Firm Frequency Response Market Information for September-15

Monthly Report

Published July 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 August for delivery in September.**

Tenders from eligible service providers for firm frequency response should be submitted by **Monday 3rd of August 2015** (1st business day) for all tenders.

National Grid will notify service providers of the outcome of the tender assessment by **Tuesday 18th of August 2015** (12th business day).

For successful tenders, National Grid will notify nominated windows, following assessment by **Tuesday 18th of August 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 July 2015, we received 11 FFR tenders for delivery to start in August onwards. All 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/

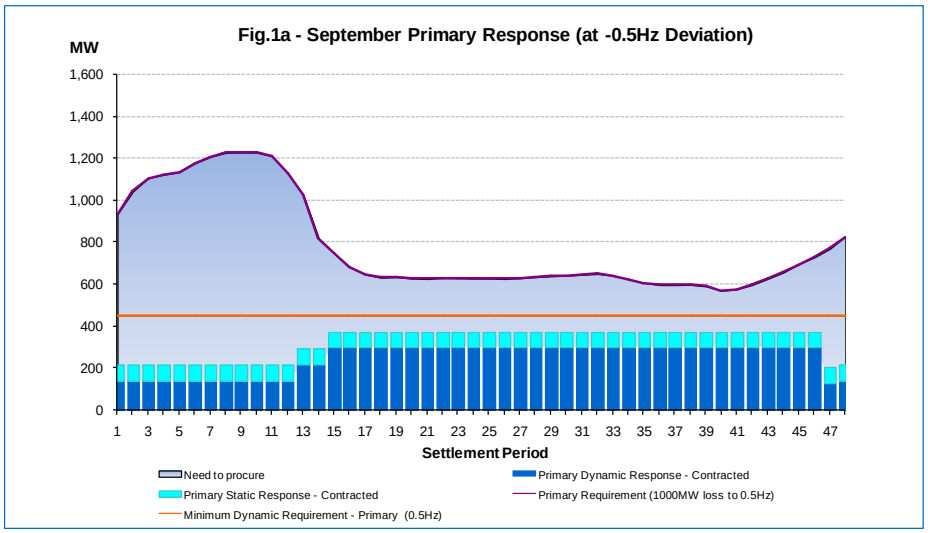
(Please ensure the 'Monthly Balancing Services Summary' Tab is selected)

