

Transmission Operational Forum Update

October 2008

Contracts Development Update The Energy Event 08

National Grid exhibited at the Energy Events 2008 on 10th and 11th September at the Motorcycle Museum.

The purpose was to promote interest in procuring Electricity Balancing Services and Gas Operating Margins from a wider spread of providers.

The exhibition focuses on energy procurement, management and efficiency. For the exhibition National Grid produced a high level booklet to assist to assist potential providers in deciding whether they can provide a service to National Grid. This can be seen on our website in the following location:

https://www.nationalgrid.com/uk/Electricity/Balancing/demandside/supportingactivities/other/demand_side_leaflet.htm

Access To Embedded Generation in Scotland

Issue

National Grid's Electricity Control Centre are reporting that they are beginning to encounter scenarios whereby there is a risk of insufficient generation reduction available to manage Scottish export constraint limits under certain conditions (for example at time of low Scottish demands).

Cause

The problem is linked to an increasing volume of embedded generation signing on to Bilateral Embedded Licence Exemptable Large Power Station Agreement (BELLA) terms, which are not required to participate in the Balancing Mechanism. The problem is also linked to the increase in embedded generation signing onto Bilateral Embedded Generation Agreement (BEGA) terms as, whilst such generators are expected to be available in the Balancing Mechanism, not all submit the necessary price/volume data to allow instruction.

At BETTA 'go-live' it was recognised that it would be necessary to review BELLAs and the arrangements for access rights and charging embedded and small directly connected generators were particular areas for review. Currently, Transmission Access work is focussed on Transmission-connected generation and offshore generation; the issue of BELLAs has yet to be addressed.

Way Forward

National Grid is in the process of:

- Encouraging existing generators with a BEGA to make available bid prices and volumes in the Balancing Mechanism
- Encouraging wider participation in the provision of commercial intertrip services

In addition, National Grid is considering the development of a Balancing Service as an interim solution to allow it to instruct reductions in output from Embedded Exemptable Large Power Station (EELPS) plant, pending an enduring solution being developed by Transmission Access.

STOR Annual Review

To initiate industry engagement and debate on STOR development, National Grid have published the STOR Service Development Initial Proposals which will be discussed at a workshop following the Ops Forum. The initial proposal can be found on our website in the following location:

<http://www.nationalgrid.com/uk/Electricity/Balancing/services/reserveservices/STOR/>

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It is recommended that you read this document if you are intending to come along to the workshop. Should you be unable to attend the workshop then you may wish to respond in writing to the initial proposal. Any responses should be emailed to Rebecca.Yang@uk.ngrid.com by 5pm on 10th October 2008. A final proposal will be published by mid October for further comments.

STOR Tender Round 6

STOR Tender Round 6 has been completed. The assessment results have been communicated to each tenderer. The service will start on 26th October 2008. Tender Round Market Report will be available by 7th November.

FFR/Fast Reserve Service Review

Proposals for changes to be made to the Fast Reserve and Firm Frequency Response standard contract terms have now been placed on the National Grid Website. Comments will be gratefully received by Friday 10th October so that Standard Contract Terms can be updated by end of October. The proposals can be located on our website at the following location: <http://www.nationalgrid.com/uk/Electricity/Balancing/services/reserveservices/fastreserve/> and <http://www.nationalgrid.com/uk/Electricity/Balancing/services/frequencyresponse/ffr/>

Reactive Power Service Review

A review of the Reactive Power service is underway and National Grid will be seeking views on some initial proposals via the next Balancing Services Standing Group (BSSG). In the meantime, some questions on the Reactive Power service for consideration by National Grid and the industry are:

- Why has the number of participants in the bi-annual market tenders decreased in recent years?
- Given the decreasing number of market tender participants, should the CUSC market tender process still remain?
- If the market tender is to remain what should it look like e.g. frequency of tenders, contract length etc?

For further information contact:
Katharine.Clench@uk.ngrid.com

Reactive Power Tender Round 23

The TR23 ITT pack is now on the website. Tenders are invited for service commencement from 1st April 2010. The Market Day for TR23 is 14th November.

Stor Annual Review Workshop

8th October

Ardencote Manor

12:30 Lunch

13:00 Start

National Grid has published a consultation document on the replacement of the Balancing Mechanism (BM) system. This document can be accessed using the following link:

<http://www.nationalgrid.com/uk/Electricity/Balancing/consultations/>

The Monthly Balancing Services Summary (MBSS) Report now contains more detailed information about spend on Constraints.

<http://www.nationalgrid.com/uk/Electricity/Balancing/Summary/>

Full Ops Forum 8th October 2008

Agenda

Operational Update
Paul Hurlock

Winter Outlook Report Overview
Stuart Bailey

3rd Energy Package Implications
Nick Morris

BM Replacement
Shafqat Ali

Indexation Consultation
Malcolm Arthurs