

# Summer Outlook 2009

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**Industry Briefing, 24<sup>th</sup> April 2009**

**Paul Auckland, Energy Requirements Manager**

**Peter Parsons, Gas Supply Forecasting Manager**

**nationalgrid**

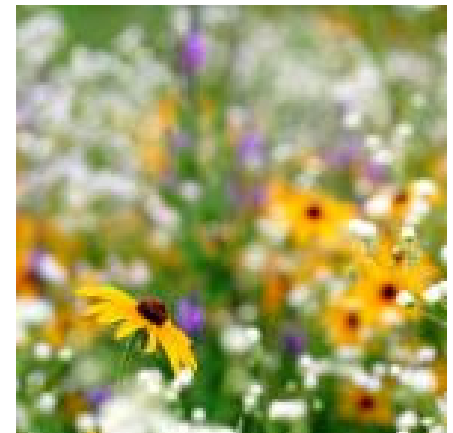
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# Agenda

◆ **Electricity (20 minutes)**

◆ **Gas (20 minutes)**

◆ **Q & A (15 minutes)**



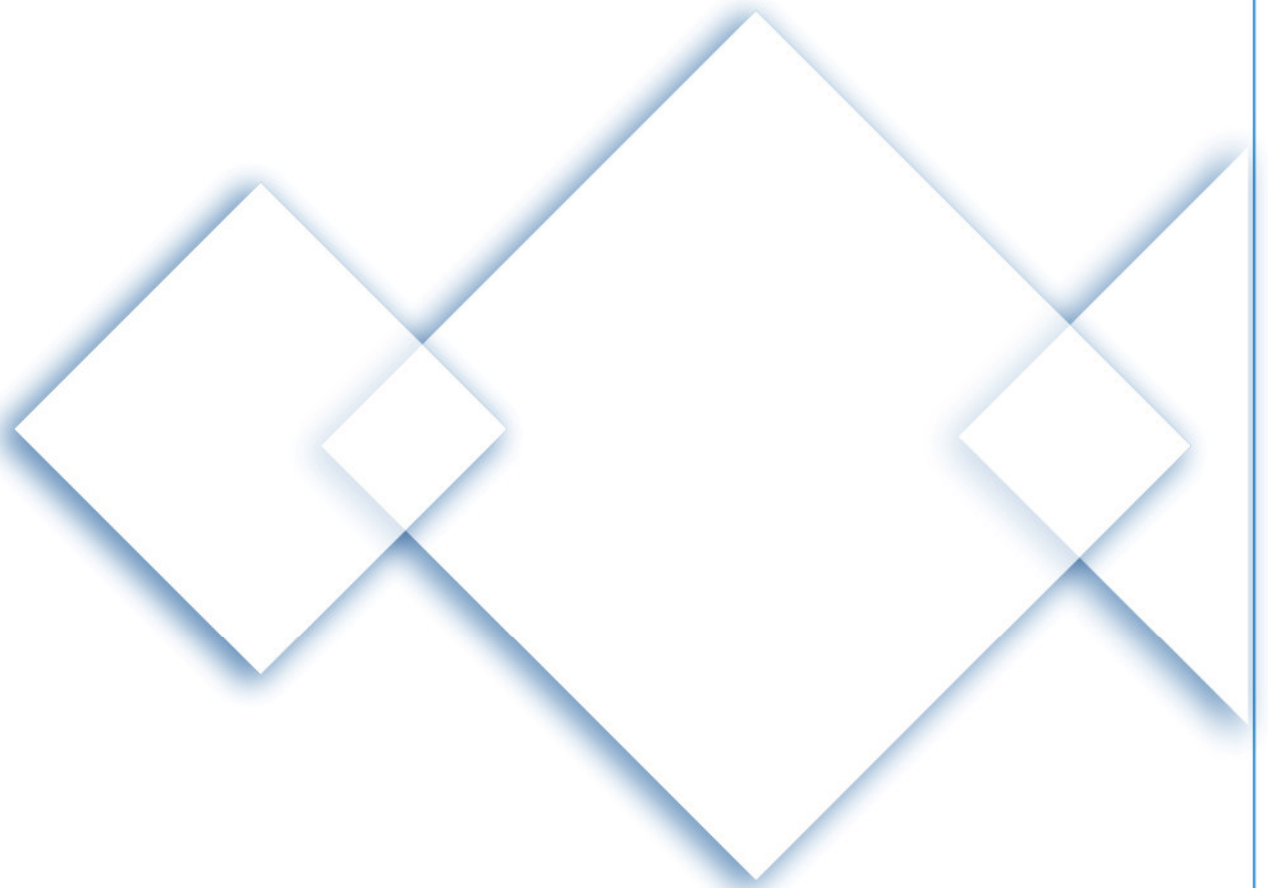
# Seasonal Weather Forecasts

**Met Office - A first outlook for summer 2009** was issued at 10 a.m. on 31 March 2009

- ◆ At this stage forecast signals are too weak to provide an outlook for summer rainfall
- ◆ For the UK and much of western Europe temperatures are likely to be near average

An update to the summer forecast will be issued by 11 a.m. on 30 April 2009

[http://www.metoffice.gov.uk/weather/uk/uk\\_forecast\\_weather.html](http://www.metoffice.gov.uk/weather/uk/uk_forecast_weather.html)



