

# Fast Reserve

## Market Information for Tenders for March 2005

National Grid Transco publishes this information, in order to inform potential participants for the Fast Reserve tender round for March 2005.

### Fast Reserve Availability

Our indicative daily requirement for Fast Reserve in March is shown on a Settlement Period basis in Figure 1. This requirement covers weekdays, Saturdays, Sundays and Bank Holidays.

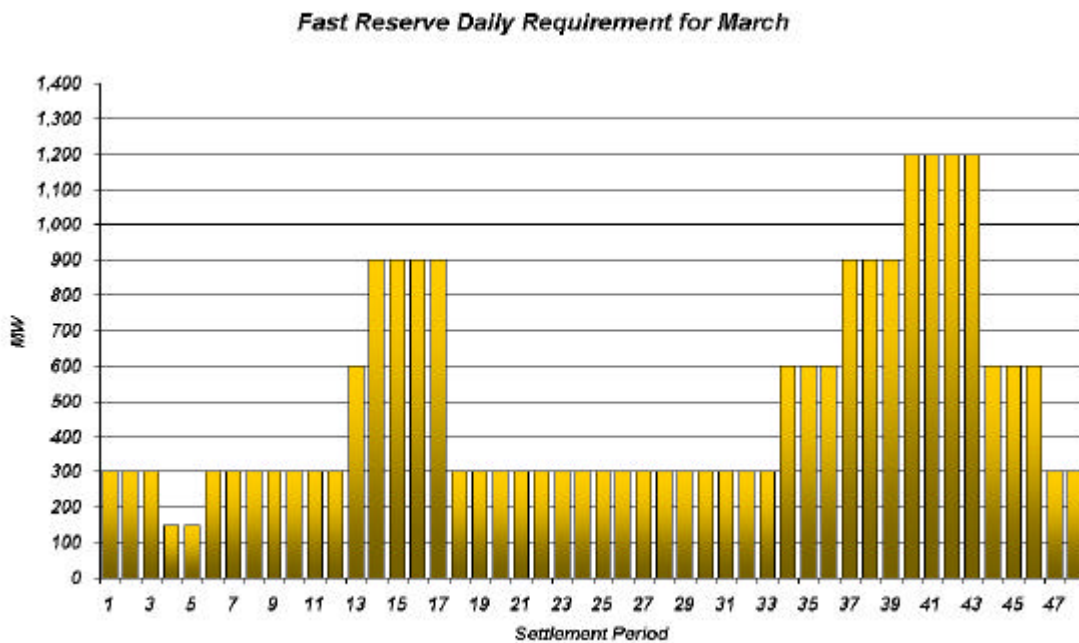


Figure 1

This figure gives an indication of the times of day when Fast Reserve is most useful to us. The actual amount of Fast Reserve "holding" varies from day to day, according to system conditions, but on average amounts to approximately one half of these requirements.

### Fast Reserve Utilisation

Figure 2 shows the daily utilisation of Fast Reserve in the BM and elsewhere during December (1<sup>st</sup> – 31<sup>st</sup> December 2004) and January (1<sup>st</sup> – 31<sup>st</sup> January 2005). The BM information is based on the aggregate of Offers plus [Bids] accepted to provide Fast Reserve or an equivalent service.

