

STOR Market Information Report TR34

Published 23rd March 2018

Foreword

Welcome to the TR34 Market Information Report and the first tender opportunity for STOR Year 13. We continue to show tendered MW for each bid which we hope provides a greater degree of understanding of the STOR market.

We continue to see lower availability from Flexible and Premium Flexible units which in turns lowers our forecast when we asses new tenders. Committed units offer a higher availability thus we aim to procure a significant proportion of our requirement with these units.

We continue to see growing interest in STOR with increasing number of providers and units participating in tenders, which is an encouraging sign on the health of the service.

Towards the end of December we published our product [roadmap](#) for frequency response and reserve. This is an overview of the actions we are proposing to take in the next few months and years to address stakeholder feedback and improve our products and procurement approaches. Among these actions will be a simplification of the STOR STCs which will be undertaken as part of the Outline Change Proposal process. We will also be standardising the value of STOR tenders dependant on the response time offered.

Providers who participate in FFR, will be aware of the Webex session hosted after each results day to talk through the tenders received. We are planning to roll this out for TR35 to provide more clarity to the market on the tenders we receive and how they are assessed.

We are keen to hear your thoughts on how we can improve the STOR service or this report, so if you do have any comments, please do get in touch.

Thanks,

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Introduction

This market report is produced after each tender round and is designed to give existing and potential STOR participants an overall view of the tenders received in tender round 34 (TR34). The report provides details of tendered utilisation and availability prices and National Grid's consequent forward contracted position; together with further details on the type and dynamics of the tendered plant. For further information regarding this product, Frequently Asked Questions, or how and when to tender please consult the STOR section found on the National Grid Balancing Services information website:

<https://www.nationalgrid.com/uk/electricity/balancing-services/reserve-services/short-term-operating-reserve-stor>

This report is under continuous review and development, if you have any comments or suggestions of information you would like to see in future issues of this report, please contact your account manager.

Data and charts that were previously found in this report can still be found in the associated Excel file available on the website.

Operating Reserve Requirement and STOR requirement and de-rating factors

As National Electricity Transmission System Operator (NETSO), National Grid holds an Operating Reserve Requirement (ORR) from 4 hours ahead of time to real time, to take account of demand forecast errors, plant losses and market imbalance. The ORR is met by headroom on market synchronised machines, additional actions taken by National Grid via the Balancing Mechanism (BM) and contracted reserve products. STOR is a contracted reserve product and as such STOR tenders can make up a finite proportion of the ORR. The amount of contracted STOR required is determined by the size of the ORR which changes due to forecast market length, market provided headroom, volume of intermittent generation and demand forecast errors. The proportion of the ORR met by STOR is determined by considering the technical system requirements and also the forecast cost of alternatives versus the cost of the tendered STOR units.

National Grid aims to procure STOR tenders such that a minimum of 1800MW of contracted STOR is made available throughout the STOR seasons. The daily and seasonal optimal STOR MW level varies due to real-time and seasonal pressures on the system, but National Grid typically aims to achieve approximately 2300MW of STOR available where economic to do so.

National Grid manages the optimal STOR MW level at a daily resolution through the week-ahead Flexible STOR assessment, refining the available portfolio in response to the forecast conditions for the week-ahead.

In order to achieve the optimal level at the week-ahead stage, National Grid examines historic availability profiles from Committed and Flexible providers to help determine the volume of STOR tenders to procure at the tri-annual tender round. During the assessment National Grid uses specific unit forecasts based on history where available and also based on any other information available, however as a general rule the following de-rated percentages can be applied to the data to develop a clearer understanding of the actual volume available. BM-C 90%, NBM-C 85%, NBM-F non winter 50% NBM-F winter 25%. These figures represent average outturn availability over the various seasons, the actual availability over the peak winter evenings has been significantly lower for NBM-F. When considering the capacity accepted and tendered it is important to think of it not in absolute volumes but instead the de-rated volume. Whilst there is currently no fixed limit to the amount of Committed, Flexible, or Premium Flexible we are willing to accept, committed units are key in meeting the requirement during those periods of low non-committed availability and as such National Grid values committed units particularly in the winter seasons.

The two versions of the chart below demonstrate this concept and also highlight the recent change in the market "available capacity" over the winter months in particular.

Figure 1 gives a breakdown of the accepted Flexible and Committed MW per season since the start of the STOR service. The blue line represents the sum of the maximum tendered MW from unique units from any tender round for each season. Capacity is as tendered, in a change to previous charts unsuccessful tenders from 2010 long term tenders have been removed from the maximum MW tendered. For seasons with tender rounds still to come, this figure will increase if units that thus far have not tendered for that season, tender in. The black line on the chart represents the outturn average availability for each season (where available). Premium Flexible tenders are included in the Flexible category for the purpose of this chart.

Figure 2 gives exactly the same data as figure 1 but using the general de-rating figures shown above. This demonstrates a much closer match between total de-rated MW and the actual outturn available MW.

It should also be noted that the Maximum tendered capacity is greater than (or equal to) the actual current capacity as some units have left the market or reduced their capacity.