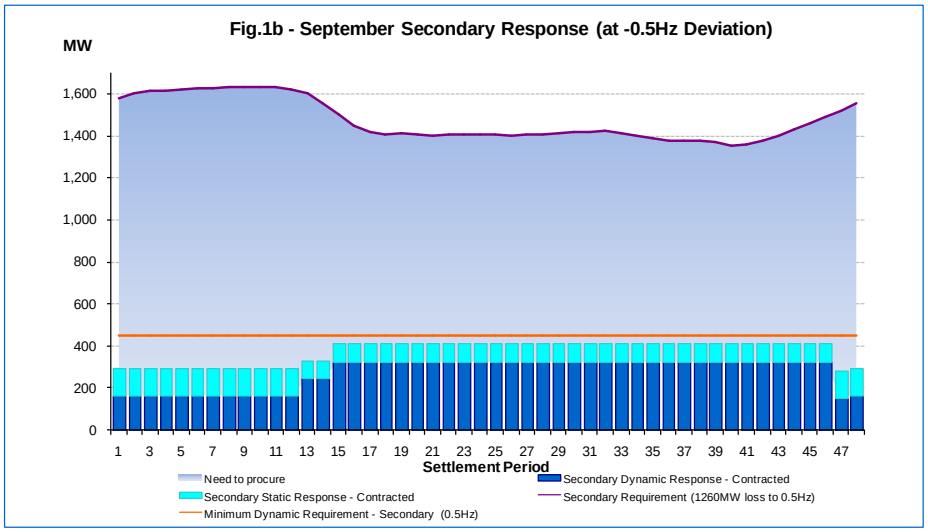
September-15 Requirement

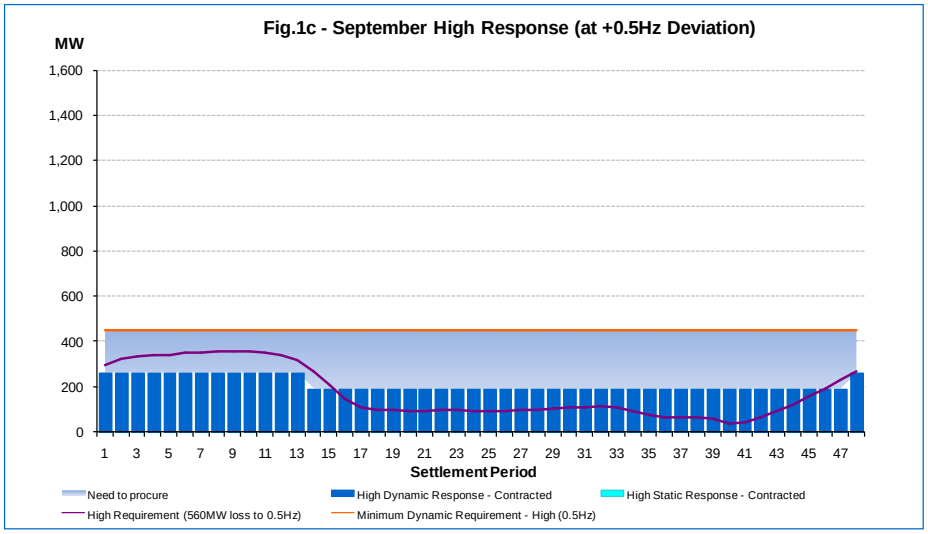
The figures on this page show the amount of existing contracted response capability available by Settlement Period, against the minimum dynamic requirement and the total overall requirement.
The remaining requirement is the grey/blue shaded area. NGET will look to fill this requirement via contracts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

Key points

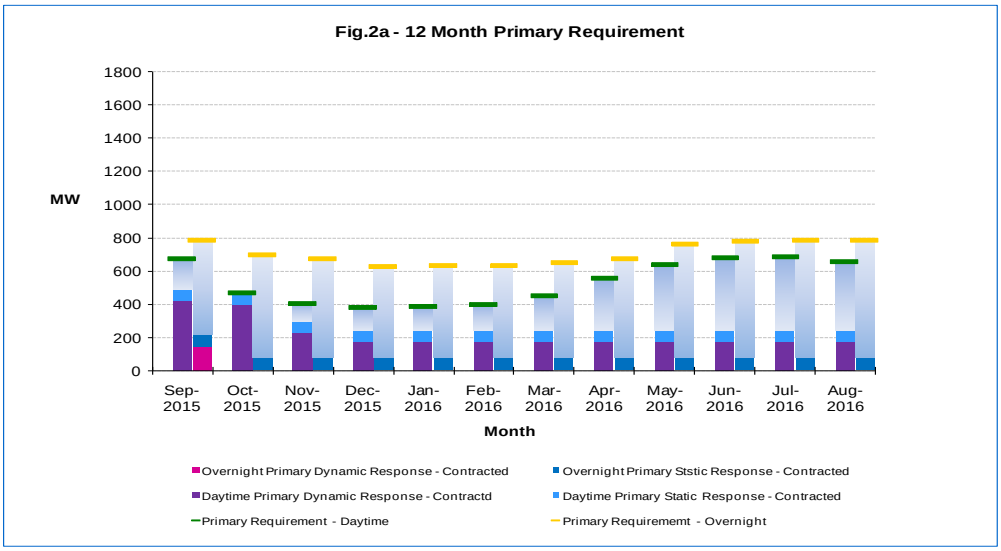
- The response requirement for each type is greater overnight.
- Greater preference is given to secondary response. More secondary response is required than primary or high response
- For both primary and secondary response the total requirement is greater than the minimum dynamic requirement. This means 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.

