

STOR Market Information Report: TR 08

(Short-Term Operating Reserve)

Introduction

This market report is produced after each tender round and is designed to give existing and potential STOR participants an overall view of the tendered utilisation and availability prices and National Grid's resultant forward contracted position; together with further details on the type, size and dynamics of the tendered plant. For further information regarding this product or how and when to tender please consult the tender and reports section of National Grids Balancing Services information website:

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

Furthermore, information on the use of the STOR service can be seen at monthly resolution in the Monthly Balancing Services Statement found on National Grids Balancing Services information website:

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

The report is divided into 2 main sections:

- Section 1 provides a summary of this tender round so providing market participants with tendered and accepted volumes and price information across seasons. The data is broken down between response time, flexible and committed providers plus a breakdown of the size of accepted units.
- Section 2 provides an overview of the total contracted position for each season of National Grid Short Term Operating Reserve Requirement (STORR) through this and any previous tender rounds. This section allows the market participants to identify where there are opportunities to tender in future tender rounds.

This report details all tenders received in TR 8 and is for service provision commencing on the 17th August 2009. This is the eighth tender round since STOR began in April 2007. In this report year 3 refers to 2009/10 and year 4 refers to 2010/11.

A Summary of the Season dates has been attached as Appendix 2

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Section 1.1 Submitted and Accepted Volumes

On 26th June 2009 National Grid Received 89 tenders from 14 companies for the remainder of 2009/10 and 40 for the following year. Of the 89 tenders 46 are recommended for acceptance; all remaining tenders were rejected due to prices and/or reliability based on previous 18 months utilisation.

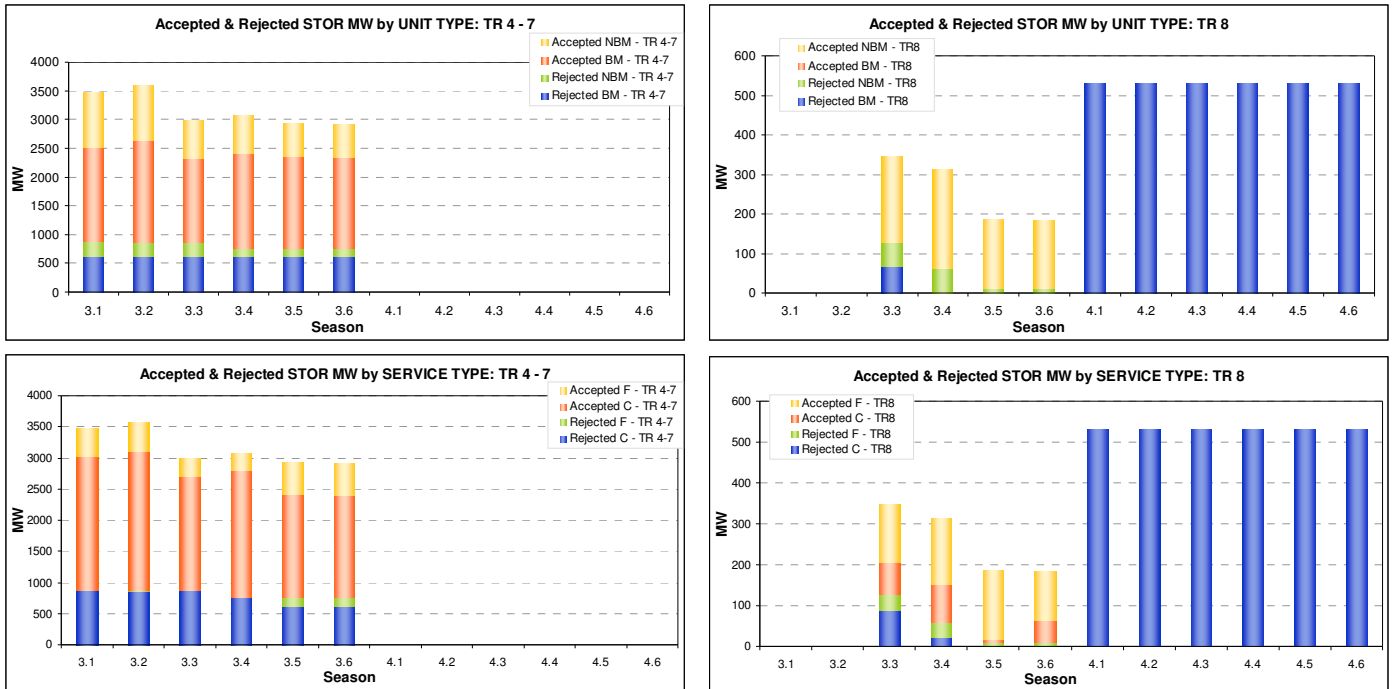
Table 1 below shows a high-level overview of the tenders received by National Grid for seasons 3.1 to 4.6. The numbers have been broken down by tender round and only show tender rounds which pertain to year 3 and 4.

