

Operational and SO Cost Update

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Agenda

Operational Issues

SO Cost Update

BSUoS Update

Operational Performance Summary – Significant Incident Reports

- ◆ **There have been six Significant Incident Reports requested for PN following**
 - ◆ 4 for units over-generating relative to their submitted PN
 - ◆ Two of which contributed to high system frequency events

 - ◆ 1 for a large reduction in output from a power station

 - ◆ 1 for the de-selection of Power System Stabiliser equipment from a unit without informing National Grid
 - ◆ Contributed to a low amplitude instability between the Scottish and England and Wales networks
 - ◆ Required some actions to be taken in the Balancing Mechanism to manage.

Operational Performance Summary – NISMs

There have been two NISMs issued since the last forum

- ◆ These fell on the 10th December and 15th January
- ◆ Both covered the evening demand peak
- ◆ The first was cancelled during the morning as requirements reduced
- ◆ The second followed 4.5GW of plant losses since the previous afternoon
 - ◆ Cancelled at 18:00 once the demand peak had past

Operational Performance Summary – High Frequency Events

System Frequency has exceeded 50.3Hz on three occasions in the past month

- ◆ 22nd Jan – UK – France Interconnector experiences problems whilst ramping
 - Ramp rate increased from 60MW/Min to 300MW/Min
 - Additional 750MW of energy caused system frequency to reach 50.33Hz
 - Managed by moving four pump storage machines to Spin-Gen and emergency assistance over the UK – France interconnector to hold this at zero MW

- ◆ 31st Jan – Evening Demand peak 1GW lower than forecast
 - A unit started up at the same time, rapidly reaching full load
 - Pushed system frequency from 50.12hz to 50.35Hz
 - 3 units did not receive instructions via EDL
 - Issue of instructions via telephone delayed response to the event

- ◆ 8th Feb – Combination of demand reduction, early than anticipated TV pick up and generation changes
 - The net effect of all these resulted in a rapid rise in system frequency to 50.30Hz

Operational Performance Summary – Other Events

There was a large loss of generation on the 22nd Jan where 1.3GW was lost over a couple of hours

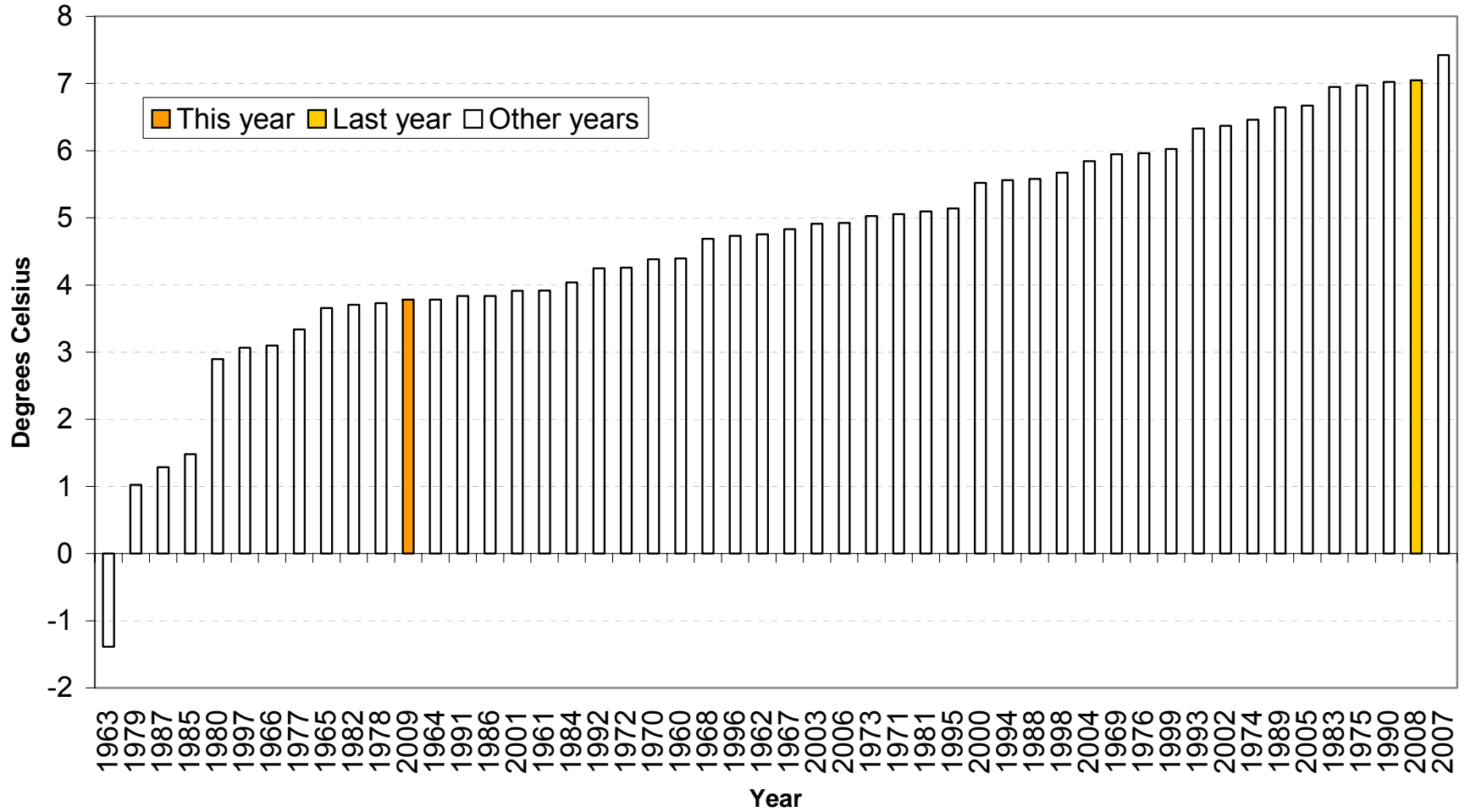
- ◆ Due to the low rate of reduction no frequency control or major system security problems were experienced

