Firm Frequency Response Market Information for August-15

Monthly Report

Published June 2015

Please note that the layout of this report has changed to make our requirements clearer.

Key points

This Market Information Report is relevant for **tenders submitted in July for delivery in August.**

Tenders from eligible service providers for firm frequency response should be submitted by **Wednesday 1st of July 2015** (1st business day) for all tenders.

National Grid will notify service providers of the outcome of the tender assessment by **Thursday 16th of July 2015** (12th business day).

For successful tenders, National Grid will notify nominated windows, following assessment by **Thursday 16th of July 2015** (12th business day).

Introduction

Firm Frequency Response (FFR) is a service through which balancing mechanism (BM) and non-BM participants commit to providing a given measure of response for a fee. National Grid procures the services through a monthly tender process ahead of BM timescales.

Submitted prices are compared to the costs of alternatives to deliver the equivalent level of frequency response. Mandatory response costs include the forecast response holding costs, the forecast bid and offer positioning costs and the forecast cost of creating headroom to provide response. You can find more information about how these costs are considered during tender assessments via the link below.

This report provides information to current and potential providers about the volume of, and time periods over which, response is required.

Highlights

In June 2015, we received 3 FFR tenders for delivery to start in July. All 3 tenders were from BM units. More details on the tenders accepted/rejected are available from the post-assessment tender report.

Both the FFR Assessment Principles and Post-Assessment Tender Report are available at:
http://www.nationalgrid.com/uk/Electricity/Balancing/services/frequencyresponse/ffr/

For a monthly summary of the cost of services procured please follow the below link to the Monthly Balancing Services Summary (MBSS), which breaks costs down by service.

http://www2.nationalgrid.com/UK/Industry-information/Electricity-transmission-operational-data/Report-explorer/Services-Reports/

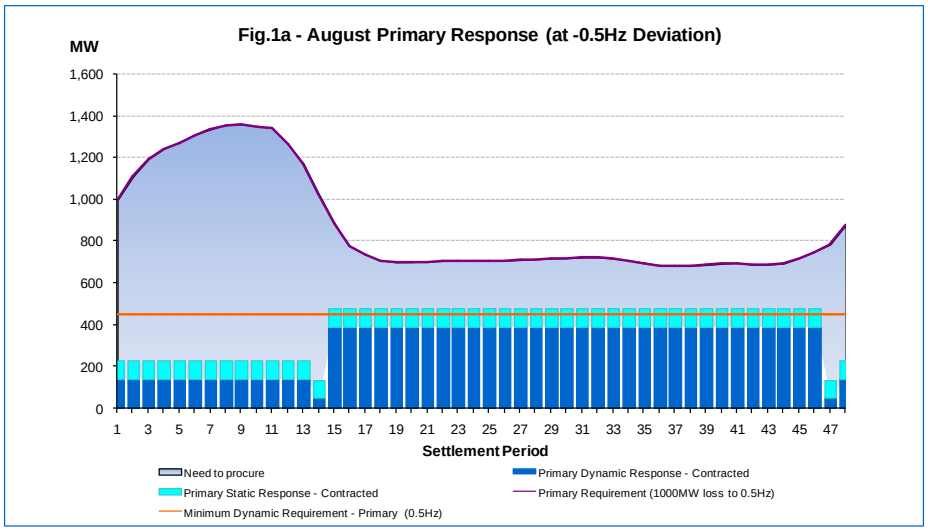
(Please ensure the 'Monthly Balancing Services Summary' Tab is selected)

