

STOR Market Information Report: TR 05

(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 the tender round providing market participants with tendered and accepted volume 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's 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 is for the second tender round for 2008/09 and is for service provision commencing on the 17th August 2008. This is the second year and fifth tender round since STOR began in April 2007. In this report year 2 refers to 2008/09 and year 3 refers to 2009/10.

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

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Section 1.1 Submitted and Accepted Volumes

Table 1 below shows a high-level overview of the tenders received by National Grid for seasons 2.1 to 3.6. The numbers have been broken down by tender round and show only seasons which pertain to year 2 and 3 as described above. For this tender round National Grid received 115 tenders for seasons 2.3 to 3.6 inclusive. National Grid accepted 35 of the 41 tenders received for or the remainder of year 2 which amounts to 476MW. No tenders were accepted for Year 3.

Table1: Season summary table for Tender Rounds 1 to 5

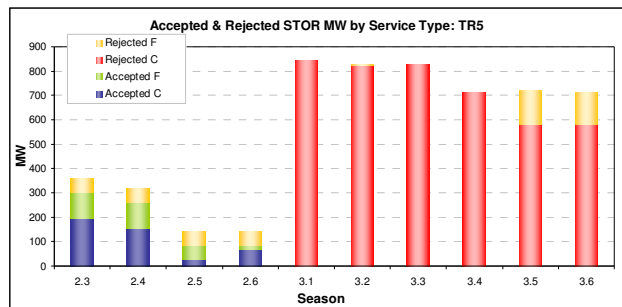
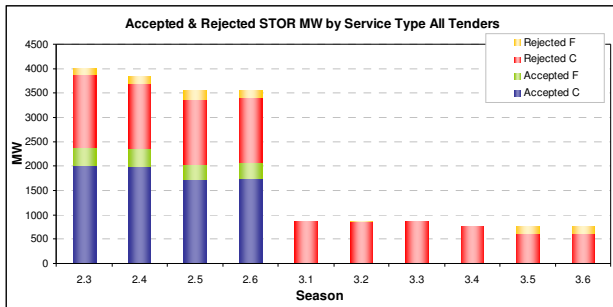
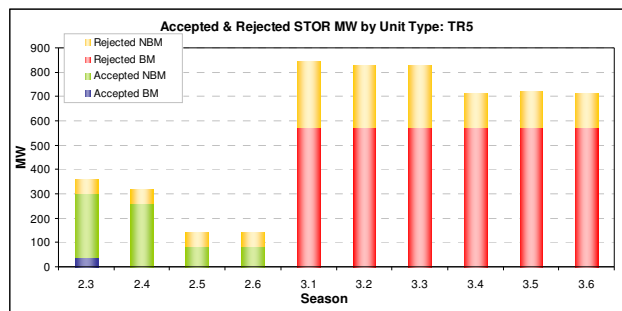
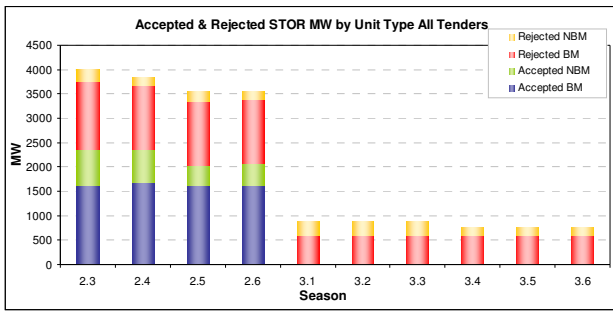
Season	2-1		2-2		2-3		2-4		2-5		2-6		
	F	C	F	C	F	C	F	C	F	C	F	C	
Previously Accepted Standing Reserve		68		68		68		68		68		68	
TR1 Tendered MW		930		928		928		930		930		930	
TR1 Accepted MW		115		113		113		115		115		115	
TR2 Tendered MW		664		652		646		520		515		515	
TR2 Accepted MW		0		0		0		0		0		0	
TR3 Tendered MW	21	983	21	965	21	968	21	842	18	815	18	815	
TR3 Accepted MW	3	983	21	965	21	968	3	842	18	815	18	815	
TR4 Tendered MW	430	1026	433	1003	311	715	334	815	384	685	380	686	
TR4 Accepted MW	345	791	356	1003	234	675	257	815	254	685	303	686	
TR5 Tendered MW					164	195	164	155	112	29	72	69	
TR5 Accepted MW					107	195	107	155	55	29	15	69	
Total Tendered MW (Excl Prev)	451	3603	454	3548	496	3452	519	3262	514	2974	470	3015	
Total Accepted MW (Excl Prev)	348	1889	377	2081	362	1951	367	1927	327	1644	336	1685	
Total Accepted MW	2305		2526		2381		2362		2039		2089		
Average Submitted Availability Price * (£MWh)	Previous	4.71		4.71		4.71		4.71		4.71		4.71	
	TR1	8.73		8.73		8.73		9.11		9.11		9.11	
	TR2	6.87		6.96		7.08		8.73		8.75		8.75	
	TR3	5.00	6.75	5.00	6.83	5.00	6.83	5.00	8.72	5.48	8.82	5.48	8.82
	TR4	6.00	7.14	6.34	7.10	6.50	7.21	6.89	7.30	7.33	7.34	7.22	7.33
	TR5					6.39	7.69	6.56	7.82	8.63	6.66	8.14	8.30
Average Accepted Availability Price * (£MWh)	Previous	4.71		4.71		4.71		4.71		4.71		4.71	
	TR1	5.37		5.37		5.37		8.50		8.50		8.50	
	TR2	0.00		0.00		0.00		0.00		0.00		0.00	
	TR3	5.00	6.75	5.00	6.83	5.00	6.83	5.00	8.72	5.48	8.82	5.48	8.82
	TR4	5.89	6.98	6.27	7.10	6.48	7.19	6.60	7.30	6.83	7.34	7.07	7.33
	TR5					5.87	7.69	5.99	7.82	8.58	6.66	7.40	8.30
Average Submitted Utilisation Price * (£MWh)	Previous	403.50		403.50		403.50		403.50		403.50		403.50	
	TR1	226.44		226.37		226.37		226.44		226.44		226.44	
	TR2	263.65		264.82		265.22		261.22		261.82		261.82	
	TR3	180.00	234.95	180.00	235.67	180.00	235.22	180.00	232.36	189.02	232.16	189.04	232.16
	TR4	206.32	269.68	210.27	272.00	201.71	293.44	212.47	281.35	226.04	292.77	226.17	292.16
	TR5					294.36	226.17	305.88	222.61	273.85	198.97	238.65	257.54
Average Accepted Utilisation Price * (£MWh)	Previous	403.50		403.50		403.50		403.50		403.50		403.50	
	TR1	193.48		192.30		192.30		193.48		193.48		193.48	
	TR2	0.00		0.00		0.00		0.00		0.00		0.00	
	TR3	180.00	234.95	180.00	235.67	180.00	235.22	180.00	232.36	189.02	232.16	189.04	232.16
	TR4	204.11	297.33	208.52	272.00	200.59	298.98	210.58	281.35	235.18	292.77	226.47	292.16
	TR5					311.14	226.17	327.37	222.61	288.68	198.97	256.67	257.54