The highest demand, 59GW, this financial year occurred on Tuesday 6th Jan

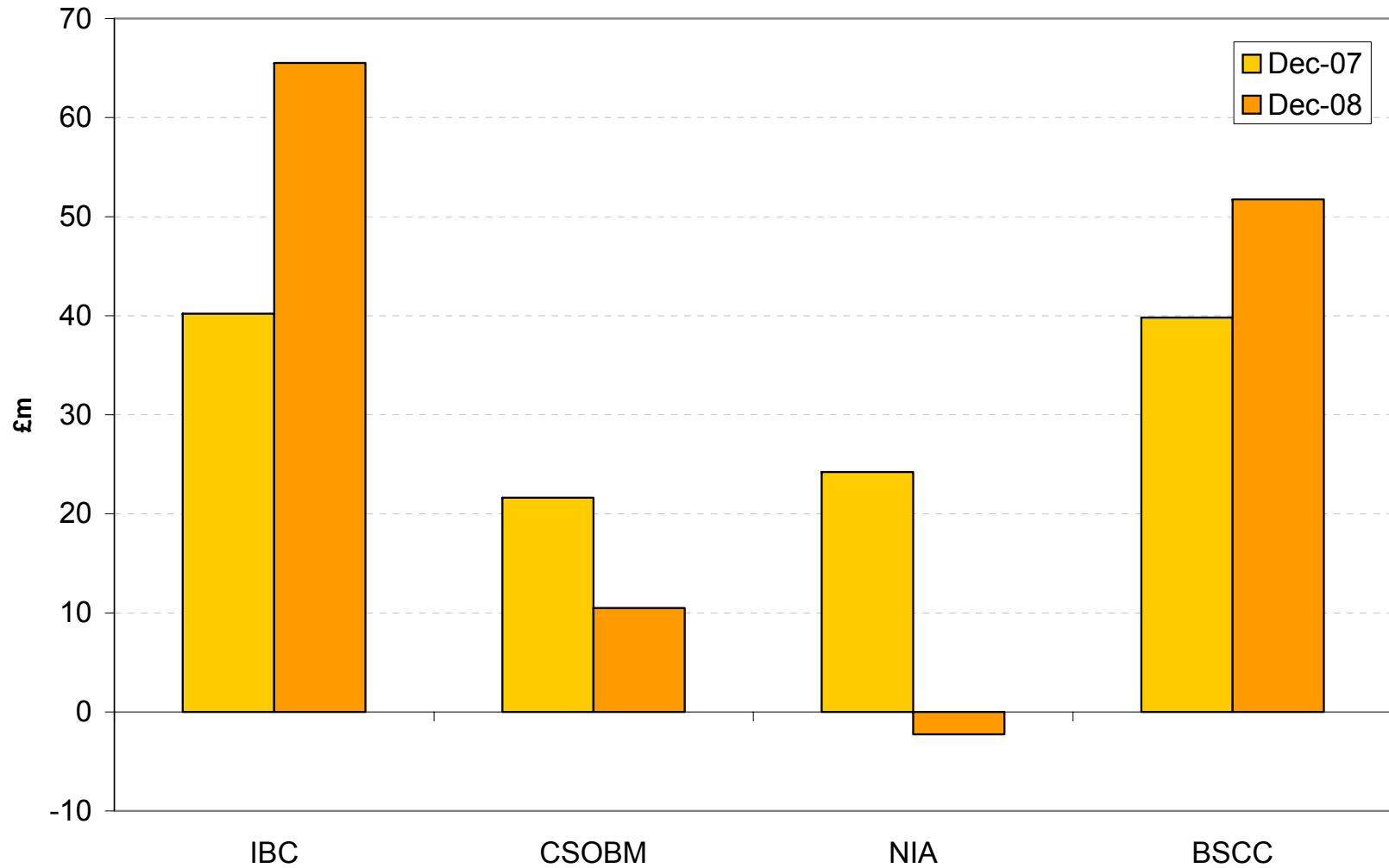
- ◆ Coldest day of the cold spell
- ◆ Overall coldest January since 1997

