

Procurement Guidelines Report

1 April 2010 to
31 March 2011

As required by Standard Condition
C16 of the National Grid's Electricity
Transmission Licence.

Procurement Guidelines Report

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1. INTRODUCTION

National Grid procures Balancing Services subject to the framework laid down in Condition C16 of the Transmission Licence. This framework obliges National Grid to “operate the transmission system in an efficient, economic and co-ordinated manner” and also requires a number of statements and reports on the procurement and use of Balancing Services to be established. The **Procurement Guidelines** is one of these statements, and sets out the principles used in our procurement of Balancing Services, the kinds of Balancing Services that we may be interested in purchasing and the mechanisms by which we do so. The Procurement Guidelines is published on the National Grid website¹ and is subject to annual review and industry consultation. When a new Procurement Guidelines statement is published annually (covering the forthcoming relevant period), National Grid is required to produce a **Procurement Guidelines Report** (“Report”) covering the preceding relevant period, having previously agreed the ‘form’ of the Report with The Authority.

1.1 Purpose of Procurement Guidelines Report

The purpose of the Report is to provide information in respect of the relevant² Balancing Services that National Grid has procured in the defined reporting period.

1.2 Reporting Period

In accordance with Condition C16 of the Transmission Licence, the Report will be produced within one month after the date on which each revised Procurement Guidelines Statement is due to be published.

The information utilised in this report is the best available at the time of publication and may be subject to minor changes as a result of final reconciliation.

¹Scope National Grid Website: <http://www.nationalgrid.com/uk/Electricity/Balancing/transmissionlicencestatements/>.

²Scope of the balancing services covered in this document can be found in section 1.3 and 1.5

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1.3 Balancing Services

The Balancing Services National Grid has procured, either via market arrangements or bilateral contracts, throughout the period covered by the Report, are:

- Frequency Response
- Reactive Power
- Fast Start
- Black Start
- Reserve Services - Fast Reserve, STOR and BM Start-Up
- System to System Services
- Inter-trips
- Ancillary Contracts to manage System issues
- Maximum Generation Service
- All Other Services
- Energy Related Products (including PGBTs)
- BM Constraints

It is important to note that Balancing Services are procured from both Balancing Mechanism and Non Balancing Mechanism Parties.

1.4 Structure of Report

This report presents the Balancing Services under four main titles:-

- Services Procured via Market Arrangements
- Services Procured via Non-Tendered Bilateral Contracts
- Other Energy Related Products
- Constraints

It is then followed by a summary section providing the high level information for all services for the financial year 2010-11.

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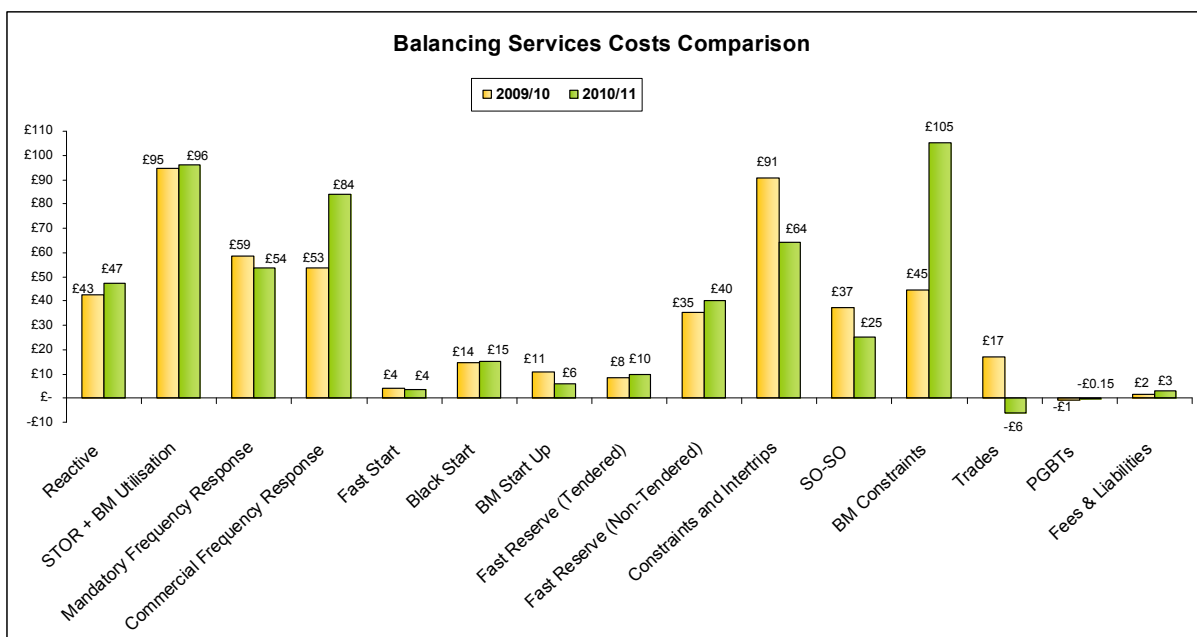
1.5 Services not included in the report

The scope of the Procurement Guidelines does not include the acceptance of Bids and Offers in the Balancing Mechanism. However, Bids and Offers for Constraint management (see section 5) and BM STOR Utilisation (see section 2.7) have been included to provide an appreciation of the overall costs. Further information on Bid and Offer acceptances can be found in the Balancing Principles Statement Report.

