

Constraint Management

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Agenda

- ◆ Commercial Balancing Services Group (CBSG)
- ◆ CBSG and constraints
- ◆ Steps taken to date
- ◆ Way forward



Constraint Transparency and Market Information

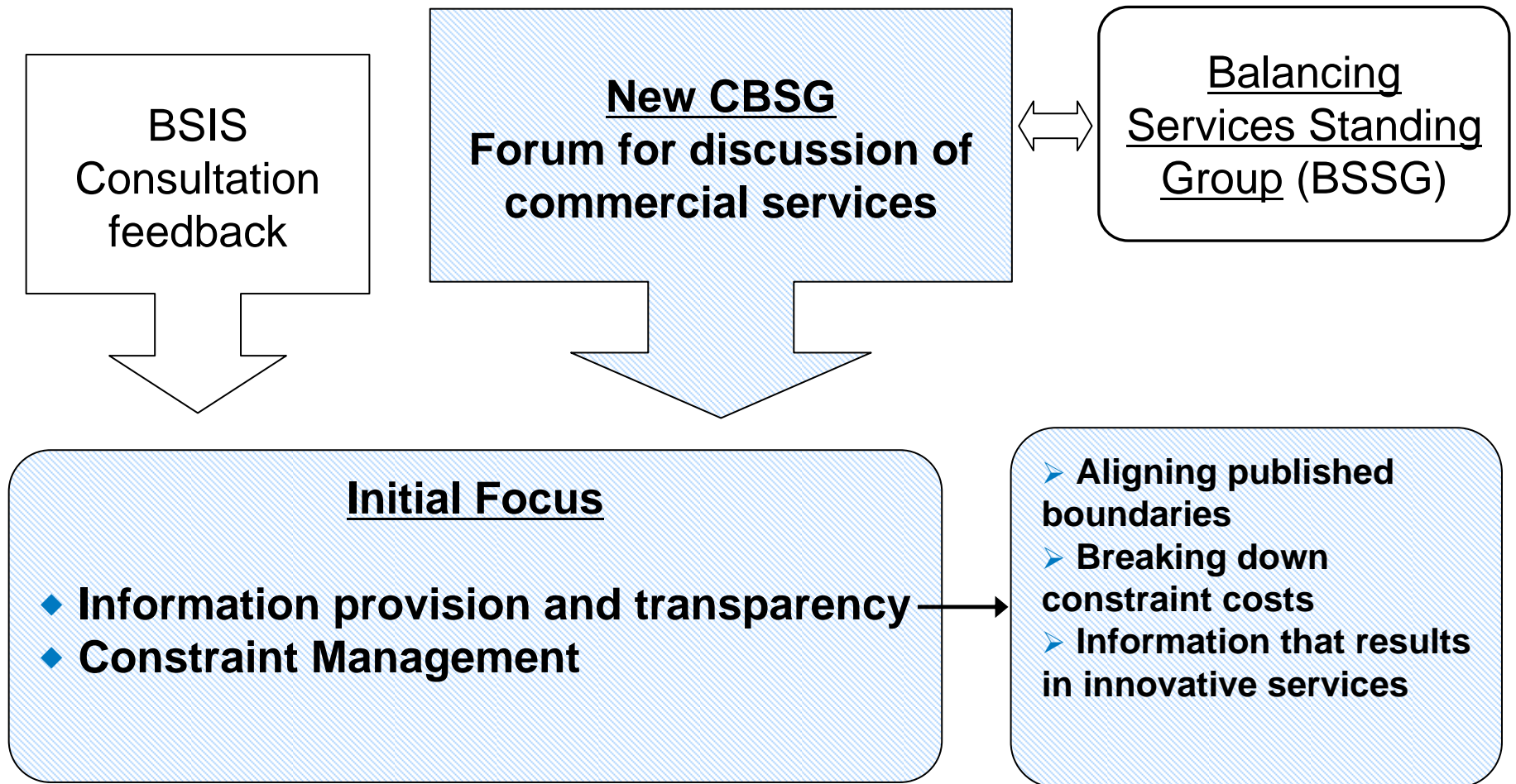
‘...the publication of constraint information provides a kind of control mechanism for the industry....’ CBSG

‘...at least one month’s notice of a constraint requirement is preferable...’ CBSG

‘....operational performance and decisions reached by National Grid within year should [also] be much better explained....’

