

# Firm Frequency Response (FFR) Results WebEx – TR102



22 June 2018

# Introduction

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- **This WebEx:**
  - Relates to the results of the June FFR tender round that were published on the website on the 18<sup>th</sup> June 2018. This was the 1<sup>st</sup> tender of being able to bid for monthly, Quarterly and seasonal requirements
  - Provides you all with some more detailed feedback to ensure all suppliers are getting the same level of information.
- Today will be asking you to use Sli.do provide us with feedback on today's Webinar and what you would like to see included going forward.
- **To leave feedback please follow the instructions below:**
  - **Open a browser on any laptop, tablet or smartphone**
  - **Go to [sli.do.com](https://sli.do.com)**
  - **Enter the event code #G711**
- This month we will ask you to complete the survey during this webinar, the survey remains open for 48 hours once the webinar closes.

# Representatives

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Person	Responsibility
Rachel Turner	Structuring & Optimisation Manager
Natalie Boahene	Ancillary Services Analyst
Andrew Rice	FFR Service Lead/Account Manager

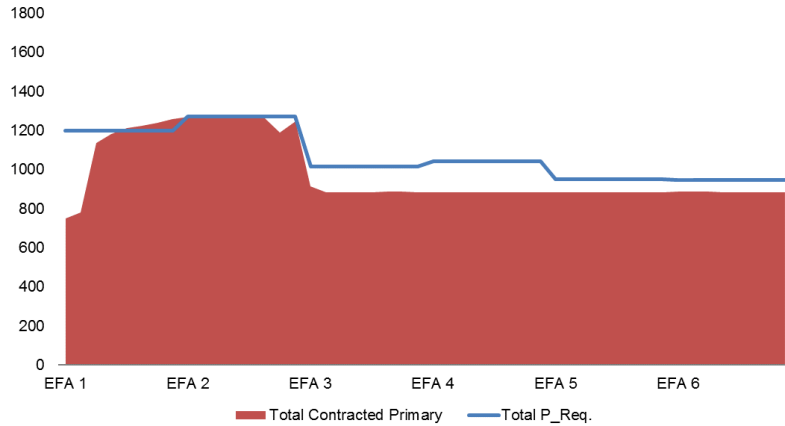
# Agenda

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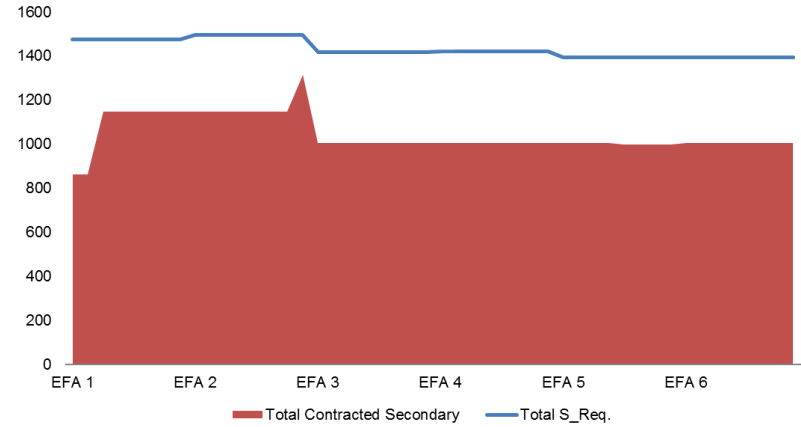
1. Requirement
2. Overview
3. Assessment
4. Results
5. Observations from Full tender round
6. Next Round
7. Questions

