

Fast Reserve

Market Information for Tenders for December 2001

National Grid publish the following information, in order to inform participants in the Fast Reserve tender round for December 2001.

Fast Reserve Availability

Our indicative daily requirement for Fast Reserve over winter is shown on a Settlement Period basis in Figure 1. This requirement covers weekdays, Saturdays and Sundays.

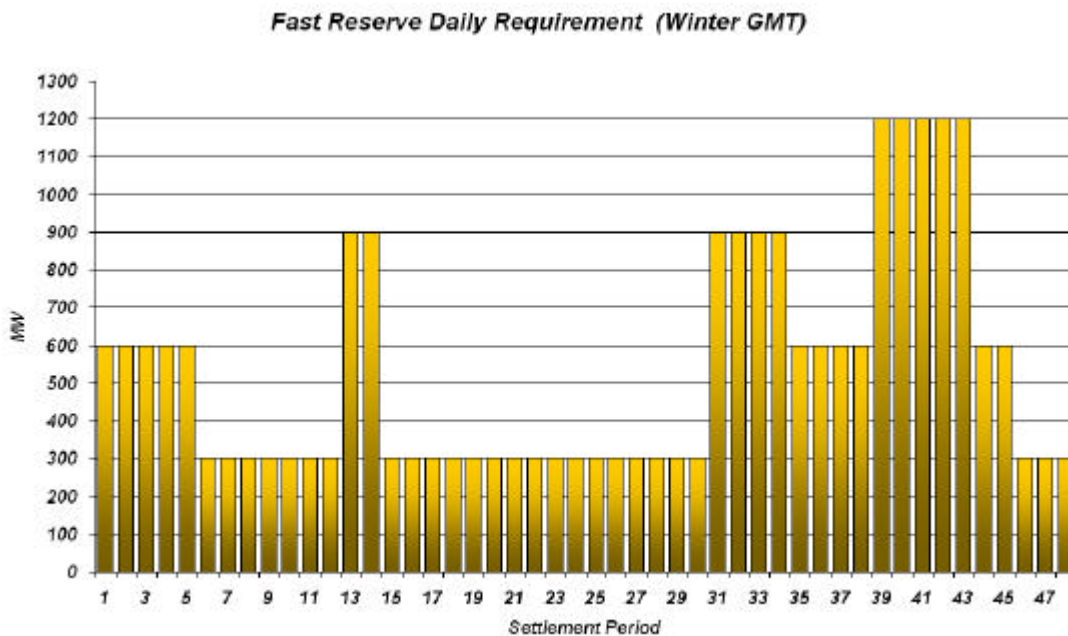


Figure 1

This figure gives an indication of the times of day when Fast Reserve is most useful to us. The actual amount of Fast Reserve "holding" varies from day to day, according to system conditions, but on average amounts to approximately one half of these requirements.

Fast Reserve Utilisation

Figure 2 shows the daily utilisation of Fast Reserve in the BM during "September" (the period 27th August - 23rd September 2001) and "October" (24th September - 21st October 2001). This information is based on the aggregate of Offers plus |Bids| accepted to provide Fast Reserve in the BM. For clarity, day numbers rather than dates are shown.

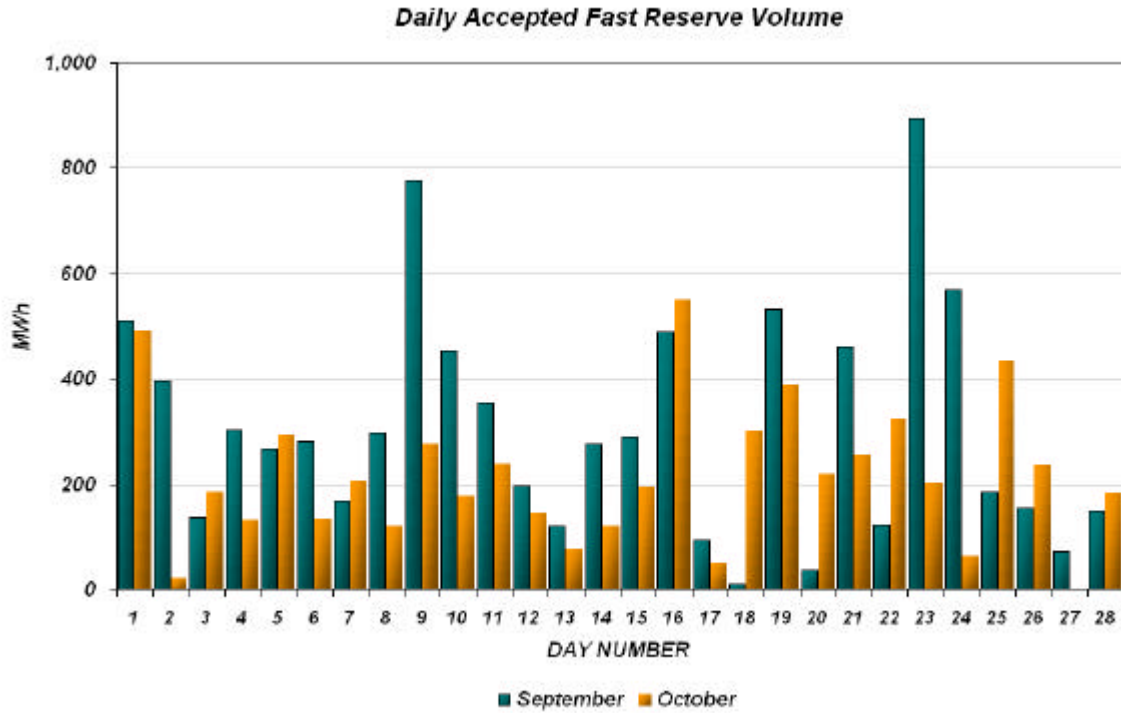


Figure 2

Figure 3 re-presents this data, as an average utilisation per Settlement Period across each month. This shows the daily profile of Fast Reserve utilisation.

