

STOR Market Information Report 07-03



(Short-Term Operating Reserve)

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 tendered utilisation and availability prices and National Grids' resultant forward contracted position; together with further details on the type, size and dynamics of the tendered plant. For further information regarding this product or how and when to tender please consult the tender and reports section of National Grids Balancing Services information website:

<http://www.nationalgrid.com/uk/Electricity/Balancing/services/reserveservices/STOR/>

Furthermore, information on the use of the STOR service can be seen at monthly resolution in the Monthly Balancing Services Statement found on National Grids Balancing Services information website:

<http://www.nationalgrid.com/uk/Electricity/Balancing/Summary/>

The report is divided into 2 main sections:

- Section 1 provides a summary of the tender round providing market participants with tendered and accepted volume and price information across seasons. The data is broken down between response time, flexible and committed providers plus a breakdown of the size of accepted units.
- Section 2 provides an overview of the total contracted position for each season of National Grid's Short Term Operating Reserve Requirement (STORR) through this and any previous tender rounds. This section allows the market participants to identify where there are opportunities to tender in future tender rounds.

This report is for the third tender round for 2007/08 and is for service provision commencing on the 28th October 2007.

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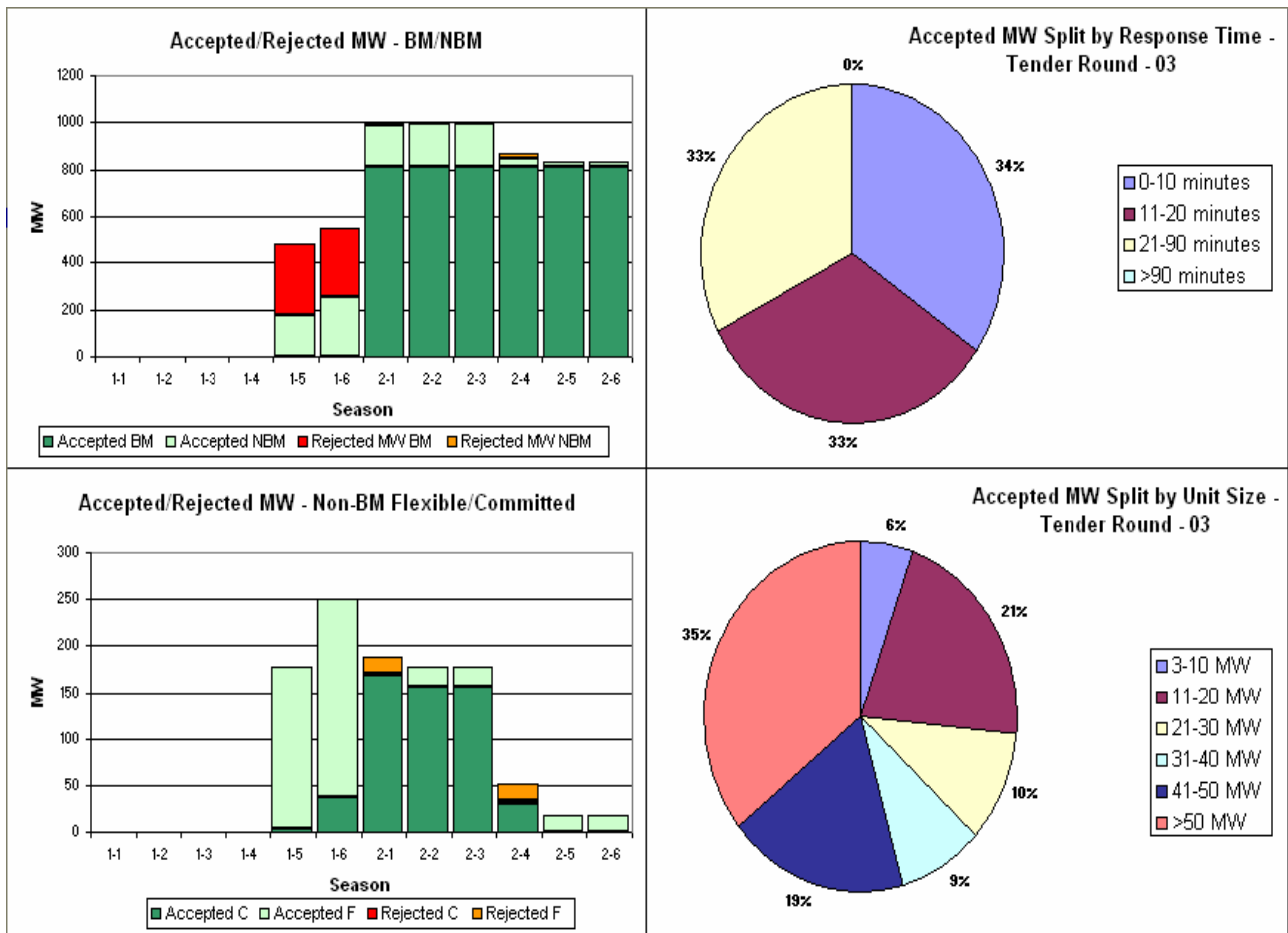
Section 1 Tender Round- 03

