

## Service Summary

# Proposed BM Start-Up Service

Issue 2: 25th September 2006

### **Introduction**

This document explains the BM Start-Up Service terms (Issue 2) dated 25th September 2006. Where there is any conflict between this document and the service terms, the service terms shall take precedence.

The BM Start-Up Service terms will reside in a Commercial Services Agreement (CSA) as Clause 5.

The BM Start-Up Service will replace the current Warming and Hot Standby service.

### **The Service**

The BM Start-Up Service is a mechanism for National Grid to access generation in the Balancing Mechanism which is not otherwise planning to run. The service contains two elements: BM Start-Up and Hot Standby. BM Start-Up deals with bringing a BM Unit to a state where it can synchronise within BM timescales. Hot Standby deals with holding the BMU in such state of readiness to synchronise, where the BMU is capable of being held in such a state. The point at which a BM Unit reaches such state of readiness is known as the Hot Standby Target Time (HSTT).

In addition to achieving the ability to synchronise within BM timescales, the BM Start-Up Service requires certainty over specific BM parameters such that, should a BM Unit go on to synchronise, the full cost of a minimum duration, minimum MW run is known.

### **Term (Sub-Clause 1.3)**

The BM Start-Up Service (subject to the outcome of the recent consultation) is planned to be introduced into the Procurement Guidelines and Balancing Principles Statement on 1<sup>st</sup> November 2006. The precise time of implementation will be agreed between Providers and National Grid. For those Generators with existing Warming and Hot Standby terms, any Warming instructions issued prior to 00:00 on 1<sup>st</sup> November 2006 but with a Hot Standby Target Time after this time will still be settled under the Warming and Hot Standby terms.

### **BM Start-Up Instruction (Sub-Clause 1.4)**

A BM Start-Up Instruction will be issued via the Electronic Despatch and Logging (EDL) (code HTS) and will specify a Hot Standby Target Time, the time at which the instructed BMU must be ready to synchronise within BM timescales. The Generator will use all reasonable endeavours to achieve such state of readiness by the Hot Standby Target Time.

The Generator must declare the BMU's Notice to Deviate from Zero to be equal to the contracted BM notice period (known as  $t_{nts}$ , the 'notice to synchronise' time, which must be less than or equal to 85 minutes), and use all reasonable endeavours to do so by HSTT.

Each instruction that runs to HSTT features a Committed Period, which is a period of four hours within which the BMU is committed to providing access to MW for National Grid. During this time the Generator must maintain its NDZ at  $t_{nts}$  to allow synchronisation within the BM.

Each instruction also features a Required Data Period, within which the BM data items Stable Export Limit (SEL), Minimum Non-Zero Time (MNZT) and Offer Price for bid-offer pair 1 (which is required to cover at least the MW range from 0 to SEL) must remain no more onerous than those seen at the time the BM Start-Up Instruction was issued. This period of time runs from Earliest Synchronisation Time to the Latest Synchronisation Time plus MNZT or, if a BOA is issued, to the BOA synchronisation time plus MNZT, such that the full cost of a minimum duration, minimum MW run is known.

The Committed Period and Required Data Period have implications for payment – see payment section later in this document.

### ***Instruction to Cease Start-Up (Sub-Clause 1.5)***

A start-up may be terminated at any time prior to the Hot Standby Target Time, either by National Grid or the Generator.

National Grid may terminate the start-up via the issue an Instruction to Cease Start-Up (EDL code CHS). In such circumstances, the Committed Period applies for 4 hours post-cease, rather than 4 hours post-HSTT.

Also, it is possible that, under emergency circumstances, an Emergency Instruction will be treated as a Bid-Offer Acceptance (BOA) or be instructed via a BOA. Though unlikely, such circumstances will result in an Instruction to Cease Start-Up being deemed to have been issued at the point the BOA indicates an increase in output from 0 MW.

The Generator may terminate provision of the BM Start-Up Service by synchronising (either with or without a Physical Notification (PN) at any time before HSTT, or by re-declaring the MEL of the BM Unit which applies to the Committed Period to below its SEL (for example following plant failure – note that if MEL is declared below SEL but is subsequently declared to above SEL again prior to the Committed Period, provision of the service is not terminated). Such circumstances will result in an Instruction to Cease Start-Up being deemed to have been issued, either at the start of the Settlement Period in which the BMU synchronises or the time the PN or MEL is submitted to National Grid.

Following a cease or deemed cease instruction the Generator will no longer be required to continue preparing to start up and the requirements to submit BM data in accordance with Sub-Clause 1.4 will cease.