# 1. Requirement (July '18)

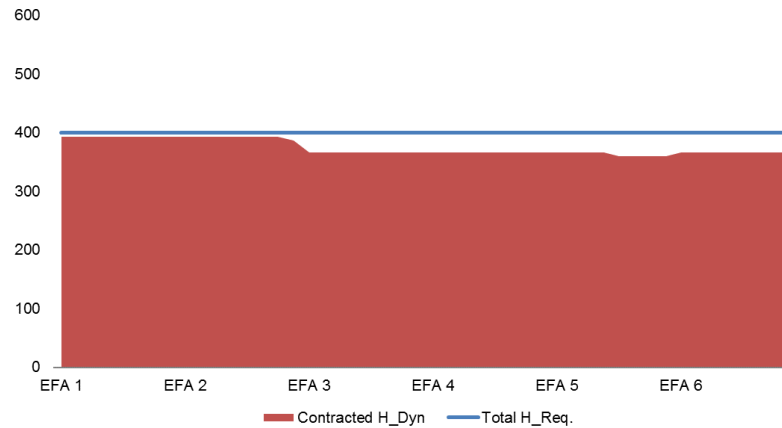
**Total Primary FFR vs Requirement**



**Total Secondary FFR vs Requirement**

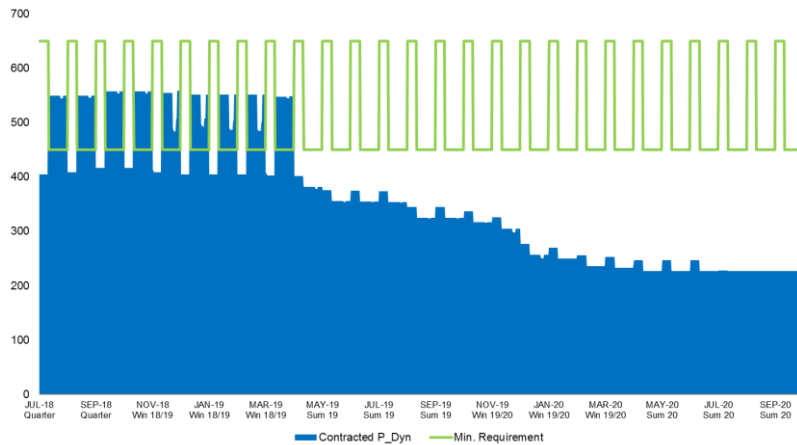


**Total High FFR vs Requirement**

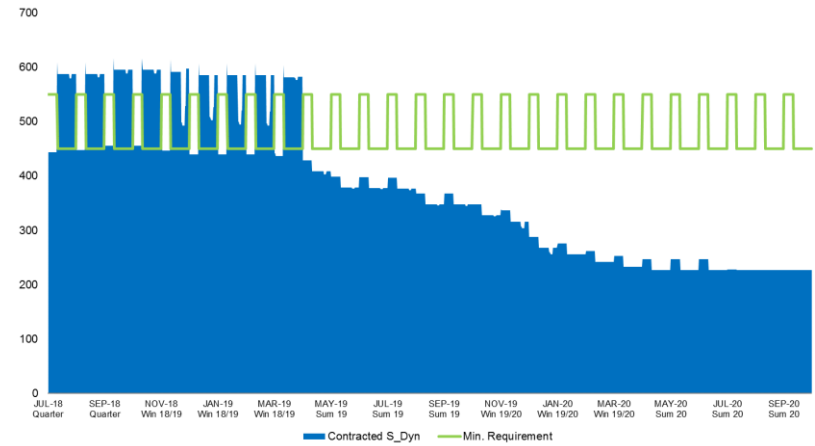


# 1. Requirement (Long Term)

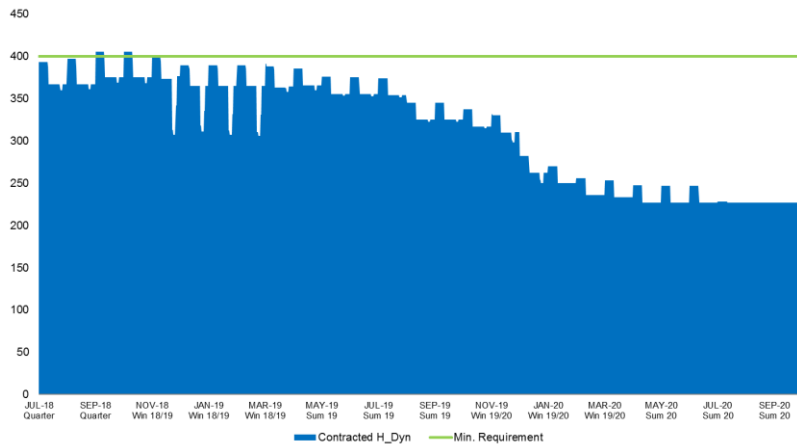
Primary Dynamic Requirement



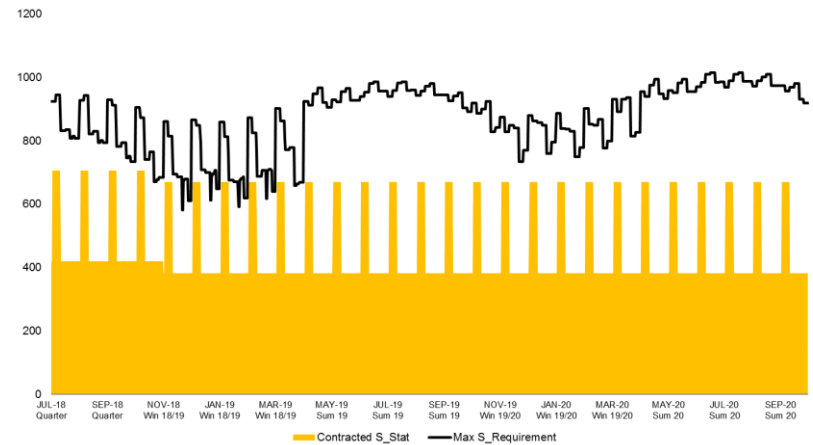
Secondary Dynamic Requirement



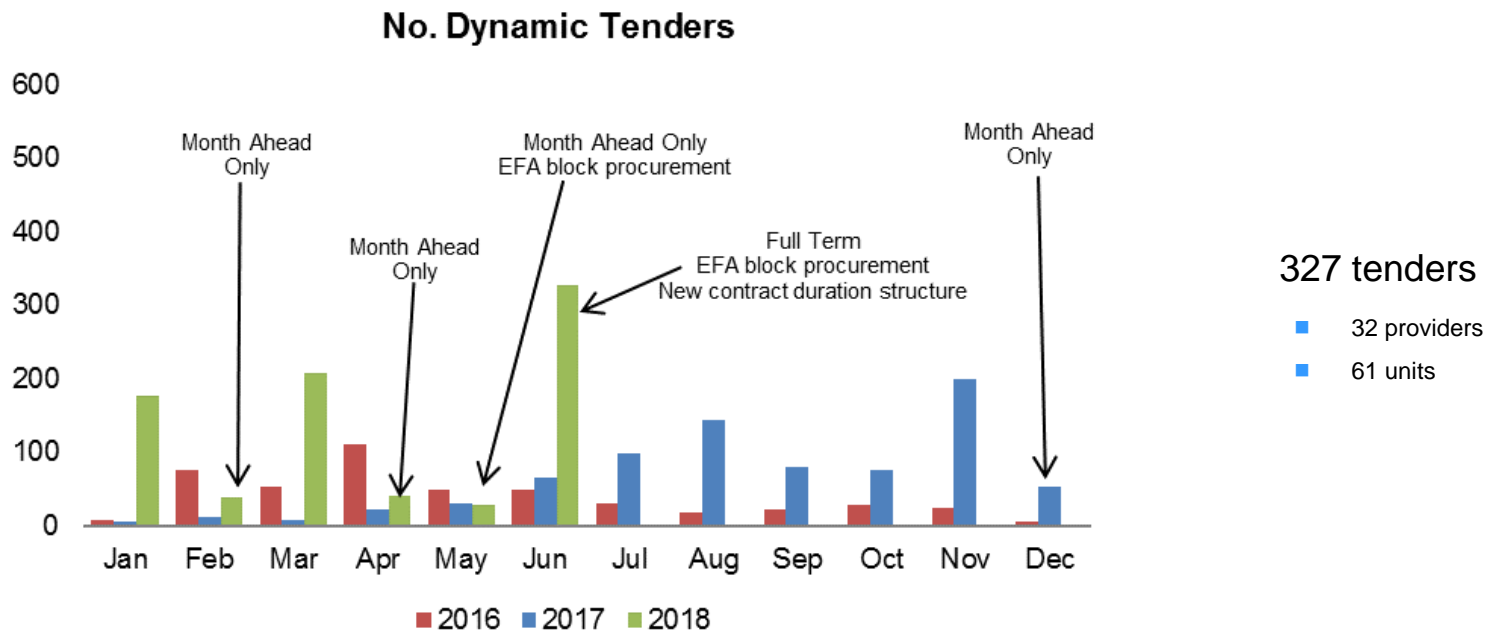
High Dynamic Requirement



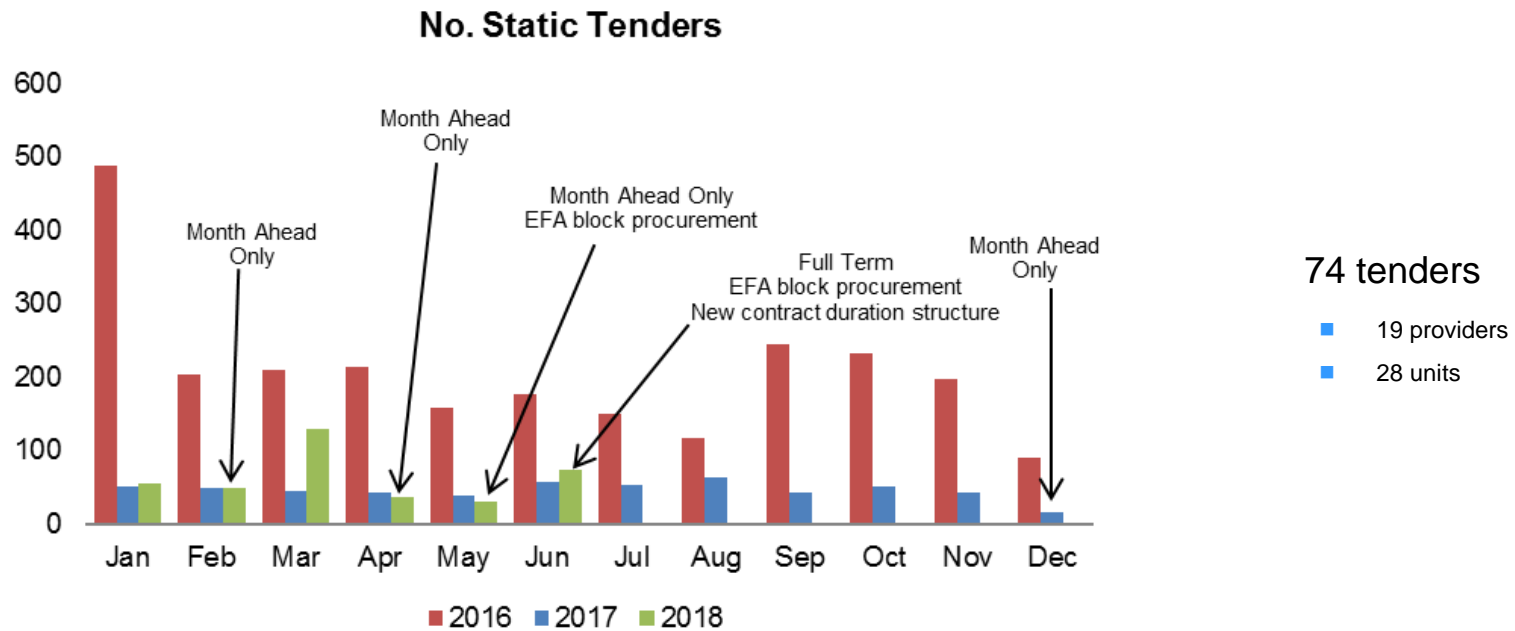
Secondary Non-Dynamic Requirement



## 2. Overview



## 2. Overview





## 3. Assessment

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### ■ **Step 1**

- Tenders are evaluated against the cost of obtaining an equivalent service in the mandatory market
- This accounts for the start date, type of service delivered, duration of tender and service availability window