Figure 1

Breakdown of Accepted Flexible and Committed MW per season

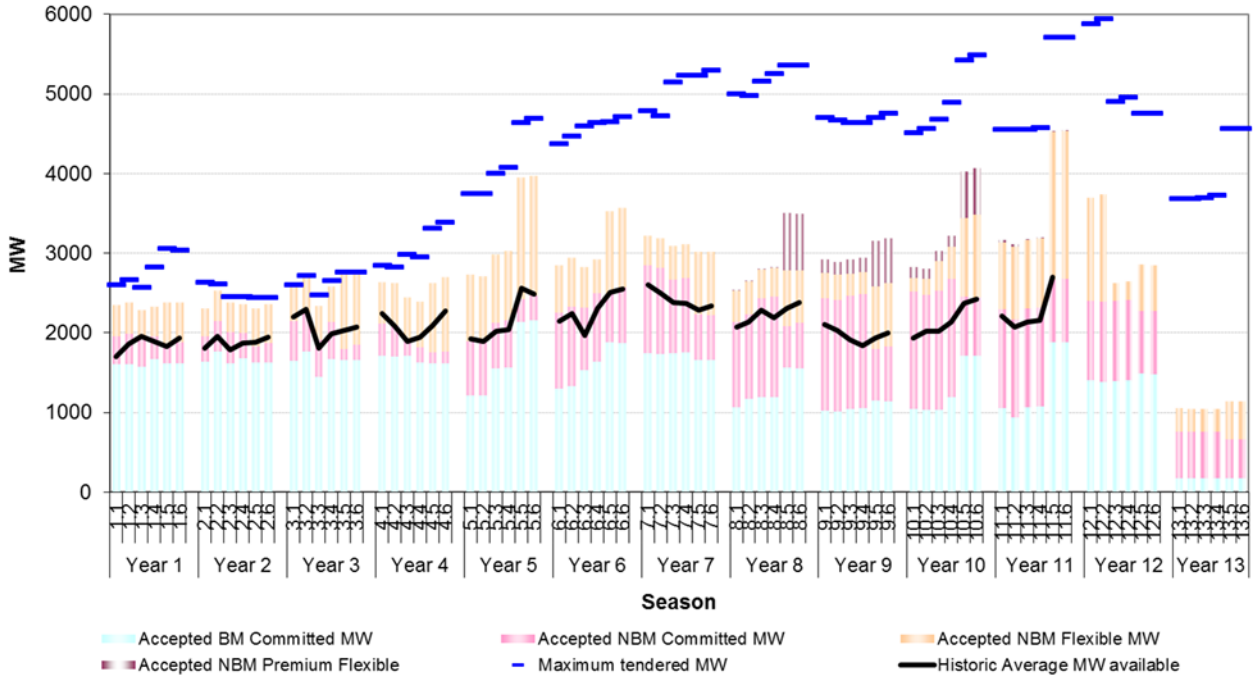
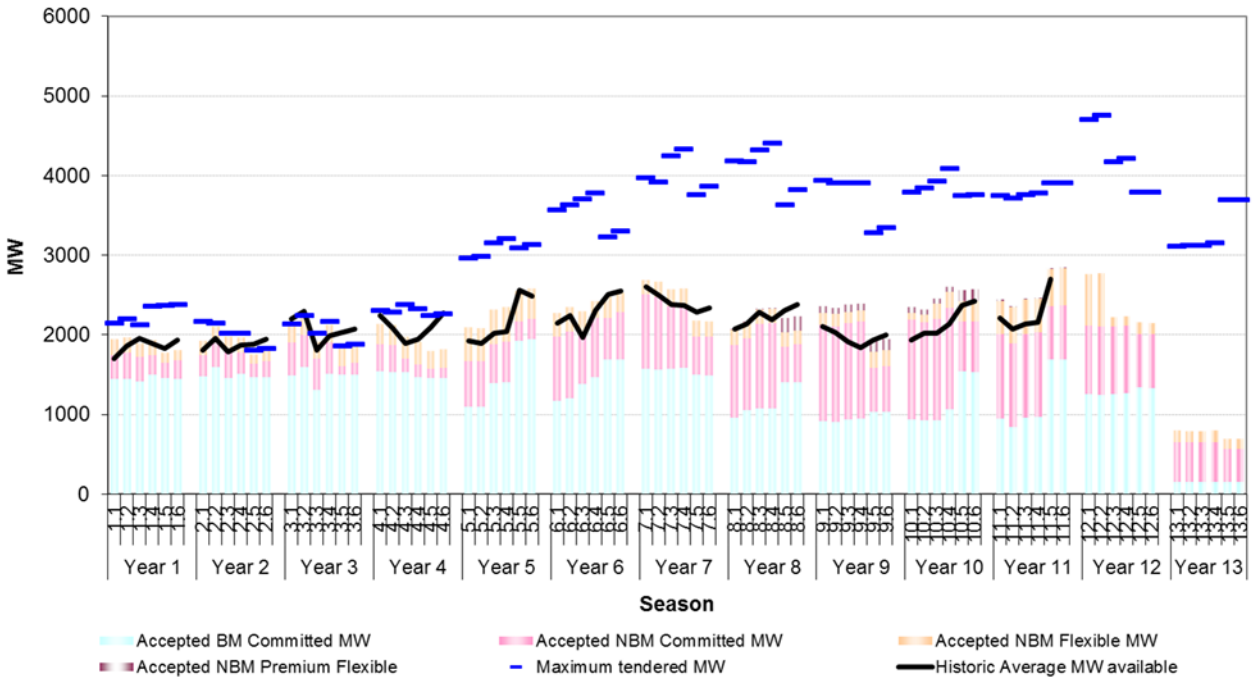


Figure 2

Breakdown of Accepted Flexible and Committed De-rated MW per season



Tenders received and assessment results

Table 1 below summarises the tenders received, it also summarises the total contracted and de-rated. A full breakdown of contracted and tendered data can be found in the Excel file.

Season Number	TR 34 Tenders						Already contracted capacity	
	BM-C	NBM-C	NBM-F	NBM-PF	Total	De-rated Total	Total	De-rated Total
12.1	862	383	1171	0	2416	1687	2510	2121
12.2	862	432	1188	0	2482	1737	2481	2099
12.3	797	384	112	0	1293	1100	2489	2106
12.4	887	386	112	0	1385	1182	2511	2123
12.5	1011	199	203	0	1413	1130	2554	1989
12.6	1011	199	203	0	1413	1130	2548	1984
13.1	1554	1160	323	0	3037	2546	389	331
13.2	1567	1184	286	0	3037	2560	387	329
13.3	1574	1184	286	0	3044	2566	388	330
13.4	1583	1205	286	0	3074	2592	389	331
13.5	2499	879	536	0	3914	3130	390	332
13.6	2493	879	536	0	3908	3125	390	332

Table 2 below summarises the accepted units and the approximate requirement remaining for the next tender rounds.

Season Number	TR 34 Tenders Accepted						Remaining
	BM-C	NBM-C	NBM-F	NBM-PF	Total	De-rated Total	Total
12.1	0	134	1051	0	1185	639	-
12.2	0	134	1124	0	1258	676	-
12.3	0	134	0	0	134	114	-
12.4	0	134	0	0	134	114	-
12.5	0	153	148	0	301	167	200
12.6	0	153	148	0	301	167	200
13.1	170	198	297	0	665	470	1500
13.2	170	196	286	0	652	463	1500
13.3	170	196	286	0	652	463	1500
13.4	170	198	286	0	654	464	1500
13.5	170	101	481	0	752	359	1600
13.6	170	101	481	0	752	359	1600

Successful Tenders in TR33

Year 12 (2018/19)

This tender round was the final opportunity to tender for seasons 12.1 and 12.2; as such the most economic tenders were accepted to provide sufficient volume to meet the optimal level.

Year 13 (2019/20)

This was the first opportunity for Year 13 (excluding long term tenders). A combination of the most economic all or nothing and tenders with no restrictions were accepted. Overall, we had an increasing amount of tenders for year 13, however we have a significant remaining requirement that we aim to fulfil within the future tender rounds.

Tables demonstrating the breakdown of accepted and rejected tenders and average prices have been moved to the MIR Excel file.

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Expectations for TR35

This section is designed to clarify our views for the next tender round, including remaining requirement and likely intentions.

- **Year 12:** We have now secured a significant proportion of our required volume for all seasons in year 12. We have procured the majority of the requirement for Seasons 12.3 & 12.4, but will continue to monitor the requirement and may replace any contracts that are terminated. A small requirement ~200MW, remains for Seasons 12.5 & 12.6 and, where it is economic to do so, this will be filled in TR35 and/or TR36. PF units will continue to be assessed at 0% availability during peak periods. Flexible units will be accepted in line with committed prices; high priced units are likely to be rejected at the week-ahead assessment stage if there is a surplus of capacity.
- **Year 13:** TR35 is the second opportunity (excluding long term tenders) for Year 13. A significant proportion of the requirement remains for all seasons. National Grid will accept only the most economic tenders across all seasons. PF units will continue to be assessed at 0% availability during peak periods. Flexible units will be accepted in line with committed prices; high priced units are likely to be rejected at the week-ahead assessment stage if there is a surplus of capacity.