Energy Spectrum Oct 2009

Commercial Balancing Services Group (CBSG)



CBSG – Further Information

- ◆ No formal governance as for BSSG
- ◆ Reports informally into the Electricity Operational Forum and CUSC Amendments Panel
- ◆ Please get in touch if you wish to join this group - emma.clark@uk.ngrid.com
- ◆ Further information on our website:

www.nationalgrid.com/uk/Electricity/Balancing/CommercialBalancingServicesGroup

Constraint Management Service

Action: National Grid to investigate wider use of the CMS for resolving constraints

- ◆ 19th April – National Grid published Tender Round 7 requirements:
 - ◆ Export from Humber
 - ◆ Period 10th May – 6th June
 - ◆ Weekday and weekend peaks (0700-1900)

- ◆ 7 tenders received from 6 generating companies
 - ◆ Mixture of fixed and index linked prices

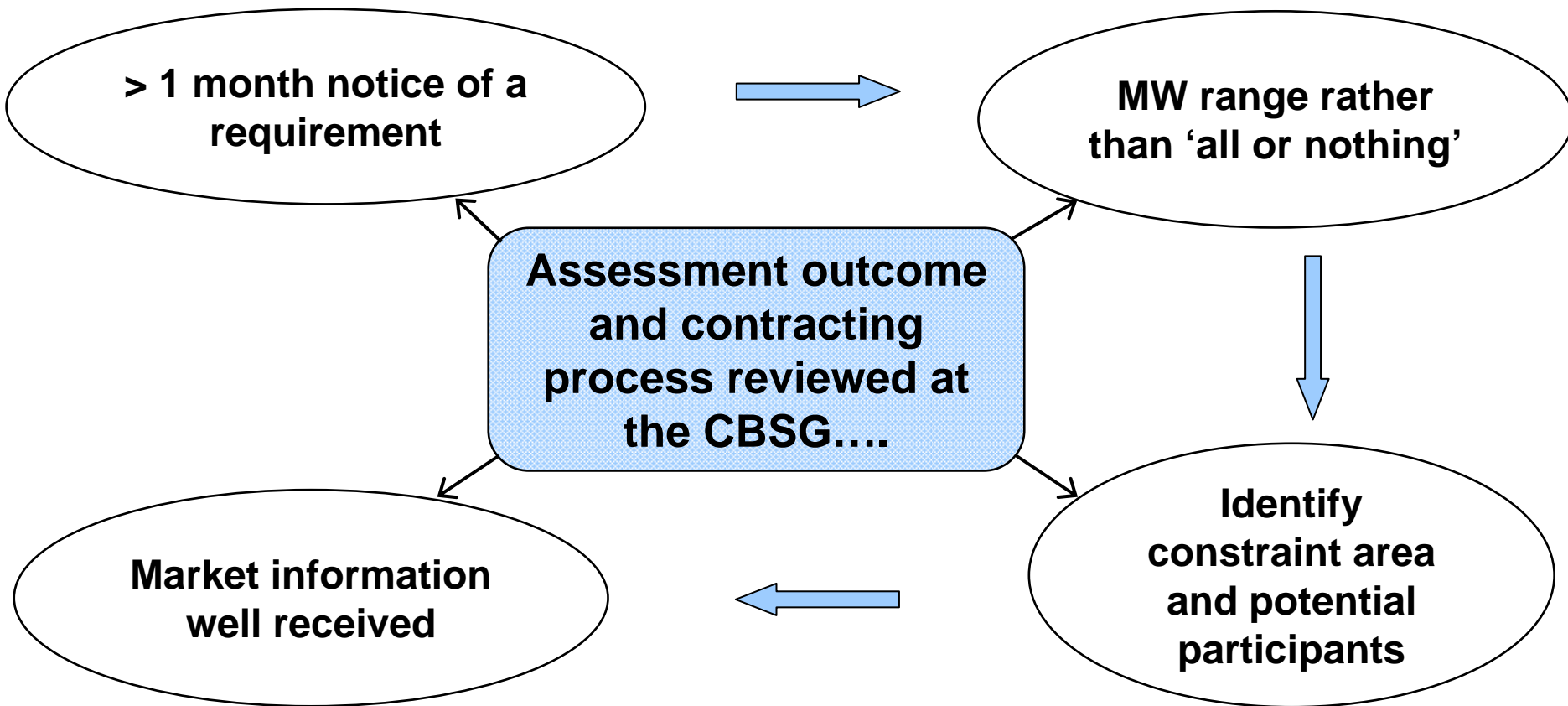
- ◆ Assessment criteria

CMS TR7 – Assessment Outcome

- ◆ All tenders assessed as uneconomic against alternatives
 - ◆ Alternative actions: bids in BM
 - ◆ Effectiveness
 - ◆ Replacement actions
 - ◆ Availability price with high indicative MW level



Review of CMS



<i>Site</i>	<i>Fuel Type</i>	<i>Indicative Maximum Tendered MW</i>	<i>Tender Type</i>	<i>Availability Payment Rate</i>	<i>Fixed Bid Price</i>	<i>Bid Index Margin</i>	<i>Accepted?</i>

Constraint Transparency – Next Steps

- ◆ Increased transparency in the future
 - ◆ Identify the area of constraint
 - ◆ Identify the potential participants
 - ◆ Constraint management market reporting – no tender accepted without accession to this
- ◆ Sample ‘ITT pack’ format published on our website

Transparency vs. Economic and Efficient?

Summary

- ◆ Listened to feedback
- ◆ Commercial Balancing Services Group has provided a forum for discussion
- ◆ Steps taken to increase transparency
- ◆ Longer term management of constraints