### ■ **Step 2**

- Tenders are stacked in terms of benefit delivered against any outstanding requirement

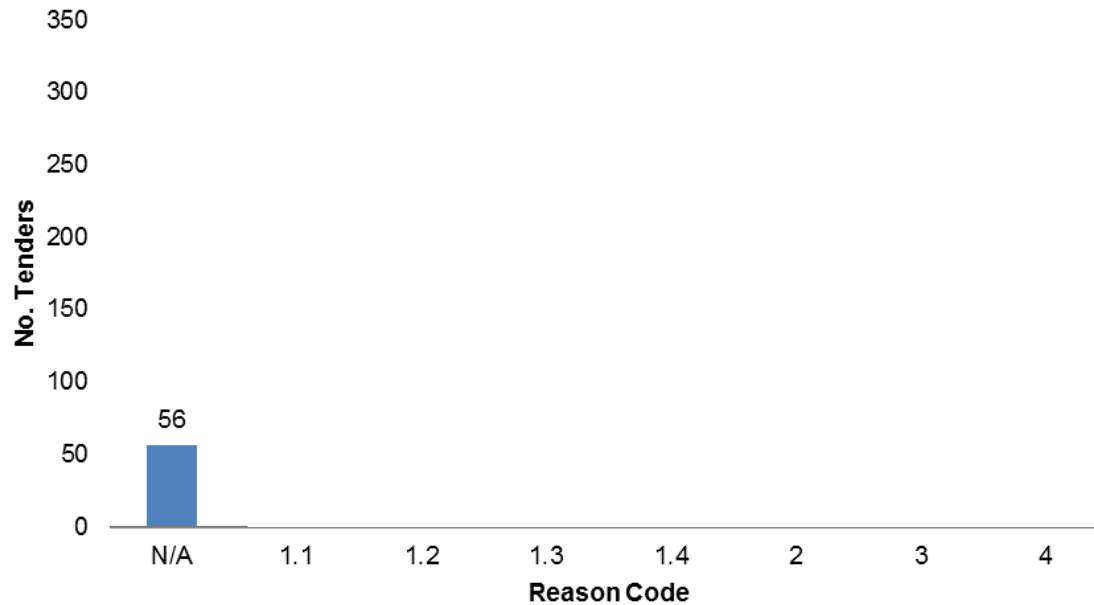
### ■ **Step 3**

- Where applicable, any possible over holding is also accounted for. In this periods, tenders are assumed to offer no value where the requirement has already been satisfied. Tenders are then restacked against the recalculated perceived benefit

## 4. Results – Reason Code N/A

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### *Accepted tenders*



## 4. Results – Reason Code 1 Expanded

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### ■ 1.1

*The outstanding requirement has already been satisfied by more beneficial tenders*

***Beneficial however...***

### ■ 1.2

There was no outstanding requirement

### ■ 1.3

*The desired volume against the National Grid procurement strategy for future tender months had already been satisfied*