Figure 3 presents the number of units and the total MW tendered and accepted for each season and each location.

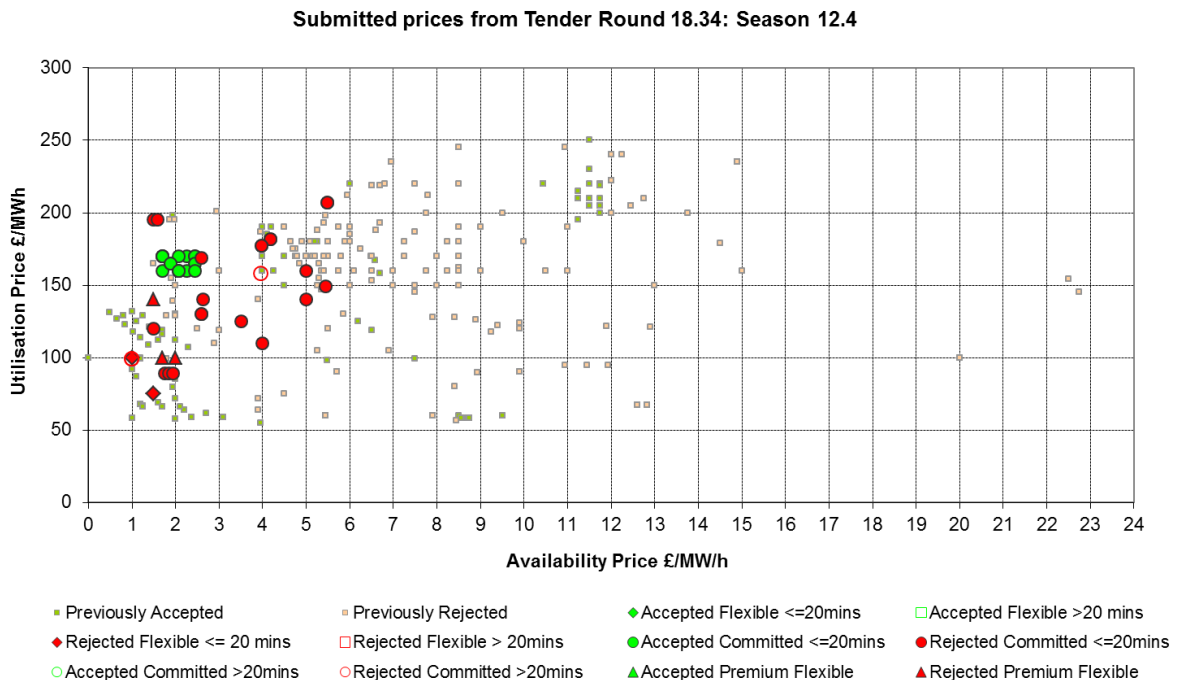
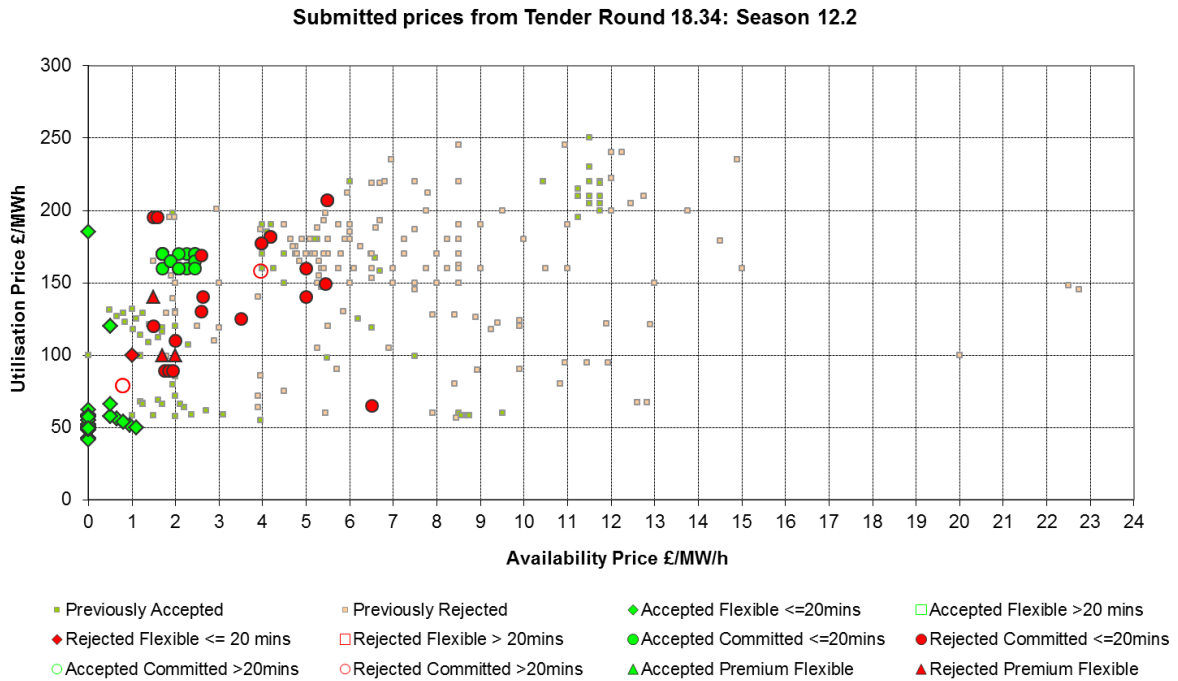
Figure 3

	Units		MW			Units		MW	
	tendered	Accepted	tendered	Accepted		tendered	Accepted	tendered	Accepted
SCOTLAND					SOUTH				
12.1	1	-	40	-	12.1	75	64	950	626
12.2	1	-	40	-	12.2	75	64	950	626
12.3	1	-	40	-	12.3	11	-	324	-
12.4	1	-	40	-	12.4	11	-	324	-
12.5	-	-	-	-	12.5	12	3	374	49
12.6	-	-	-	-	12.6	12	3	374	49
13.1	-	-	-	-	13.1	54	22	1,395	377
13.2	-	-	-	-	13.2	53	21	1,377	371
13.3	-	-	-	-	13.3	53	21	1,384	371
13.4	1	-	10	-	13.4	53	21	1,394	372
13.5	2	1	50	10	13.5	50	23	1,347	389
13.6	2	1	50	10	13.6	50	23	1,341	389
NORTH					MULTIPLE				
12.1	62	50	1,127	331	12.1	33	29	299	228
12.2	78	66	1,184	395	12.2	35	31	308	237
12.3	12	-	724	-	12.3	22	18	205	134
12.4	13	-	816	-	12.4	22	18	205	134
12.5	14	4	820	79	12.5	22	21	219	173
12.6	14	4	820	79	12.6	22	21	219	173
13.1	60	6	1,074	82	13.1	80	33	568	206
13.2	61	6	1,098	81	13.2	79	32	562	200
13.3	61	6	1,098	81	13.3	79	32	562	200
13.4	62	6	1,114	82	13.4	78	32	556	200
13.5	64	10	1,979	147	13.5	76	33	538	206
13.6	64	10	1,979	147	13.6	76	33	538	206

Prices

Figures 4 and 5 below show scatter plots of availability and utilisation price for each tender and for each season. The data is broken down into response time groups of >20 mins or <=20 mins, Flexible or Committed service and accepted or rejected tenders. These charts also display any units accepted as Premium Flexible, or rejected as Premium Flexible if they were not then assessed as Flexible. If a unit was rejected as Premium Flexible and then assessed as Flexible, they are represented on the chart as normal Flexible tenders. These charts also depict the accepted and rejected tenders from previous tender rounds. To keep this report short only seasons 2, 4 and 5 are displayed (these are the longest of each of the season pairs). The full data for all seasons is available in the MIR Excel file.