Mean National Temperatures in January

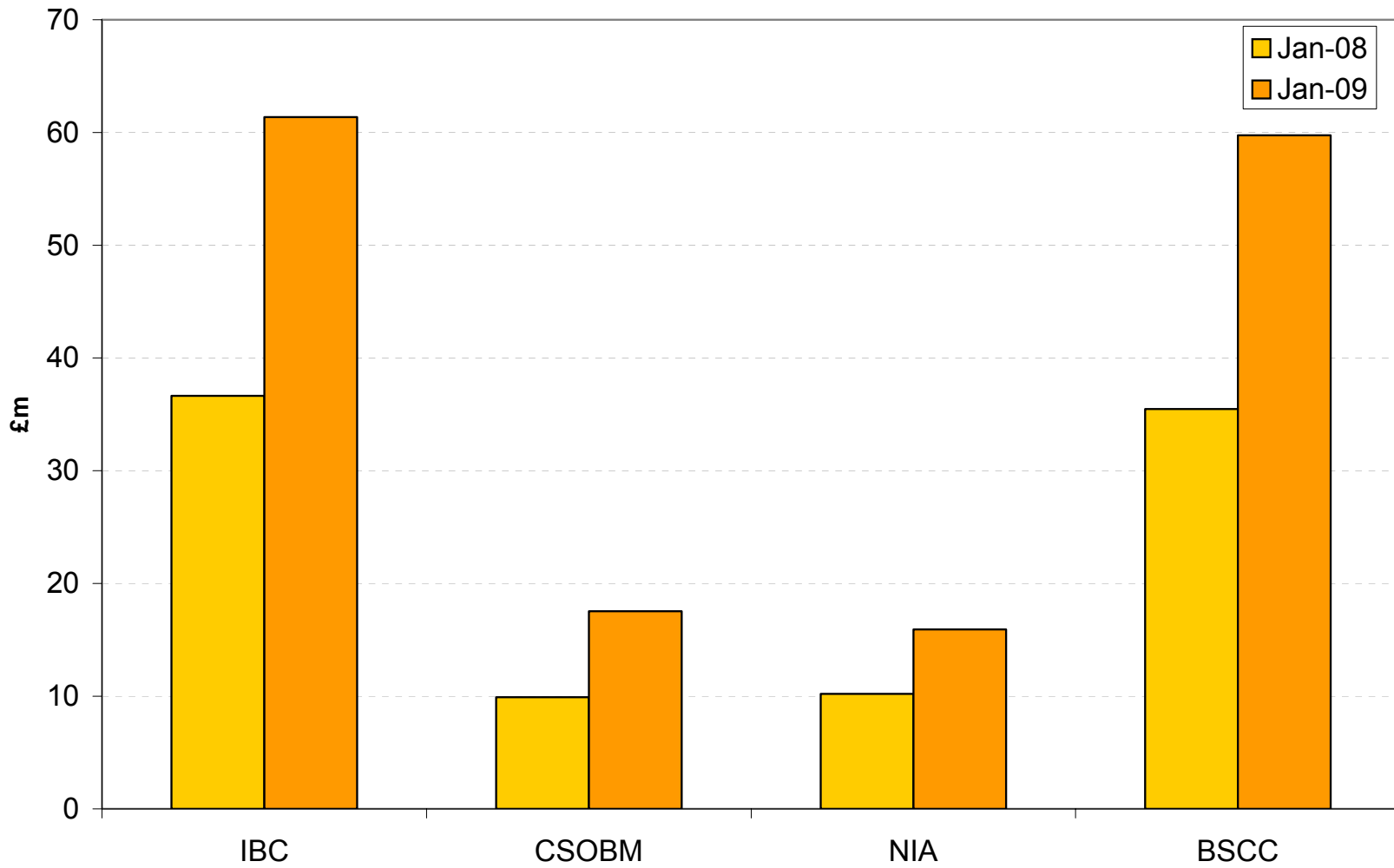
Mean National Temperature for January



IBC component comparison – December 2007 vs 2008



IBC component comparison - January 2008 vs 2009



December & January Summary

December and January have both seen their major expenditure on Constraints, Margin and Response.

