

**BSSG – 16 May 2007**

---

# Agenda

---

- ◆ Brief background
- ◆ Frequency response dispatch
- ◆ Observations on prices

# Current procurement arrangements

---

- ◆ Mandatory response provision is an obligation under the Grid Code
  - ◆ GC outlines the technical requirements
- ◆ CUSC outlines the commercial provisions
  - ◆ Volume of response 'expected'
  - ◆ Energy price for volumes
  - ◆ Price submission for holding payments
    - ◆ Up to £9999.99 per product

# Commercial procurement

---

- ◆ Outside of the CUSC
- ◆ Many different types
  - ◆ FFR
  - ◆ FCDM
  - ◆ Bespoke contracts

# Frequency Response Dispatch

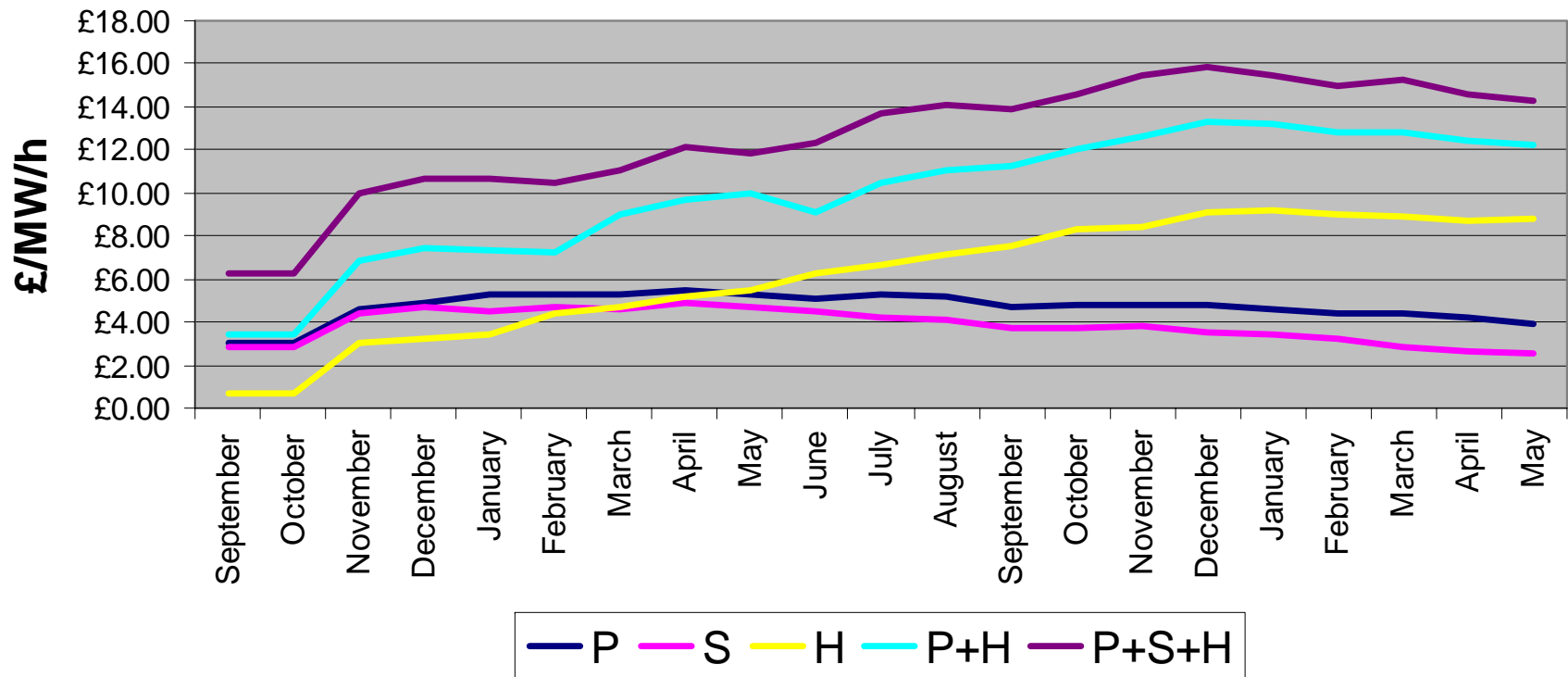
---

- ◆ Rational for selecting providers
  - ◆ Volumes of response required
  - ◆ The time of day and year
  - ◆ Demand level
  - ◆ Weather patterns
  - ◆ Volumes of dynamic / static
  - ◆ Unit loading point
  - ◆ Dynamics
  - ◆ Projected output profile / sync / desync times
  - ◆ BM prices
  - ◆ Frequency response holding prices
  - ◆ Capability
  - ◆ Historic performance
  - ◆ Derogations and exclusions
  - ◆ Commercial response contracts
  - ◆ Holding prices

