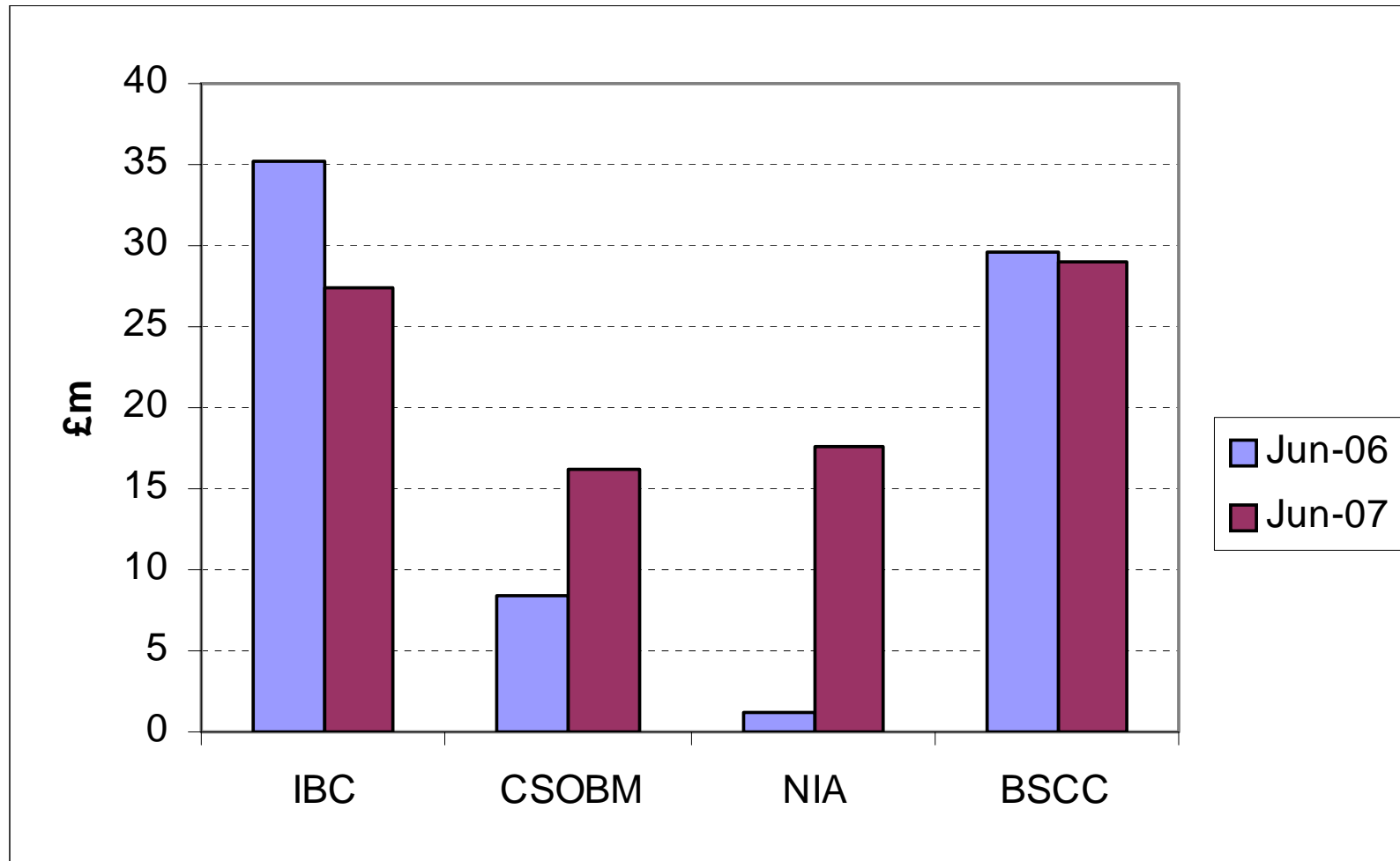


# New 2007/8 BSIS scheme