### ■ 1.4

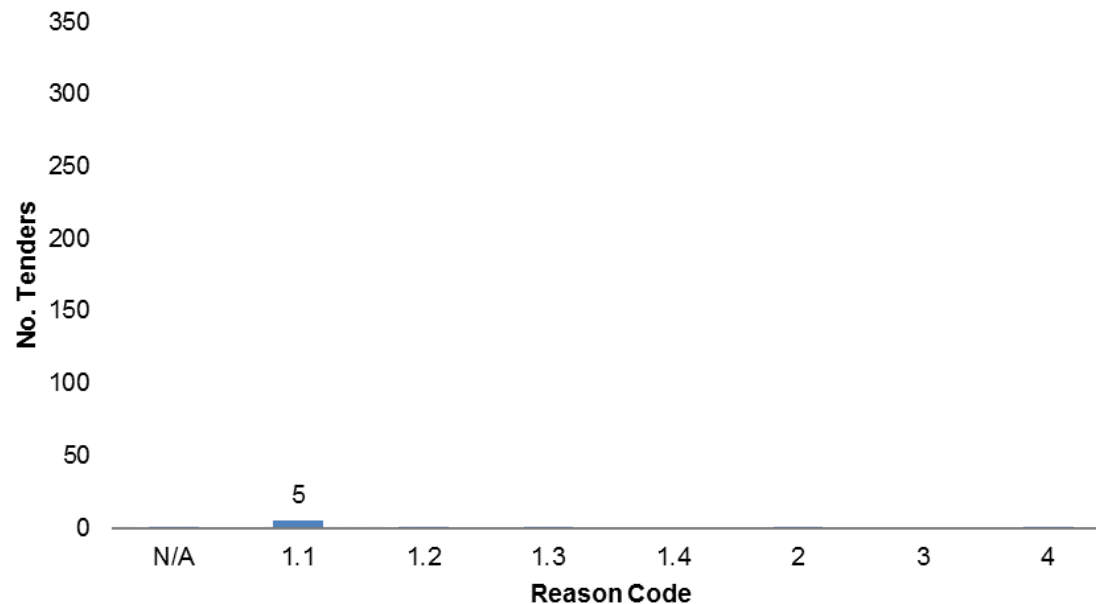
*This tender formed part of an all-or-nothing group which did not collectively deliver enough benefit to be considered*

## 4. Results – Reason Code 1.1

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### ***Beneficial however...***

*The outstanding requirement has already been satisfied by more beneficial tenders*

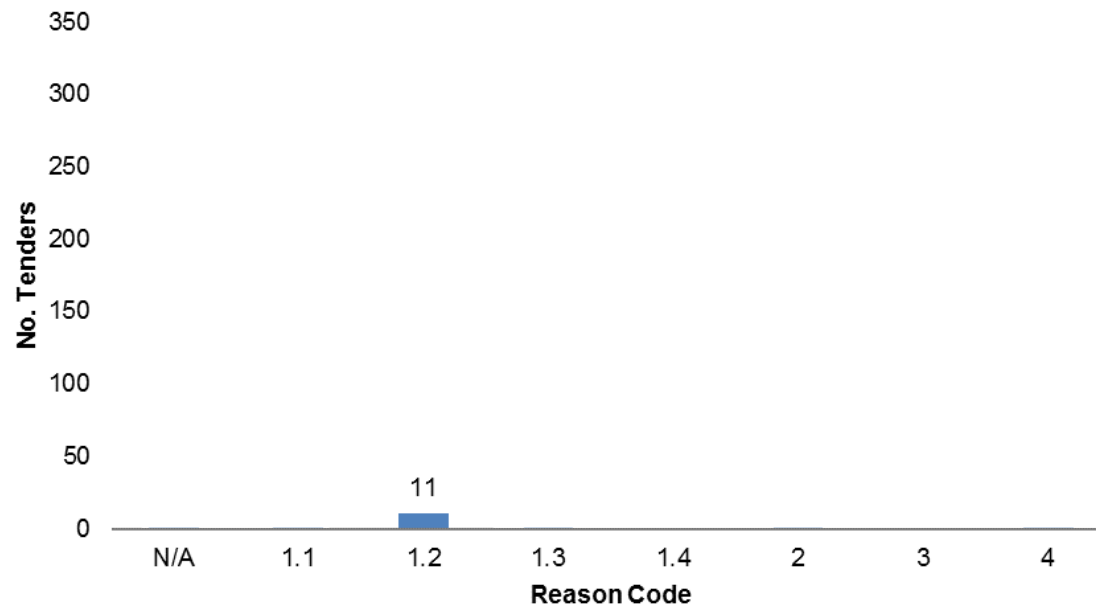


## 4. Results – Reason Code 1.2

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### *Beneficial however ...*

There was no outstanding requirement

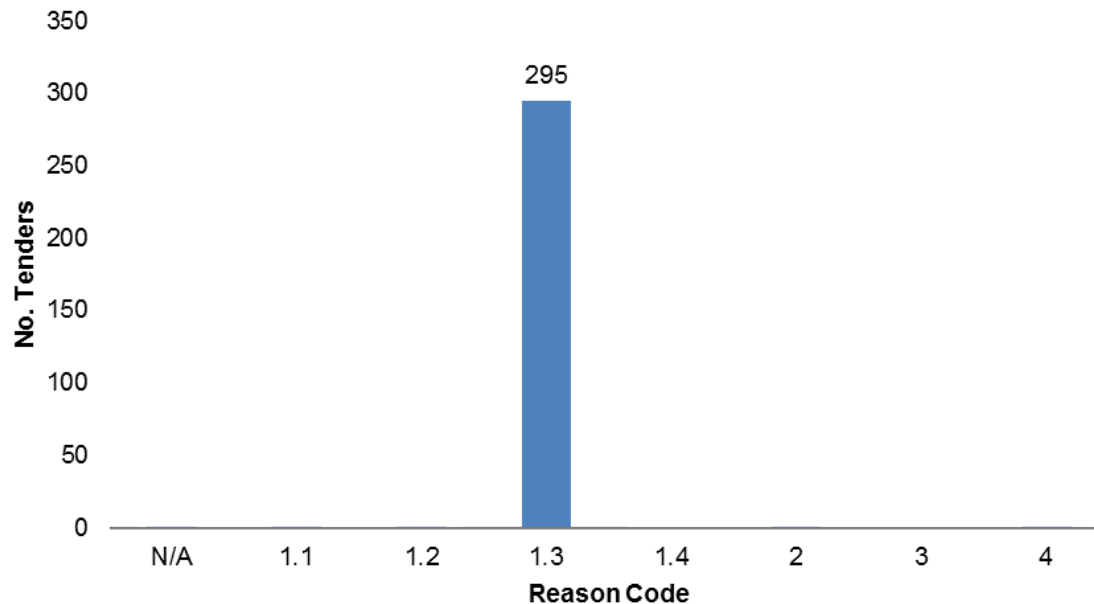


## 4. Results – Reason Code 1.3

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### ***Beneficial however...***