* Average Prices are Volume Weighted

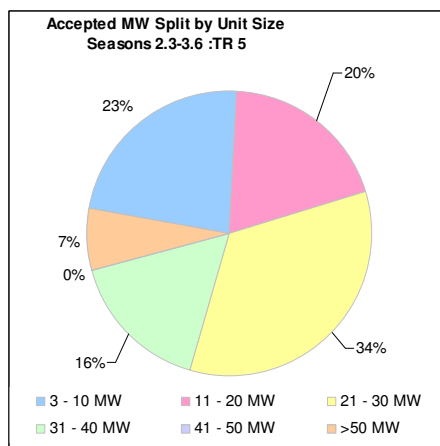
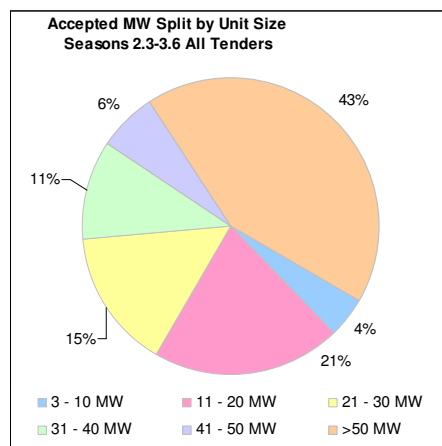
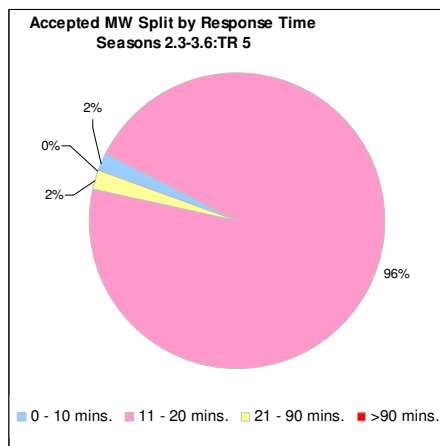
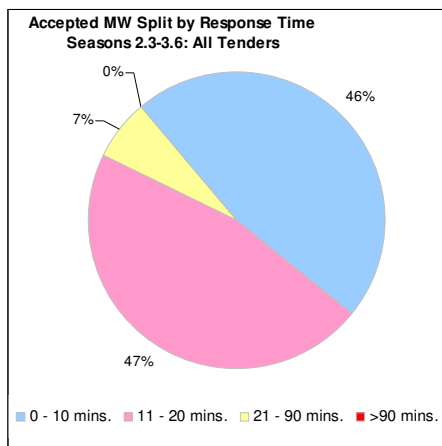
Season	3.1		3.2		3.3		3.4		3.5		3.6	
	F	C	F	C	F	C	F	C	F	C	F	C
TR4 Tendered MW		40		40		40		40		40		40
TR4 Accepted MW												
TR5 Tendered MW		843	4	826		830		712	140	580	132	580
TR5 Accepted MW												
Total Tendered MW	0	883	4	866	0	870	0	752	140	620	132	620
Total Accepted MW	0	0	0	0	0	0	0	0	0	0	0	0
Average Submitted Availability Price (£MWh)	TR4	10.00		10.00		10.00		10.00		10.00		10.00
	TR5	8.64		8.90		8.65		9.28		8.84		9.47
	TR6											
	TR7											
	TR8											
Average Accepted Availability Price (£MWh)	TR4											
	TR5											
	TR6											
	TR7											
	TR8											
Average Submitted Utilisation Price (£MWh)	TR4	325.00		325.00		325.00		325.00		325.00		325.00
	TR5	384.49		430.00		386.38		411.46		258.57		446.22
	TR6											
	TR7											
	TR8											
Average Accepted Utilisation Price (£MWh)	TR4											
	TR5											
	TR6											
	TR7											
	TR8											

* Average Prices are Volume Weighted

The diagrams to below show an overview of accepted and rejected tenders for seasons 2.3 to 3.6.