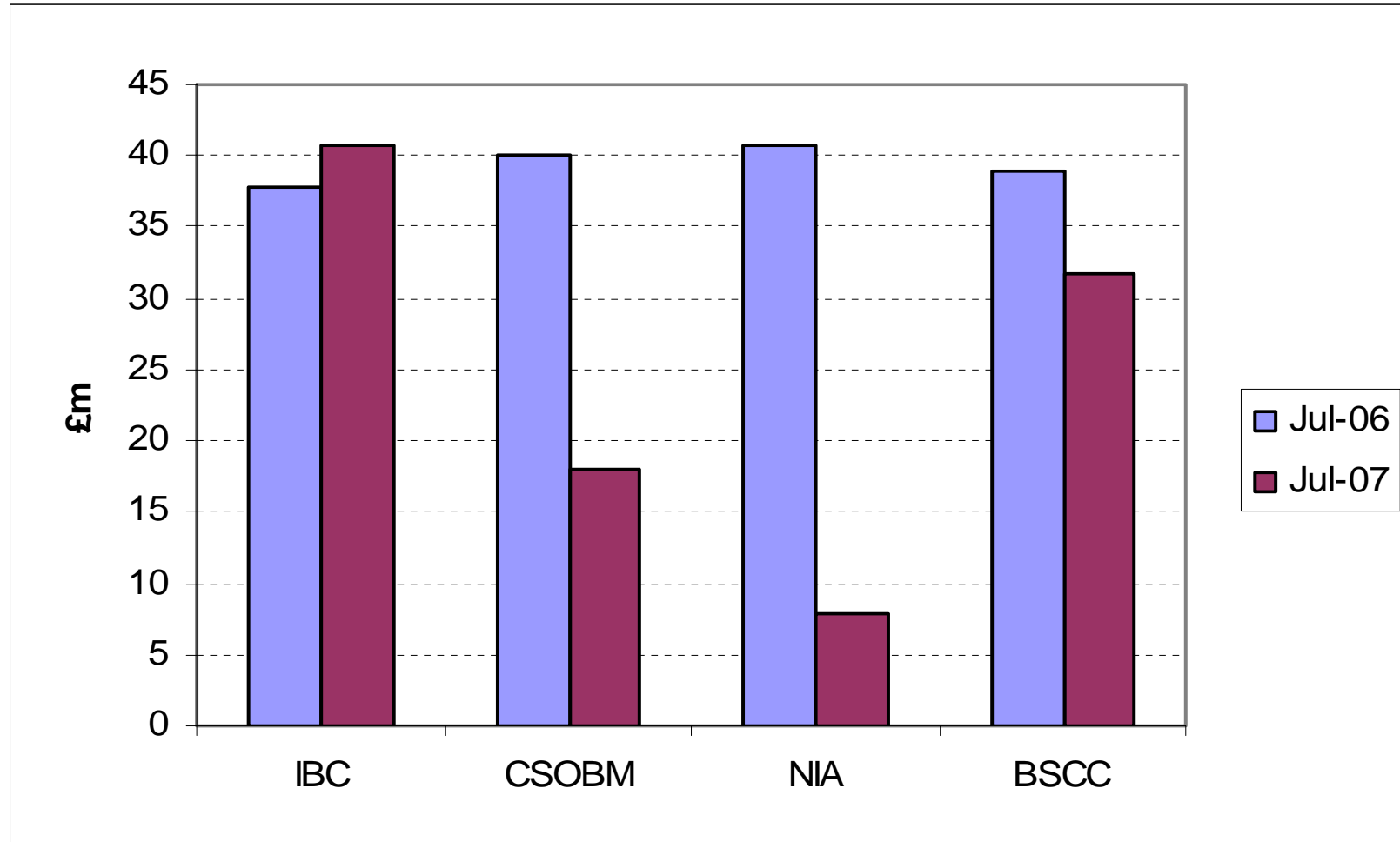
2007/8 Balancing Services Incentive Scheme