# Electricity Summer Outlook 2009

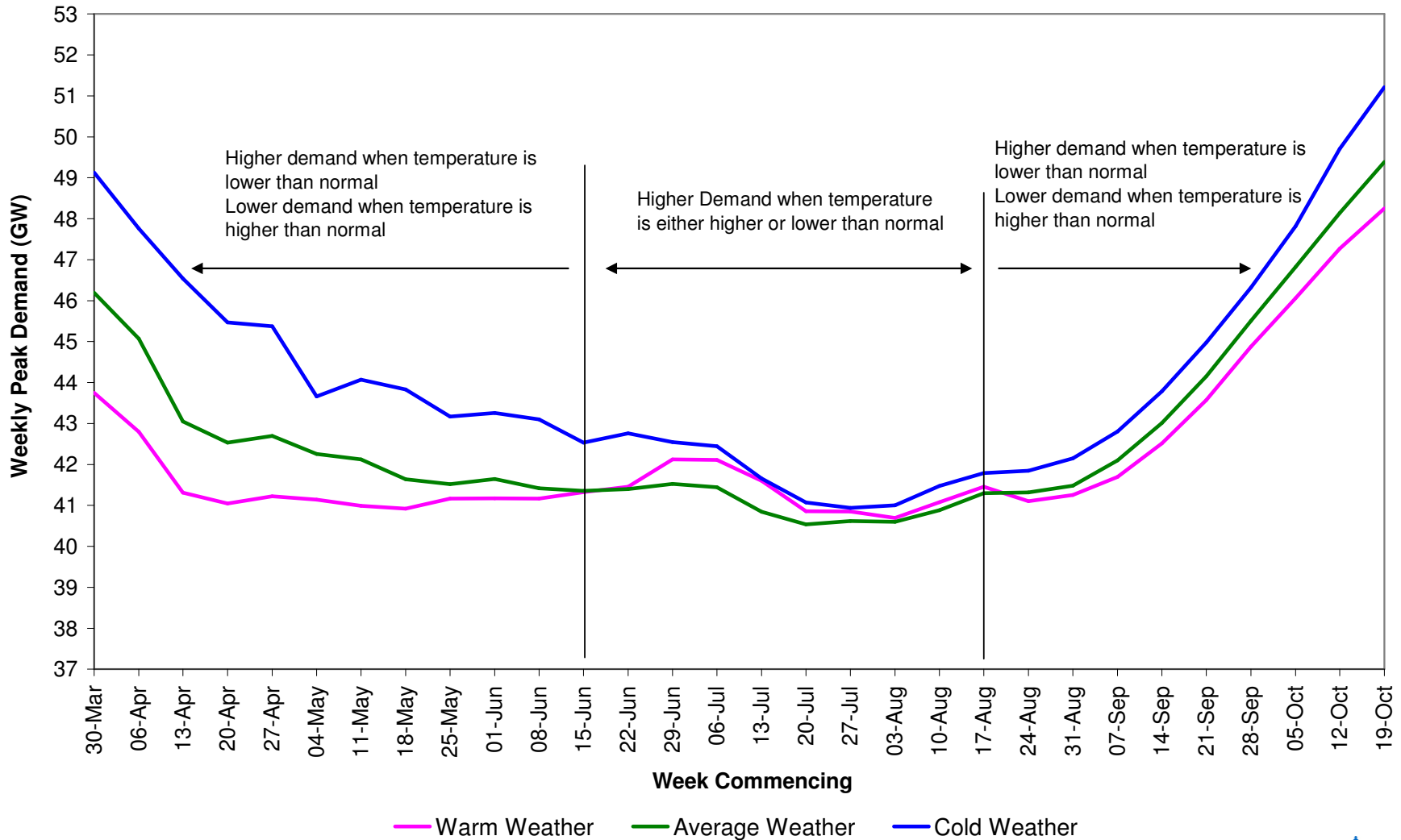
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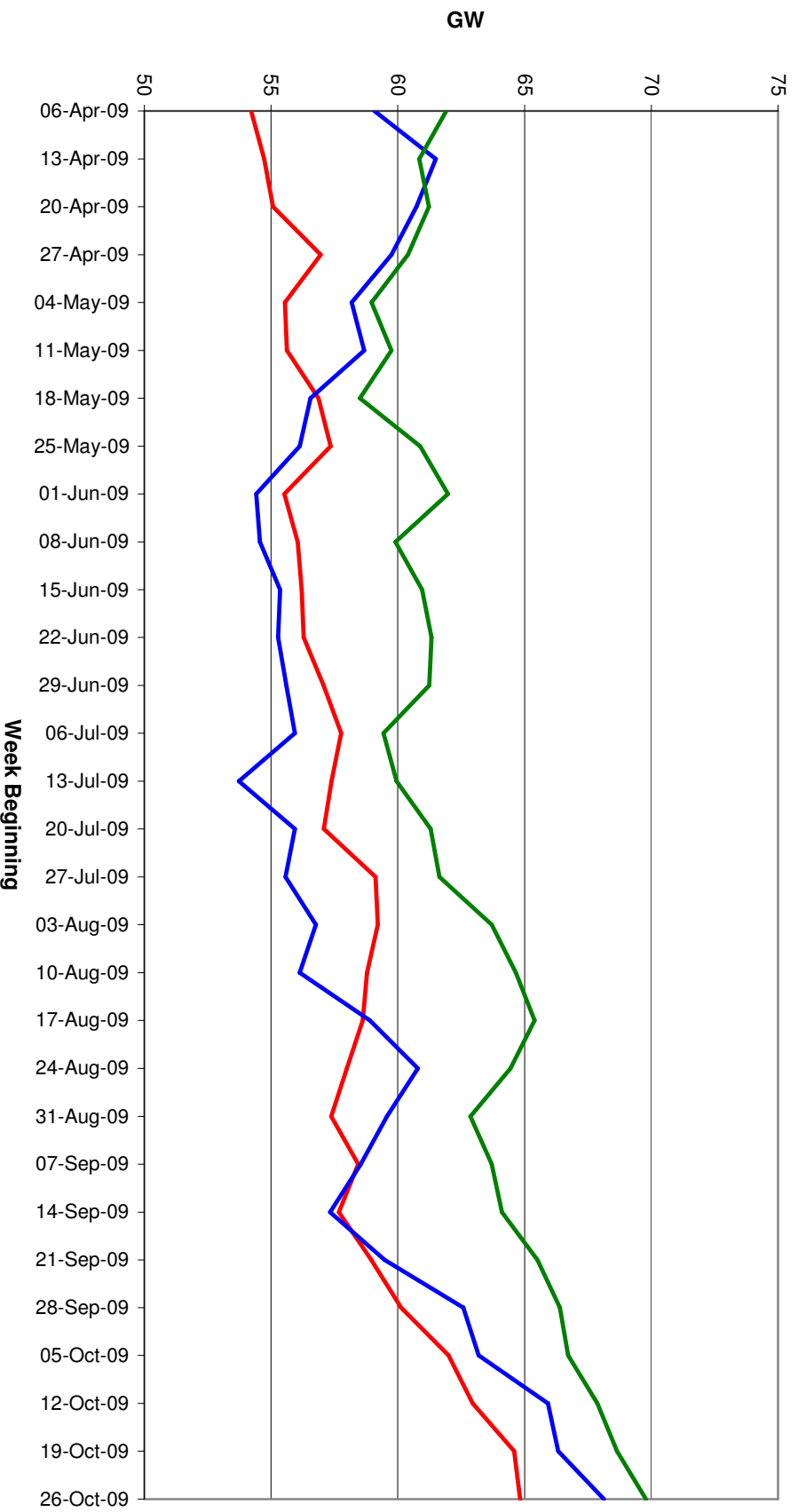
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# Weather and Demand Ranges