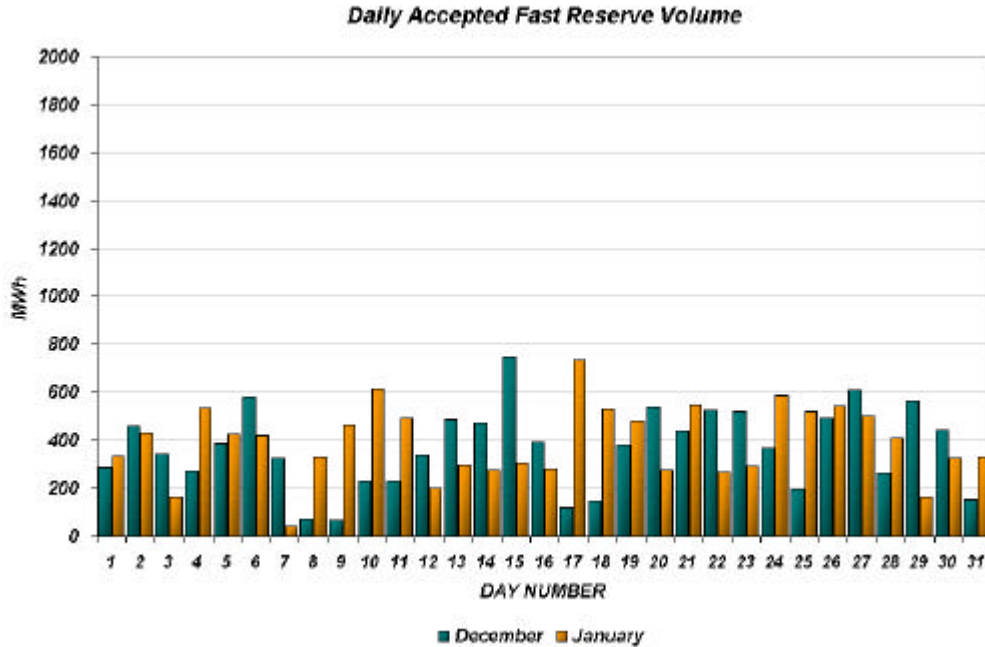


Figure 2

Figure 3 re-presents this data, as an average utilisation per Settlement Period across each month. This shows the daily profile of Fast Reserve utilisation.

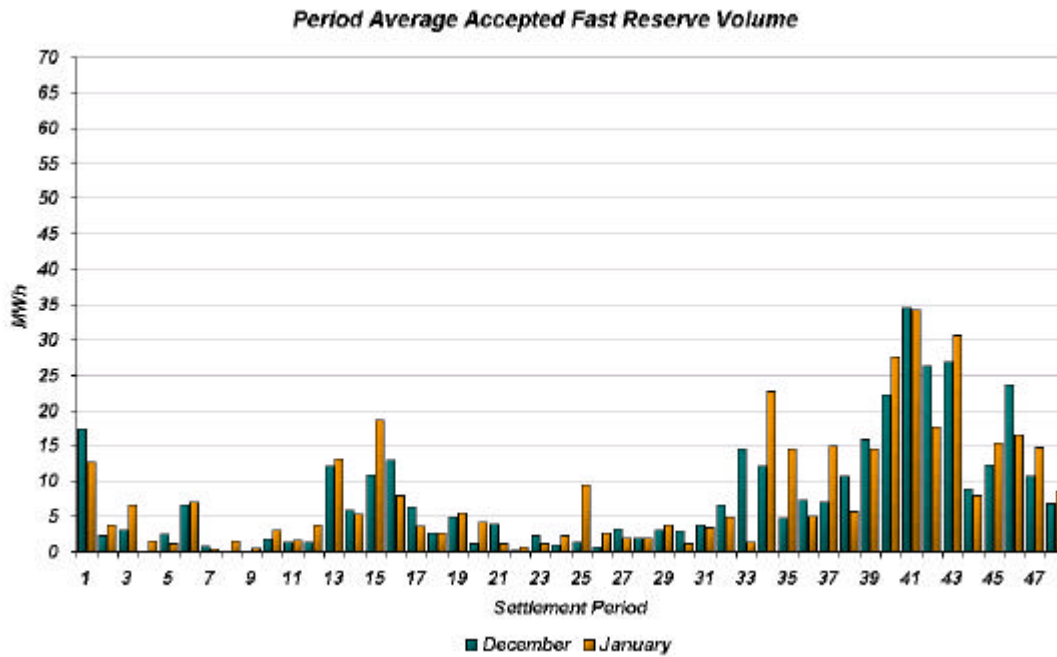


Figure 3

Figure 4 re-presents the same historical data, as an average utilisation price per Settlement Period for each month.