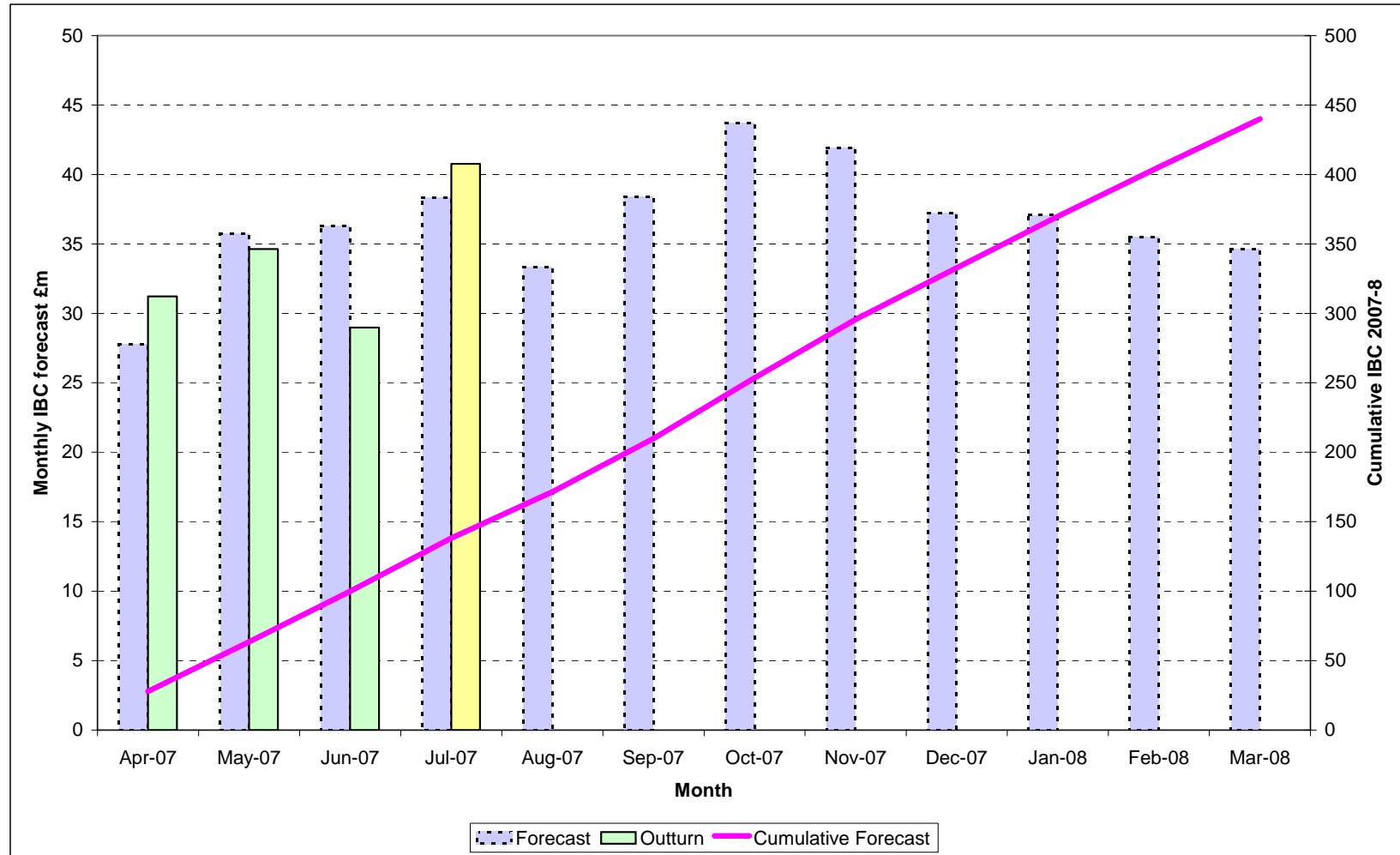
# IBC component comparison- June 2006 vs 2007