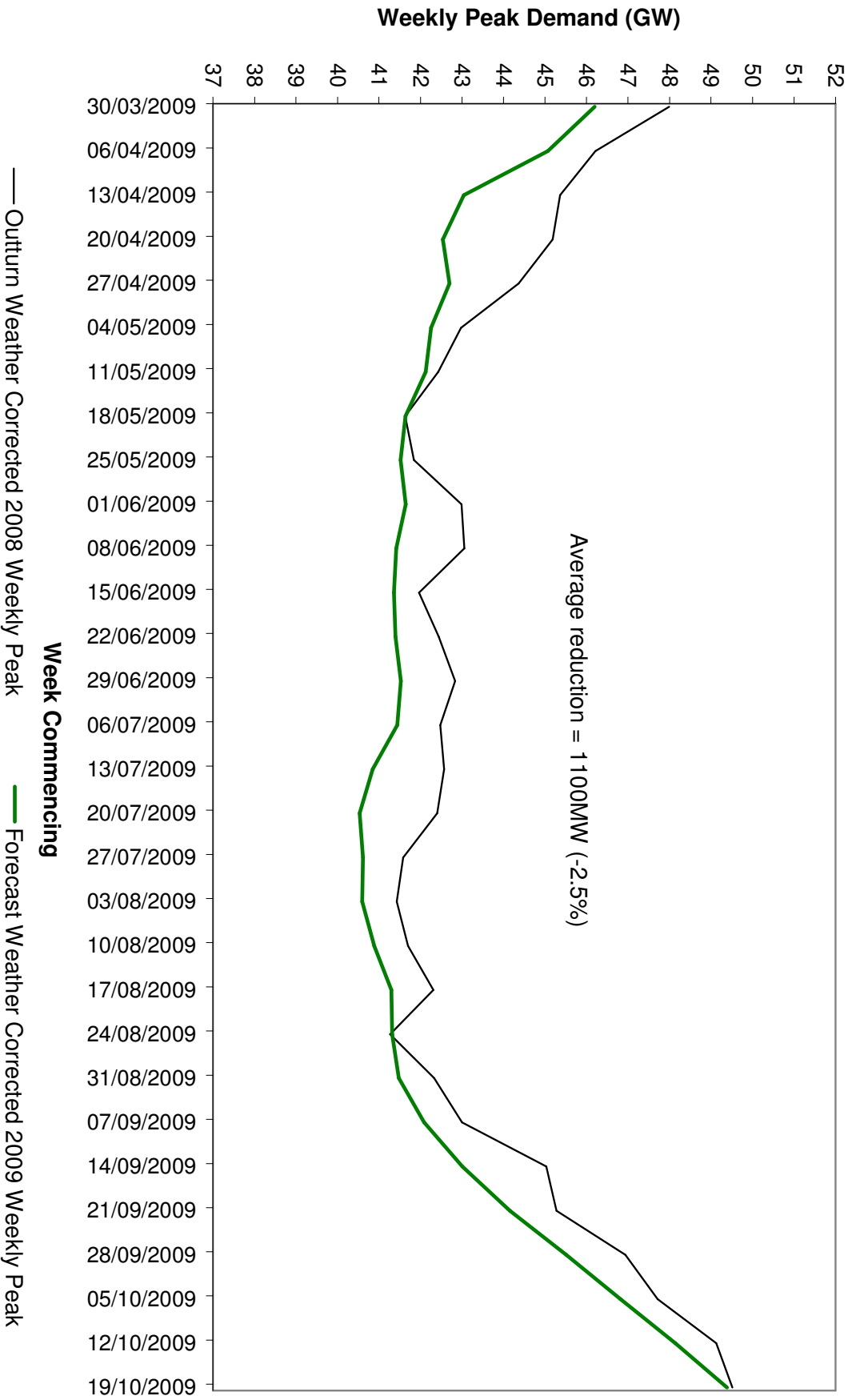


# Generation Availability

Availability submitted at the beginning of March for this summer and last 2 summers

