

Energy Operations Staff Changes



Craig Dyke



Jo Faulkner

There have been some changes in the Energy Operations staff structure. Jo Faulkner has taken on the role of Balancing Services Manager reporting to Alan Smart. David Smith has moved on from Contracts to take up a new role as Electricity Codes Manager within Commercial and Craig Dyke has recently been appointed as Contracts Manager reporting to Stuart Bailey.

A comprehensive team structure will be posted on the website alongside the slides from the Operational Forum.

France to England System Operator Service Improvements

We are implementing improvements to the System Operator (SO) to System Operator services we use to manage the power system between ourselves and RTE, the French System Operator. The change will increase the cost transparency of prices for system services between the GB and French Transmission System Operators. The changes mean that National Grid and RTE will set six prices corresponding to different parts of the day to buy or sell power from each other for system management reasons. This is an improvement on the current services where only one daily price is used for SO to SO, which limits the ability of the respective system operator to fully reflect price differences between, for example, peaks and troughs in demand during the operational day. The change will be most apparent to users of BM Reports through

additional price information that will be shown on the dedicated SO-SO prices page at <http://www.bmreports.com/bsp/bsoso.php>. If you would like any further information about the changes being implemented please contact Hannah Morgan (Hannah.morgan@uk.ngrid.com)

Full Operations Forum Tuesday 24th February Ardencote Manor

Agenda

Arrival

09:45 for a 10:15 start

Introduction

Mark Ripley

Operational Update

Paul Hurlock

Winter So Far

Stuart Bailey

May 27th Update

Phil Sheppard

Future System Operation

Sam Matthews

Managing Constraints on the GB Transmission System

David Smith/Rob Smith

<http://www.ardencote.com/>



Transmission Operational Forum Update

February 2009

Contracts Development Update

Firm Frequency Response and Fast Reserve Review

Following the review of Firm Frequency Response (FFR) and Fast Reserve (FR) in 2008 revised Standard Contract Terms have been developed. We will be publishing the draft of the Standard Contract Terms for both services on our website (and change marked versions) and would like to invite further comments from the industry. The proposed timescales are set out below;

- **27th February** - Publish Draft Standard Contract Terms for industry comment
- **13th March** - deadline for industry comments
- **27th March** - Publish Final Standard Contract Terms to become effective from May 2009 onwards

As well as the developments that resulted from the July 2008 FFR workshop, the new terms include:

- FFR Response limit - from 1st April 2009 providers can submit tenders with a Response of 3MW (from 10MW), initially on a 12month trial basis. Based upon submitted tenders and registered levels of interest, we will review whether to extend the trial or permanently implement the amendment. For further information please contact Hannah Morgan (Hannah.morgan@uk.ngrid.com)

- Dynamic Demand - section 4A has been developed to facilitate the provision of frequency response from dynamic demand. The terms have been drafted generically to reduce over complexity in legal drafting as we are aware that there are variations in how dynamic demand can potentially provide frequency response. We recommend that any potential providers contact us to discuss if their technology can provide a dynamic (or static) frequency response service. For further information please contact David Wildash (david.wildash@uk.ngrid.com)

Static Response Tender

We are currently assessing our requirements for static frequency response services. We intend to run an open tender for the service and will publish and notify the industry in due course. If any providers (generation or demand) think that they may be able to provide a service, for example through a High Frequency or Low Frequency relay, or you have any thoughts on how the service might be structured then please contact Hannah Morgan (hannah.morgan@uk.ngrid.com) or speak directly to your account manager.

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Reactive Power Market

Tender Review Update - National Grid's initial proposals for the development of the Reactive Power Market Tender process were discussed at the Balancing Services Standing Group (BSSG) on 26th January. Following this meeting, and feedback received from BSSG participants, we will be producing a detailed proposals document by the end of February for wider industry consultation. You can view the initial proposals documents via the following link:

http://www.nationalgrid.com/NR/rdonlyres/353E85D3-2564-4C86-A7BC-B888515A6B78/29509/Reactive_Power_Development_InitialProposals_Nov08.pdf

If you have any comments please contact Katharine Clench at Katherine.clench@uk.ngrid.com