*The desired volume against the National Grid procurement strategy for future tender months had already been satisfied*

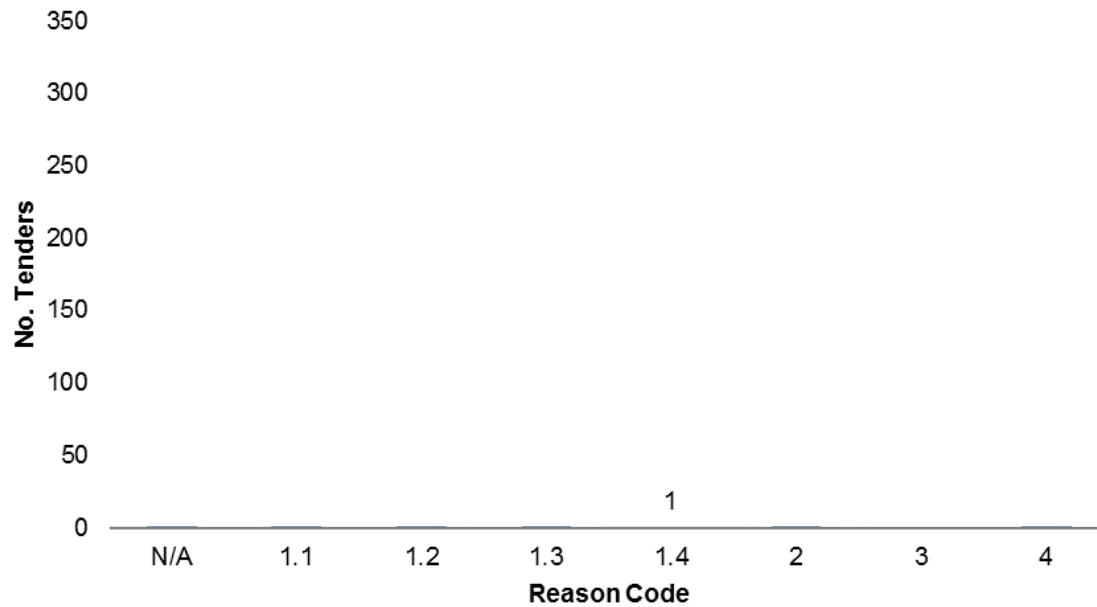


## 4. Results – Reason Code 1.4

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### ***Beneficial however ...***

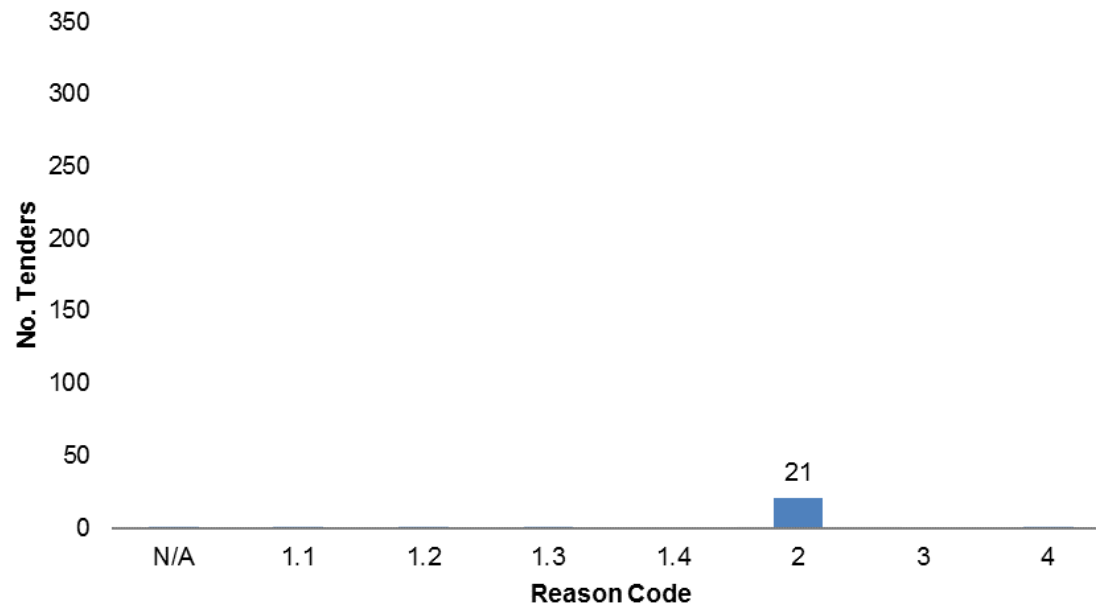
*This tender formed part of an all-or-nothing group which did not collectively deliver enough benefit to be considered*



## 4. Results – Reason Code 2

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***Price not beneficial  
across tendered period***