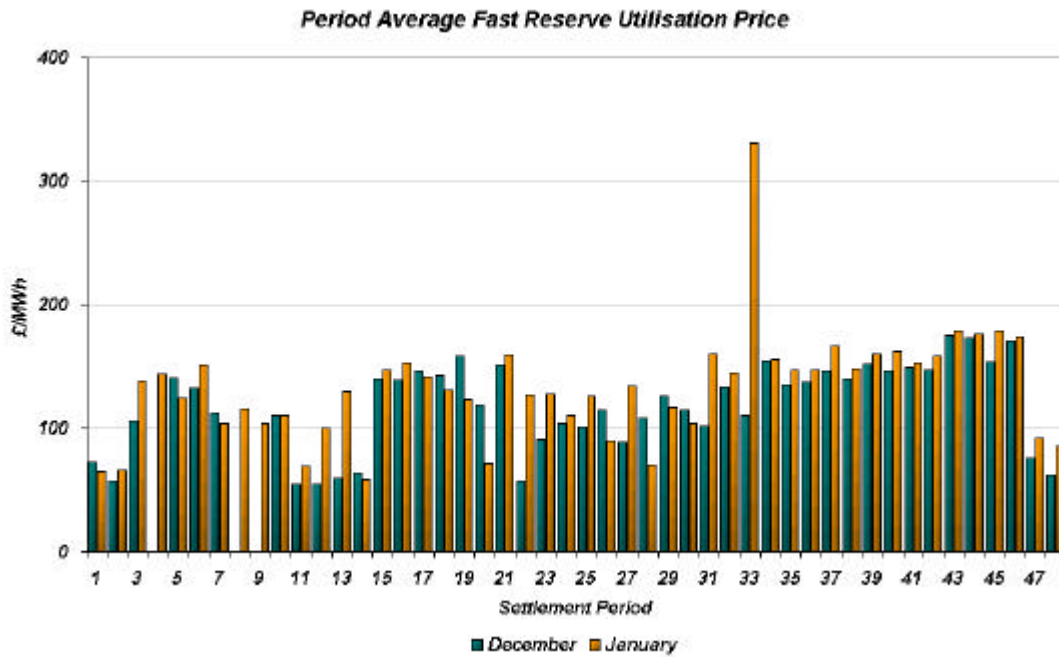


Figure 4

Finally, the same data is used in figure 5, below, to show the profile of total Fast Reserve utilisation expenditure per Settlement Period for each month.

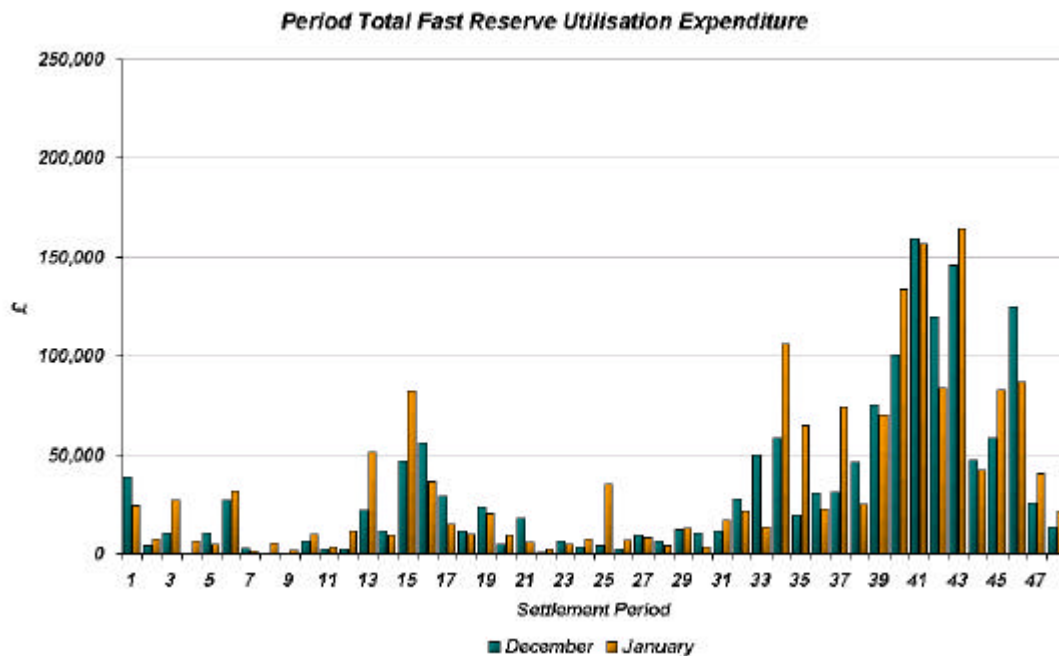


Figure 5

The total volumes of Fast Reserve utilisation of **11.4 GWh** for December and **12.1 GWh** for January break down into price bands as follows:

