

# Fast Reserve

## Market Information for Tenders for January 2006

National Grid publishes this information, in order to inform potential participants for the Fast Reserve tender round for January 2006.

### Fast Reserve Availability

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

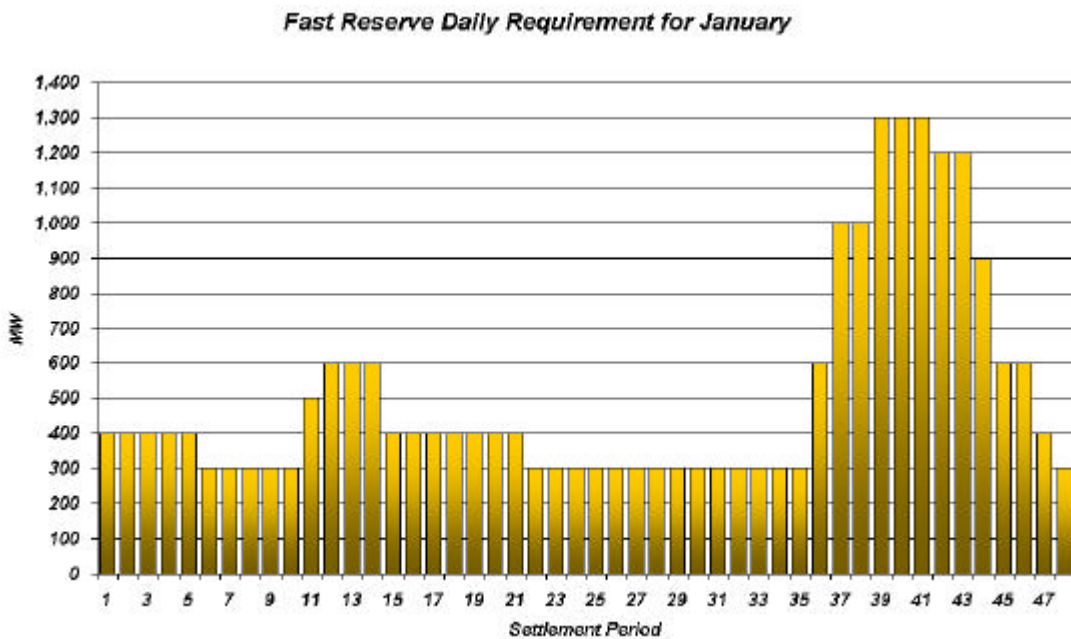


Figure 1

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 and elsewhere during October (1<sup>st</sup> – 31<sup>st</sup> October 2005) and November (1<sup>st</sup> – 30<sup>th</sup> November 2005). The BM information is based on the aggregate of Offers plus |Bids| accepted to provide Fast Reserve or an equivalent service.