Table1: Season summary table for Tender Rounds 4 to 8

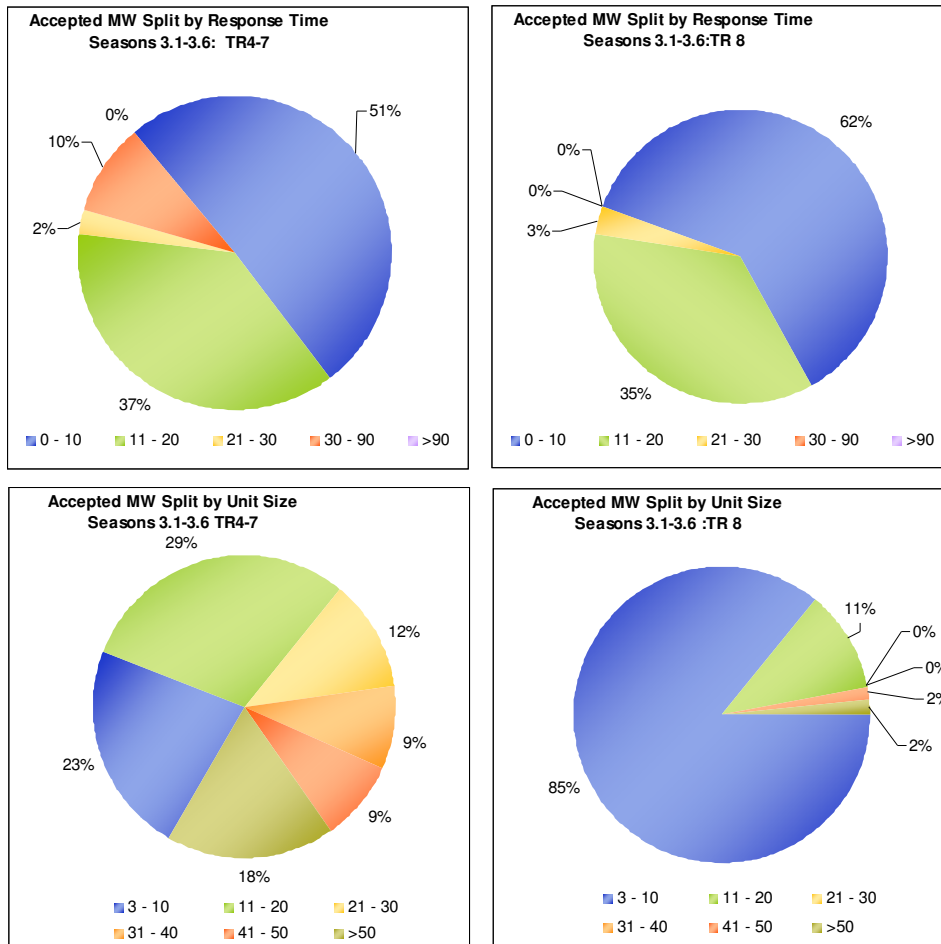
Season		3.1			3.2			3.3			3.4			3.5			3.6			
Flexible or Committed Service		C - BM	C - NBM	F - NBM	C - BM	C - NBM	F - NBM	C - BM	C - NBM	F - NBM	C - BM	C - NBM	F - NBM	C - BM	C - NBM	F - NBM	C - BM	C - NBM	F - NBM	
TR4 Tendered MW		40	-	-	40	-	-	40	-	-	40	-	-	40	-	-	40	-	-	
TR4 Accepted MW		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
TR5 Tendered MW		572	271	-	572	254	4	572	258	-	572	140	-	572	8	140	572	8	132	
TR5 Accepted MW		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
TR6 Tendered MW		962	321	18	962	308	18	872	255	-	962	132	-	962	132	-	140	962	-	132
TR6 Accepted MW		962	321	18	962	308	18	872	255	-	962	132	-	962	132	-	140	962	-	132
TR7 Tendered MW		688	174	434	808	168	448	580	126	292	712	246	281	633	53	389	632	55	389	
TR7 Accepted MW		688	174	434	808	168	448	580	126	292	712	246	281	633	53	389	632	55	389	
TR8 Tendered MW		-	-	-	-	-	-	68	101	177	-	112	201	-	5	182	-	53	132	
TR8 Accepted MW		-	-	-	-	-	-	79	126	-	90	149	-	5	170	-	53	120		
sub Total Tendered MW		2262	766	452	2382	730	470	2064	639	292	2286	518	281	2207	61	669	2206	63	653	
sub Total Accepted MW		1650	495	452	1770	476	466	1452	381	292	1674	378	281	1595	53	529	1594	55	521	
Total Accepted MW		2597			2712			2125			2333			2177			2170			
Average Submitted Availability Price (£MWh)	TR4	£10.00	-	-	£10.00	-	-	£10.00	-	-	£10.00	-	-	£10.00	-	-	£10.00	-	-	
	TR5	£8.83	£8.23	-	£8.83	£8.42	£8.90	£8.83	£8.23	-	£9.48	£8.47	-	£9.48	£9.30	£8.84	£9.48	£9.30	£8.84	
	TR6	£8.96	£7.91	£6.08	£8.96	£7.91	£6.15	£8.97	£8.20	-	£9.16	£8.25	-	£9.18	-	£8.75	£9.18	-	£8.50	
	TR7	£8.08	£7.58	£6.60	£8.25	£7.59	£6.69	£8.63	£7.57	£7.30	£8.73	£8.56	£7.27	£8.75	£6.27	£8.54	£8.75	£6.25	£8.61	