Table 1 below shows a high-level overview of the tenders received by National Grid and those that were accepted through the assessment process.

Table1: Season summary table for Tender Round – 03

	1 APRIL 2007 - 31 MARCH 2008						1 APRIL 2008 - 31 MARCH 2009					
	1-1	1-2	1-3	1-4	1-5	1-6	2-1	2-2	2-3	2-4	2-5	2-6
Tendered Companies					35	35	35	35	35	35	35	35
Tendered Units					14	21	32	32	32	29	22	22
Tendered MWs [MW]					478	551	1004	992	992	866	833	833
Average Availability Price* (submitted) [€/MWh]					£16.88	£15.76	£6.75	£6.82	£6.82	£8.71	£8.82	£8.82
Average Utilisation Price* (submitted) [€/MWh]					£199.90	£206.12	£234.95	£235.51	£235.20	£232.36	£232.16	£232.16
Accepted Units					13	20	28	32	32	25	22	22
Accepted MWs [MW]					178	251	986	992	992	848	833	833
Average Availability Price* (Accepted) [€/MWh]					£5.00	£5.97	£6.75	£6.82	£6.82	£8.71	£8.82	£8.82
Average Utilisation Price* (accepted) [€/MWh]					£190.00	£254.47	£234.95	£235.51	£235.20	£232.36	£232.16	£232.16

Below are a range of graphs to highlight the range of accepted providers and their characteristics.