Figure 4 Year 12 Availability and Utilisation price charts



Submitted prices from Tender Round 18.34: Season 12.5

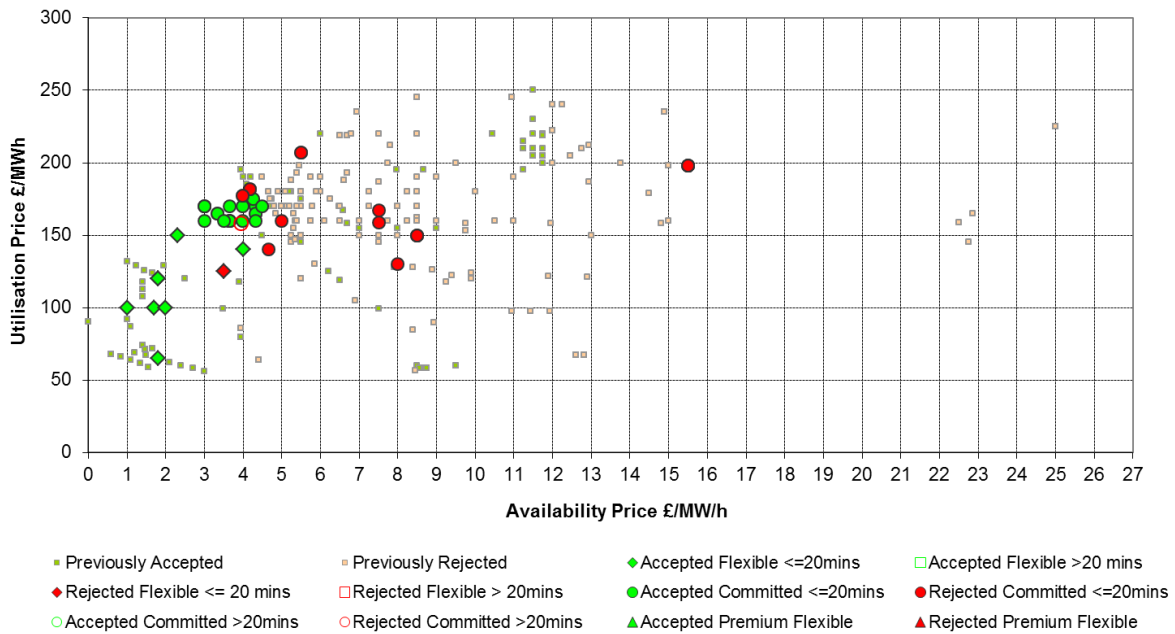
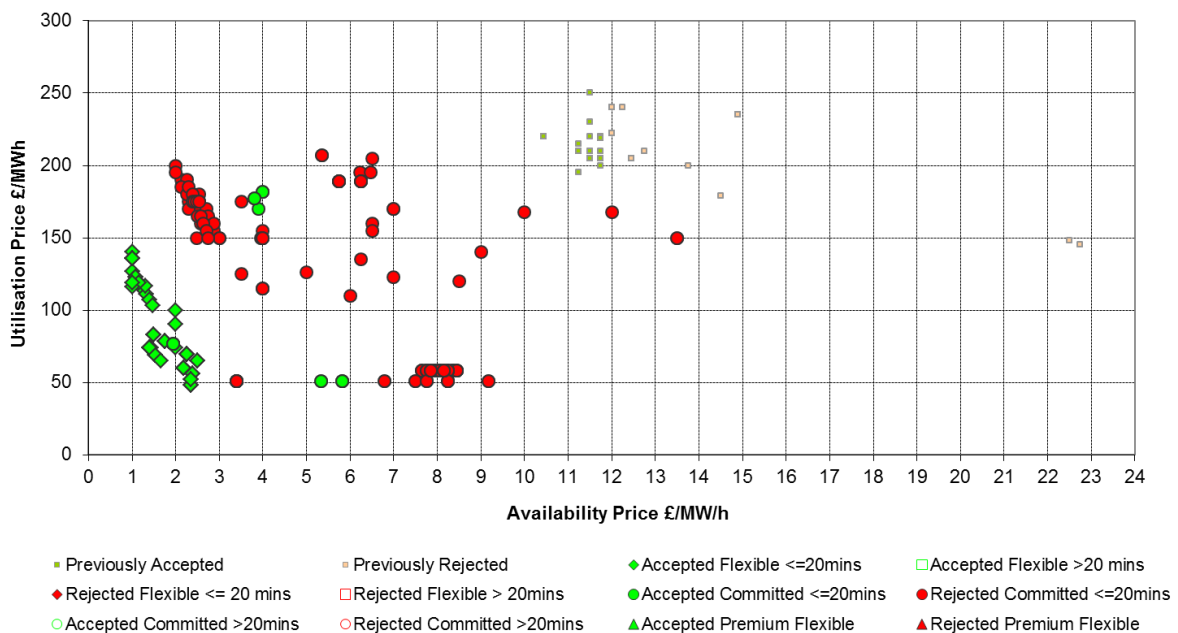
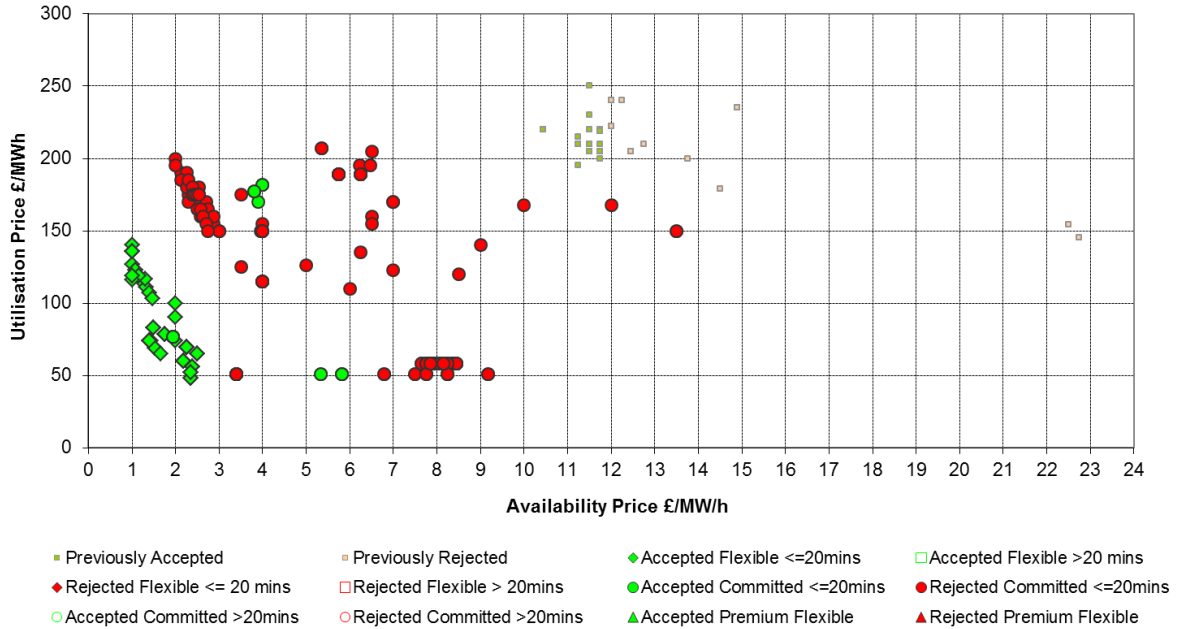


