

December 2010

## Interim Electricity Operational Forum

10:00am, Wednesday 15th December 2010

The Interim Forum takes place in-between Full Forums and is facilitated by a Live Meeting link.

### Agenda

- Operational Update - Jo Faulkner
- Settlements Overview – Nolan Robertson
- BSIS Update – Ian Pashley
- ION Refresh – Nathan Winyard
- Long Term STOR Strategy – Nigel Fox

## Short Term Operating Reserve

### STOR Hours on Christmas and New Year's Days

In respect of STOR availability hours please be aware that National Grid will be classifying Christmas Day 2010 and New Year's Day 2011 as Non-Working Days.

### STOR Tender Round 13 – Electronic Submissions Trial

As part of an ongoing effort to improve the efficiency of the STOR tender process a project is underway that is looking to introduce an electronic tender process. It is currently envisaged that this will take the form of a secure online web portal, where providers can log in and submit their tenders.

As part of this project, a trial will be conducted during Tender Round 13 where providers can choose to fill in a Microsoft Excel based tender sheet alongside the current paper based tender sheets. This trial will be used to assess the feasibility of potentially moving towards an

electronic tender process. Any tenders submitted using the electronic tender process WILL NOT for part of the formal assessment by National Grid. Therefore providers MUST also submit the existing paper based tender sheets if they wish to be assessed by National Grid. The

purpose of the trial is to gain experience of operating an electronic solution prior to rolling it out formally.

The Microsoft Excel based tender sheets will be available to download along with the ITT packs on 10th December 2010.

## STOR Aggregator Model

Since the launch of Short Term Operating Reserve (STOR) in 2007, National Grid has received a number of requests from potential and existing providers to better facilitate sub 3MW generation and

demand reduction within the STOR commercial framework. Over the past 3 years National Grid has been developing terms with Aggregator parties on a bilateral basis to introduce additional flexibility to better facilitate

the representation of aggregation of geographically dispersed sites to provide an aggregated position to tender into the STOR market. These terms have been recently published as a Generic STOR

Framework Agreement for Aggregators on our STOR Website. Documents relating to these changes will be published by the 10th December 2010.



## Network Infrastructure Upgrade

National Grid is currently upgrading all of its critical communication networks throughout the company. This is part of a larger asset refresh programme that many external participants may have heard about. The purpose of this upgrade is to improve reliability and make use of newer technology; to 'future proof' the communications networks as much as possible and enable an increased level of pro-active monitoring.

Although most of the network upgrade activity will be on National Grid's internal networks, it will include external communication links. This will mean that there will be an impact on EDL and EDT links to external participants. The time-frame for this activity will be May to July 2011. National Grid will be working hard with participants to minimise the operational impact on all parties. To this end, as there will be a short outage to the external links as each communication bearer is migrated, external parties will need to be failed over to their backup link before migration of their primary link. Any participant without a backup EDT link or unable to assist in failover will face up to a three hour outage to their EDT facility.

National Grid will be providing more information as the migration plan evolves. Initially, this will be group communications via the Operations Forum and then via direct communication to individual companies. We would remind participants that it is important to provide National Grid with up-to-date business and technical contact details to facilitate this process. Please email: [bmu.registration@uk.ngrid.com](mailto:bmu.registration@uk.ngrid.com)

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## National Grid Electricity SO Incentives Initial Proposals for 1st April 2011

National Grid has published its Initial Proposals for a two-year incentive scheme commencing 1st April 2011 available on the following area of our website:

<http://www.nationalgrid.com/uk/Electricity/soincentives/docs/>

The proposals set out in the Initial Proposals document are based on a revised approach to SO incentivisation, whereby a number of volatile, difficult to forecast parameters are modelled on an 'Ex-Post' basis. Under National Grid's proposed approach, no target is agreed prior to scheme start. Instead, the idea is that, as the scheme progresses, out-turn (Ex-Post) data is sourced for those volatile, difficult to forecast parameters, such as fuel prices, wholesale electricity prices and Net Imbalance Volume (NIV), which is then combined with a dataset containing forecast (Ex-Ante) data for other model inputs and run through National Grid's models to give an Ex-Post target cost calculation for Incentivised Balancing Costs.

National Grid notes the significant shift in incentivisation that these proposals represent, and encourages the industry to participate in this Initial Proposals consultation to ensure that their views can be taken into account in the Final Proposals for the incentive scheme commencing 1st April 2011. Responses to these Initial Proposals should be sent to: [soincentives@uk.ngrid.com](mailto:soincentives@uk.ngrid.com) by Wednesday 22nd December 2010.

As part of this year's Initial Proposals process National Grid is also holding an Electricity SO Incentives workshop in London on Wednesday 8th December 2010 and is offering to host one-to-one meetings with parties who are interested in gaining a more in-depth understanding to the Initial Proposals. If you are interested in the workshop, one-to-one meetings or further information please email: [soincentives@uk.ngrid.com](mailto:soincentives@uk.ngrid.com) or visit the: <http://www.nationalgrid.com/uk/Electricity/soincentives/> pages on our website.

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## Settlements Forum

The National Grid Settlements Team will be hosting a forum specific to settlements activities in the afternoon following February's Ops Forum and would like to invite members of your organisations with settlements responsibilities to come along and meet our team.

Full invitations and an agenda will follow shortly.

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## Electronic Substation Access

Currently access to National Grid substations is via an electronic PAC fob, which disarms electric fences and operates gates. Fobs are issued to named individuals and the administration of which is through a database and modem system. In anticipation of an upgrade to both the system hardware and software, National Grid has started a data cleanse operation by cancelling unused fobs. The new system allows enhancement to security, fault restoration and safety arrangements.

**If your PAC fob no longer operates or you wish to return an old fob, please contact Emma Brandrick on 01926 653890 for more information.**