

# Transmission Operational Forum Update

December 08

## Contracts Development Update Reactive Power Market Development

We have published a consultation document for the review of the existing Reactive Power Market Tender Arrangements. This can be found in the following location

<https://www.nationalgrid.com/uk/Electricity/Balancing/services/ReactivePower/markettender/>.

We have observed a trend of decreasing numbers of participants in recent market tenders but believe that there is potential value in a Market Tender process in terms of:

- Hedging the risk of the volatility in the Default Payment Rate
- Providing a vehicle for a provider to attract more reactive utilisation by reducing their utilisation price in return for a capability fee
- Attracting additional reactive provision over and above the mandatory requirements

As the market arrangements fall under the CUSC, we will use the December 2008 Balancing Services Standing Group (date TBA) as the forum to discuss the

development. For further information contact:

[katharine.clench@uk.ngrid.com](mailto:katharine.clench@uk.ngrid.com)

## Settlements Update BSAD Audit

Every year the data and processes for creating the Balancing Services Adjustment Data (BSAD) are audited externally. The audits are typically carried out around July but the audit of 2007/8 data has been delayed and is now planned to be carried out in December. The audit covers an end-to-end check of BSAD calculations to give assurance for the whole process. Details of what is audited will be published on our website alongside the audit findings. The location of the information will be detailed in this publication once it has been completed.

## Review of Settlements Backing Information

The Settlements team produces a range of 'backing information' to accompany the monthly invoices and payments for the services that you provide to us. This information is designed to assist service providers in validating the payments. We are reviewing this information (format, content, media, method of issuing etc) and would welcome your views. We will be writing to you for suggestions and will then hold a workshop in the new year to discuss how we can best accommodate your preferences. For further information please contact:

[toby.thornton@uk.ngrid.com](mailto:toby.thornton@uk.ngrid.com)

## Update on BM Replacement

The industry consultation on BM replacement closed on 6 November 2008. We received responses from eleven organisations:

RWE, EON, SSE, Drax, First Hydro, Centrica, Intergen, Demand Logic, RLtec, ABB and Siemens.

We are reviewing the industry responses in detail and the main points from the responses will be considered in the system requirements specification which is currently being drafted. The industry responses contain a lot of useful information for both Phase 1 and Phase 2 system development. Many thanks to those of you who participated.

As stated at the Operational Forum in October, we will produce a report on the industry responses and on the proposed way forward. This report is likely to be published in December 2008.

For further information please contact

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## Future System Operations

We have been working with external stakeholders in developing solutions and scenarios that allow the government to meet its climate change objectives. An example of this is the development of a "gone green" scenario for 2020. Further details may be viewed in the following location:

<http://www.nationalgrid.com/corporate/Our+Responsibility/Our+Impacts/Energy+Delivery+and+Climate+Change/Seealso/gonegreen2020.htm>

We are also facilitating debate and discussion on topics such as Transmission Access, SQSS Review and Off Shore Transmission Networks. Further details may be viewed in the following locations:

<http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/access/>

<http://www.nationalgrid.com/uk/Electricity/Codes/gbsqsscode/reviews/>

<http://www.nationalgrid.com/uk/Electricity/offshore/Project/>

Looking to the future, it is clear that system operation will need to adapt as the generation mix changes. It is therefore felt timely that we initiate a piece of work looking at how the system will be operated in the future under various scenarios. The scope of this work is currently being finalised but it is envisaged that it will complement other workstreams and cover the period 2015 to 2030. Examples of areas that will be addressed include:

- Operating Margin requirement for the future
- Operating the System under various scenarios
- Balancing Services requirements

An update on progress will be given via the February Operational Forum.

For further information please contact [samuel.matthews@uk.ngrid.com](mailto:samuel.matthews@uk.ngrid.com)

## Interim Ops Forum 3rd December 2008

### Agenda

#### Operational Update

*Paul Hurlock*

#### New Market Information

*Richard Price*

#### Contract Development Update

*Craig Dyke*

#### Congestion Management Guidelines

*Hannah Morgan*