December	Price band (£/MWh range)	Volume (MWh)	Average Price (£/MWh)	Cost (£m)
<b>OFFERS</b>	2000 to 10000	0	n/a	n/a
	1000 to 2000	0	n/a	n/a
	300 to 1000	0	n/a	n/a
	0 to 300	11,412	136	1.55
<b>Total</b>		<b>11.4 GWh</b>		<b>£1.55 m</b>
<b>BIDS</b>	0 to 300	0	n/a	n/a
	-300 to 0	-6	-208	0.00
	-1000 to -300	-28	-400	0.01
	-2000 to -1000	0	-1,800	0.00
	-10000 to -2000	0	n/a	n/a
<b>Total</b>		<b>0.0 GWh</b>		<b>£0.01 m</b>
<b>Total</b>		<b>11.4 GWh</b>		<b>£1.57 m</b>

January	Price band (£/MWh range)	Volume (MWh)	Average Price (£/MWh)	Cost (£m)
<b>OFFERS</b>	2000 to 10000	0	n/a	n/a
	1000 to 2000	2	1,800	0.00
	300 to 1000	10	350	0.00
	0 to 300	12,061	140	1.69
<b>Total</b>		<b>12.1 GWh</b>		<b>£1.70 m</b>
<b>BIDS</b>	0 to 300	0	n/a	n/a
	-300 to 0	-5	-208	0.00
	-1000 to -300	-14	-400	0.01
	-2000 to -1000	-29	-1,714	0.05
	-10000 to -2000	0	n/a	n/a
<b>Total</b>		<b>0.0 GWh</b>		<b>£0.06 m</b>
<b>Total</b>		<b>12.1 GWh</b>		<b>£1.75 m</b>

The above charts and tables show that from December to January overall Fast Reserve utilisation increased by ~6% leading to an increase in costs of ~12%.

For March 2005, the demand shape will begin to move away from winter characteristics with the two evening peaks moving closer together. The Fast Reserve utilisation pattern for March 2005 is expected to outturn similar to March 2004. Overall Fast Reserve utilisation levels are forecast to be similar to February 2005.

Further to information provided in the Market Report for the October 2004 tender round, NGT has taken forward an offer made outside the tender process, but assessed in tandem, for an equivalent fast reserve service for the period November 2004 to April 2005 inclusive. As a result, the level of requirement shown in the Fast Reserve Requirement Graph, Figure 1, above, has been discounted to reflect the anticipated availability of such pre-contracted services.

For the month of **March**, tenders from eligible Service Providers for a firm Fast Reserve service should be submitted to National Grid by close of business on Monday 14<sup>th</sup> February 2005. National Grid Transco will notify Service Providers of the outcome of the tender assessment by Monday 21<sup>st</sup> February 2005.

Following comment by a Service Provider, National Grid has decided to amend the standard contract terms of the Fast Reserve Service to allow for Service Providers to tender a service term commencing on a month later than the next calendar month. For example, a service term tendered on the 14<sup>th</sup> February could commence on the 1<sup>st</sup> April 2005. Provided that an agreement is signed by a Service Provider incorporating these New Contract Terms by the 21<sup>st</sup> February, then any tenders submitted on Market Day, Monday 14<sup>th</sup> February could be assessed on this basis.

A copy of the new Fast Reserve Contract Terms will be made available on the Industry Information website shortly. These terms will then be able to be accessed via the link below:

[http://www.nationalgridinfo.co.uk/balancing/mn\\_whats\\_new.html](http://www.nationalgridinfo.co.uk/balancing/mn_whats_new.html)

Tenders should be sent for the attention of:

Bea Ennim  
Operations & Trading  
National Grid Transco plc  
NGT House  
Warwick Technology Park  
Gallows Hill  
Warwick  
CV34 6DA

Tenders can be sent by fax to Bea Ennim on 01926 656612.