	TR8	-	-	-	-	-	-	£5.25	£8.70	£7.26	-	£8.72	£7.88	-	£8.75	£9.05	-	£8.98	£9.13	
Average Accepted Availability Price (£MWh)	TR4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	TR5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	TR6	£8.96	£7.91	£6.08	£8.96	£7.91	£6.15	£8.97	£8.20	-	£9.16	£8.25	-	£9.18	-	£8.75	£9.18	-	£8.50	
	TR7	£8.08	£7.58	£6.60	£8.25	£7.59	£6.69	£8.63	£7.57	£7.30	£8.73	£8.56	£7.27	£8.75	£6.27	£8.54	£8.75	£6.25	£8.61	
	TR8	-	-	-	-	-	-	-	£8.95	£7.13	-	£8.95	£7.58	-	£8.75	£9.03	-	£8.98	£9.12	
Average Submitted Utilisation Price (£MWh)	TR4	£325.00	-	-	£325.00	-	-	£325.00	-	-	£325.00	-	-	£325.00	-	-	£325.00	-	-	
	TR5	£445.76	£255.17	-	£445.76	£252.68	£430.00	£445.76	£255.43	-	£445.76	£271.30	-	£445.76	£479.00	£258.57	£445.76	£479.00	£258.71	
	TR6	£337.32	£259.81	£325.00	£337.32	£259.79	£325.00	£350.12	£259.57	-	£337.95	£268.48	-	£338.99	-	£268.43	£338.99	-	£268.48	
	TR7	£283.05	£238.19	£235.34	£275.92	£237.86	£249.57	£293.09	£237.18	£239.21	£283.06	£285.73	£230.45	£293.49	£190.85	£274.58	£293.58	£189.91	£270.78	
	TR8	-	-	-	-	-	-	£360.00	£259.80	£336.50	-	£257.86	£305.25	-	£240.00	£252.25	-	£240.00	£256.11	
Average Accepted Utilisation Price (£MWh)	TR4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	TR5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	TR6	£337.32	£259.81	£325.00	£337.32	£259.79	£325.00	£350.12	£259.57	-	£337.95	£268.48	-	£338.99	-	£268.43	£338.99	-	£268.48	
	TR7	£283.05	£238.19	£235.34	£275.92	£237.86	£249.57	£293.09	£237.18	£239.21	£283.06	£285.73	£230.45	£293.49	£190.85	£274.58	£293.58	£189.91	£270.78	
	TR8	-	-	-	-	-	-	-	£258.73	£306.52	-	£256.44	£302.55	-	£240.00	£244.11	-	£240.00	£244.29	