Review of Reactive Power MSA Data -

We will shortly be undertaking a review of all Reactive Power data that sits within Mandatory Services Agreements (MSAs). In particular we want to ensure that all Reactive metering details are current and that we hold as much detail regarding Reactive meters as possible in order to ensure that future payments are correct. A letter will be sent to all providers which list the Reactive data held by National Grid and we appreciate providers' support with verifying this information and completing additional fields where necessary. For further details contact Katharine Clench at katharine.clench@uk.ngrid.com

Black Start Commercial Review Update

Following feedback from the third Black Start Commercial Review Workshop (21 April 2008), on the initial draft of the generic terms, and further internal/external comments National Grid has decided to implement the following changes:

- Re-instate the pre-review drafting of agreeing the Black Start Test Bid/Offer prices pre-test.
- Re-instate the pre-review drafting of Black Start Test Failure Penalties of reducing Black Start Availability Payments.
- Add a mechanism to declare non-compliant fuel reserves at fossil fuelled stations, to enable generators to inform us that they are holding sufficient (or have reduced stock levels) of fuel reserves.
- Amend the Force Majeure clause to not extend the expiry date, i.e., have fixed expiry dates.
- Revise the repayments by Generators, to stop the duplication of Termination Fee and Contribution Refund Fee clauses.

These revised terms (Draft 2) have been developed following output from all three Workshops and will be available and implemented for use from March 2009. For further information contact: amanda.lewis@uk.ngrid.com

BM Start Up Commercial Review

The BM Start-Up service went live on 1st November 2006, replacing the Warming and Hot Standby (W&HSB) service as the means by which National Grid accesses generation that is unable to be synchronised within BM timescales. A review of the BM Start Up service is underway and National Grid will be seeking views from current and new providers. If you would like to comment on this or you are interested in further information please contact: amanda.lewis@uk.ngrid.com

STOR

STOR Annual Review

STOR Annual Review 08/09 has concluded. Thanks for your support and participation in the Review. The STOR Standard Contract Terms issue 3, which will take effect from 1st April 2009, are now available on our website. To assist providers in understanding these contractual revisions, a summary of the significant changes made to the Standard Contract Terms is also published. Both documents can be found through the link below.

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

STOR Tender Round 8

National Grid received 90 tenders for STOR provisions commencing from 1st April 2009 in tender round 8. All the tenders are under assessment. The assessment results will be communicated with tenderers by 6th May 2009, and published on our website.

Large Combustion Plant Directive

Following discussion of our operational experience of LCPD at the December 2008 Operational Forum

[\(https://www.nationalgrid.com/uk/Electricity/Balancing/operationalforum/2008/\)](https://www.nationalgrid.com/uk/Electricity/Balancing/operationalforum/2008/),

we are in the process of preparing a consultation paper which will be circulated to the industry during March 2009.

The paper will outline the options we have considered so far and propose a preferred solution. The consultation will consider the necessary processes for submission of BM prices primarily for LCPD impacted plant, the appropriate method for publishing the prices to the industry and subsequent despatch of the units.

Following publication of the consultation paper there will be a period for the industry

to comment on the proposals and we anticipate implementation during Summer 2009. Should you require further details please contact Andy Walden (andy.walden@uk.ngrid.com).

Settlements Update

A workshop is being held on 24th February, after the Operational Forum, to discuss development of the monthly Ancillary Service Backing Sheets. For those that cannot attend, an alternative session is proposed to be held on 3rd March at National Grid House. For further details please contact Toby Thornton (toby.thornton@uk.ngrid.com).

Information about the settlement of ancillary services can now be found on the following page of National Grid's website: <http://www.nationalgrid.com/uk/Electricity/Balancing/services/settlement/>.

If you have any suggestions for additional content, please contact Ispal Sangra (Ispal.sangra@uk.ngrid.com)

BM Replacement

Following industry responses to National Grid's consultation on the proposed replacement of the BM system, National Grid published a consultation report in December 2008 summarising the industry responses and outlining the proposed way forward. The industry views can be broadly grouped into those that may affect the procurement of a new system and those that may enhance the system functionality in the future. The full consultation report (dated 18 December 2008) is available on National Grid's website at <http://www.nationalgrid.com/uk/Electricity/Balancing/consultations/>.

