

CAP173: Reactive Power Market Tender

CUSC Panel 25th September



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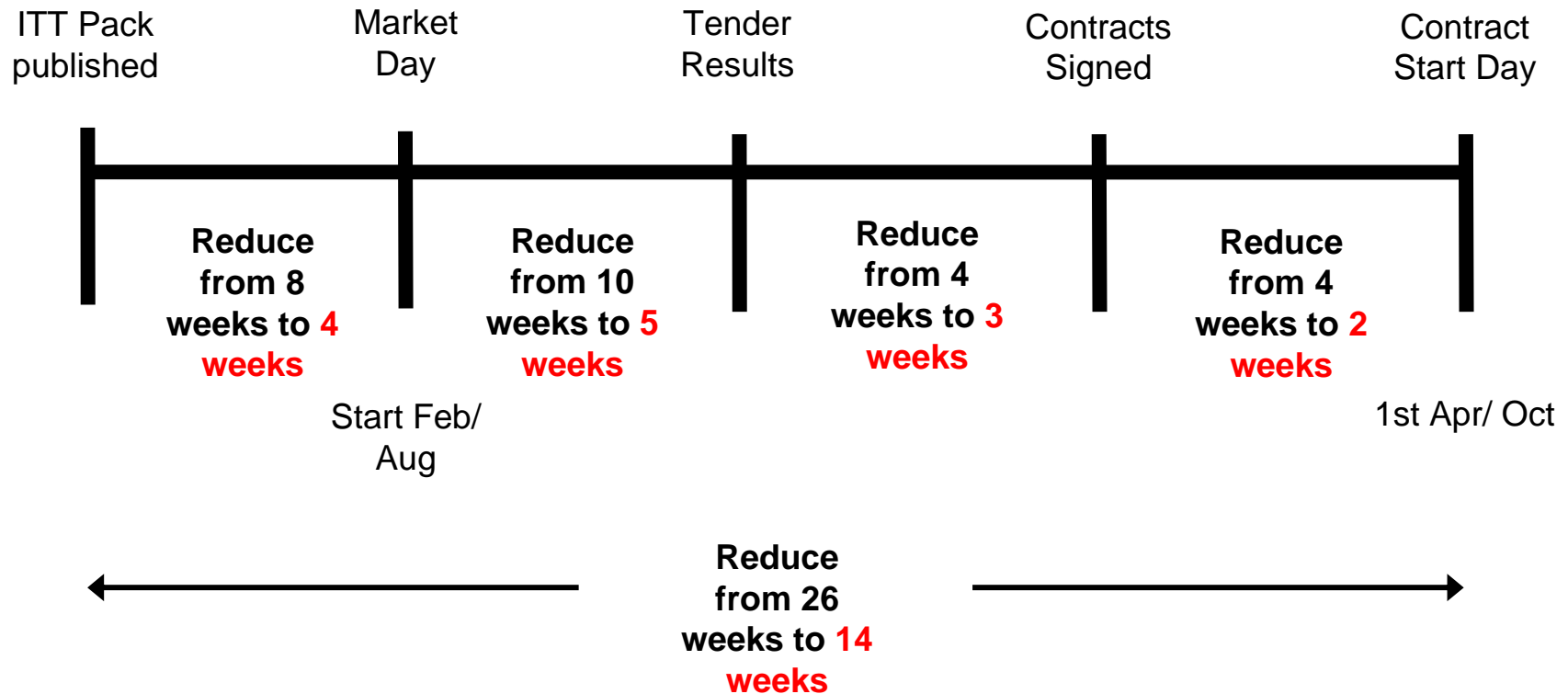
Overview

- ◆ CAP173 has been raised by National Grid with the purpose of improving the reactive power market tender process within the CUSC
- ◆ This presentation will:
 - ◆ Review the proposal
 - ◆ Summarise the responses received from the industry following consultation

Reactive Power Market Tender Process

- ◆ Proposal to significantly reduce tender timescales from 26 to 14 weeks by reducing:
 - ◆ Tender preparation period
 - ◆ Assessment period
 - ◆ Market agreement completion period
- ◆ This Amendment Proposal is therefore designed to facilitate these reductions in the tender process
- ◆ Successful CUSC Amendment will:
 - ◆ Improve, and reduce the timescales involved with, the market tender process in order to facilitate competition within the reactive power market

Current and Proposed Reactive Timescales



Industry Views

- ◆ Four responses received
- ◆ All respondents supportive of CAP173 proposal
 - ◆ Agree that current timescales are too long
 - ◆ Improve efficiency of the tender process
 - ◆ Assist accuracy of tendered prices
 - ◆ Implementation should apply to the next entire tender round (Tender Round 26 – ITT pack published Feb 2010)
- ◆ Noted, however, that CAP173 does not necessarily mean that risks to the Provider and National Grid are reduced for the duration of the contract