Season		4.1			4.2			4.3			4.4			4.5			4.6		
Flexible or Committed Service		C - BM	C - NBM	F - NBM	C - BM	C - NBM	F - NBM	C - BM	C - NBM	F - NBM	C - BM	C - NBM	F - NBM	C - BM	C - NBM	F - NBM	C - BM	C - NBM	F - NBM
TR8 Tendered MW		532	-	-	532	-	-	532	-	-	532	-	-	532	-	-	532	-	-
TR8 Accepted MW		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
sub Total Tendered MW		532	0	0	532	0	0	532	0	0	532	0	0	532	0	0	532	0	0
sub Total Accepted MW		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Accepted MW		0			0			0			0			0			0		
Average Submitted Availability Price (£MWh)	TR8	10.75	-	-	10.75	-	-	10.75	-	-	10.93	-	-	10.93	-	-	10.93	-	-
	TR8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TR8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TR8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TR8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Average Accepted Availability Price (£MWh)	TR8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TR8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TR8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TR8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TR8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Average Submitted Utilisation Price (£MWh)	TR8	£305.72	-	-	£305.72	-	-	£305.72	-	-	£305.72	-	-	£305.72	-	-	£305.72	-	-
	TR8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TR8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TR8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TR8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Average Accepted Utilisation Price (£MWh)	TR8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TR8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TR8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TR8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TR8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

The diagrams below show an overview of accepted and rejected tenders for seasons 3.1 to 4.6 from all tenders.



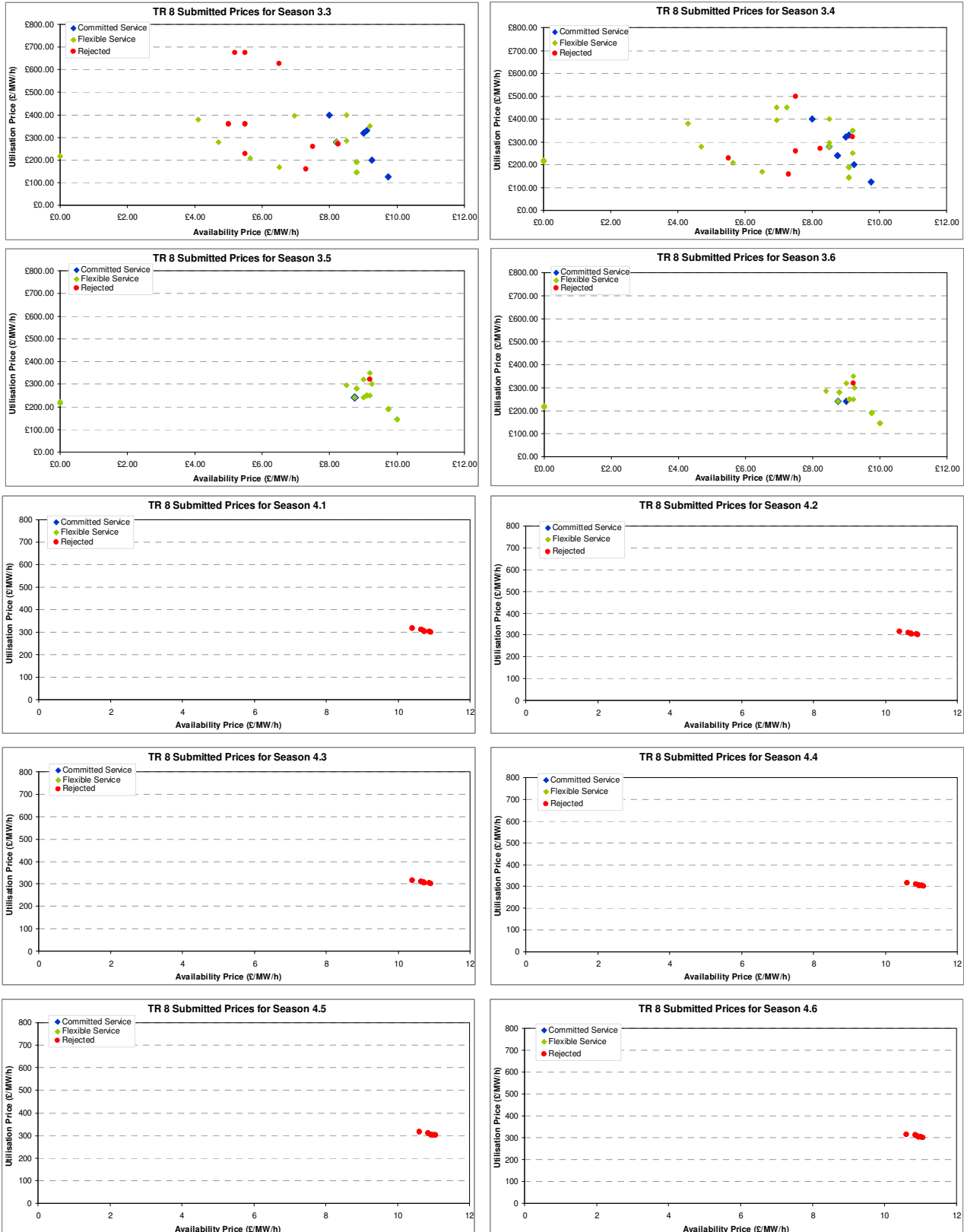
The following diagrams give an overview of the STOR parameters for accepted contracts for seasons 3.1 to 3.6.