Figure 5 Year 13 Availability and Utilisation price charts

Submitted prices from Tender Round 18.34: Season 13.2



Submitted prices from Tender Round 18.34: Season 13.4



Submitted prices from Tender Round 18.34: Season 13.5

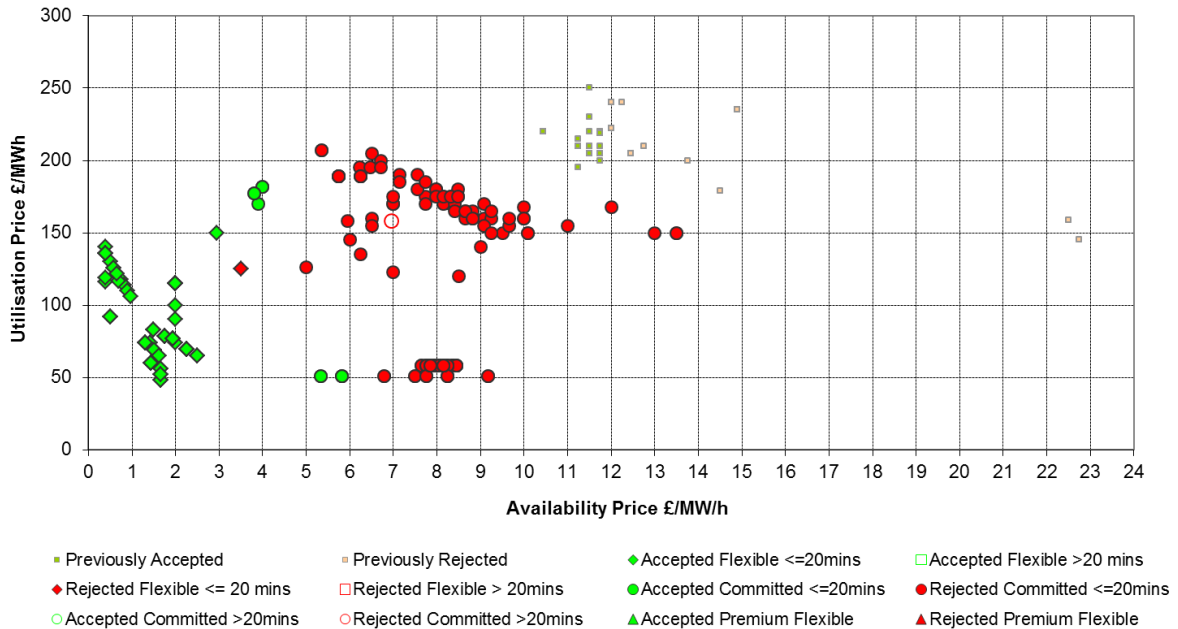


Table 3 below presents a summary of the highest accepted availability price for Committed and Flexible units with Premium Flexible tenders listed separately. The table also presents the highest and lowest Utilisation price accepted for each season as a guide. This information can be seen on the scatter plots above. For this report we have added an extra column which is the highest availability price accepted that is not from an “all or nothing” tender. This change is to help distinguish between “all or nothing” prices that were accepted due to their benefits in other seasons to those accepted for their benefit in the current season.

Table 3 Summary of accepted Prices

Season Number	Marginal Availability price accepted £/MW/h	Marginal Availability price accepted non all or nothing	Marginal PF availability price accepted £/MW/h	Highest Utilisation Price accepted £/MWh	Lowest Utilisation Price accepted £/MWh
12.1	2.44	1.1	-	185.00	41.35
12.2	2.44	1.1	-	185.00	41.35
12.3	2.44	-	-	170.00	160.00
12.4	2.44	-	-	170.00	160.00
12.5	4.50	2.00	-	175.00	65.00
12.6	4.50	2.00	-	175.00	65.00
13.1	5.82	2.50	-	182.00	48.00
13.2	5.82	2.50	-	182.00	48.00
13.3	5.82	2.50	-	182.00	48.00
13.4	5.82	2.50	-	182.00	48.00
13.5	5.82	2.50	-	182.00	48.00
13.6	5.82	2.50	-	182.00	48.00

Figure 6 below shows the detail of all or nothing tenders. For simplicity multiple tenders of the same price and tenders that have different prices across different seasons are removed from the following charts. Also tenders which have varying service types across seasons (for example committed in seasons 1-4 and flexible in seasons 5-6 are removed). Tenders that were accepted are coloured green and rejected tenders coloured red.

Figure 6 All or nothing tenders.



Utilisation price and response time stacks

Figures 7 and 8 exhibit cumulative graphs. In these graphs the total accepted MW from previous tender rounds, up to and including the results from TR34, have been stacked according to two categories: **Figure 7a & 7b** is ranked according to utilisation price and **Figures 8a & 8b** according to the response time of the unit. The utilisation prices have had indexation applied (seasonal and annual).

Figure 7a illustrates that for seasons 12.1 and 12.2 approximately 1750MW of STOR is contracted with a utilisation prices of £100/MWh or less.