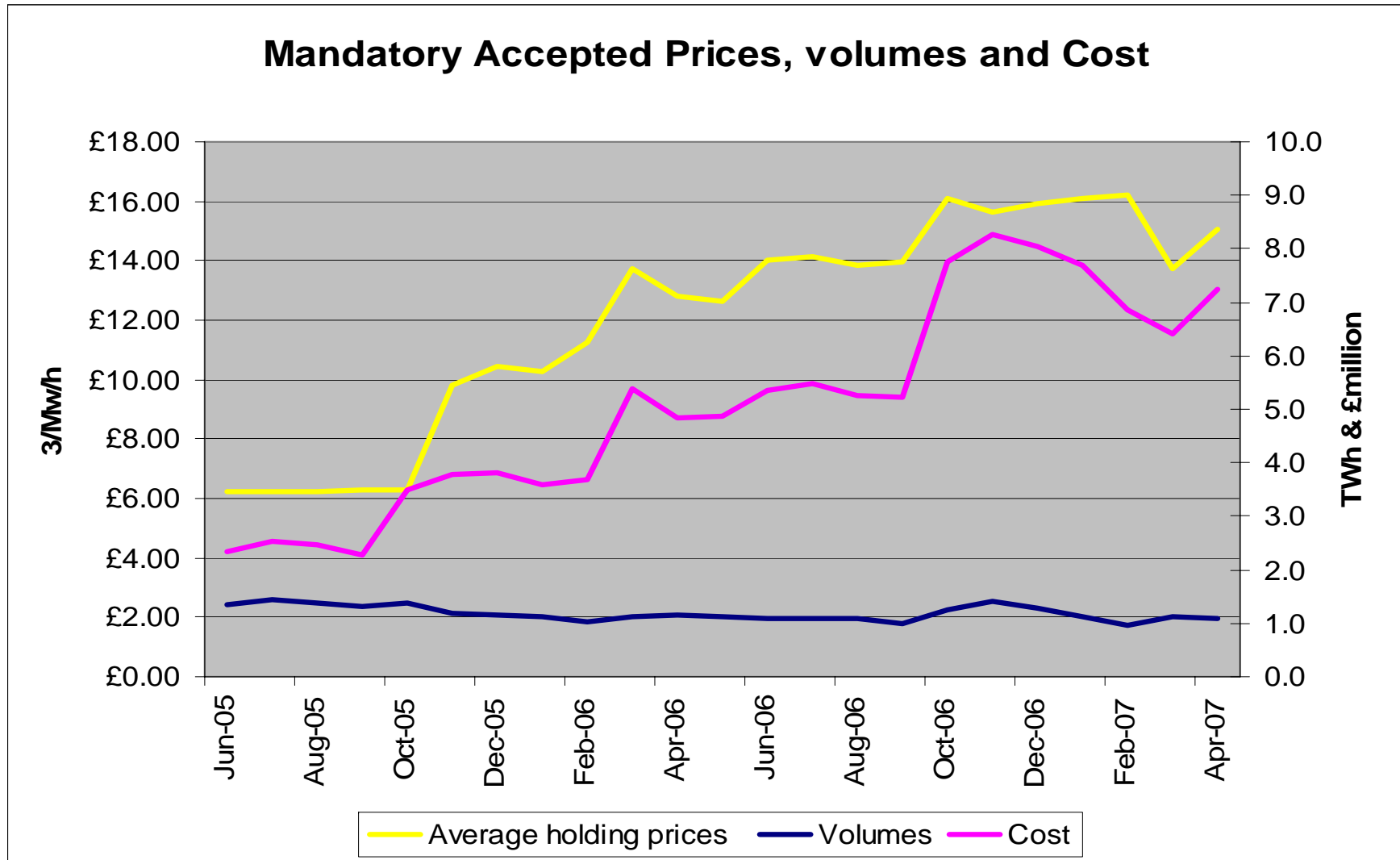
# Frequency Response Observations

## Submitted Frequency Response Holding Prices

