

Fast Reserve

Market Information from April-18

Monthly Report

Published February-18

Key points

This Market Information Report is relevant for tenders submitted in **March-18** for delivery from **April-18**.

Tenders from eligible service providers for Firm Fast Reserve should be submitted by **Thursday 1st March 2018** (1st business day) for all tenders.

National Grid will notify service providers of the outcome of the tender assessment by **Friday 16th March 2018** (12th business day).

Firm Fast Reserve is required during the following hours:

- Mon-Fri:
- 06:00 – 23:30hrs
- Sat, Sun and Bank Holidays:
07:00 – 23:30hrs

The volume requirements are explained on the next page.

Introduction

Fast Reserve (FR) service provides the rapid and reliable delivery of active power through an increased output from generation or a reduction in consumption from demand sources, following receipt of an electronic dispatch instruction from National Grid. Fast reserve service requires all units to have capability to commence within two minutes following instruction, at rates of 25MW or greater per minute and providing a minimum of 50MW. Fast Reserve is an additional energy balancing service used to control frequency changes.

Fast Reserve may be provided as either a Firm service, procured through a tender process, or Optional service. Submitted tender prices are compared to the costs of alternatives to deliver the equivalent level of Fast Reserve. This report provides information to current and potential providers about the volume of, and time periods over which, Firm Fast Reserve is required.

Highlights

In February-18, fourteen tenders were received; twelve from UKPR, one from First Hydro and one from Scottish Power. We accepted one tender from Scottish Power, delivering 100 MW of Fast Reserve volume from November-18 to February-19. More details on the tenders accepted/rejected are available from the post-assessment tender report.

Following the February-18 tender round in which we contracted 100 MW of Fast Reserve for November-18 to February-19, we will not procure any more volume for this period until the April-18 or May-18 tender round. More information will follow in the next Market Information Report.

The Market Report containing Post-Assessment details are available at: <https://www.nationalgrid.com/uk/electricity/balancing-services/reserve-services/fast-reserve?market-information>

The Fast Reserve Assessment Principles Report and other useful reports are available at: <https://www.nationalgrid.com/uk/electricity/balancing-services/reserve-services/fast-reserve>

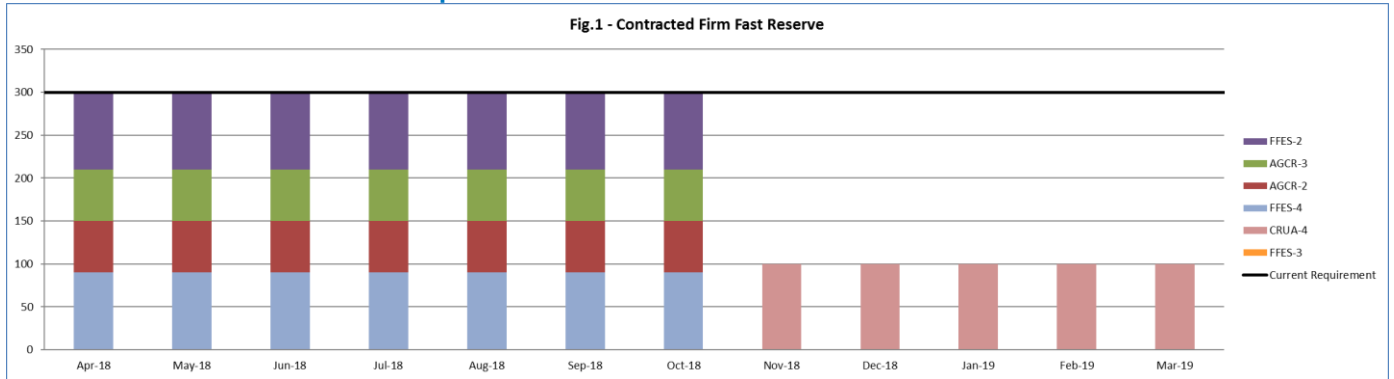
For a monthly cost summary of services procured please follow the below link to the Monthly Balancing Services Summary (MBSS), which breaks costs down by service including the Firm and Optional Fast Reserve costs.

<https://www.nationalgrid.com/uk/electricity/market-operations-and-data/system-balancing-reports>

Tenders should be submitted on the ARIBA E-Tender platform. If you have not registered in ARIBA or received an invite to the event please contact your Account Manager in the first instance. If you have any questions about the event, email commercial.operations@nationalgrid.com

Fast Reserve Market Information

Firm Fast Reserve Requirement



The figures on this page show the amount of existing contracted Fast Reserve available per month and per day, against the optimal firm fast reserve requirement.

Fig.1 shows our monthly Fast Reserve requirement against our current contracts for the next 12 months.

Fig. 2 to Fig.4 shows our requirement by day and contracted Fast Reserve for the delivery month of April-18.