Cumulative MW by Utilisation Price for Year 12

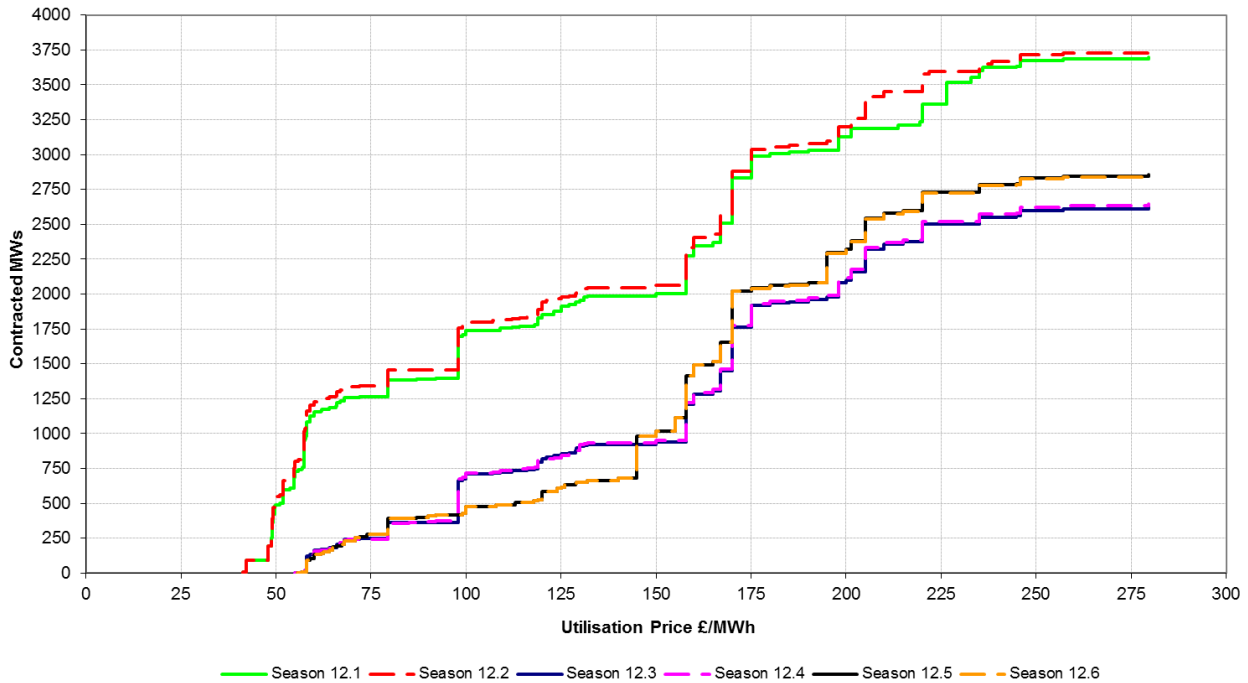


Figure 7b

Cumulative MW by Utilisation Price for Year 13

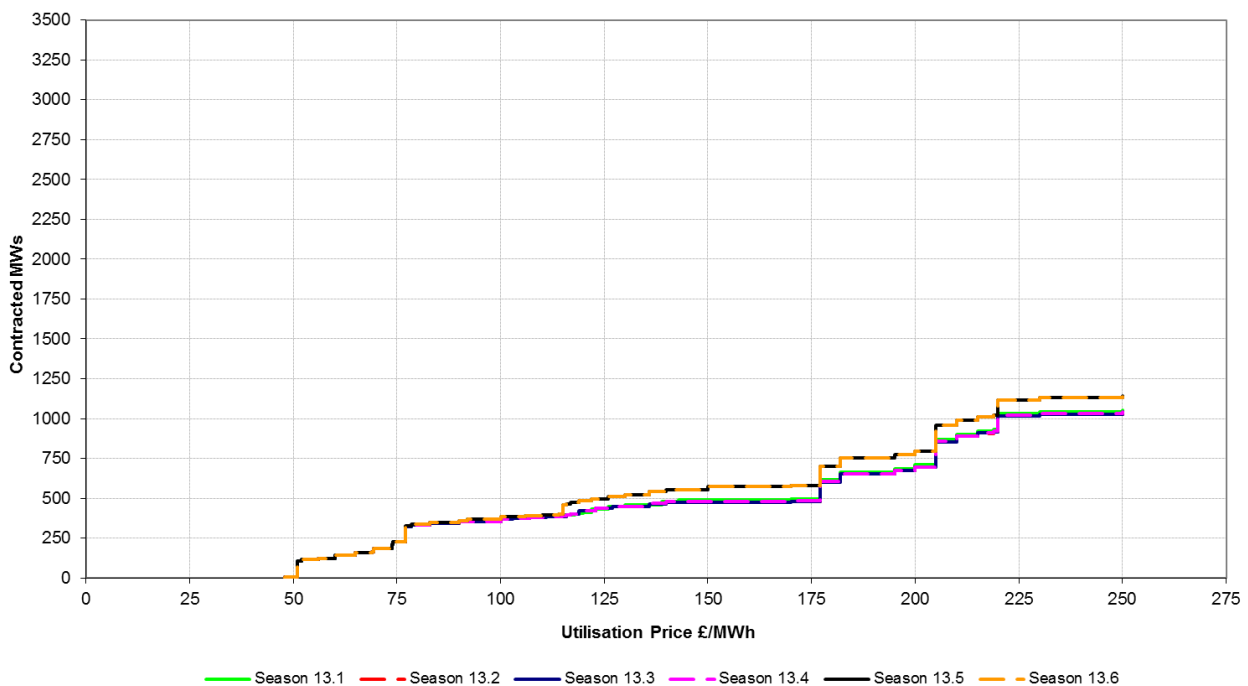


Figure 8a illustrates that for seasons 12.1 and 12.2 approximately 1750MW of STOR is contracted with a response time of 10 minutes or less.