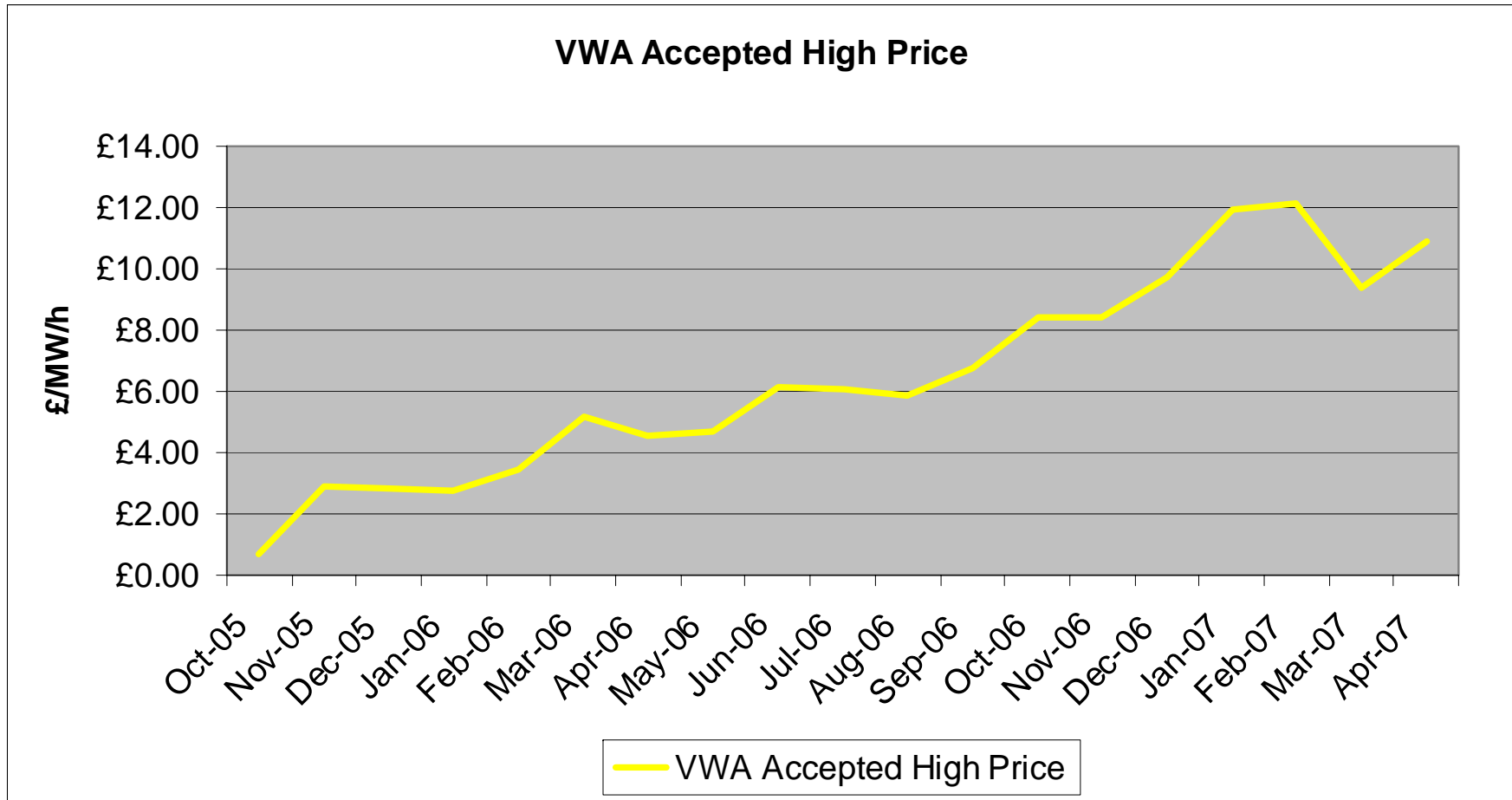
for submitted prices <£30/MW/h



# Frequency Response Observations



# Frequency Response Observations