Section 1.2 Prices

Scatter plots of availability and utilisation prices for tenders for each season for TR 8 are shown. Note that under STOR, providers may have significantly different response times.

Year 3 and 4 Submitted Tender Prices – Scatter Plots of availability & utilisation prices for TR 8



Section 2 Total Contracted Position

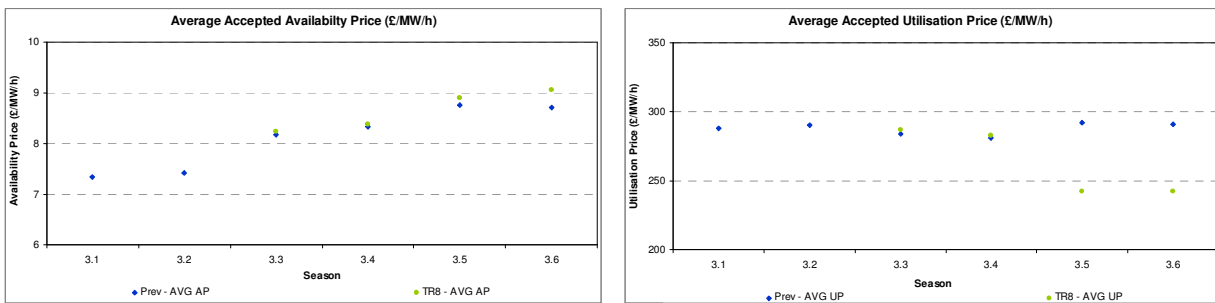
This section gives a summary of the all STOR contracted by National Grid. The volumes have been aggregated by previous tender rounds. As no contracts were accepted for TR 4 or 5 only TR6 and 7 are shown.

Table 2: Summary of total contracted position as a result of Tender Round 7

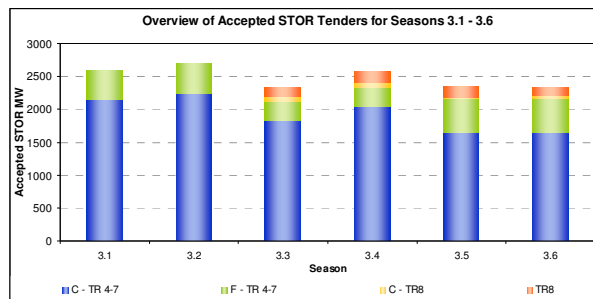
Dates		1st April 2009 - 31st March 2010					
Season		3-1	3-2	3-3	3-4	3-5	3-6
TR6		1301	1288	1127	1094	1102	1094
TR7		1296	1424	998	1239	1075	1076
TR8				218	252	175	173
Average Accepted Availability Price* (£/MW/h)	TR 6	7.39	7.43	8.79	9.05	8.96	8.84
	TR 7	7.29	7.41	7.77	7.87	8.52	8.55
	TR 8			8.23	8.38	8.89	9.05
Average Accepted Utilisation Price* (£/MWh)	TR 6	321.47	321.76	329.63	329.57	303.71	303.74
	TR 7	254.67	259.47	258.90	254.31	279.56	277.51
	TR 8			242.145	286.635	282.8	242.055
Total Accepted MW		2597	2712	2343	2585	2352	2343
Overall Average Accepted Availability Price* (£/MW/h)		£7.34	£7.42	£8.27	£8.43	£8.79	£8.81
Overall Average Utilisation Price* (£/MWh)		£288.07	£290.62	£276.89	£290.17	£288.69	£274.43