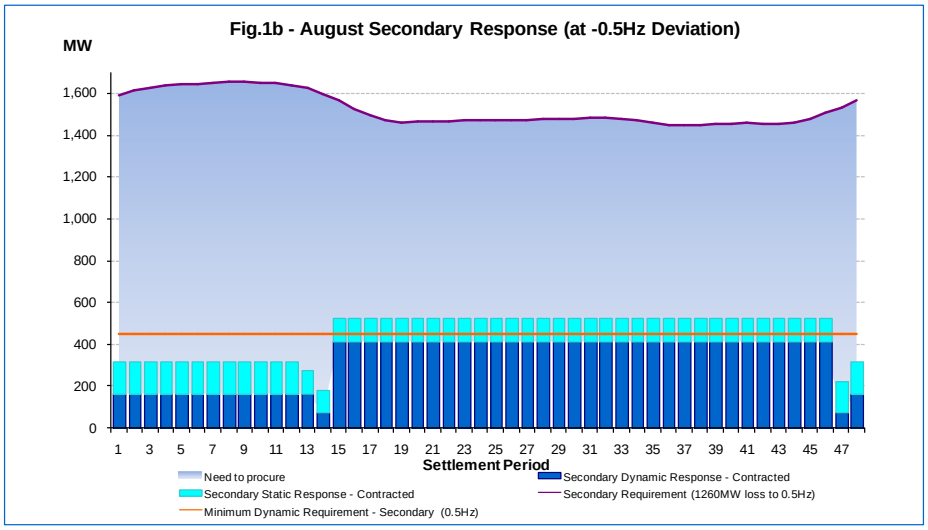
August-15 Requirement

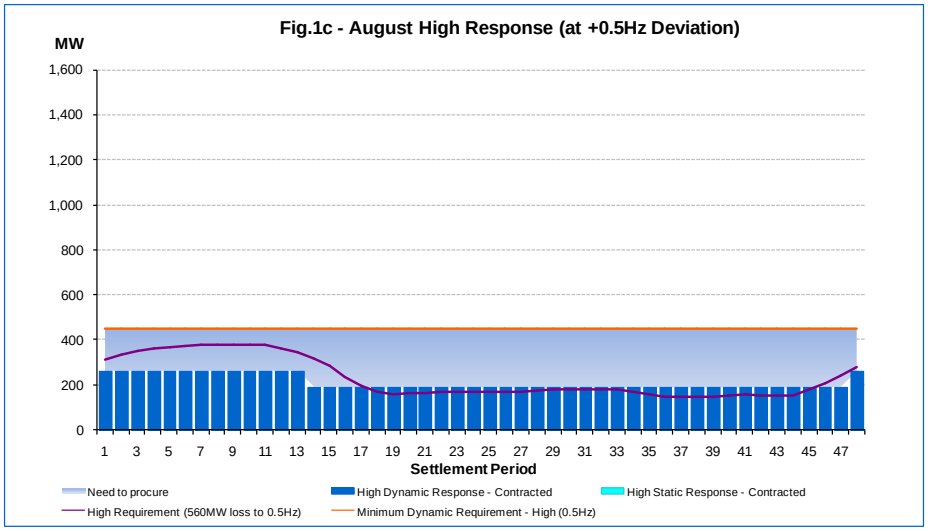
The figures on this page show the amount of existing contracted response capability available by Settlement Period, against the minimum dynamic requirement and the total overall requirement.
The remaining requirement is the grey/blue shaded area. NGET will look to fill this requirement via contracts ahead of time or in real-time via the mandatory market.