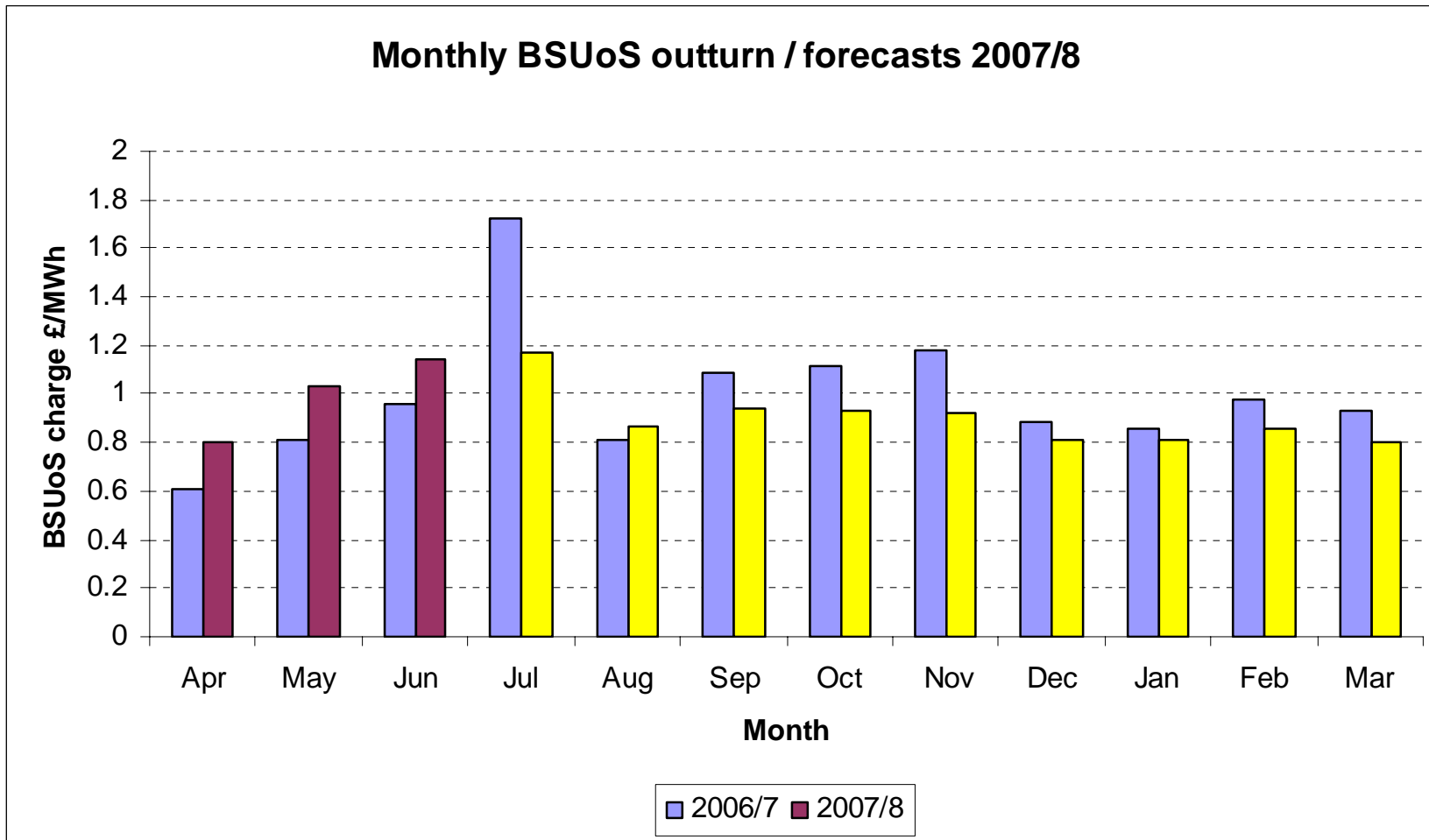
# IBC component comparison- July 2006 vs 2007



# Monthly IBC 2007/8 forecasts and outturn



# Monthly BSUoS outturn / forecasts 2007/8



Current BSUoS charge forecast stands at £0.91/MWh compared to £0.99/MWh last year

# BPA Correction

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# Buy Price Adjustment

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- ◆ BPA takes account of energy related option fees in the determination of System Buy Price.
- ◆ The services included in the Buy Price Adjustment (BPA) are STOR, BM Start-up, Forward Energy contracts and Firm Regulating Reserve.
- ◆ BM Start-up and STOR were introduced in November 2006 and April 2007 respectively.
- ◆ IT Systems amended to calculate revised BSAD BPA.

# BPA Correction

- ◆ Internal controls identified error in BPA calculation

	BM Start-up BPA Adjustment	STOR BPA Adjustment
Settlement Periods affected	93	317
Maximum absolute Impact	£27.97/MWh Reduction in BPA	£0.28/MWh Increase in BPA
Average Impact over affected Settlement periods	£5.40/MWh Reduction in BPA	£0.06/MWh Reduction in BPA

- ◆ BPA resubmission 10th July 2007. The latest version of BSAD data is available electronically from the National Grid website;  
<http://www.nationalgrid.com/uk/Electricity/Balancing/pg/adjustmentdata/>
- ◆ Elexon Circular was issued on 13th July 2007. A copy of the circular and spreadsheet detailing impacted settlements periods is available electronically on the Elexon website;  
<http://www.elexon.co.uk/Publications/Circulars/default.aspx>  
(Reference: EL0148 and EL0148A)

# Future Actions

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- ◆ More frequent offline data checks
- ◆ Review of testing for new IT systems

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Any questions?