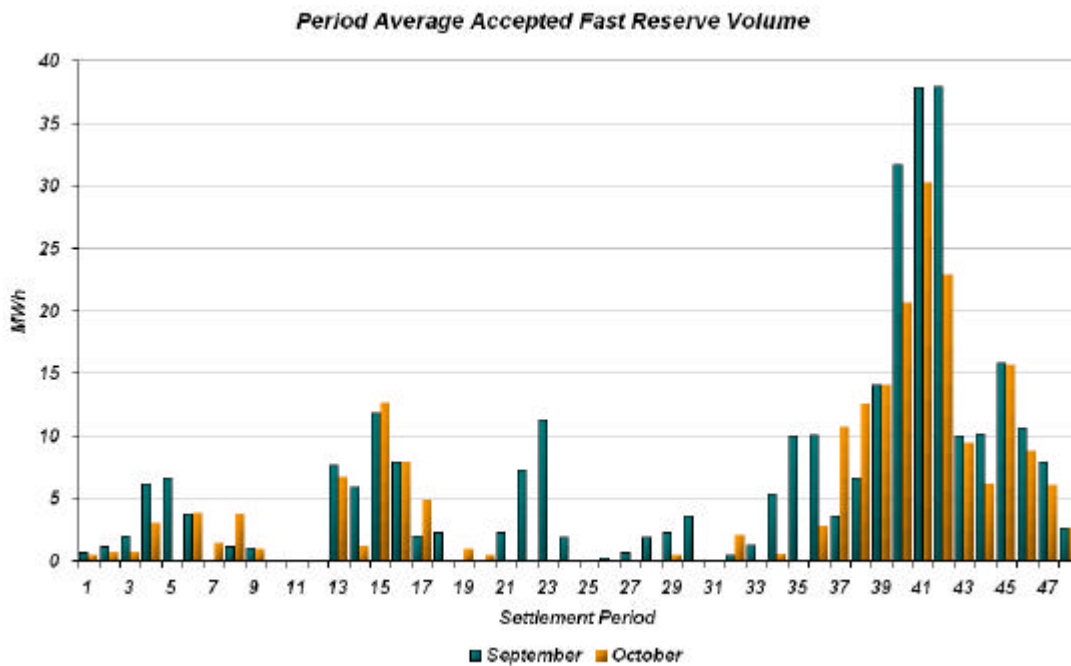


Figure 3

The total volumes of Fast Reserve utilisation of **8.5 GWh** for September and **5.8 GWh** for October break down into price bands as follows:

SEPT	Price band (£/MWh range)	Volume (MWh)	Average Price (£/MWh)	Cost (£m)
OFFERS	2000 to 10000	54.4	5,000.0	0.27
	1000 to 2000	0.0	n/a	n/a
	300 to 1000	0.0	n/a	n/a
	0 to 300	7,143.5	117.0	0.84
Total		7.2 GWh		£1.1 m
BIDS	0 to 300	-849.4	4.5	0.00
	-300 to 0	-328.4	-200.0	0.07
	-1000 to -300	-124.6	-500.0	0.06
	-2000 to -1000	0.0	n/a	n/a
	-10000 to -2000	0.0	n/a	n/a
Total		-1.3 GWh		£0.1 m
Total		8.5 GWh		£1.2 m

OCT	Price band (£/MWh range)	Volume (MWh)	Average Price (£/MWh)	Cost (£m)
OFFERS	2000 to 10000	64.9	5,000.0	0.32
	1000 to 2000	0.0	n/a	n/a
	300 to 1000	559.6	359.5	0.20
	0 to 300	4,508.4	164.0	0.74
Total		5.1 GWh		£1.3 m
BIDS	0 to 300	-337.3	0.0	0.00
	-300 to 0	-62.5	-200.0	0.01
	-1000 to -300	-306.0	-500.0	0.15
	-2000 to -1000	0.0	n/a	n/a
	-10000 to -2000	0.0	n/a	n/a
Total		-0.7 GWh		£0.2 m
Total		5.8 GWh		£1.4 m

These charts and tables show that Fast Reserve utilisation in September and October was broadly similar. Whilst Fast Reserve cost increased by 17% in October from September and fast reserve utilisation volume reduced by 32%, both months contrast sharply with May (**29.7 GWh** and **£6.6m**). This can be expected, given:

- daily variations in system conditions, which give a variability in utilisation of Fast Reserve;
- the different demand characteristics of May and September/October
- National Grid's growing experience of operating the BM.

Indications for December 2001

In considering the possible utilisation of Fast Reserve in December, we draw providers' attention to the following issues:

- the periods of characteristic changes in demand during days in December will have greater rates of change associated with them, and we forecast total Fast Reserve utilisation volume to be nearer the May level rather than the September/October level;
- the overnight demand peak, around 01:00, re-emerged in November.