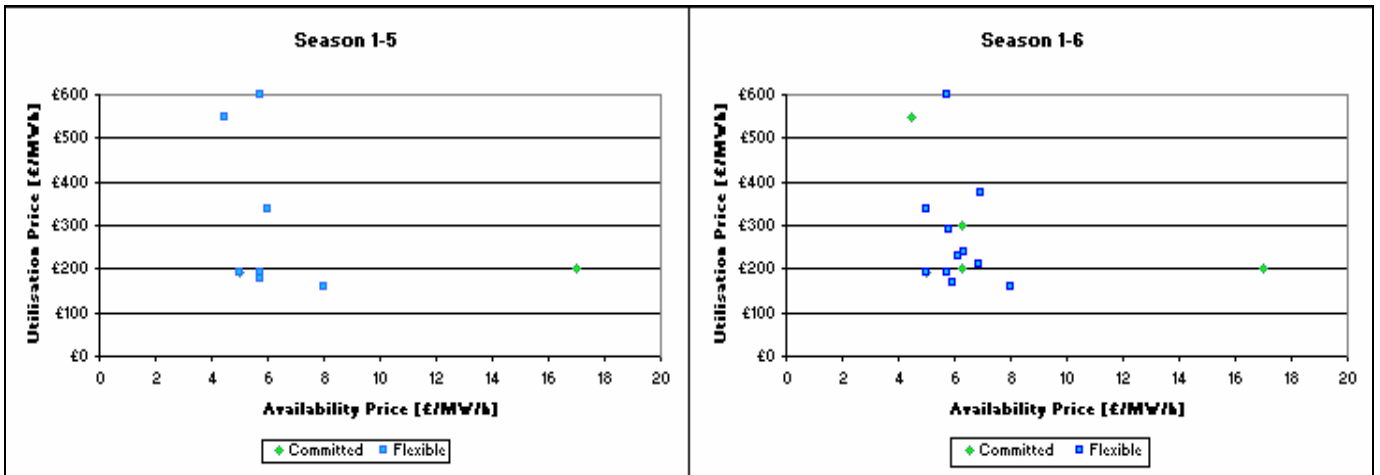


*Average prices are volume weighted

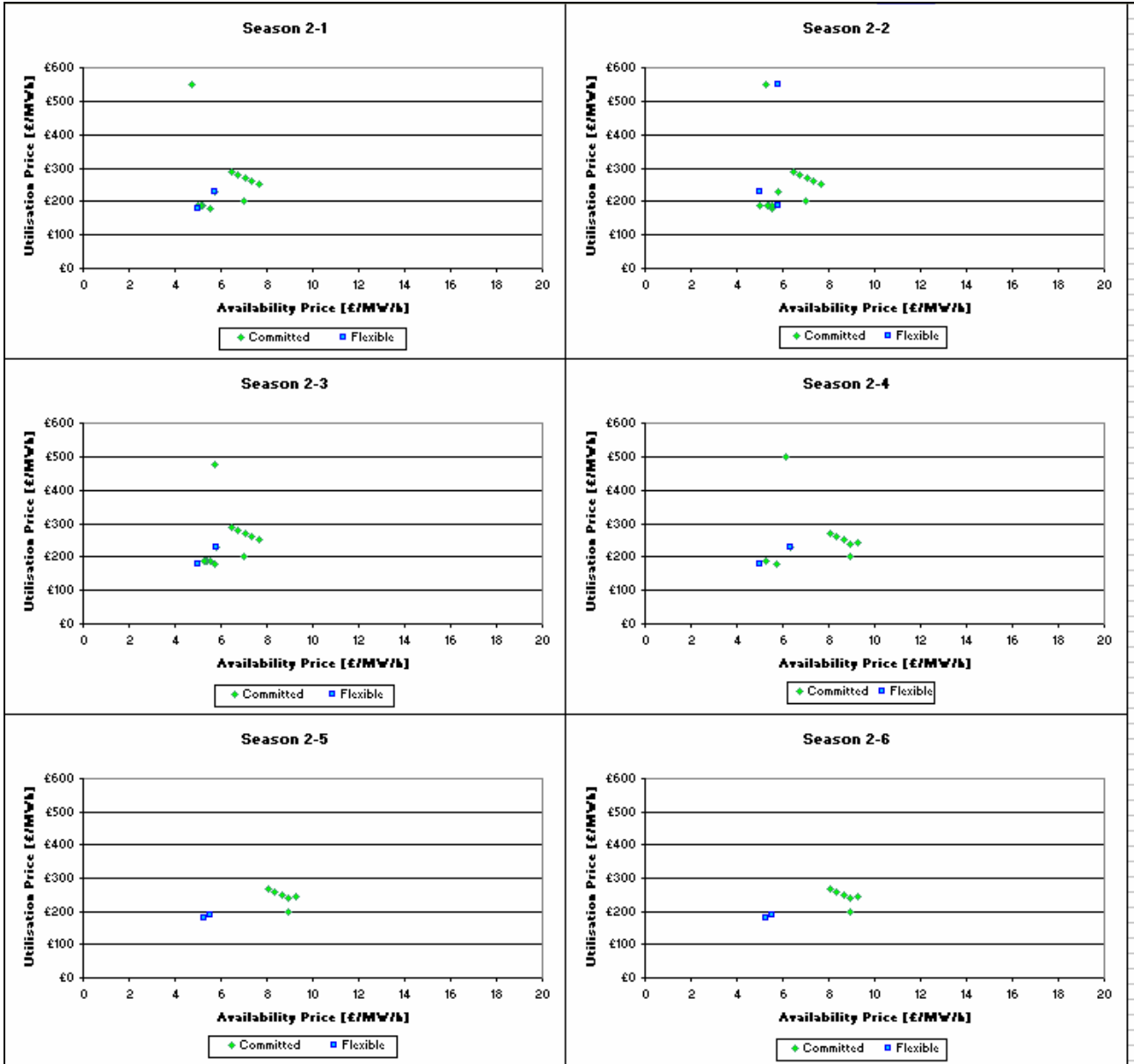
Section 1.2 Prices

Scatter plots of availability and utilisation prices for each season is shown below. Note that under STOR, providers may have significantly different response times.

Year 1 Submitted Tender Prices – Scatter Plots of availability & utilisation prices



Year 2 Submitted Tender Prices – Scatter Plots of availability & utilisation prices