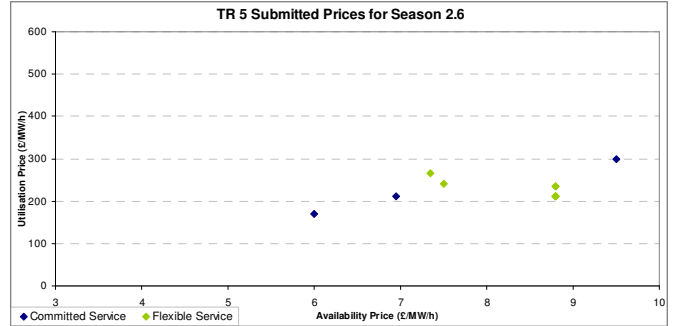
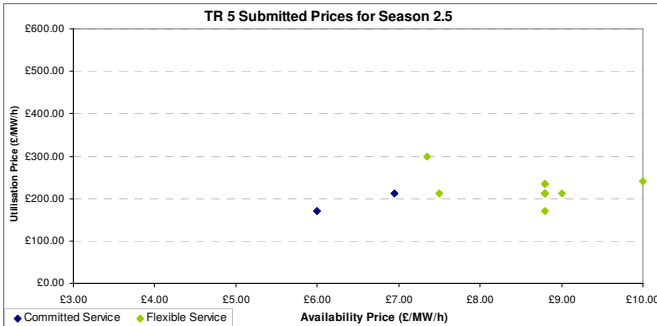
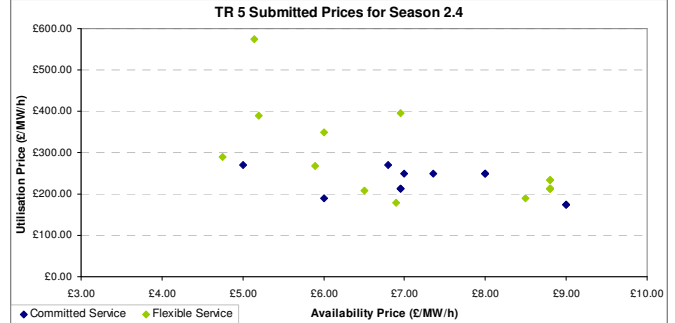
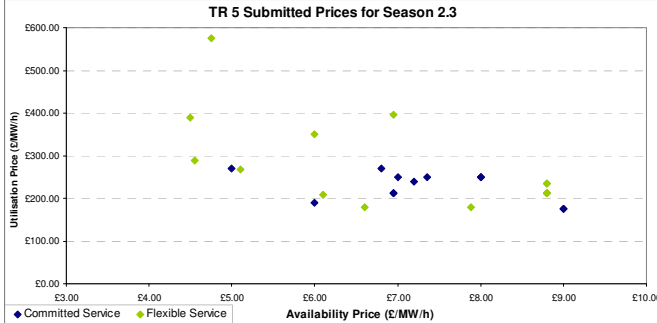
The following diagrams give an overview of the STOR parameters for accepted contracts for seasons 2.3 to 3.6.