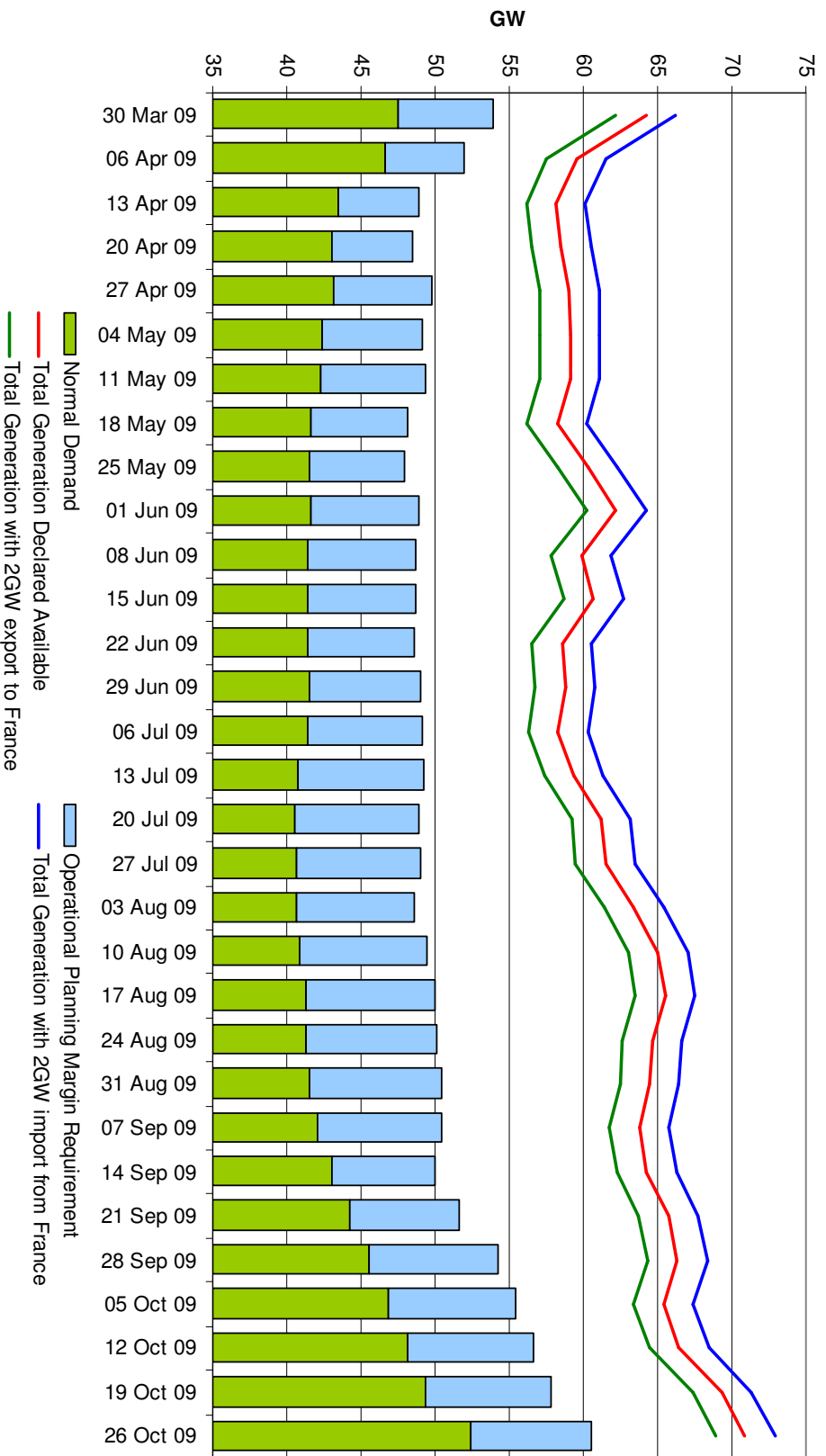


# Demand

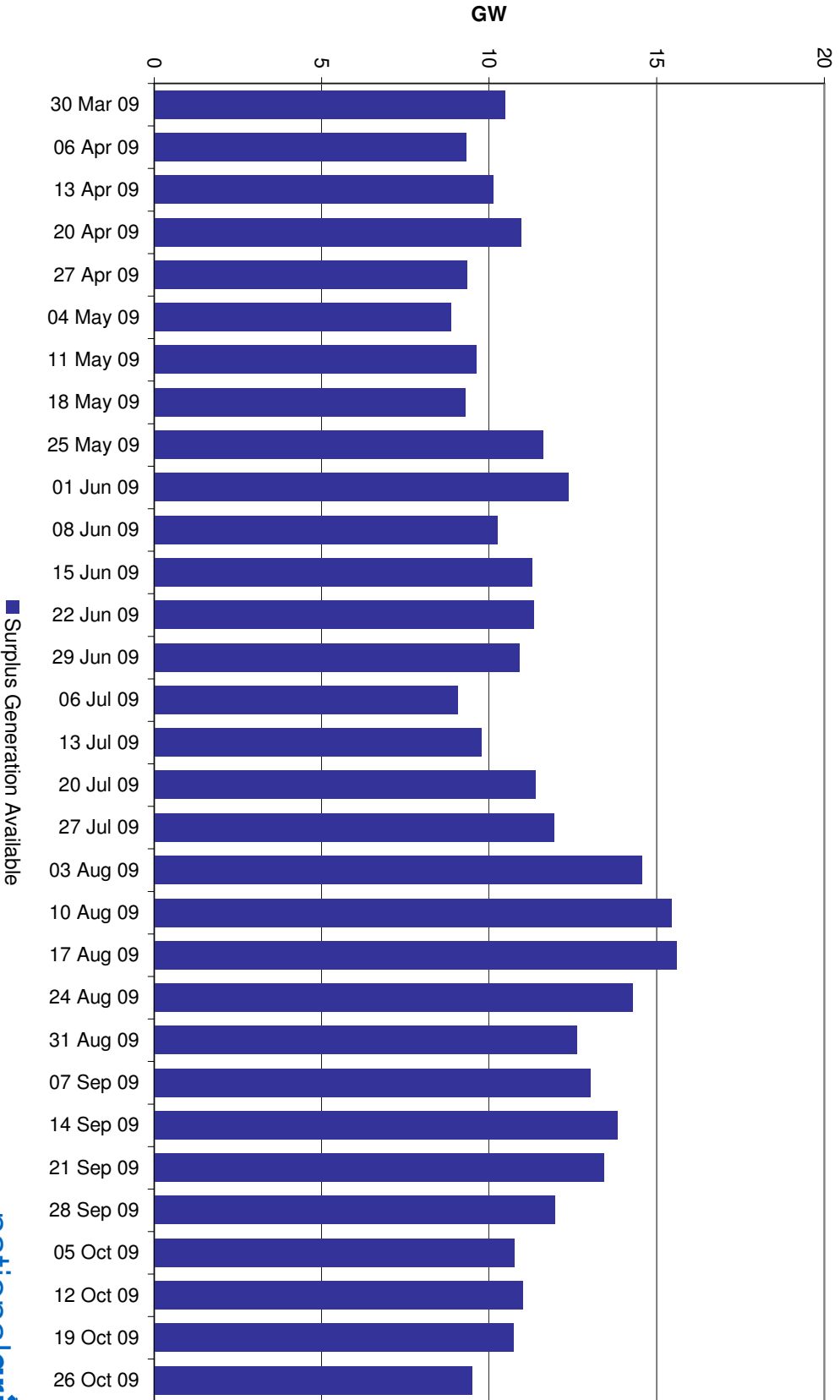


# Availability and Normal Demand

Declared availability and forecast normal demand



# Generation Surpluses



# Electricity Summary

◆ **We are confident that summer demand will be met in all but exceptional circumstances, given appropriate market responses to imbalances.**

## ◆ **Electricity Demands**

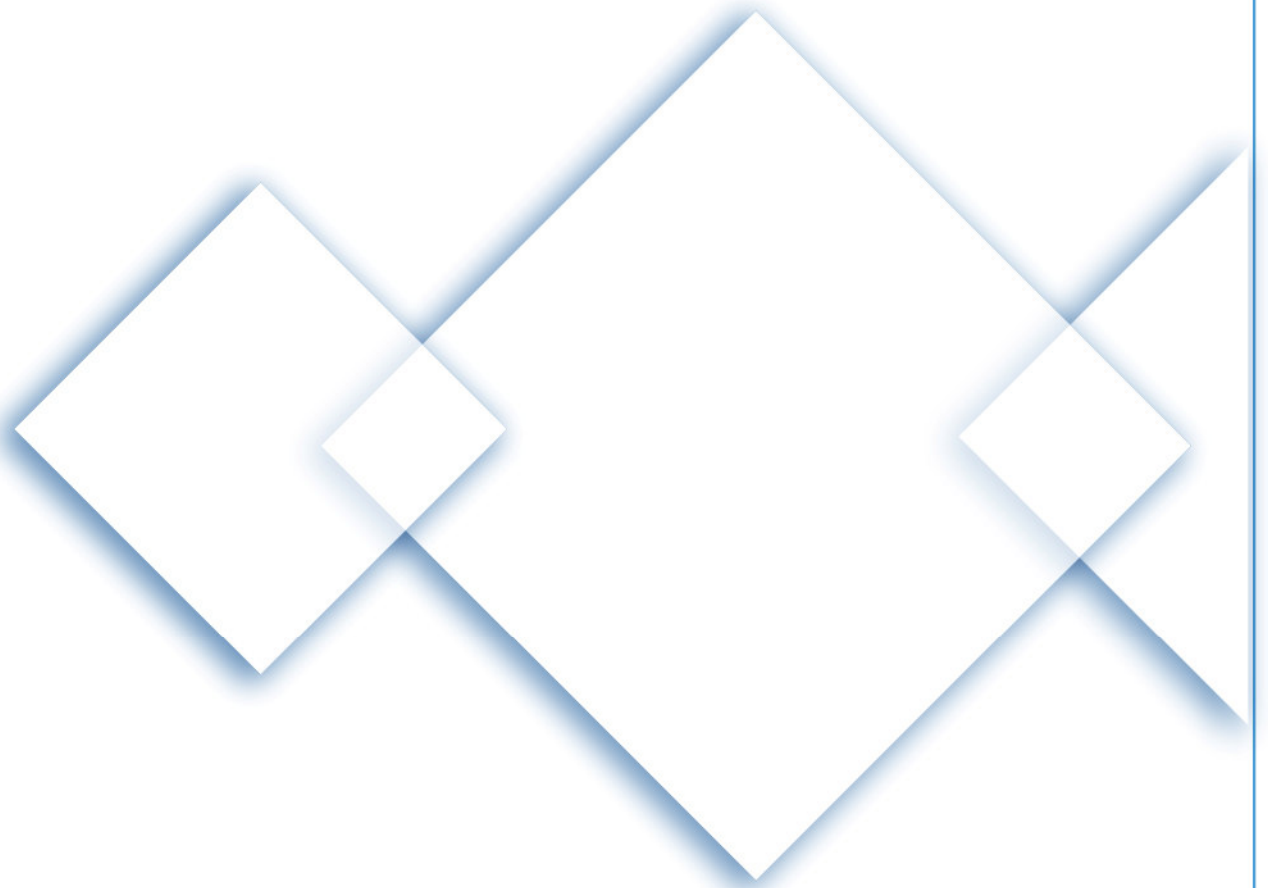
- ◆ Significantly reduced by the current economic slowdown by around 1GW throughout the summer;
- ◆ Demands can increase in “hot” spells when market reaction may be needed;

## ◆ **Generation**

- ◆ Healthy surpluses currently – these will change over time;
- ◆ Potential upside if new CCGT’s commission quickly;
- ◆ Increased wind generation capacity coming online over summer;
- ◆ Will any generation go summer cold?

## ◆ **Transmission**

- ◆ Significant outage programme for the second year on Cheviot
  - Active transparency measures on constrained generation (not just Scotland) shown in OPMR at <http://www.nationalgrid.com/uk/Electricity/Data/reserve/bmrs/>