Key points

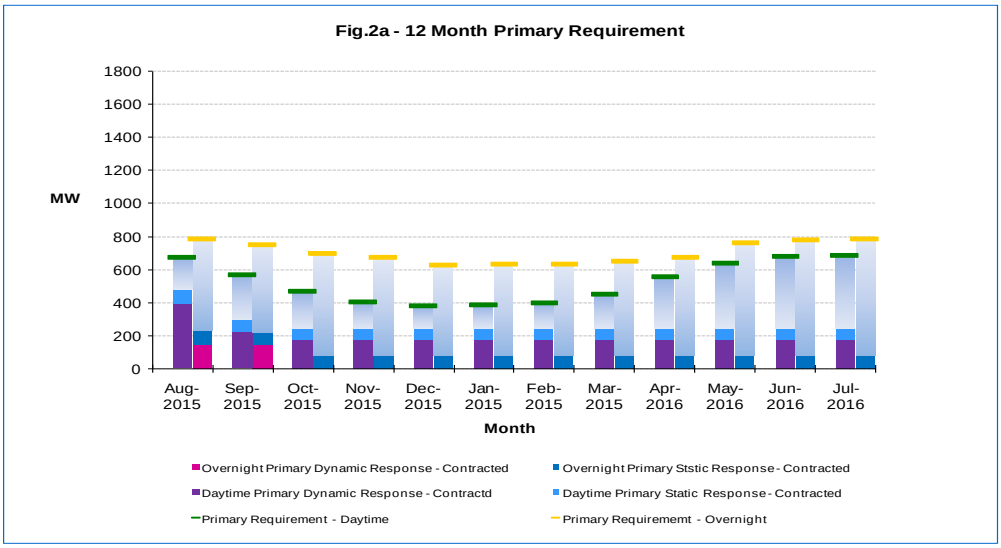
- The response requirement for each type is greater overnight.
- Greater preference is given to secondary response. More secondary response is required than primary or high response
- For both primary and secondary response the total requirement is greater than the minimum dynamic requirement. This means a Static service could help meet the total requirement.
- For high response the minimum dynamic requirement is greater than the requirement. This means a Static service would not help meet the requirement.