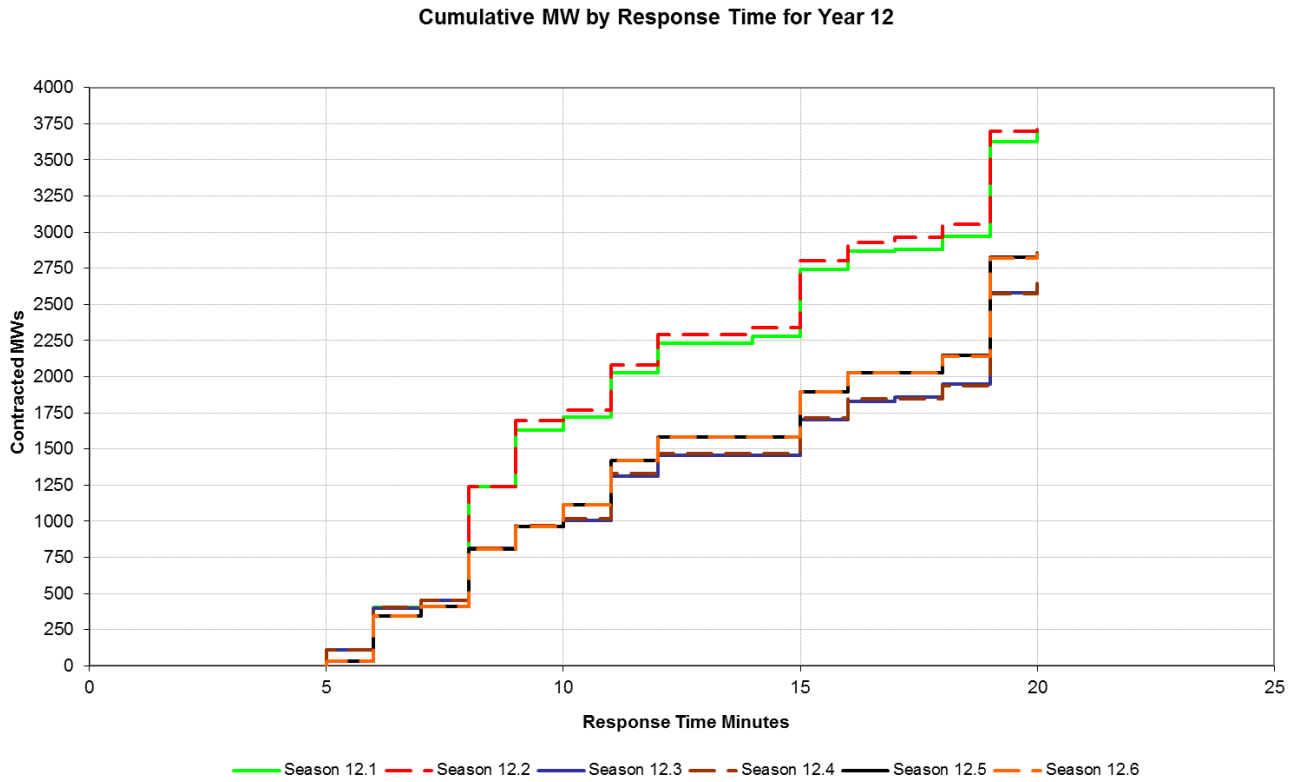
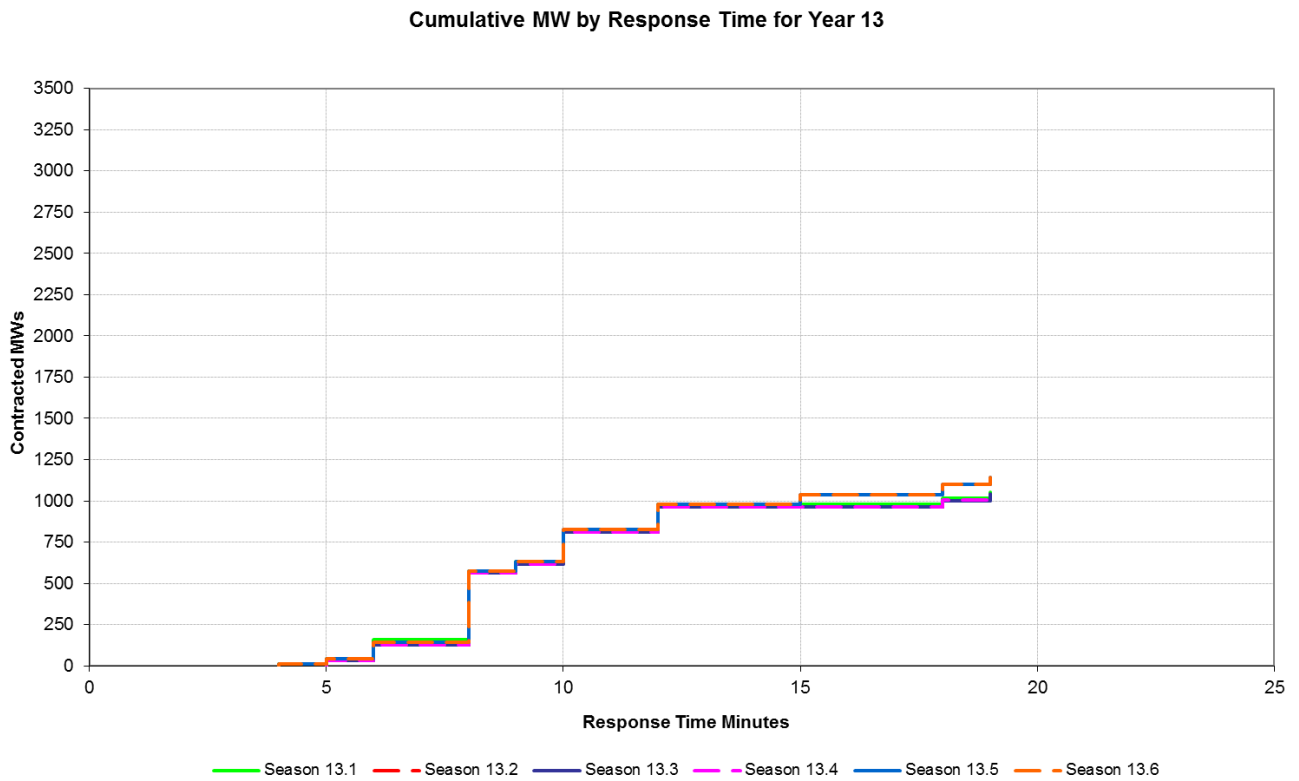


Figure 8b

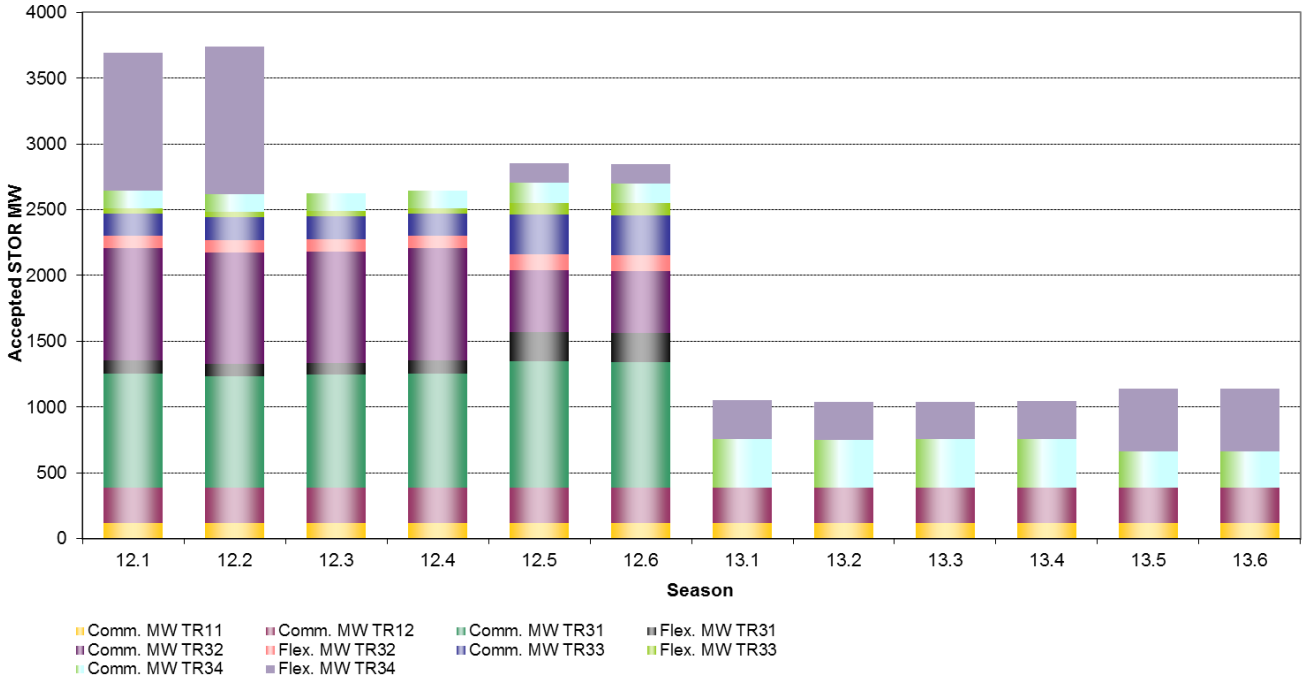


Total Contracted Position

Figure 9 shows the breakdown of accepted volumes from all previous tender rounds across the seasons of Years 12 and 13. The table accompanying Figure 9 below displays the same data in table format split by Committed or Flexible. For purpose of this chart and table Premium Flexible units are classed as Flexible units.