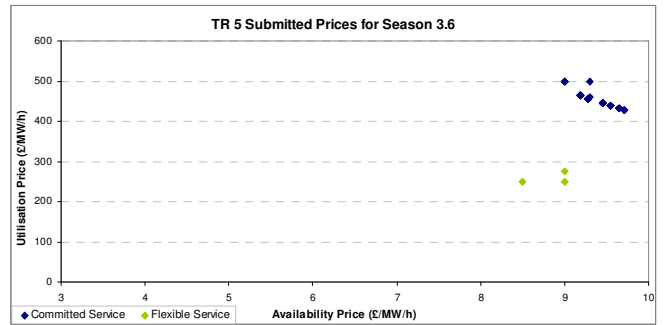
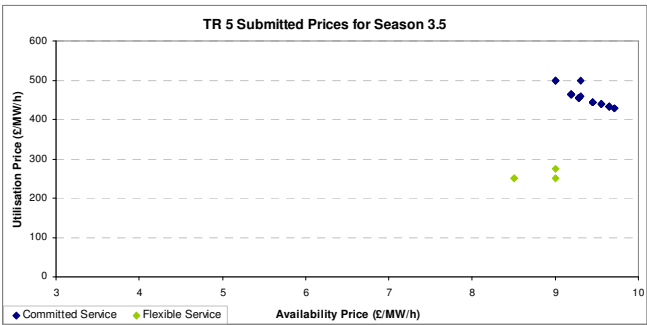
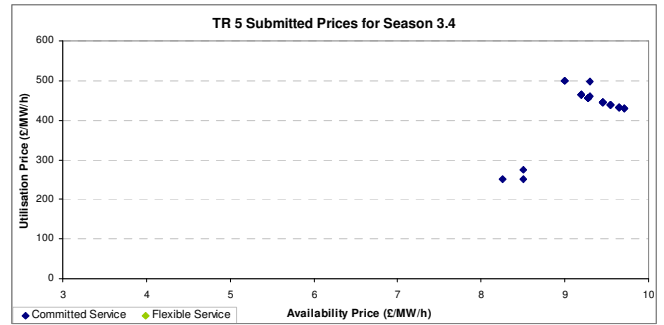
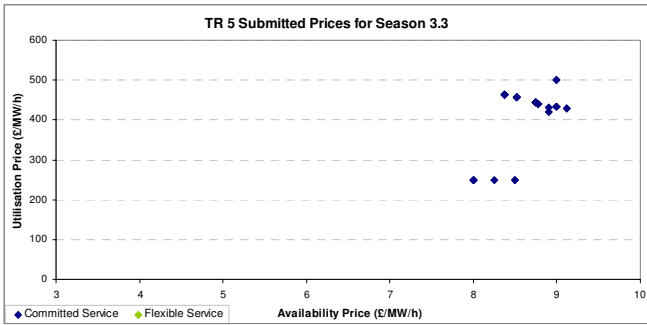
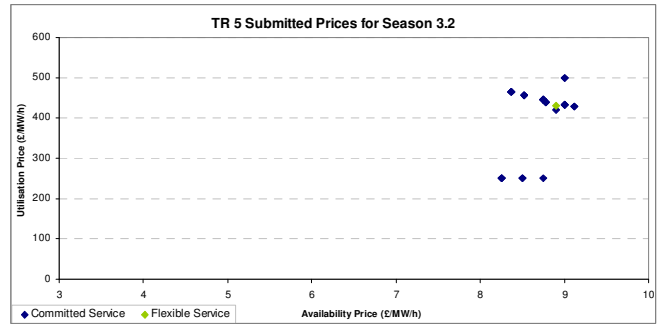
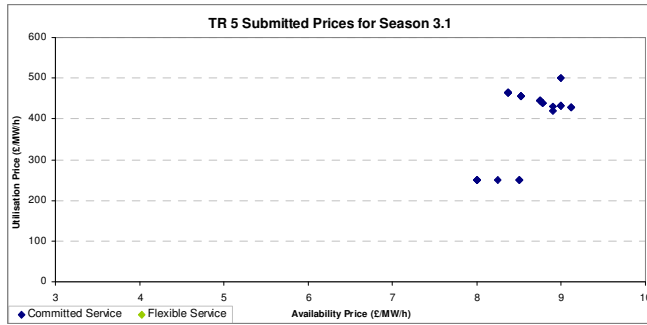
Section 1.2 Prices