The Firm requirement is 300MW for all periods between

- Mon-Fri: 06:00 – 23:30
- Sat, Sun, BH: 07:00 – 23:30

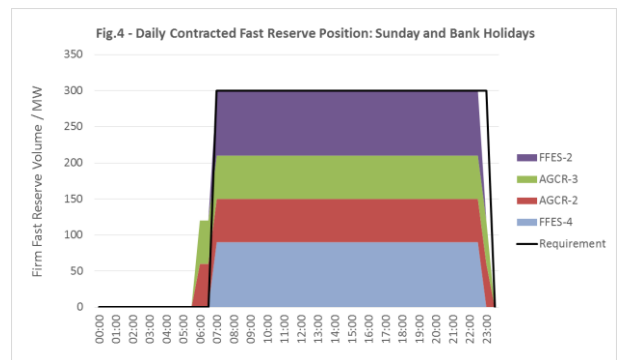
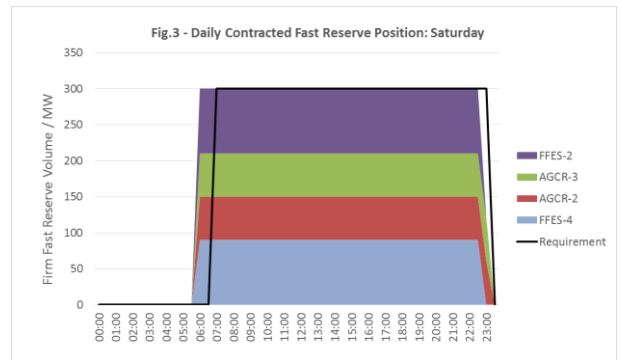
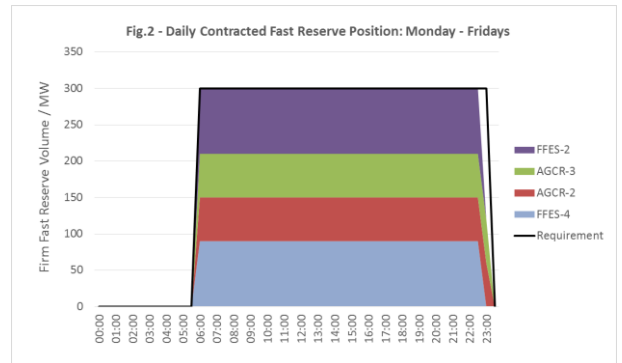


Table 1: 12 month requirement

The data used to produce the graphs of the Firm Fast Reserve requirement and contracted volume for each delivery month is available in the 'Fast Reserve Market Information Data' spreadsheet.

| Month | Additional Optimal Max Firm Requirement (MW) |
|--------|--|
| Apr-18 | 0 |
| May-18 | 0 |
| Jun-18 | 0 |
| Jul-18 | 0 |
| Aug-18 | 0 |
| Sep-18 | 0 |
| Oct-18 | 0 |
| Nov-18 | 200 |
| Dec-18 | 200 |
| Jan-19 | 200 |
| Feb-19 | 200 |
| Mar-19 | 200 |

National Grid is fully contracted against our current Firm Fast Reserve requirement from April-18 to October-18. Following the February-18 tender round in which we contracted 100 MW of Fast Reserve for November-18 to February-19, we will not procure any more volume for this period until the April-18 or May-18 tender round. More information will follow in the next Market Information Report.

Please note, the current Fast Reserve requirements are reviewed regularly and so may change at short notice. Any changes to the requirement will be communicated to the market via this monthly Market Information Report.

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Reason Codes

The table below provides guidance as to the reasons that a tender has been rejected. They can be matched against the numbers in the 'Reason Code' section of the Post Tender Report. This will be effective for tenders submitted from November 2017.

| No. | FR Reason Codes | Definition |
|-----|--|---|
| 1 | Price not beneficial across tendered period | The price submitted was too high and did not provide any contract benefit against alternative actions. |
| 2 | Tender was not beneficial across any duration of the tender period | The tender submitted was not considered beneficial when evaluated against the forecasted cost of alternative actions over any duration of the tender period. |
| 3 | Multiple tenders received for the same unit | Only the most valuable tender of the total group of submitted tenders was considered. |
| 4 | Beneficial but the benefit is lower than that of other tenders | While the tender submitted was considered as beneficial, on this occasion there were tenders that provided a higher benefit. |
| 5 | Beneficial but requirement already satisfied | While the tender submitted was assessed as beneficial, the benefit was not determined as sufficient for us to contract above our procurement requirement. |
| 6 | Does not meet tender prerequisites and rules | Please refer to the 'Technical requirements' and 'How to participate' sections using the following link to determine the criteria necessary to participate in the FR market. https://www.nationalgrid.com/uk/electricity/balancing-services/reserve-services/fast-reserve?how-to-participate |

Where appropriate, new reasons will be added following each tender round.

This report is under continuous review and development, therefore if you have any comments or suggestions of information you would like to see in the future reports, please contact your account manager or email the assessment team: box.AncillaryAssessment@nationalgrid.com