# Gas Summer Outlook 2009

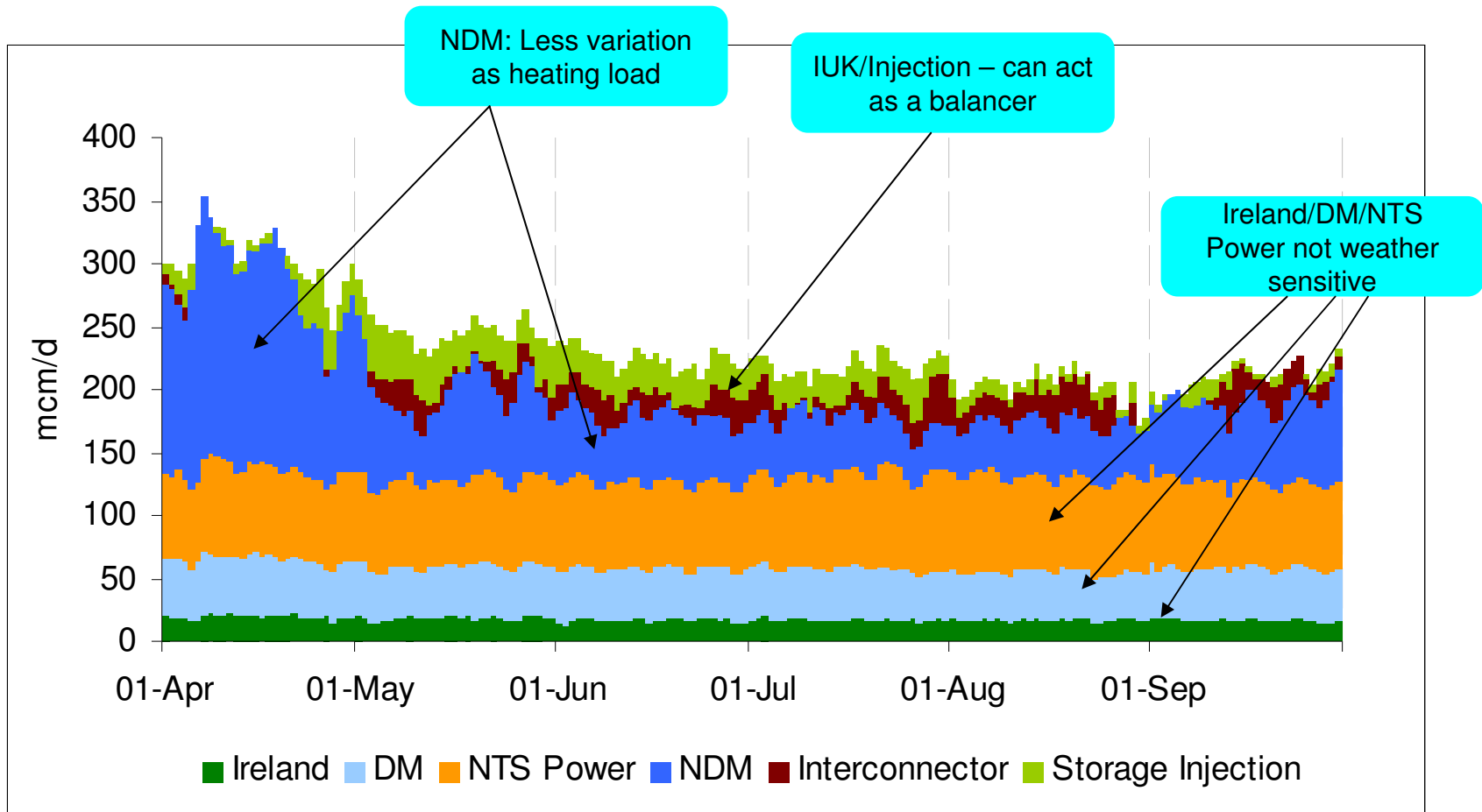
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**Peter Parsons, Gas Supply Forecasting Manager**

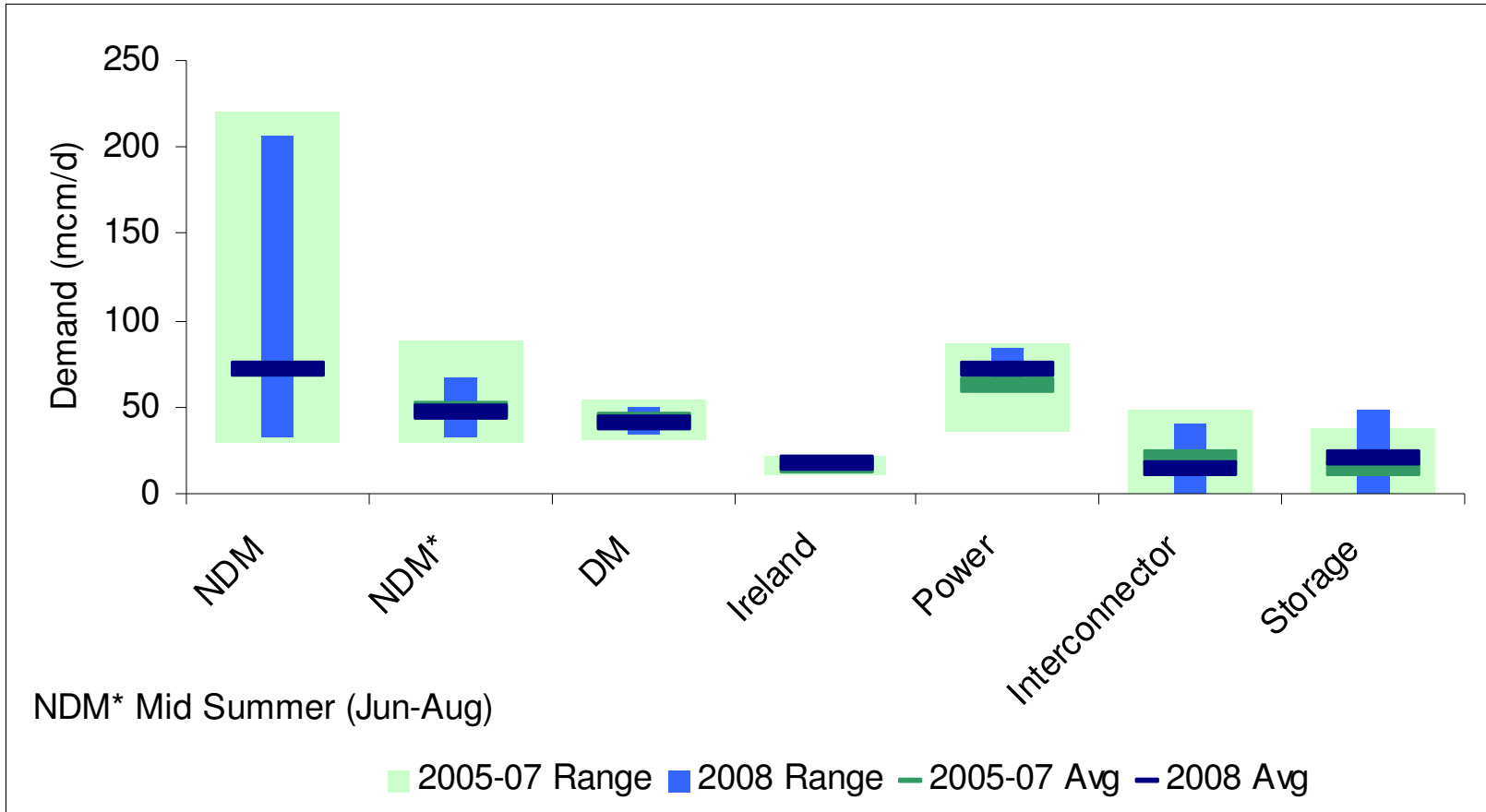
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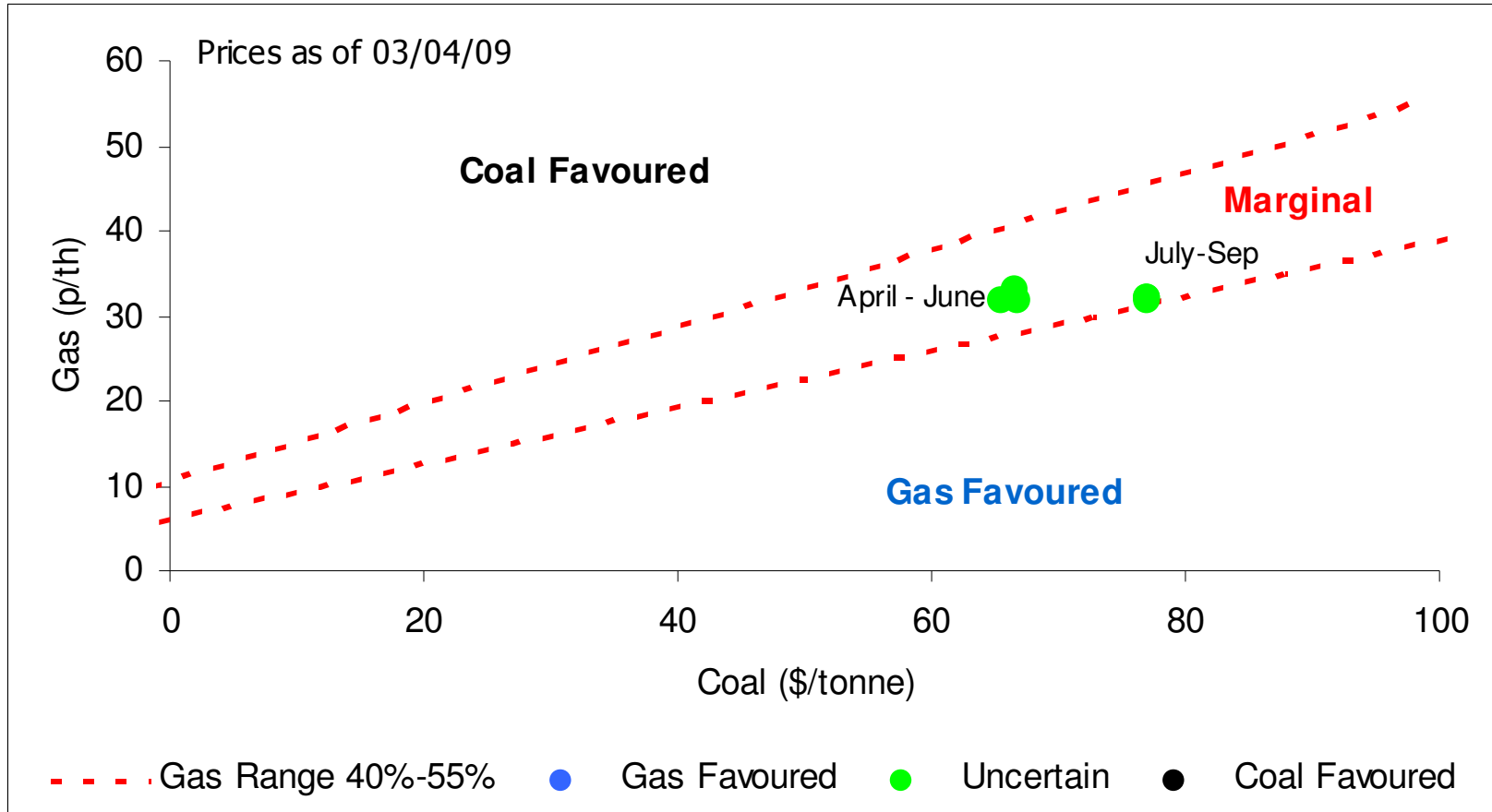
# 2008 Summer Demand