*Average Prices are Weighted by Volume and Availability Time

The following graphs show the average accepted availability and utilisation prices for this and previous tender rounds. The last graph is a pictorial representation of how the accepted volumes are broken down by committed and flexible services.



*Average Prices are Weighted by Volume and Availability Time



The committed service applies to all providers who wish to make themselves available for all required windows nominated by National Grid. Both BM and NBM providers can tender for this service. The flexible service however allows providers to make themselves available for particular windows. This availability is assessed on a week-ahead basis and providers are notified if their service is required or not. The flexible service only applies to NBM providers. Both Services attract an availability payment paid on a £/MW/h basis and a utilisation payment on an instruction by National Grid paid on a £/MWh basis

Appendix 1: Terminology and Definitions

Term	Definition
SR	Standing Reserve (the predecessor to STOR)
STOR	Short-Term Operational Reserve
STORR	Short-Term Operational Reserve Requirement
Unit	As described within a STOR framework agreement as constituting a STOR site
Tendered / Accepted MW	The maximum availability in the specified period
Year 3	Equivalent to Financial Year 2009/10 commencing on 1st April 2009
Year4	Equivalent to Financial Year 2010/11 commencing on 1st April 2010
Average Availability / Utilisation Price	The average price weighted by Volume and Availability for the specified period
TR	Tender Round

Appendix 2: Season Reference

The following tables summarise the seasons for the current year (Year 3) and next year (Year 4). For Tender dates etc see the National Grid websites as mentioned on page 1 of this report.

Year 3: 2009/10						
Season	Dates	Window	WD		NWD	
			Start Time	End Time	Start Time	End Time
1	05:00 1st April 2009 to 05:00 27th April 2009	I	07:00	13:30	10:00	14:00
		II	19:00	22:00	19:30	22:00
2	05:00 27th April 2009 to 05:00 17th August 2009	I	07:30	14:00	09:30	13:30
		II	16:00	18:00	19:30	22:30
		III	19:30	22:30		
3	05:00 17th August 2009 to 05:00 21st September 2009	I	07:30	14:00	10:30	13:30
		II	16:00	21:30	19:00	22:00
4	05:00 21st September 2009 to 05:00 26th October 2009	I	07:00	13:30	10:30	13:30
		II	16:30	21:00	17:30	21:00
5	05:00 26th October 2009 to 05:00 1st February 2010	I	07:00	13:30	10:30	13:30
		II	16:00	21:00	16:00	20:30
6	05:00 1st February 2010 to 05:00 1st April 2010	I	07:00	13:30	10:30	13:30
		II	16:30	21:00	16:30	21:00

Year 4: 2010/11						
Season	Dates	Window	WD		NWD	
			Start Time	End Time	Start Time	End Time
1	05:00 Thursday 1st Apr 2010 - 05:00 Monday 26th Apr 2010	I	07:00	13:30	10:00	14:00
		II	19:00	22:00	19:30	22:00
2	05:00 Monday 26th Apr 2010 - 05:00 Monday 16th Aug 2010	I	07:30	14:00	09:30	13:30
		II	16:00	18:00	19:30	22:30
		III	19:30	22:30		
3	05:00 Monday 16th Aug 2010 - 05:00 Monday 20th Sep 2010	I	07:30	14:00	10:30	13:30
		II	16:00	21:30	19:00	22:00
4	05:00 Monday 20th Sep 2010 - 05:00 Monday 1st Nov 2010	I	07:00	13:30	10:30	13:30
		II	16:30	21:00	17:30	21:00
5	05:00 Monday 1st Nov 2010 - 05:00 Monday 31st Jan 2011	I	07:00	13:30	10:30	13:30
		II	16:00	21:00	16:00	20:30
6	05:00 Monday 31st Jan 2011 - 05:00 Friday 1st Apr 2011	I	07:00	13:30	10:30	13:30
		II	16:30	21:00	16:30	21:00