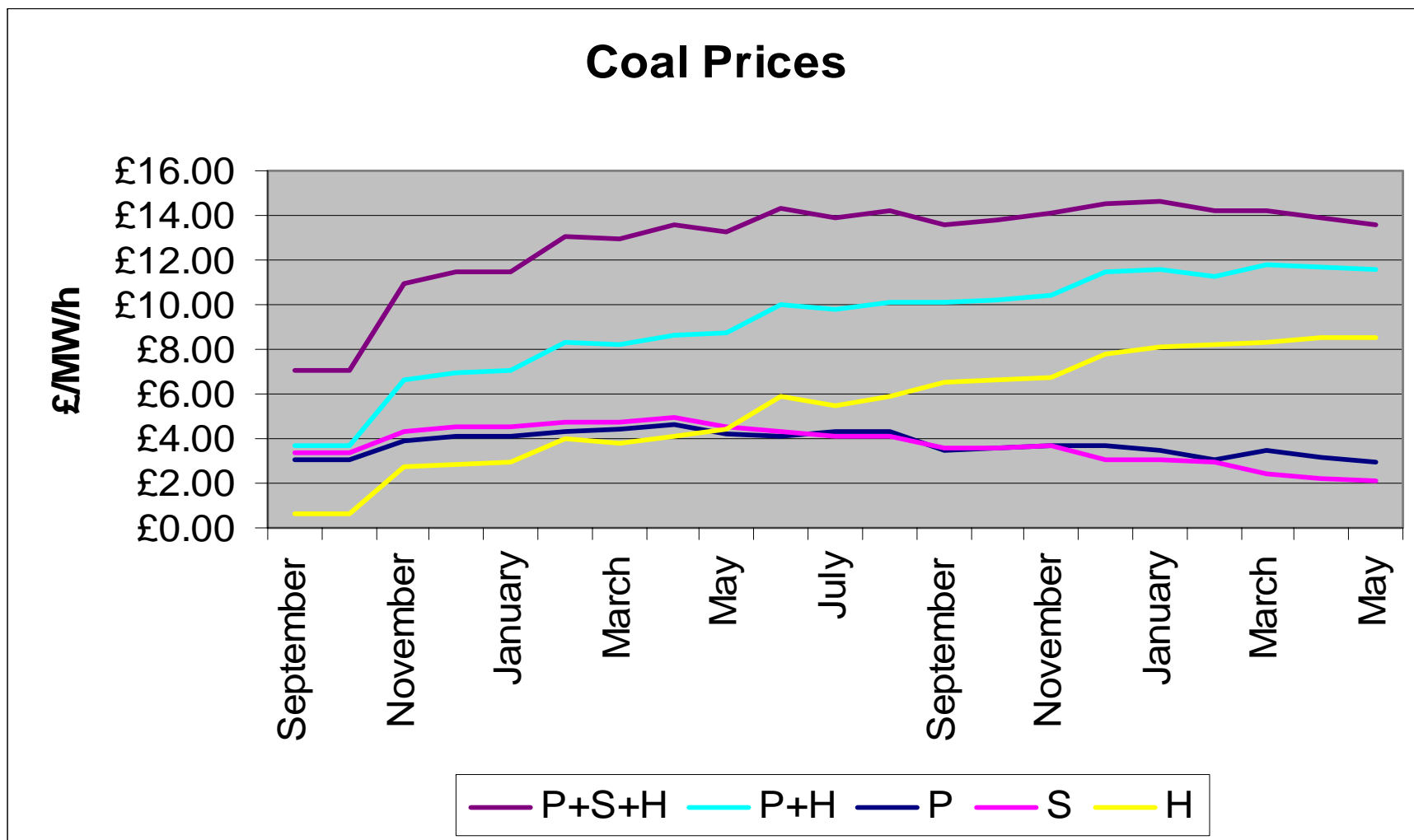


# Procurement issues

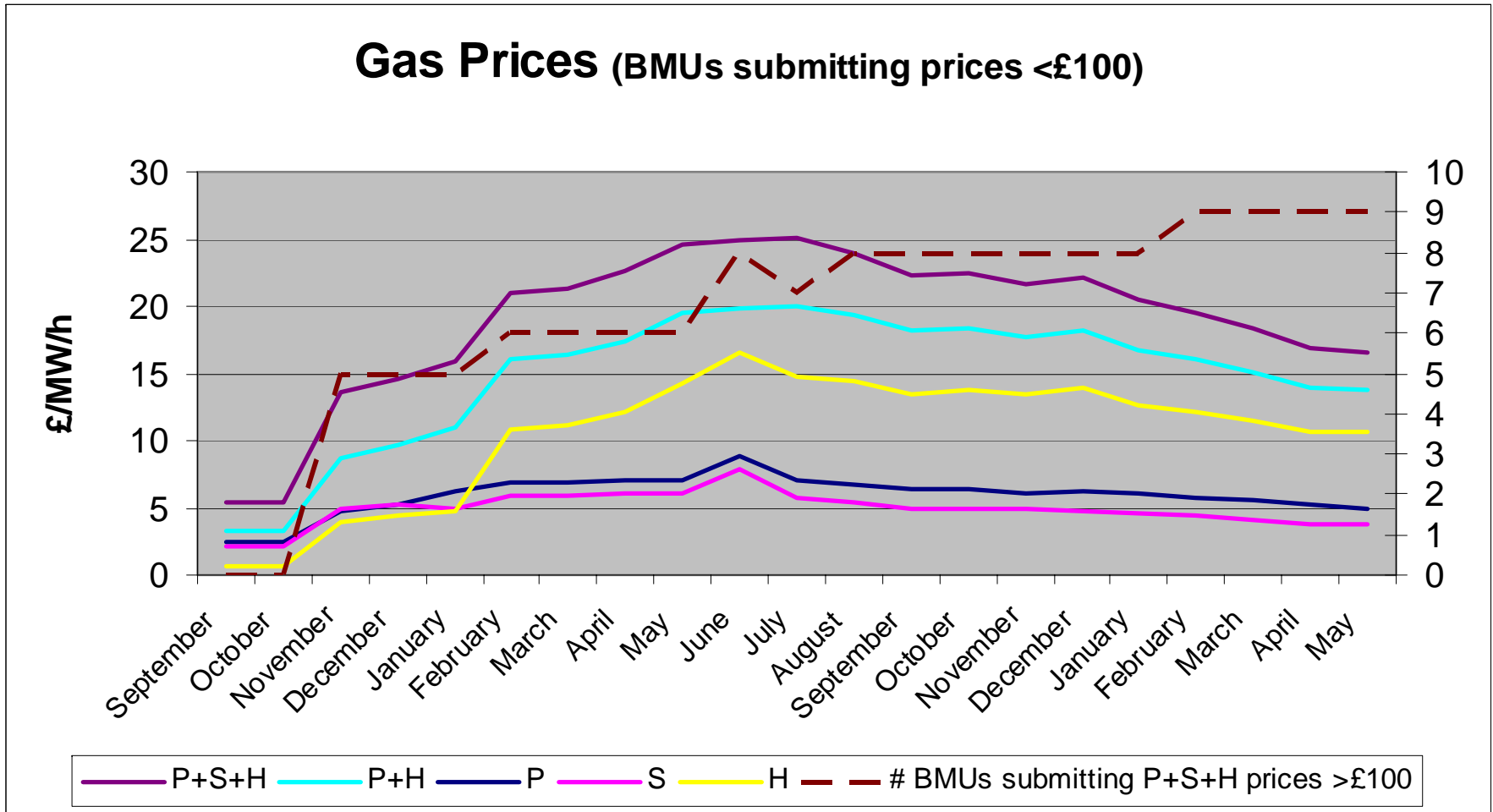
---

- ◆ Do the current procurement practices discriminate against certain participants?
  - ◆ Are there any procurement issues?
  - ◆ Are there any technical issues?