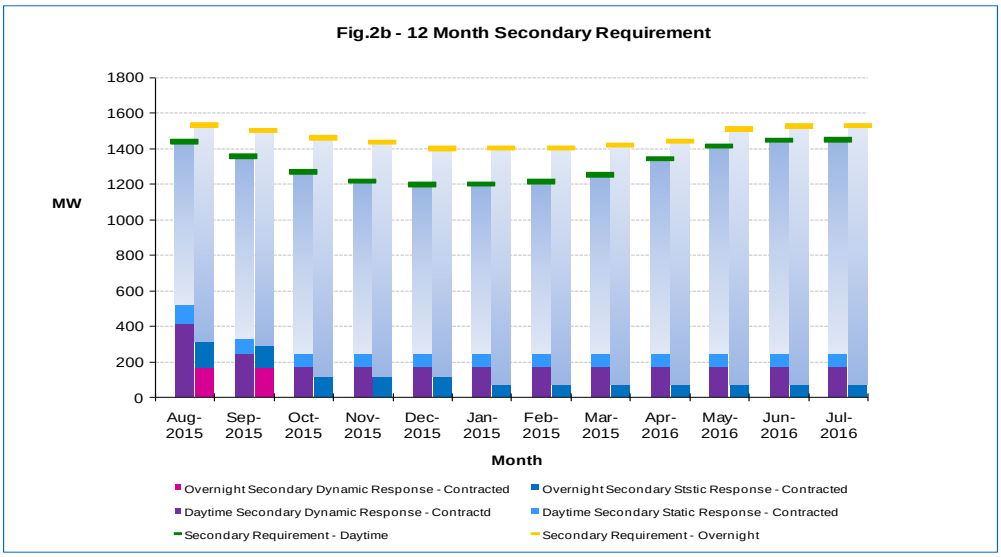


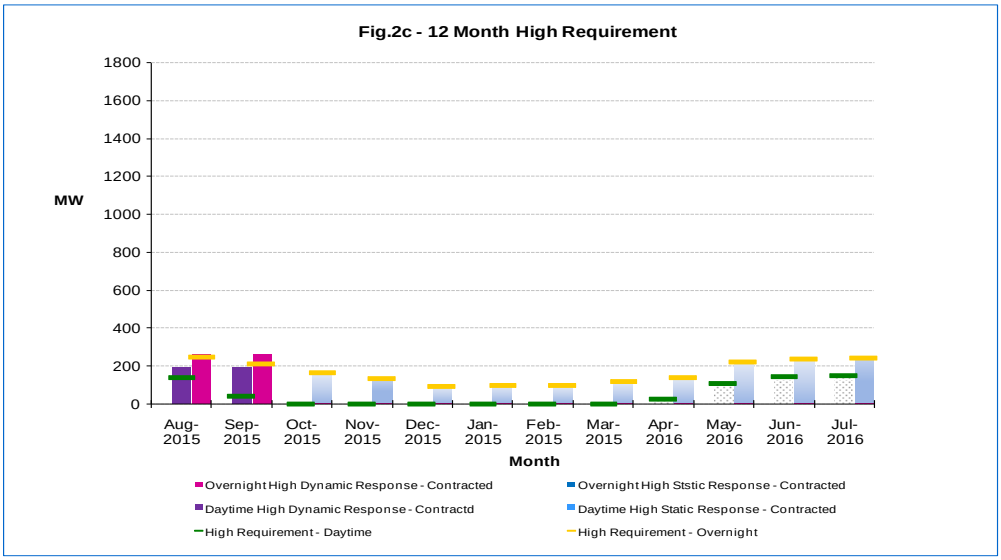




12-Month Requirement







The following charts contain similar information to the monthly requirements above but extends it over the next 12 months. The charts provide an estimate of the response requirements by day/night, and includes information on existing contracts. The grey/blue shaded area is the approximate response that will need to be procured. The minimum dynamic requirement for primary, secondary and high response over the 12 month period is 450MW.

Key points

- The response requirement is greater during the summer than winter.
- The response requirement is greater overnight than during the daytime
- The secondary response requirement is greater than primary or high requirements throughout the year
- The primary and secondary response requirements are greater than the minimum dynamic throughout the year. A static response service could therefore be beneficial in meeting the total requirement.
- For High frequency response, the minimum dynamic response (450MW) is greater than the requirement throughout the year. A static response service would not be beneficial in meeting the requirement.

Requirement Tables

The following tables state the predicted amount, in MW, of response we need to procure in the future.

July requirement:

Settlement Period	Amount required (MW)		
	Primary	Secondary	High
1	768	1,274	47
2	880	1,295	71
3	964	1,309	87
4	1014	1,317	97
5	1046	1,322	102
6	1081	1,327	108
7	1106	1,330	112
8	1129	1,334	116
9	1130	1,334	116
10	1121	1,333	115
11	1113	1,331	113
12	1036	1,320	100
13	944	1,348	84
14	887	1,412	123
15	409	1,042	94
16	297	999	45
17	259	967	8
18	230	943	0
19	221	936	0
20	222	937	0
21	224	938	0
22	228	941	0
23	229	942	0
24	230	943	0
25	230	943	0
26	229	942	0
27	232	945	0
28	236	948	0
29	239	951	0
30	241	952	0
31	244	955	0
32	244	954	0
33	239	950	0
34	230	943	0
35	219	934	0
36	207	924	0
37	207	924	0
38	205	922	0
39	208	925	0
40	214	930	0
41	218	933	0
42	210	927	0
43	210	927	0
44	215	931	0
45	241	953	0
46	272	978	20
47	646	1,304	48
48	648	1,247	16

12 month requirement

Daytime	Amount required (MW)		
	Primary	Secondary	High
Aug-2015	193	913	0
Sep-2015	274	1,021	0
Oct-2015	223	1,023	0
Nov-2015	159	970	0
Dec-2015	135	950	0
Jan-2015	141	955	0
Feb-2015	155	967	0
Mar-2015	204	1,007	0
Apr-2016	309	1,095	23
May-2016	394	1,166	104
Jun-2016	434	1,199	142
Jul-2016	441	1,204	148

Overnight	Amount required (MW)		
	Primary	Secondary	High
Aug-2015	557	1,216	0
Sep-2015	532	1,206	0
Oct-2015	625	1,343	157
Nov-2015	596	1,319	129
Dec-2015	552	1,283	87
Jan-2015	557	1,329	92
Feb-2015	555	1,328	91
Mar-2015	577	1,346	111
Apr-2016	601	1,366	135
May-2016	685	1,436	215
Jun-2016	703	1,451	232
Jul-2016	709	1,455	237

If you have any queries, suggestions or feedback on the content or format of the new report please contact your account manager or steven.lam@nationalgrid.com