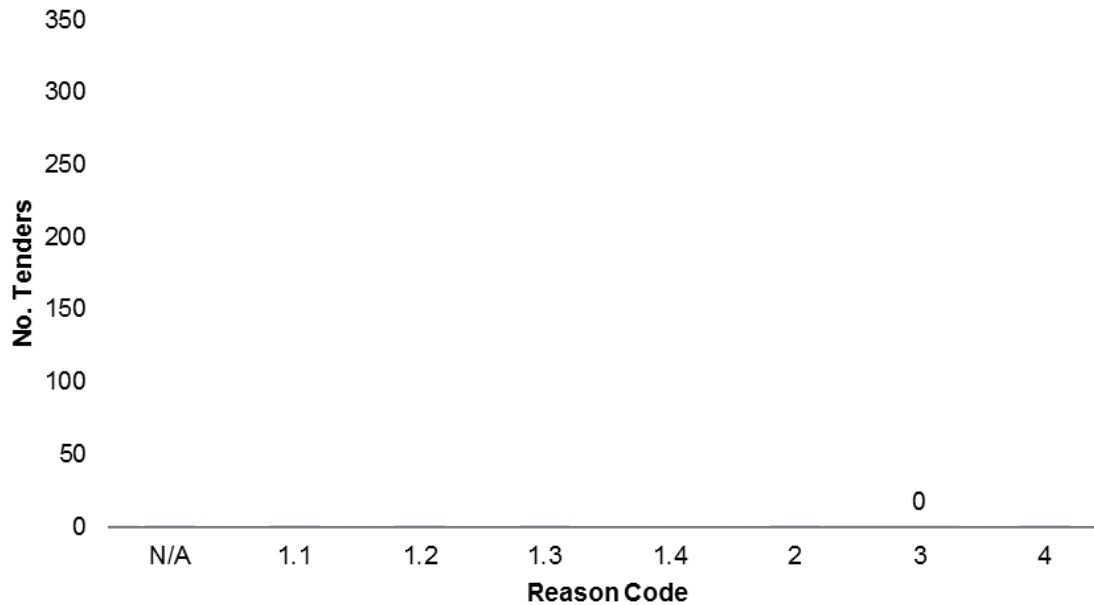




## 4. Results – Reason Code 3

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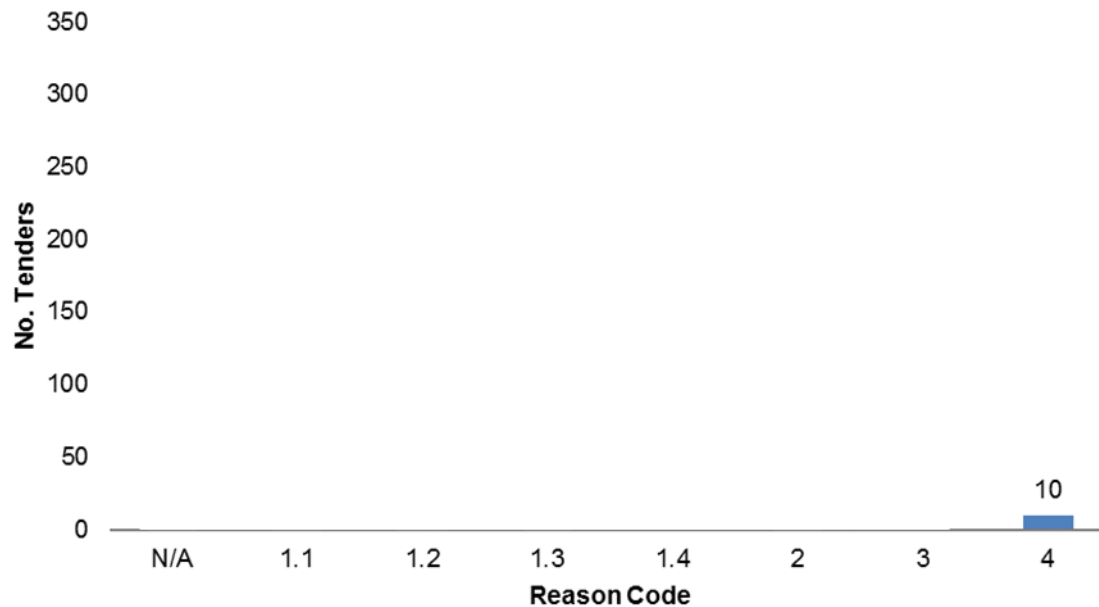
***Does not meet tender prerequisites***



## 4. Results – Reason Code 4

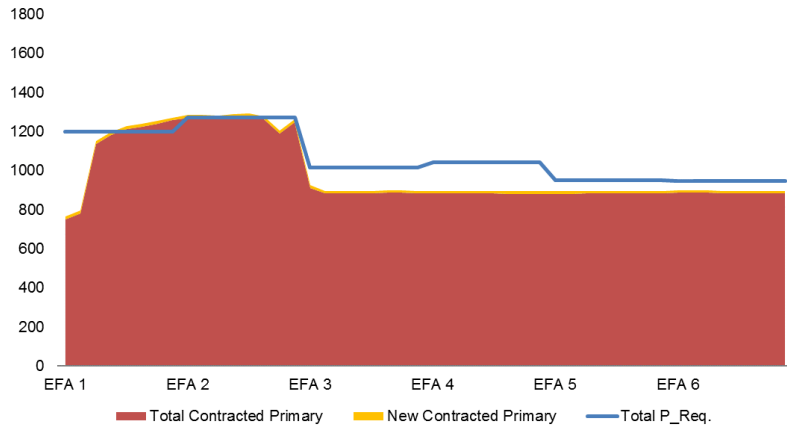
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***Multiple tenders received  
for the same unit***

