

Contract Development Black Start

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Purpose

- ◆ Issues to address & criteria for outcome
- ◆ National Grid intention to engage with industry
- ◆ Possible ways forward
- ◆ Next steps

Issues to address & criteria for outcome

- ◆ Transparent approach
- ◆ Clear defined procurement strategy
- ◆ Suitable length of service agreement
- ◆ Appropriate remuneration for Black Start capital contributions
- ◆ Investment signals for new/existing Black Start service providers
 - ◆ Large Combustion Plant Directive
 - ◆ Ageing OCGT fleet
- ◆ Attract new technologies and arrangements
- ◆ Others...

National Grid intention to engage

- ◆ Various issues need addressing
- ◆ Possible options to consider
- ◆ But, no obvious solution
- ◆ Internal discussions recently opened
- ◆ National Grid request industry input

Possible ways forward – not the outcome!

- ◆ Bundled contract with other services
- ◆ Create new Black Start/Reserve service
- ◆ Tendered Black Start service
- ◆ Highlight requirements on website – zonal shopping list
- ◆ Incentivised capital contributions
- ◆ Method of comparison of refurbishment v's replace
- ◆ Defined number of GTs per station/agreement
- ◆ Many others...

Next steps

- ◆ National Grid to discuss internally
- ◆ Engage and request feedback from industry
 - ◆ Workshop – August 30th (1230-1530 – Warwick)
 - ◆ Please come and talk to us
 - ◆ Follow up workshop late September if required
- ◆ Keep industry up to date with developments
- ◆ Present optimum solution late 2007 – target is October Ops forum
- ◆ Planned implementation from December

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Further questions?

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