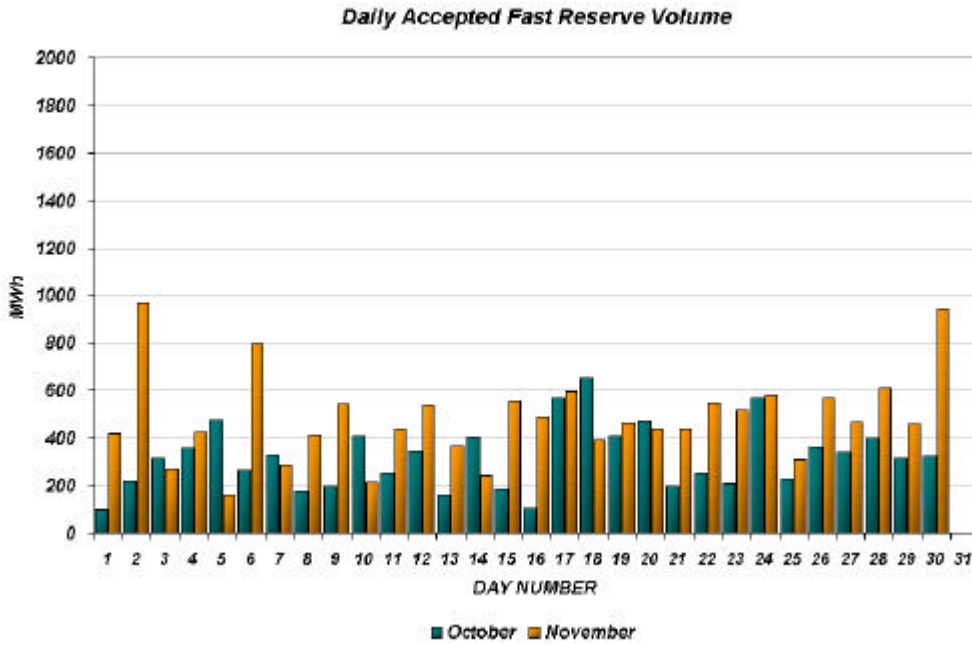
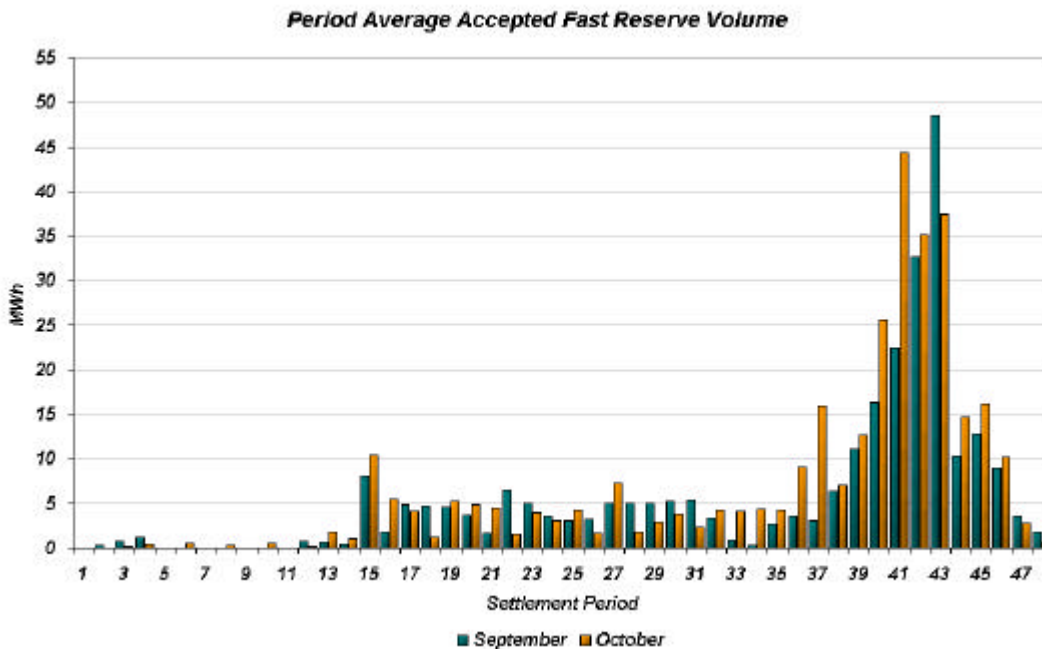


Figure 2

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

Figure 4 re-presents the same historical data, as an average utilisation price per Settlement Period for each month.

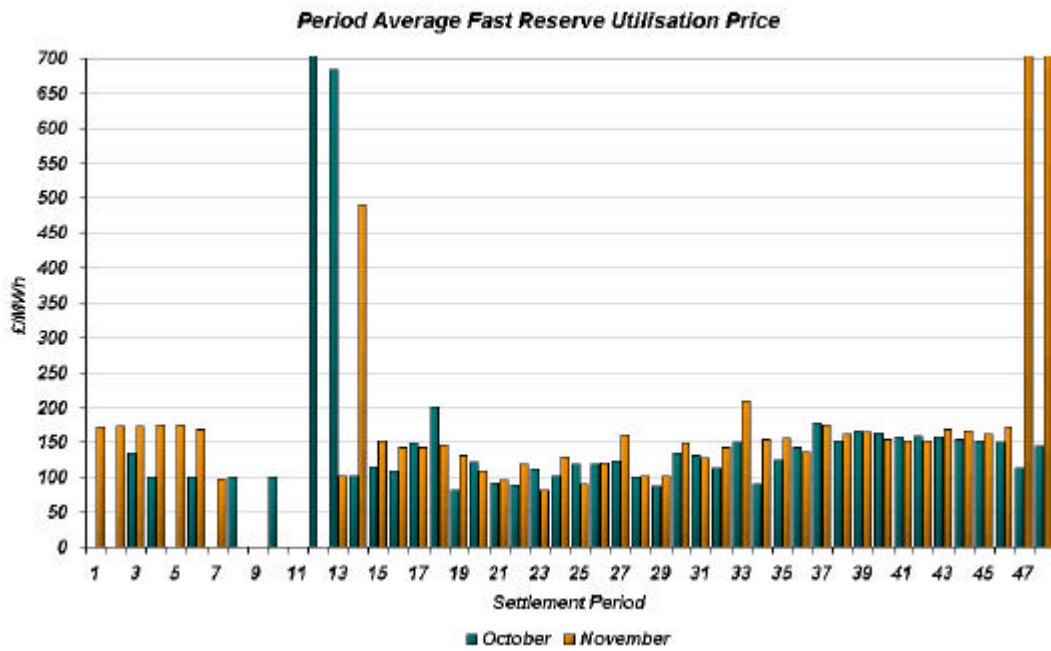


Figure 4

Finally, the same data is used in figure 5, below, to show the profile of total Fast Reserve utilisation expenditure per Settlement Period for each month.