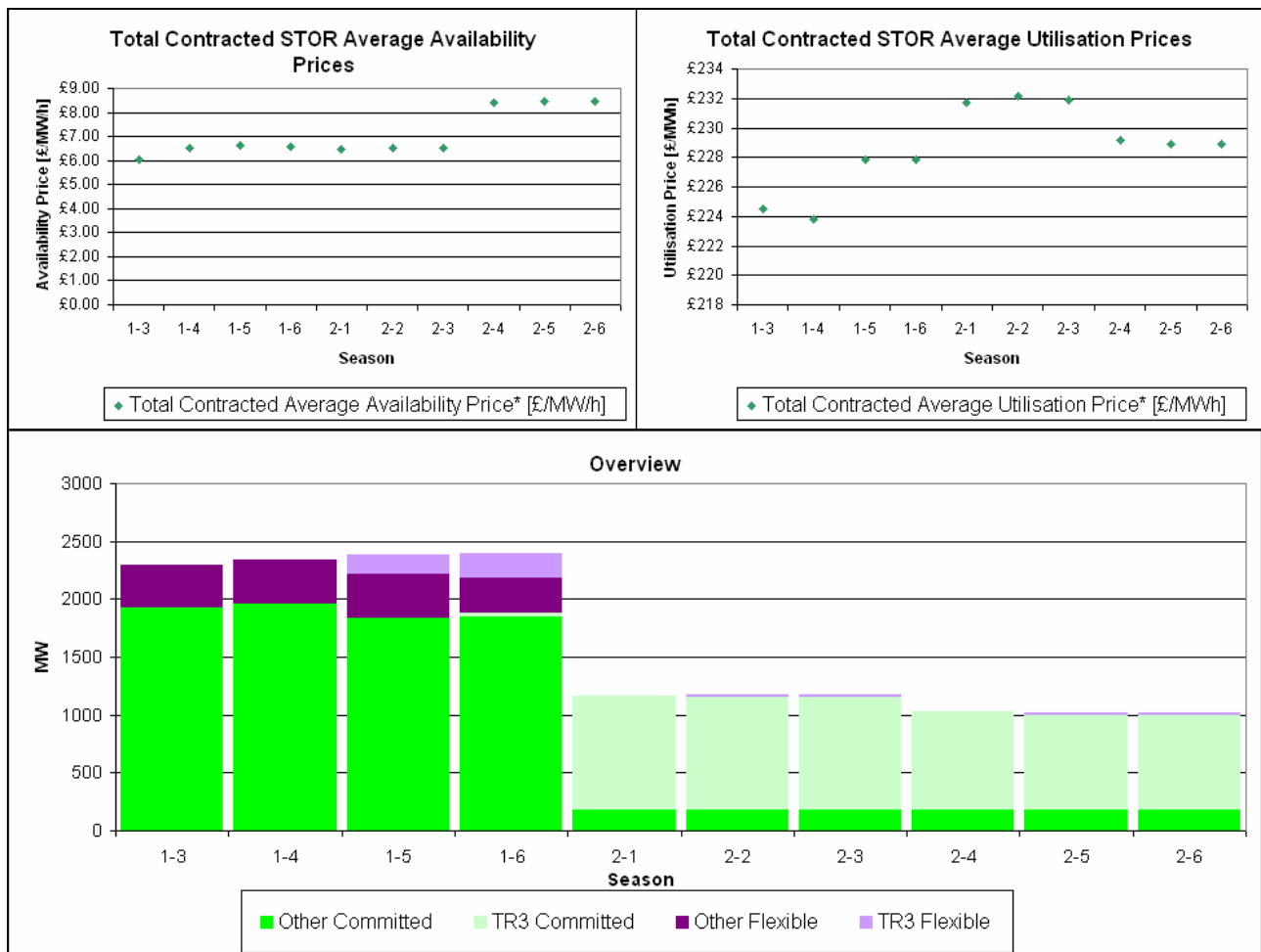
Section 2 Total Contracted Position

This section highlights how the results of this tender round contribute to National Grid's total requirement for Short Term Operating Reserve

Table 2: Summary of total contracted position as a result of Tender Round – 03

	1 APRIL 2007 - 31 MARCH 2008						1 APRIL 2008 - 31 MARCH 2009					
	1-1	1-2	1-3	1-4	1-5	1-6	2-1	2-2	2-3	2-4	2-5	2-6
Accepted Units					13	20	28	32	32	25	22	22
Accepted MWs [MW]					178	251	986	992	992	848	833	833
Other Contracted Units					91	85	6	6	6	6	6	6
Other Contracted [MW]					2210	2140	183	181	181	183	183	183
Total Contracted Units					104	105	34	38	38	31	28	28
Total Contracted [MW]					2388	2391	1169	1173	1173	1031	1016	1016
Total Contracted Average Availability Price* [€/MWh]					€6.60	€6.58	€6.46	€6.51	€6.52	€8.38	€8.46	€8.46
Total Contracted Average Utilisation Price* [€/MWh]					€227.81	€227.81	€231.74	€232.13	€231.87	€229.17	€228.92	€228.92