### ***Provision of Hot Standby (Sub-Clause 1.6)***

Hot Standby provision, if applicable, commences automatically if a BM Unit that has been instructed to start-up reaches HSTT without a cease instruction being issued (or deemed to have been issued). Hot Standby must be provided until either a cease instruction is issued or the Maximum Hot Standby Time expires.

### ***Instruction to Cease Hot Standby (Sub-Clause 1.7)***

Hot Standby may be terminated at any time prior to the expiry of the Maximum Hot Standby Period, either by National Grid or the Generator.

National Grid may terminate Hot Standby via either an Instruction to Cease Hot Standby (EDL code CHS) or via the issue of a BOA, in which case an Instruction to Cease Hot Standby will be deemed to have been issued at the point the BOA indicates an increase in output from 0 MW, less the value of  $t_{ntis}$  (i.e. the time taken to synchronise does not form part of the Hot Standby service). For the avoidance of doubt, such a cease will not affect the Committed Period, which will still apply for 4 hours from HSTT.

The Generator may terminate Provision of the BM Start-Up Service by synchronising (either with or without a PN) or by re-declaring the MEL of the BM Unit to below its SEL (for example following plant failure) during the committed period. Such circumstances will result in an Instruction to Cease Hot Standby being deemed to have been issued, either at the start of the Settlement Period in which the BMU synchronises, the time a PN is submitted to National Grid, or at the point MEL falls below SEL.

In the absence of any other cease instruction, provision of Hot Standby will cease at the expiry of the Maximum Hot Standby Period.

Following a cease or deemed cease instruction the Generator will no longer be required to continue providing Hot Standby and, unless the cease was as a result of a BOA, the requirements to submit BM data in accordance with Sub-Clause 1.4 will cease. If the cease was as a result of a BOA then the requirement to maintain appropriate MEL, SEL, MNZT and bid-offer data continues until the expiry of said MNZT (the Required Data Period).

### ***Advancing Synchronisation (Sub-Clause 1.8)***

The BM Start-Up Service may be used to advance a pre-notified synchronisation. A synchronisation is classed as 'advanced' where it is brought forward in time within MNZT plus MZT of its notified time (i.e. where it would not be possible to start the BMU, run it, shut it down again and leave it desynchronised for MZT prior to the notified synchronisation time).

When the BM Start-Up Service is used to advance a synchronisation, payment will be made by the relevant Bid-Offer Acceptance - hence no BM Start-up payment is made by National Grid as it is assumed that start-up costs have already been recovered in the trade that resulted in the PN. However if National Grid decides it is no longer necessary to advance the synchronisation and issues a 'cease' instruction, a payment will be made, at the Hot Standby price, for the period of time between the advance sync time and that notified by the PN.

Where, following an instruction to advance a synchronisation, the sync time notified by the PN is delayed, National Grid may, at its discretion, cease the advance synchronisation. No payment would be made in this event.

### ***Communications (Sub-Clause 1.9)***

All instructions associated with the BM Start-up service will be communicated to the Generator using EDL codes (which will be the same as the current Warming and Hot Standby Service).

### ***Payments for BM Start-Up (Sub-Clause 1.10)***

Payments for provision of BM Start-Up (the BM Start-Up Payment) will be made based on the length of time between the start and cease times multiplied by the appropriate BM Start-Up price (a £/hr rate). There are three possible prices which may apply to different ranges of Notice to Deviate from Zero (NDZ) times.

If the BM Unit synchronises or indicates synchronisation via PN at any time between the BM Start-Up Time and the end of the Committed Period or fails to meet the data submission requirements of 1.4, the BM Start-Up Payment will be re-paid to National Grid as the service will not have been delivered.

### ***Payments for Hot Standby (Sub-Clause 1.11)***

Payments for the provision of Hot Standby (the Hot Standby Payment) will be made based upon the length of time between HSTT and cease times multiplied by the Hot Standby price (a £/hr rate).

If the BM Unit synchronises or indicates synchronisation via PN at any time between HSTT and the end of the Committed Period or fails to meet the data submission requirements of 1.4, the Hot Standby Payment will be re-paid to National Grid as the service will not have been delivered. Note that where plant fails (MEL<SEL) post-HSTT, payments for BM Start-Up and Hot Standby will still be made.

### ***Review of Payment Rates (Sub-Clause 1.12)***

Prices for BM Start-Up and Hot Standby may be changed once a week. Changes must be submitted by 12:00 on a Thursday to take effect from 00:00 on the following Sunday.

### ***Review of Payment Rates (Sub-Clause 1.13)***

This clause clarifies which data items National Grid may publish on its website which relate to the utilisation of the BM Start-up Service for the purposes of transparency.