Both have also seen this offset by net receipts from Energy Balancing and NIA

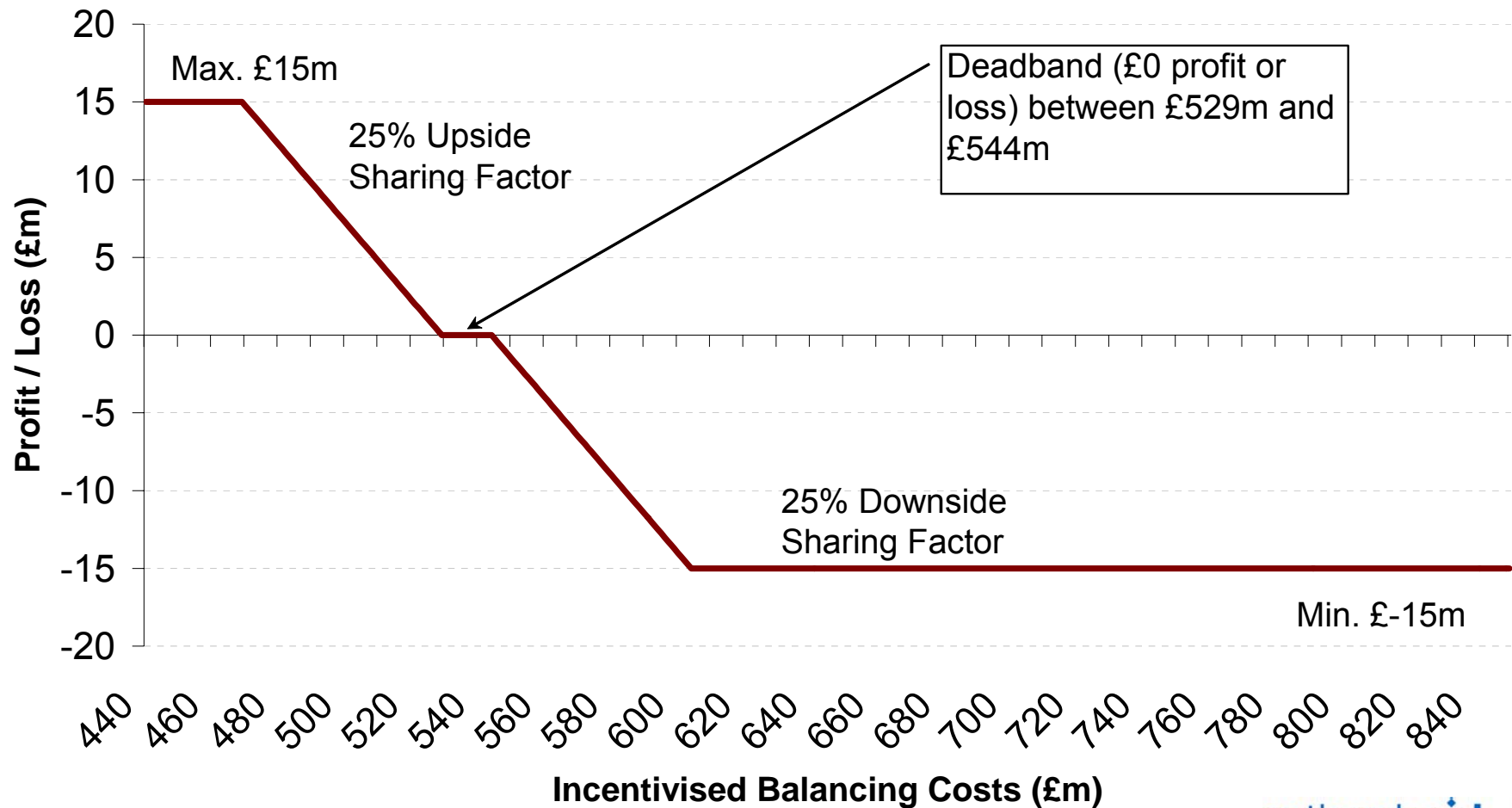
Constraint Expenditure in both months has been largely the result of fault outages of key circuits