Figure 9 Year 12 and 13 summaries by tender round

Overview of Accepted STOR Tenders for Seasons 12.1 - 13.6



Season		12.1		12.2		12.3		12.4		12.5		12.6	
Accepted MW	Service Type	C	F	C	F	C	F	C	F	C	F	C	F
	TR11	116		116		116		116		116		116	
	TR12	273		271		272		273		274		274	
	TR31	862	103	850	89	857	89	866	100	957	220	951	220
	TR32	852	96	848	96	848	96	852	96	474	119	474	119
	TR33	170	38	170	41	170	41	170	38	306	88	306	88
	TR34	134	1051	134	1124	134		134		153	148	153	148
	Total	2407	1288	2389	1350	2397	226	2411	234	2280	575	2274	575

Season		13.1		13.2		13.3		13.4		13.5		13.6	
Accepted MW	Service Type	C	F	C	F	C	F	C	F	C	F	C	F
	TR11	116		116		116		116		116		116	
	TR12	273		271		272		273		274		274	
	TR34	368	297	366	286	366	286	368	286	271	481	271	481
	Total	757	297	753	286	754	286	757	286	661	481	661	481

Appendix 1: Terminology and Definitions

High level description of STOR:

STOR is designed to give National Grid sufficient Operating Reserve to replace sudden generation losses, or unpredictable changes in demand between four hours ahead of real time and real time and requires a large proportion of units to be available within 20 minutes. STOR also recognises that other potential reserve providers who cannot meet the 20 minute response time criteria can still be of value in meeting our reserve requirement. Hence a key aspect of the definition of the STOR product is that it extends the maximum response time to 240 minutes to allow alternative providers to participate. How value is placed on these units by National Grid is different to the sub 20 minute notice units as the longer notice units compete mainly with alternative options available in the Balancing Mechanism with equivalent response times. Location, reliability and utilisation parameters are also important elements of the STOR assessment.

The Committed service applies to all providers who wish to make themselves available for all required windows nominated by National Grid. Both BM and NBM providers can tender for this service. The Flexible service applies only to NBM providers and allows the provider to make the unit available or unavailable for particular windows. This availability is assessed on a week-ahead basis and providers are notified if their service is required or not. It is at the discretion of National Grid whether a unit is accepted or rejected at the week-ahead stage and this decision will be based on the same assessment principles as the main tender assessment. The increased accuracy of the week-ahead forecast means that some factors may have more importance such as location if specific constraint issues are forecast. Both Services attract an availability payment paid on a £/MW/h basis when available within defined windows and a utilisation payment on delivery of STOR MW when instructed by National Grid paid on a £/MWh basis.

A summary of the STOR service can be found on our website at the following link:

https://www.nationalgrid.com/sites/default/files/documents/General%20Service%20Description%20of%20STOR_0.pdf

Appendix 2:

Accepted and Rejected Tenders TR34: A list of information containing prices, response time, location and unit type of all accepted and rejected tenders from this tender round, previously found in the appendix to the market information reports, can now be downloaded, in spreadsheet format, from the Market Information section of the STOR website:

<https://www.nationalgrid.com/uk/electricity/balancing-services/reserve-services/short-term-operating-reserve-stor?market-information>

Appendix 3: Season Reference

The following tables summarise the season information for the current year (Year 12) and the following year (Year 13).

Year 12 Seasons - 2018/19							
Season	Dates	WD		NWD		Indicative Hours	
		Start Time	End Time	Start Time	End Time	WD	NWD
1	05:00 on Sunday 1st April 2018 - 05:00 on Monday 30th April 2018	06:00 19:00	13:00 21:30	10:00 19:30	14:00 21:30	161.00 57.50	24.00 12.00
2	05:00 on Monday 30th April 2018 - 05:00 on Monday 20th August 2018	06:30 16:00 19:30	14:00 18:00 22:00	10:30 19:30 -	13:30 22:00 -	705.00 188.00 235.00	54.00 45.00 -
3	05:00 on Monday 20th August 2018 - 05:00 on Monday 24th September 2018	06:30 16:00	13:00 21:00	10:30 19:30	12:30 21:30	188.50 145.00	12.00 12.00
4	05:00 on Monday 24th September 2018 - 05:00 on Monday 29th October 2018	06:00 17:00	13:00 20:30	10:30 17:30	13:00 20:00	210.00 105.00	12.50 12.50
5	05:00 on Monday 29th October 2018 - 05:00 on Monday 28th January 2019	06:00 16:00	13:00 20:30	10:30 16:00	13:30 19:30	525.00 337.50	48.00 56.00
6	05:00 on Monday 28th January 2019 - 05:00 on Monday 1st April 2019	06:00 16:30	13:00 20:30	10:30 16:30	13:00 20:00	378.00 216.00	22.50 31.50
						3,451.5	342.0

Season	WD	NWD
1	23	6
2	94	18
3	29	6
4	30	5
5	75	16
6	54	9

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Year 13 Seasons - 2019/20							
Season	Dates	WD		NWD		Indicative Hours	
		Start Time	End Time	Start Time	End Time	WD	NWD
1	05:00 on Monday 1st April 2019 - 05:00 on Monday 29th April 2019	06:00	13:00	10:00	14:00	161.00	20.00
		19:00	21:30	19:30	21:30	57.50	10.00
2	05:00 on Monday 29th April 2018 - 05:00 on Monday 19th August 2019	06:30	14:00	10:30	13:30	705.00	54.00
		16:00	18:00	19:30	22:00	188.00	45.00
		19:30	22:00	00:00	00:00	235.00	
3	05:00 on Monday 19th August 2019 - 05:00 on Monday 23rd September 2019	06:30	13:00	10:30	12:30	188.50	12.00
		16:00	21:00	19:30	21:30	145.00	12.00
4	05:00 on Monday 23rd September 2019 - 05:00 on Monday 28th October 2019	06:00	13:00	10:30	13:00	210.00	12.50
		17:00	20:30	17:30	20:00	105.00	12.50
5	05:00 on Monday 28th October 2019 - 05:00 on Monday 27th January 2020	06:00	13:00	10:30	13:30	525.00	48.00
		16:00	20:30	16:00	19:30	337.50	56.00
6	05:00 on Monday 27th January 2020 - 05:00 on Wednesday 1st April 2020	06:00	13:00	10:30	13:00	392.00	22.50
		16:30	20:30	16:30	20:00	224.00	31.50
						3,473.5	336.0

Season	WD	NWD
1	23	5
2	94	18
3	29	6
4	30	5
5	75	16
6	56	9