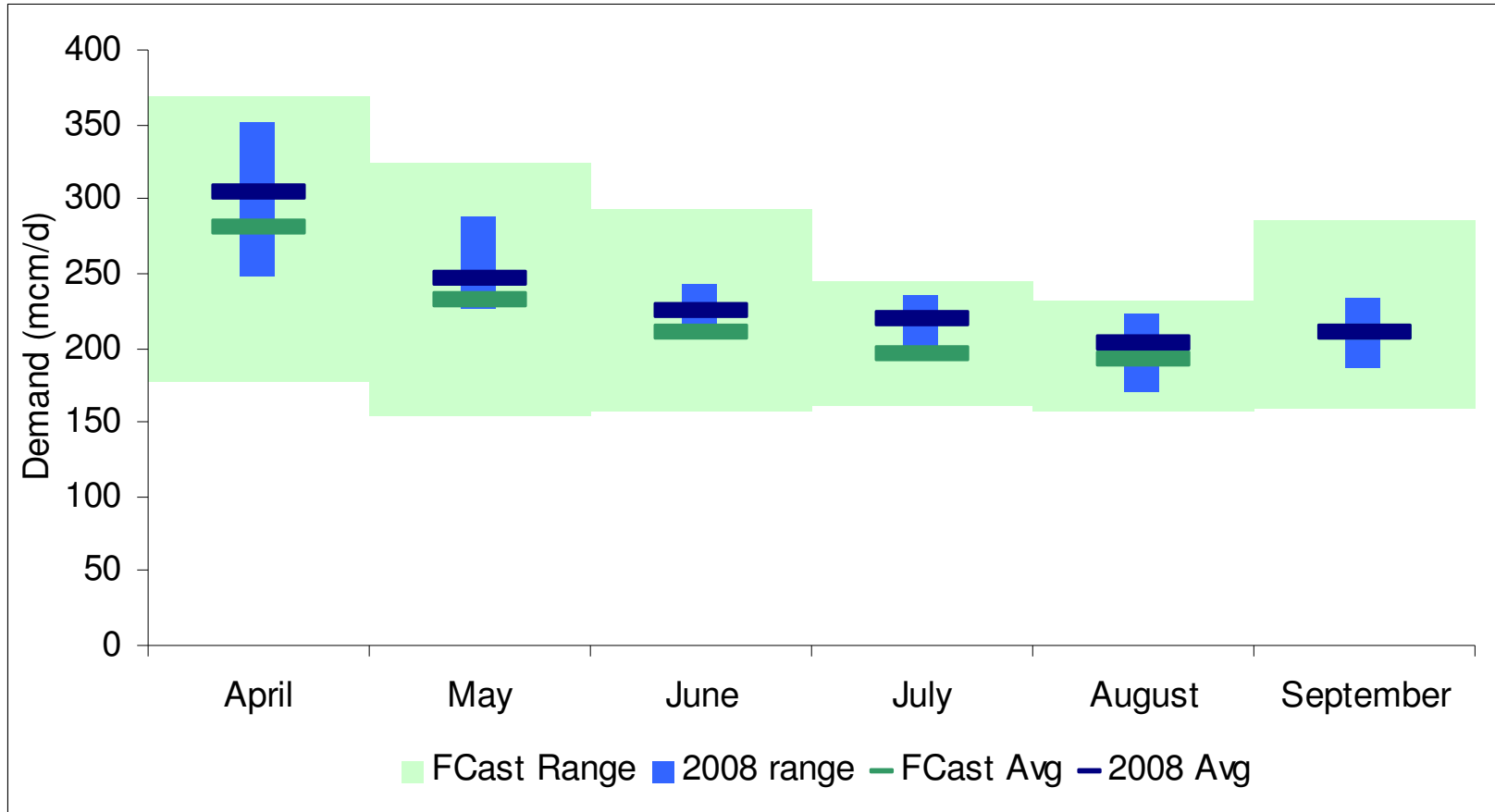
# 2005-2008 Summer Demand



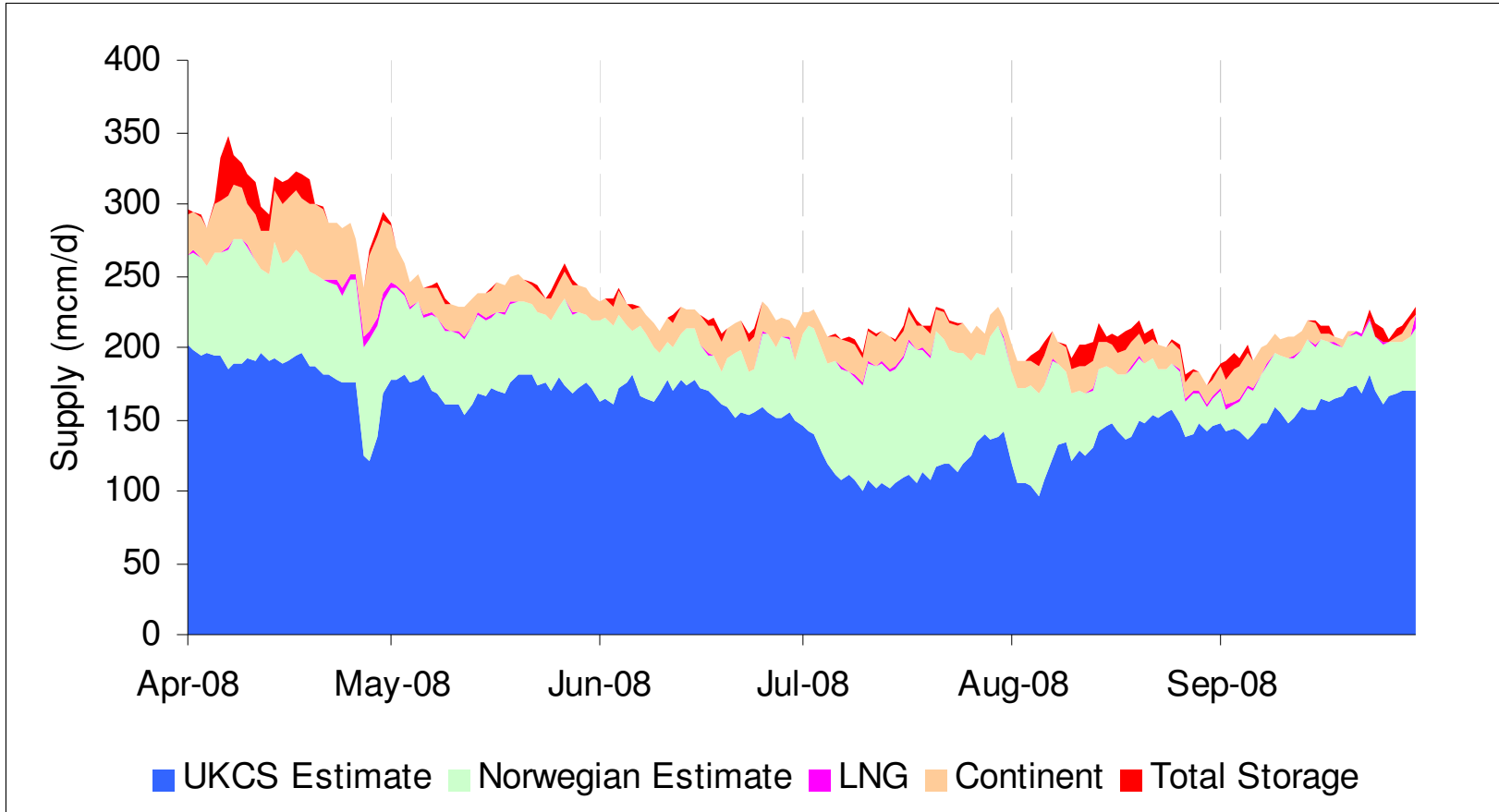
# Economics of Coal vs Gas Generation



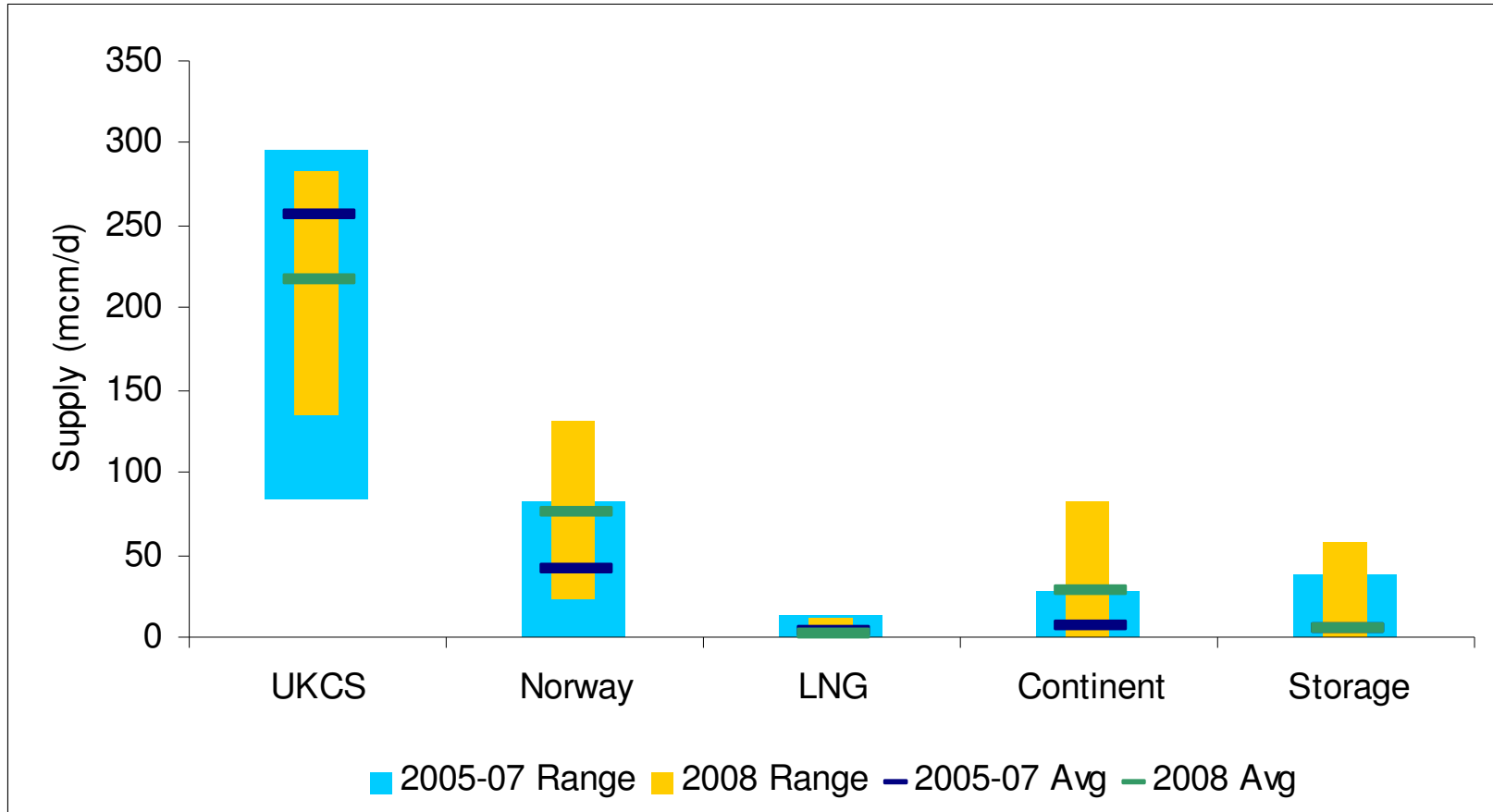
# 2009 Demand Forecast



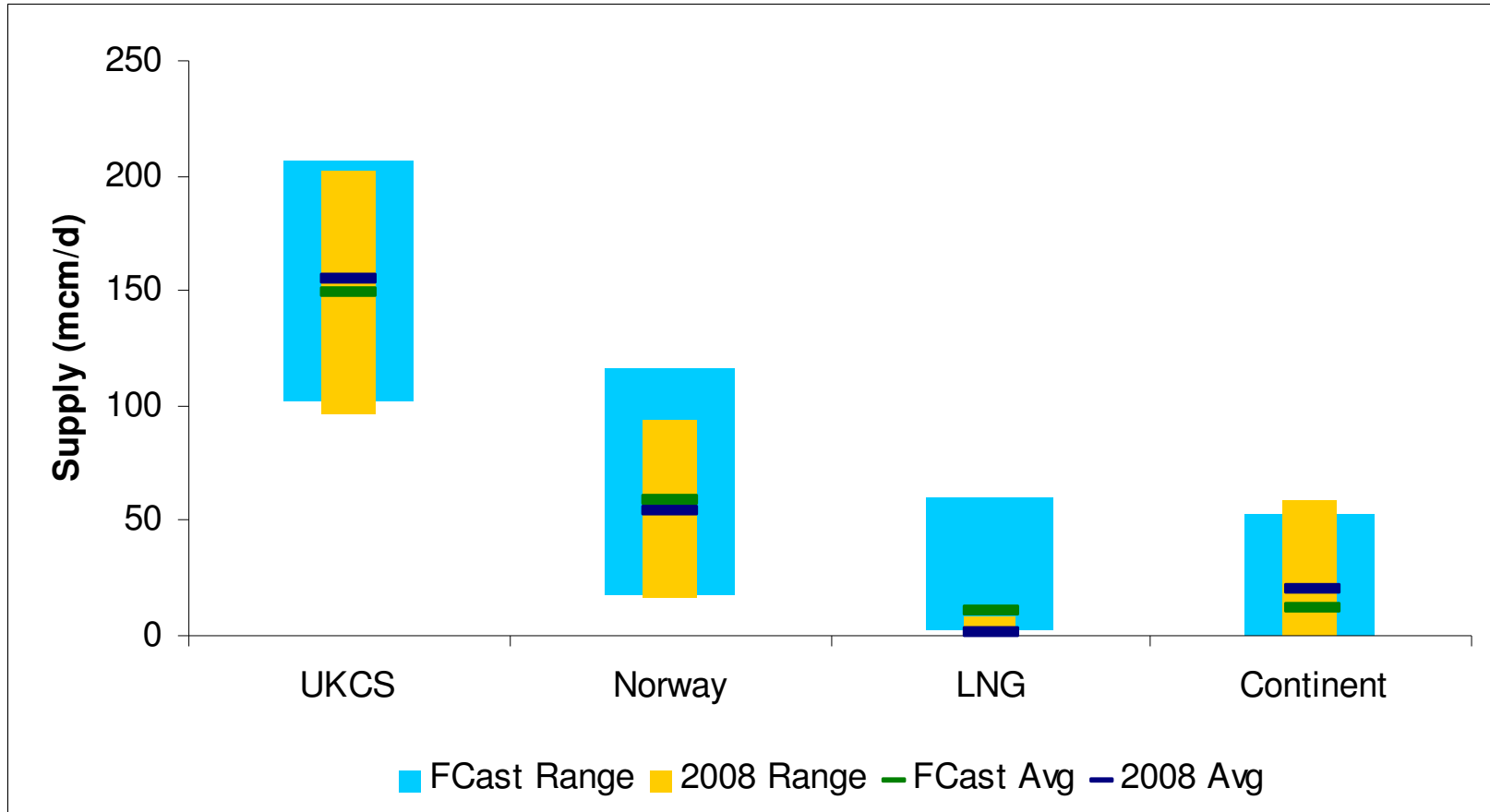
# 2008 Summer Supplies



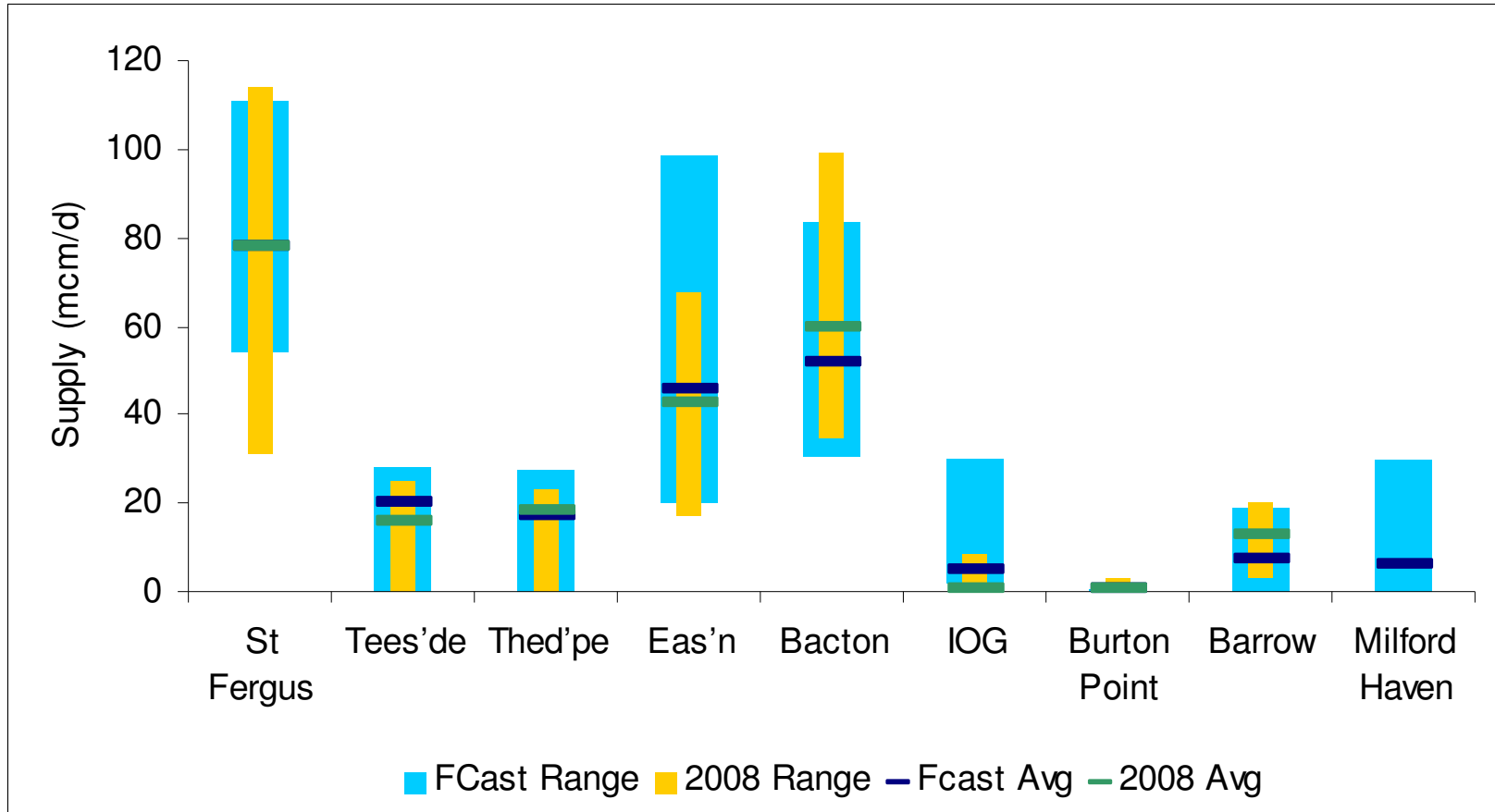
# 2005-2008 Supply Range by Source



# 2009 Supply Forecast by Source



# 2009 Supply Forecast by Terminal



# Gas Summary

## ◆ Demand levels typically half of those experienced in summer. Confident that summer demand will be met in all but exceptional circumstances

- ◆ Impact of recession assumed in line with this winter, namely 6% in NDM
- ◆ Greatest uncertainty in demand is IUK exports and the refill of ~3bcm of storage
- ◆ Little to choose between gas and coal for lowest cost for power generation. LCPD may favour gas

## ◆ Supplies subject to uncertainty including interaction of Continental and global markets

- ◆ Anticipation of higher LNG this summer due to global conditions and commissioning of both Milford Haven facilities
- ◆ Possibility of further declines in UKCS being offset by higher Norwegian imports

## ◆ Lower level of NTS investment activity this summer, hence high availability of entry capacity

# Questions?

## Where to find out more: -

- ◆ Report on our website at: - <http://www.nationalgrid.com/uk/Electricity/SYS/sumOutlook/>
- ◆ Feedback to [energy.operations@uk.ngrid.com](mailto:energy.operations@uk.ngrid.com)
- ◆ Electricity Operational Data [www.bmreports.com](http://www.bmreports.com)
- ◆ Gas Operational Data <http://www.nationalgrid.com/uk/Gas/Data/>