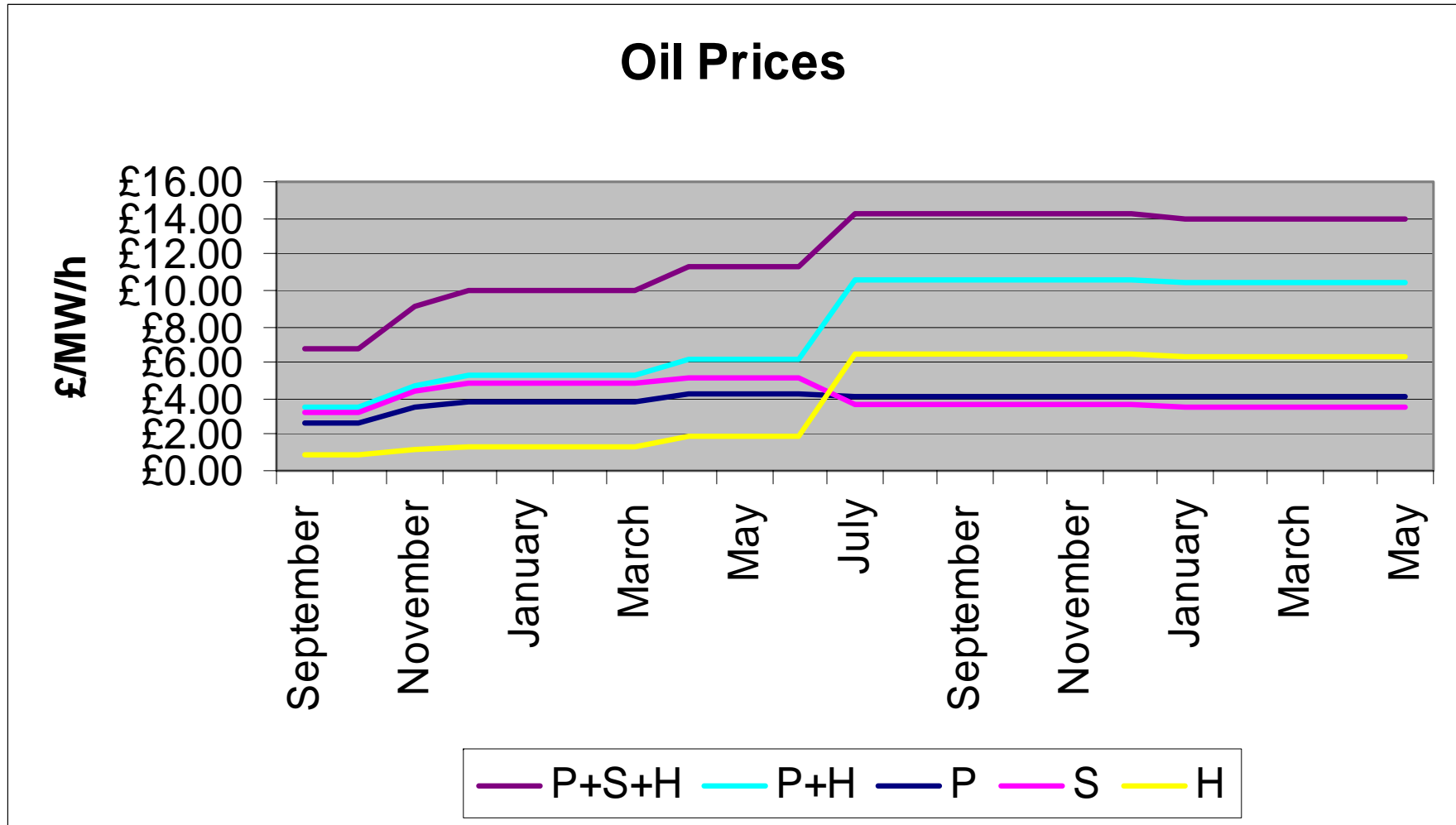
# Frequency Response Observations



# Frequency Response Observations



# Frequency Response Observations



# Discussion points

---

- ◆ What issues are there with the submission of prices?
  - ◆ Frequency of submission
  - ◆ Duration of applicable prices
  - ◆ Procurement products (P+H & P+S+H)
- ◆ Information provision
  - ◆ What additional information could be provided?
- ◆ Non delivery provisions
- ◆ Other