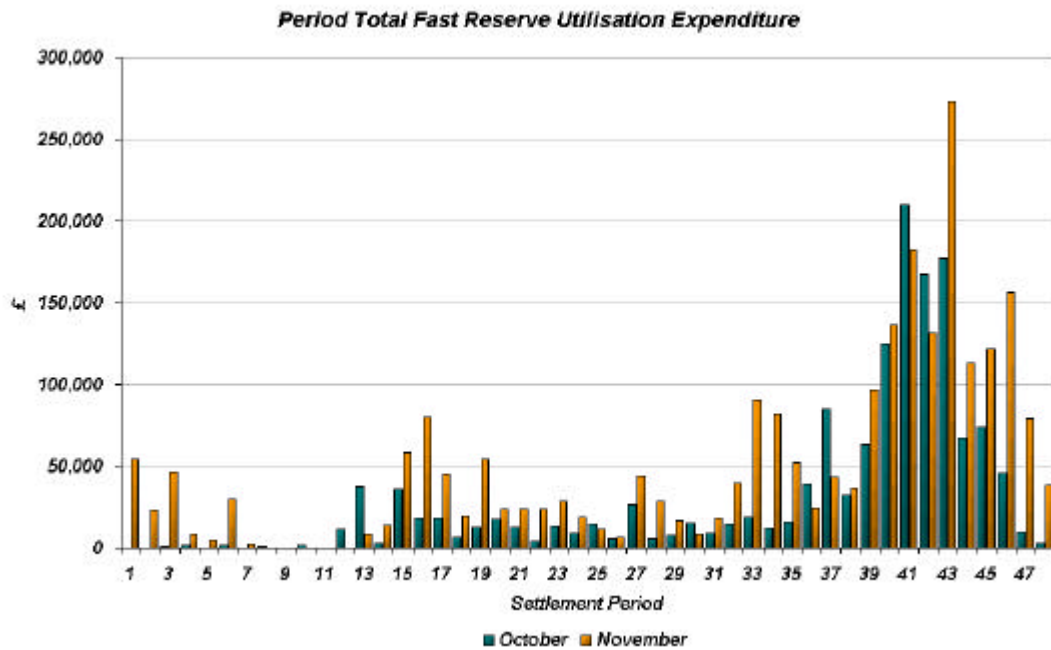


Figure 5

The total volumes of Fast Reserve utilisation of **10.1 GWh** for October and **14.5 GWh** for November break down into price bands as follows:

October	Price band (£/MWh range)	Volume (MWh)	Average Price (£/MWh)	Cost (£m)
OFFERS	2000 to 10000	0	n/a	n/a
	1000 to 2000	0	n/a	n/a
	300 to 1000	23	383	0.01
	0 to 300	9,805	143	1.41
<b>Total</b>		<b>9.8 GWh</b>		<b>£1.41 m</b>
BIDS	0 to 300	0	n/a	n/a
	-300 to 0	-62	-163	0.01
	-1000 to -300	-220	-415	0.09
	-2000 to -1000	0	n/a	n/a
	-10000 to -2000	-18	-204	0.00
<b>Total</b>		<b>-0.3 GWh</b>		<b>£0.11 m</b>
<b>Total</b>		<b>10.1 GWh</b>		<b>£1.52 m</b>

November	Price band (£/MWh range)	Volume (MWh)	Average Price (£/MWh)	Cost (£m)
OFFERS	2000 to 10000	30	2,500	0.07
	1000 to 2000	0	n/a	n/a
	300 to 1000	150	409	0.06
	0 to 300	14,015	149	2.09
<b>Total</b>		<b>14.2 GWh</b>		<b>£2.22 m</b>
BIDS	0 to 300	0	n/a	n/a
	-300 to 0	-91	-160	0.01
	-1000 to -300	-196	-498	0.10
	-2000 to -1000	0	n/a	n/a
	-10000 to -2000	-19	-182	0.00
<b>Total</b>		<b>-0.3 GWh</b>		<b>£0.12 m</b>
<b>Total</b>		<b>14.5 GWh</b>		<b>£2.34 m</b>

The above charts and tables show that from October to November overall Fast Reserve utilisation increased by ~43% leading to an increase in costs of ~54%.

For January 2006, the demand shape will continue as a winter profile. This will differ from historic profiles due to the additional 10% demand created by the introduction of the Scottish system through the BETTA. Fast Reserve utilisation patterns for January 2006 are therefore expected to be similar to those seen in November 2005 or show a ~ 10% increase above January 2004.

For the month of January tenders from eligible Service Providers for firm Fast Reserve should be submitted to National Grid by Wednesday 14<sup>th</sup> December 2005. National Grid will notify Service Providers of the outcome of the tender assessment by Wednesday 21<sup>st</sup> December 2005.

Tenders should be sent for the attention of:

Bea Ennim  
Operations & Trading  
National Grid plc  
National Grid House  
Warwick Technology Park  
Gallows Hill  
Warwick  
CV34 6DA

Tenders can be sent by fax to Bea Ennim on 01926 656612.