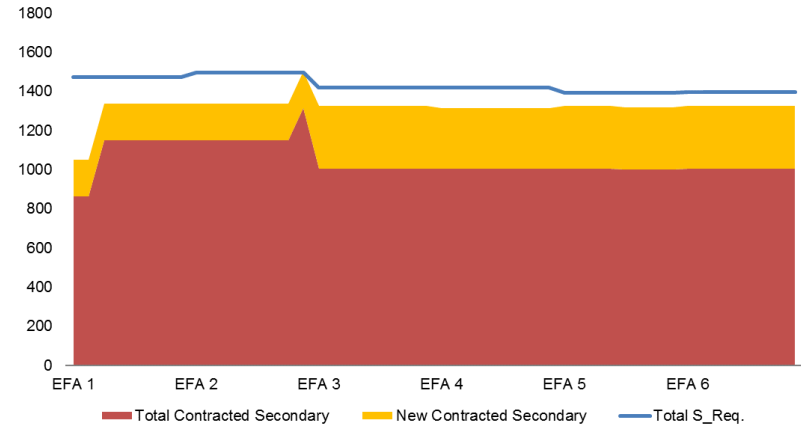


# 4. Results (July '18)

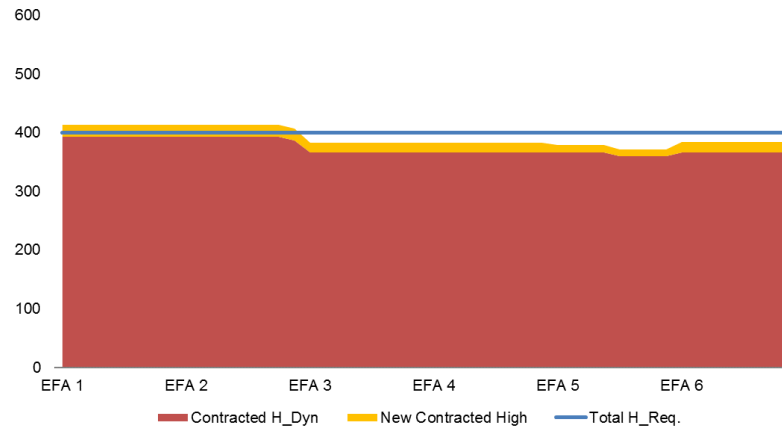
**Total Primary FFR vs Requirement**



**Total Secondary FFR vs Requirement**

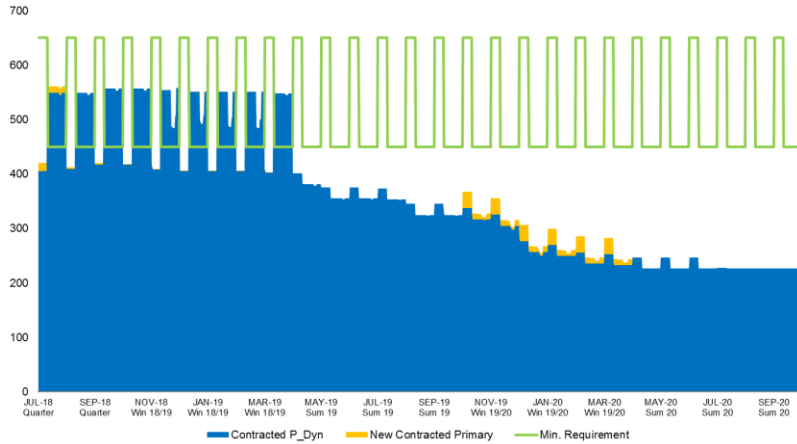


**Total High FFR vs Requirement**

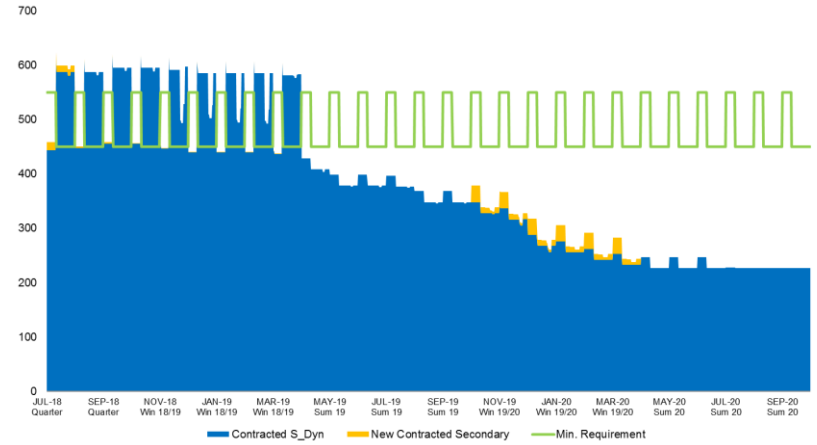


# 4. Results (Long Term)

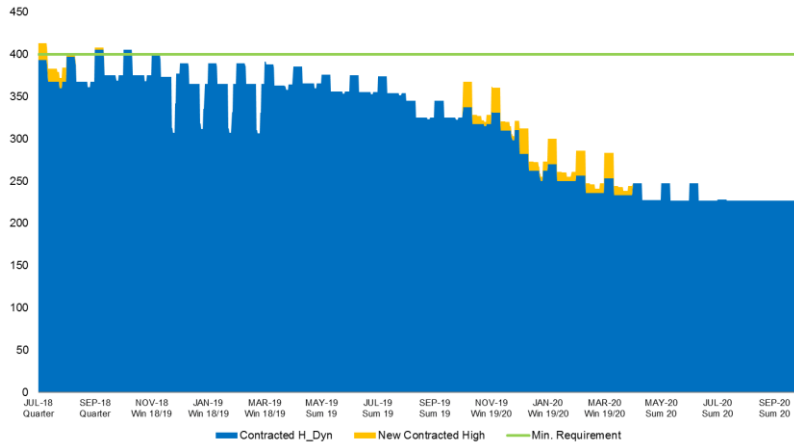
Primary Dynamic Requirement



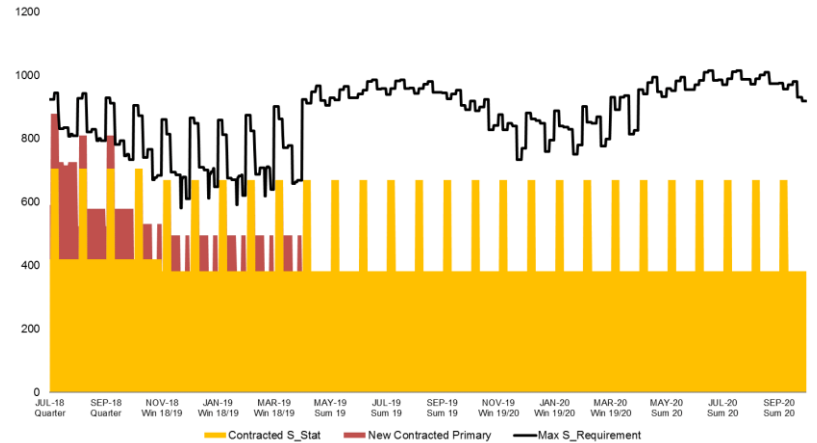
Secondary Dynamic Requirement



High Dynamic Requirement

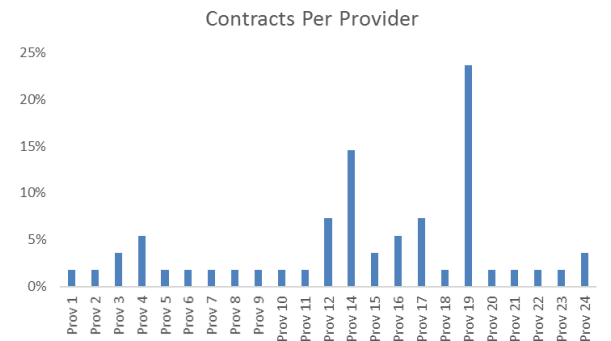
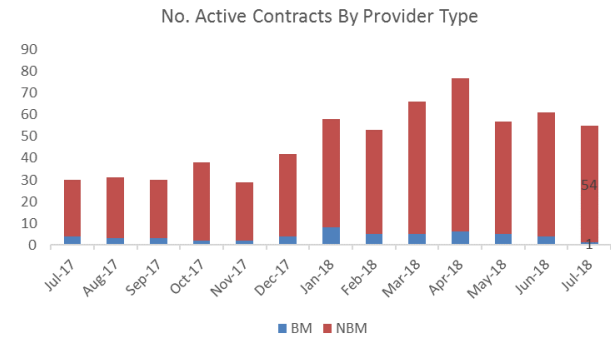
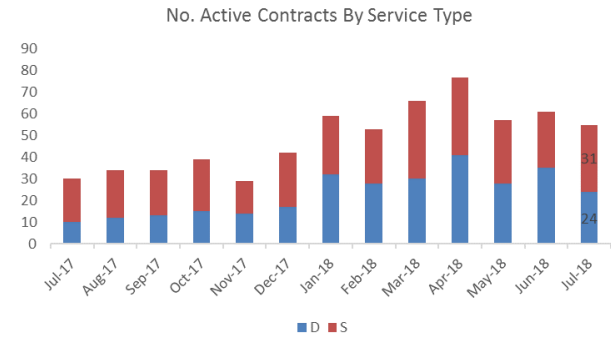


Secondary Non-Dynamic Requirement



# 4. Active contracts for July '18 delivery

- 55 active contracts in July '18
  - 24 dynamic contracts
  - 31 static contracts
  - 1 BM contract
  - 54 NBM contracts



## 5. Observations- Full tender round

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- TR102 was the 1<sup>st</sup> full tender round with bidding for month ahead, quarters and seasons which we received 401 tender lines
- A couple of points were brought to our attention that needed addressing in the FFR proforma. This has now been reviewed and amended, from tender round TR103 the formatted lines have been extended, the tender proforma now has explanation comments in the column headers to aid providers
- Whilst all tenderers used the correct tender proforma, we found during the assessment process that there were errors found in some of the submissions.
- As this was the 1<sup>st</sup> full tender round NG allowed these errors to be amended in line with the Standard contract terms. The risks and impact on the tender process that these errors create is not sustainable going forward.
- From TR103 NG will deem any tender submission with errors as non complaint bids. Please ensure that you thoroughly check your tenders before submitting them.

## 6. 'Next Round' TR103

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- **July-18 – TR 103**
  - Month ahead only tender round, procuring volume for delivery in August 18
  - Tender submission date of **Monday 2<sup>nd</sup> July 2018 at 17:00**
  - Any bids not submitted on the latest tender proforma that is sent out in Ariba will be considered as a non compliant tender
  - Only units that have passed testing will be able to tender in for month ahead tender rounds
  
- The next Market Information Report will be released on:
  - **26<sup>th</sup> June 2018**
  
- Look out for:
  - The tender proforma now has 2 columns to the indicate testing status of the tendered unit
  - FFR OCP-18 has now been published on the National Grid website – responses close 12<sup>th</sup> July 2018
  - E – Auctions - We are developing weekly e-auctions that are due to commence in Dec 18. look out for any updates.
  
- Reminder: We value your feedback on these webinars, please can you spare a few minutes and complete the feedback survey using Sli.do that is now live. [Sli.do.com](https://www.sli.do) – Event code **#G711**

## 7. Questions

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- Before we move onto the answering the posted questions section can I ask you all to leave feedback using

**Sli.do.com - Code #G711**

- If we are unable to answer a question on the call and offer to take it away, the answer will be provided back in writing to all those on the call.
- National Grid reserve the right to refuse to answer any questions deemed inappropriate