High output from Scottish wind-farms has also increased constraint costs in both months

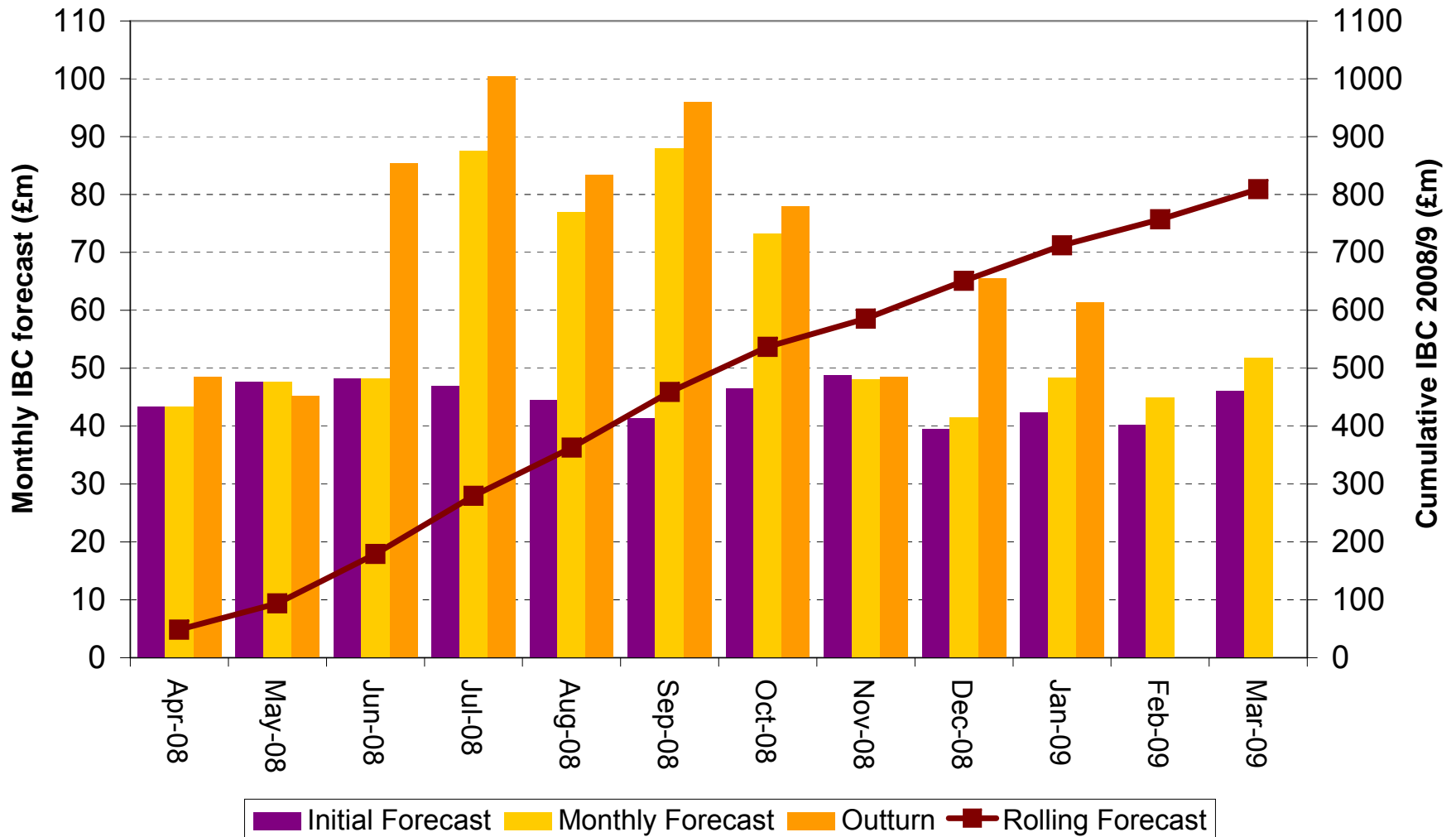
Cold weather in January has also pushed up demand, and hence tightened margins, leading to increased use of oil fired generation

2008/9 Scheme Parameters

2008/9 Balancing Services Incentive Scheme



Monthly IBC 2008/9 forecasts and outturn



Provisional BSUoS outturn / forecasts 2008/9

- ◆ Current BSUoS central forecast has reduced slightly to £1.51/MWh
- ◆ Overall forecast range £1.40/MWh to £1.60/MWh

Provisional Monthly BSUoS outturn / forecasts 2008/9

