nationalgrid





19 Mar 2015

National Grid has called upon demand side providers and power station operators to bid for reserve contracts to help balance the electricity system in winter 2015/16.

The second tender round – which launches today - follows a successful first tender round in December 2014, which secured 700MW of additional reserve. These tender exercises are part of National Grid's approach to managing tighter winter margins during the middle of this decade.

The contracts from this second tender round will be offered in May 2015 as part of National Grid's two balancing services; Demand Side Balancing Reserve and Supplemental Balancing Reserve.

For winter 2014/15, National Grid procured extra reserve that added a 1.1GW cushion to the electricity system. The return of generation from outages, good levels of reliability, high levels of renewable output and continental imports, and generally milder weather conditions meant these products were not used beyond testing.

Cordi O'Hara, National Grid's Director of UK Market Operation, said:

"As most people turn their minds to spring and summer, at National Grid we're already looking at how we manage the power system in winter 2015/16.

"Although we did not need to use the additional reserve we secured for the winter just gone, contracting additional capacity was a sensible insurance policy to take out, given that margins had tightened.

"We already know that the margin between supply and demand next winter could tighten further. We want demand side providers and power station operators to come forward and ensure a competitive tender. We're particularly keen to see large energy users come forward to join this voluntary scheme.

"Our first tender round secured 700MW of additional reserve and this second tender round will help build on this as the outlook for next winter becomes clearer."

Contact for media information only

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Notes for editors

Notes to Editors:

National Grid is pivotal to the energy systems in the UK and the north eastern United States. We aim to serve customers well and efficiently, supporting the communities in which we operate and making possible the energy systems of the future.

National Grid in the UK:

- We own and operate the electricity transmission network in England and Wales, with day-to-day responsibility for balancing supply and demand. We also operate, but do not own, the Scottish networks. Our networks comprise approximately 7,200 kilometres (4,474 miles) of overhead line, 1,500 kilometres (932 miles) of underground cable and 342 substations.
- We own and operate the gas National Transmission System in Great Britain, with day-to-day responsibility for balancing supply and demand. Our network comprises approximately 7,660 kilometres (4,760 miles) of high-pressure pipe and 618 above-ground installations.
- As Great Britain's System Operator (SO) we make sure gas and electricity is transported safely and efficiently from where it is produced to where it is consumed. From April 2019, Electricity System Operator (ESO) is a new standalone business within National Grid, legally separate from all other parts of the National Grid Group. This will provide the right environment to deliver a balanced and impartial ESO that can realise real benefits for consumers as we transition to a more decentralised, decarbonised electricity system.
- Other UK activities mainly relate to businesses operating in competitive markets outside of our core regulated businesses; including interconnectors, gas metering activities and a liquefied natural gas (LNG) importation terminal – all of which are now part of National Grid Ventures. National Grid Property is responsible for the management, clean-up and disposal of surplus sites in the UK. Most of these are former gas works.

Find out more about the energy challenge and how National Grid is helping find solutions to some of the challenges we face at https://www.nationalgrid.com/group/news

National Grid undertakes no obligation to update any of the information contained in this release, which speaks only as at the date of this release, unless required by law or regulation.

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