Scatter plots of availability and utilisation prices for tenders for each season for TR 5 are shown. Note that under STOR, providers may have significantly different response times.

Year 2 Submitted Tender Prices – Scatter Plots of availability & utilisation prices for TR 5



Year 3 Submitted Tender Prices – Scatter Plots of availability & utilisation prices for TR 5. Actual submitted prices are shown in Appendix 3



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, this tender round and by previous agreements under the Standing Reserve Service.

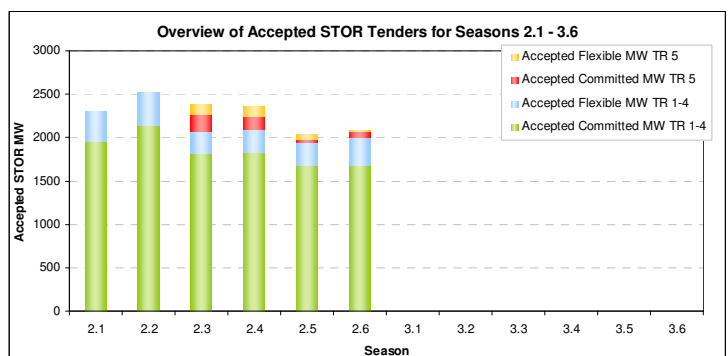
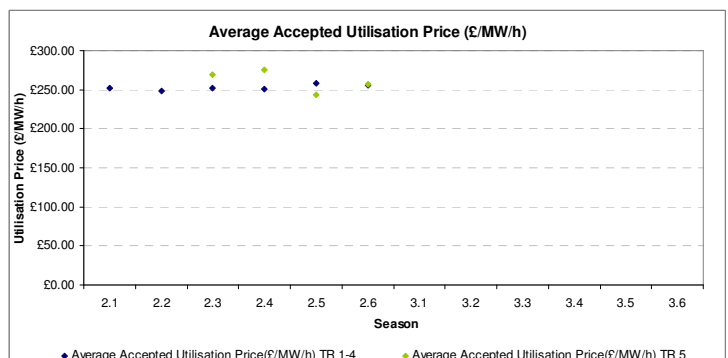
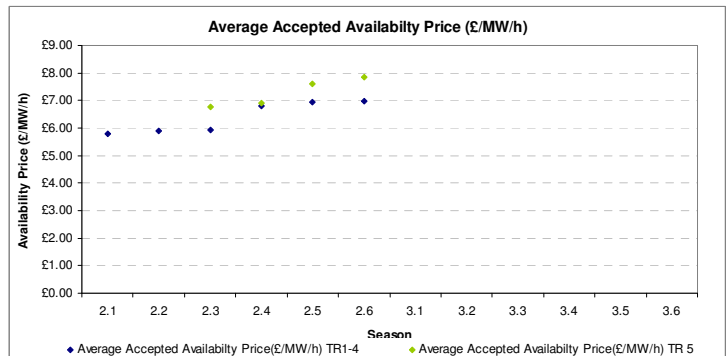
Table 2: Summary of total contracted position as a result of Tender Round 5