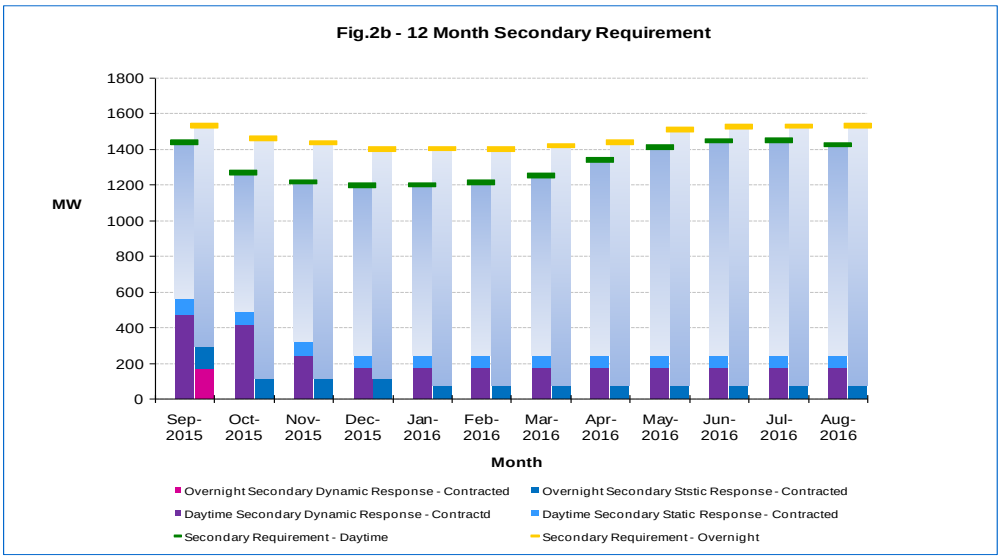


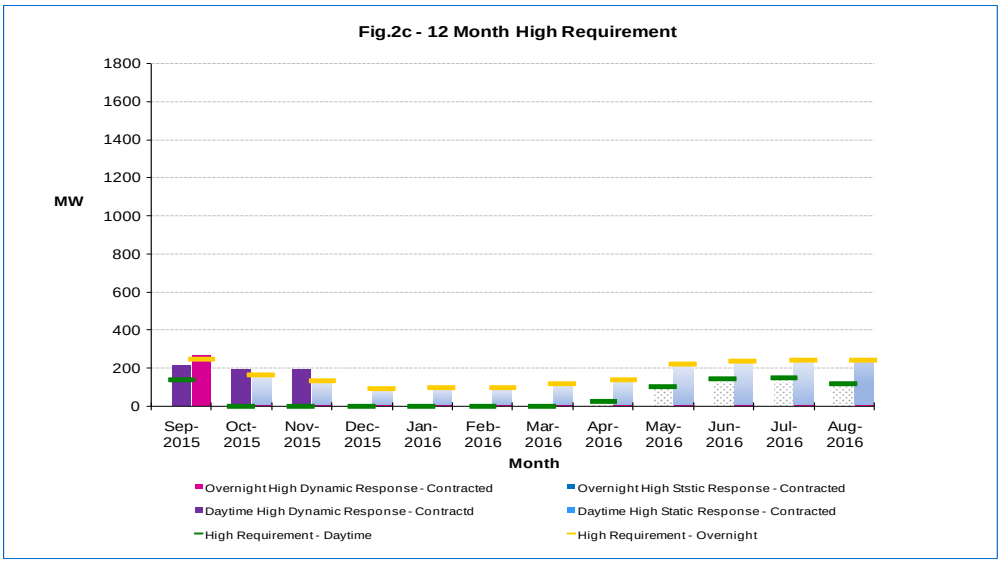




12-Month Requirement







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.

September requirement:

Settlement Period	Amount required (MW)		
	Primary	Secondary	High
1	719	1,284	34
2	827	1,306	59
3	891	1,318	72
4	907	1,320	75
5	919	1,322	77
6	961	1,329	85
7	992	1,332	89
8	1011	1,335	93
9	1013	1,336	93
10	1012	1,336	93
11	994	1,333	89
12	914	1,321	76
13	732	1,265	56
14	524	1,219	72
15	371	1,088	18
16	308	1,036	0
17	271	1,005	0
18	256	992	0
19	259	995	0
20	252	989	0
21	250	987	0
22	255	992	0
23	254	991	0
24	252	989	0
25	252	989	0
26	250	987	0
27	254	991	0
28	259	994	0
29	263	998	0
30	266	1,001	0
31	270	1,004	0
32	274	1,007	0
33	266	1,000	0
34	249	987	0
35	232	973	0
36	221	963	0
37	221	963	0
38	222	964	0
39	215	958	0
40	194	941	0
41	201	946	0
42	222	964	0
43	251	988	0
44	281	1,013	0
45	321	1,046	0
46	353	1,073	1
47	564	1,235	35
48	612	1,259	4

12 month requirement

Daytime	Amount required (MW)		
	Primary	Secondary	High
Sep-2015	181	878	0
Oct-2015	0	777	0
Nov-2015	107	894	0
Dec-2015	135	950	0
Jan-2016	141	955	0
Feb-2016	155	967	0
Mar-2016	204	1,007	0
Apr-2016	309	1,094	22
May-2016	393	1,164	102
Jun-2016	436	1,200	143
Jul-2016	442	1,205	150
Aug-2016	410	1,179	119

Overnight	Amount required (MW)		
	Primary	Secondary	High
Sep-2015	569	1,238	0
Oct-2015	624	1,343	156
Nov-2015	596	1,319	129
Dec-2015	552	1,283	87
Jan-2016	557	1,329	92
Feb-2016	555	1,327	90
Mar-2016	576	1,345	111
Apr-2016	601	1,365	134
May-2016	684	1,435	213
Jun-2016	702	1,450	231
Jul-2016	708	1,455	236
Aug-2016	710	1,456	238

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