**Any Questions?**

## 7. TR102 - Questions and Answers

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Reason code 1.3 - Why have a tender out to Sept 20 when your procurement strategy prevents procuring too far out?

A. The procurement strategy in place still allows procurement out until Sept 20 however limits how much volume is procured for each period leading to that date. Volume has already been contracted up to Sept 20 which meant that the desired volume for procurement at this stay had already been satisfied.

Will you (or have you) feedback to parties who had errors in their submissions?

A. There has been feedback to providers regarding their submissions, in addition to this National Grid used feedback to review and amend the FFR tender proforma.

Can you elaborate more on NG's procurement strategy? Seems there were no long-term contract awarded, is this due to the weekly tenders coming in? How much long-term capacity does NG plan to acquire 1 year ahead?

A. National Grid publishes the overall FFR requirements, National Grid uses its procurement strategy to ensure that it procures at the best value whilst keeping the market open to providers going forward. National Grid regularly reviews the procurement strategy for FFR procurement reflect market conditions and requirements.

Will you make start and end dates fixed options on the FFR proforma sheet?

A. The start and end dates and EFA block times are fixed options in the FFR tender proforma.

Can you explain the "Generation Types" in the results sheet? Particularly more details on: Hybrid, DSF: Storage (export), DSF Storage (onsite)?

A. Generation types published in the tender results spreadsheet are part of the ongoing transparency work. Publishing the generation types informs the market what type of unit is providing FFR capability.

Where can I find out NGET's procurement strategy? Very little dynamic FFR capacity was procured despite there being clear requirement for it going forward?

A. Currently, the procurement strategy is not being made publicly available. Should this change, information will be provided to the market accordingly.

Regarding Step 1 of the Assessment process, will you be publishing the TOTAL BM costs of Mandatory FR? This would include the de-loading costs?

A. The mandatory FFR costs are published in the Monthly Balancing Services Summary (MBSS). This provides a monthly breakdown of the costs of the tendered market and any components making up the cost of mandatory response.

Why were zero tenders procured for Summer 19? There were 91 DFFR tenders for Sum19 and none were accepted. Why?

A. National Grid uses its procurement strategy to ensure that a measured approach is taken to fill any outstanding requirement. Against this strategy, it may have been that the desired volume had already been satisfied by volume procured in earlier tender rounds.

What is to be done with parties creating SPVs just to break the two-tender-per-unit rule?

A. Providers are able to setup extra units to add to their FA's should they have additional assets they are looking to tender. NG do not view the number of FA's/SPV's as a relevant link to this rule

I understood EFR capacity had already been included in the contracted volume on a 1:1 basis. What is DSF load response/DSF load response (onsite)/hybrid?

A. National grid expects any contracted FFR capability to be the volume that was submitted by the provider on the submitted tender proforma.