Dates		1st April 2008 - 31st March 2009						1st April 2009 - 31st March 2010					
Season		2-1	2-2	2-3	2-4	2-5	2-6	3-1	3-2	3-3	3-4	3-5	3-6
Previously Accepted Standing Reserve		68	68	68	68	68	68	-	-	-	-	-	-
Accepted MW TR 1-4		2237	2458	2006	2027	1882	1932	-	-	-	-	-	-
Accepted MW TR 5		0	0	302	262	84	84	-	-	-	-	-	-
Accepted Units (inc Prev SR)		92	102	99	97	75	77	-	-	-	-	-	-
Average Accepted Availability Price* (£/MW/h)	Previous	4.71	4.71	4.71	4.71	4.71	4.71	-	-	-	-	-	-
	TR 1-4	5.89	5.99	6.04	7.44	7.58	7.62	-	-	-	-	-	-
	TR 5	0.00	0.00	6.78	6.91	7.62	7.85	-	-	-	-	-	-
Average Accepted Utilisation Price* (£/MW/h)	Previous	403.50	403.50	403.50	403.50	403.50	403.50	-	-	-	-	-	-
	TR 1-4	217.23	213.47	216.60	215.25	222.61	221.06	-	-	-	-	-	-
	TR 5	0.00	0.00	268.66	274.99	243.83	257.11	-	-	-	-	-	-
Total Accepted MW (inc Prev SR)		2305	2526	2376	2357	2034	2084	-	-	-	-	-	-
Overall Average Accepted Availability Price* (£/MW/h)		3.53	3.57	5.84	6.35	6.64	6.73	-	-	-	-	-	-
Overall Average Utilisation Availability Price* (£/MW/h)		206.91	205.66	296.25	297.91	289.98	293.89	-	-	-	-	-	-

* Average Prices are Volume Weighted

The graphs on the right 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.

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 and a utilisation payment on an instruction by National Grid; both are paid on a £/MW/h 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
Year2	Equivalent to Financial Year 2008/09 commencing on 1st April 2008
Year 3	Equivalent to Financial Year 2009/10 commencing on 1st April 2009
Average Availability / Utilisation Price	The volume weighted average price for the specified period
TR	Tender Round

Appendix 2: Season Reference

The following tables summarise the seasons for the current year (Year 2) and next year (Year 3). For Tender dates etc see the National Grid websites as mentioned on page 1 of this report.

Year 2 2008/09						
Season	Dates	Window	Weekday		Non Weekday	
			Start Time	End Time	Start Time	End Time
1	05:00 1st April 2008 to 05:00 27th April 2008	I	07:00	13:30	10:00	14:30
		II	19:00	22:00	19:00	22:30
2	05:00 27th April 2008 to 05:00 17th August 2008	I	07:30	14:00	09:30	13:30
		II	15:30	18:00	19:00	22:30
		III	19:30	22:30		
3	05:00 17th August 2008 to 05:00 22nd September 2008	I	07:30	14:00	10:30	13:30
		II	16:00	21:30	19:00	22:00
4	05:00 22nd September 2008 to 05:00 26th October 2008	I	07:00	13:30	10:30	14:00
		II	16:30	21:00	17:30	21:30
5	05:00 26th October 2008 to 05:00 1st February 2009	I	07:00	13:30	10:30	13:30
		II	16:30	21:00	15:30	20:30
6	05:00 1st February 2009 to 05:00 1st April 2009	I	07:00	13:30	10:30	13:30
		II	16:30	20:30	16:30	21:00

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