A graphical overview of the above table is shown below to highlight the total breakdown between providers and previous tender rounds.



*Average prices are volume weighted

Appendix

Terminology and Definitions

Term	Definition
STOR	Short-Term Operational Reserve
STORR	Short-Term Operational Reserve Requirement
Unit	As described within a STOR framework agreement as constituting a STOR site
Tendered / Accepted MW	The maximum availability in the specified period
Year 1	Equivalent to Financial Year 2007/08 commencing on 1st April 2007
Year 2	Equivalent to Financial Year 2008/09 commencing on 1st April 2008
Average Availability / Utilisation Price	The volume weighted average price for the specified period
TR	Tender Round

Season Reference

Season Number	Operational Date From	Operational Date To
1-1	01-Apr-07	28-Apr-07
1-2	29-Apr-07	18-Aug-07
1-3	19-Aug-07	23-Sep-07
1-4	24-Sep-07	27-Oct-07
1-5	28-Oct-07	02-Feb-08
1-6	03-Feb-08	31-Mar-08
2-1	01-Apr-08	26-Apr-08
2-2	27-Apr-08	16-Aug-08
2-3	17-Aug-08	21-Sep-08
2-4	22-Sep-08	25-Oct-08
2-5	26-Oct-08	31-Jan-09
2-6	01-Feb-09	31-Mar-09