1.6 Comparison with previous year

Total costs of balancing services have increased by £35m from £512m in 2009/10 to £547m in 2010/11. BM Constraints costs increased from £45m to £105m in 2010/11 while Constraints and Intertrips reduced by £27m from £91m to £64m in 2010/11. System Operator—System Operator (SO-SO) costs were lower in 2010/11 at £25m compared to £37m in 2009/10. The cost of Commercial Frequency Response has increased to £84m from £53m in 2009/10.

The reasons behind the changes discussed above are analysed in more detail in the relevant sections of this report.



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2. Services Procured Via Market Arrangements

2.1 Reactive Power

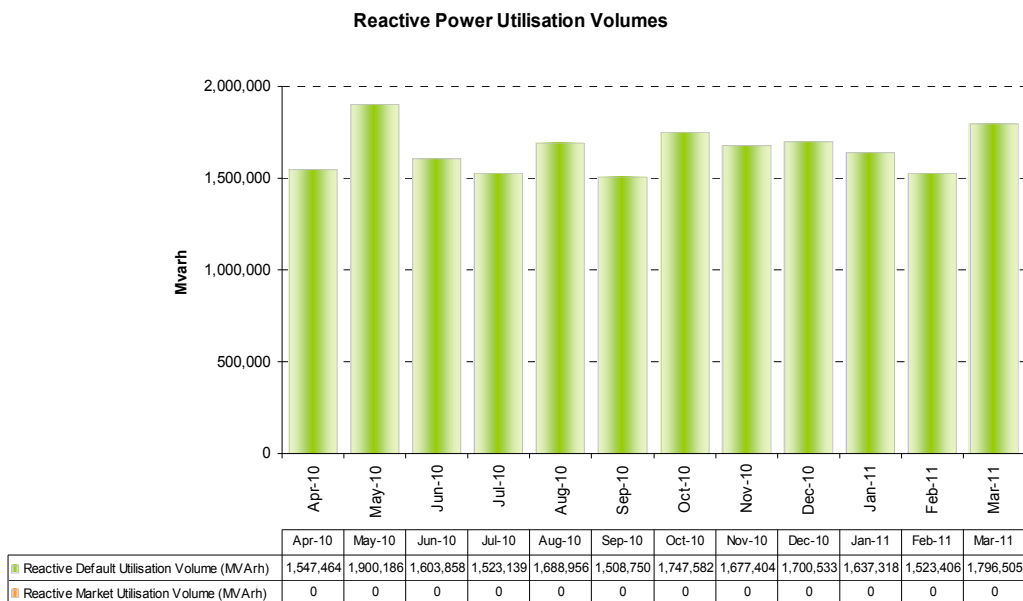
National Grid manages voltage on the transmission system within statutory limits to ensure quality of supply. In doing this we ensure that reactive power resources are provided on a localised basis to meet the constantly varying needs of the system, and that there is sufficient reactive power reserve available to meet contingencies.

2.2 Market Arrangements for Reactive Power

There were three tender rounds (TR24, TR25 and TR26) covering April 2010 to March 2011 period. There were no successful tenders in all three tender rounds. Hence there was no contracted service between April 2010 and March 2011. Further information regarding each of these tender rounds can be found at the following website address:

<http://www.nationalgrid.com/uk/Electricity/Balancing/services/ReactivePower/markettender/>

Utilisation volumes of Reactive Power under Market and Default arrangements for the relevant months are detailed in the chart below.



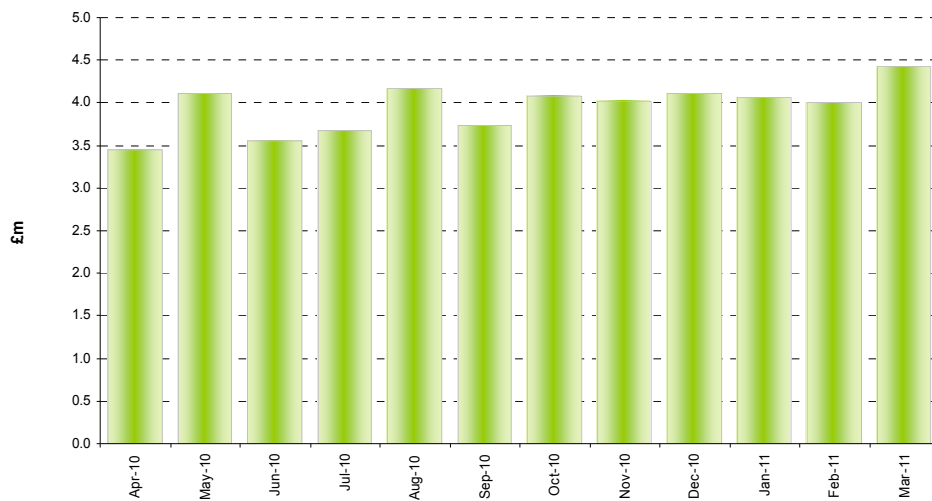
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There were no costs incurred for market arrangements as a result of no services being contracted in 2010/11 .

Utilisation costs of Reactive Power under market and Default arrangements over the relevant period are detailed in the chart below.

Reactive Power Costs



	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11
■ Reactive Default Total £m	3.455	4.114	3.557	3.669	4.172	3.733	4.075	4.025	4.111	4.068	4.003	4.429
■ Reactive Market Total £m	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

2.3 Default Arrangements for Reactive Power

Further information regarding the default payment arrangements can be found at the following National Grid Website.

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

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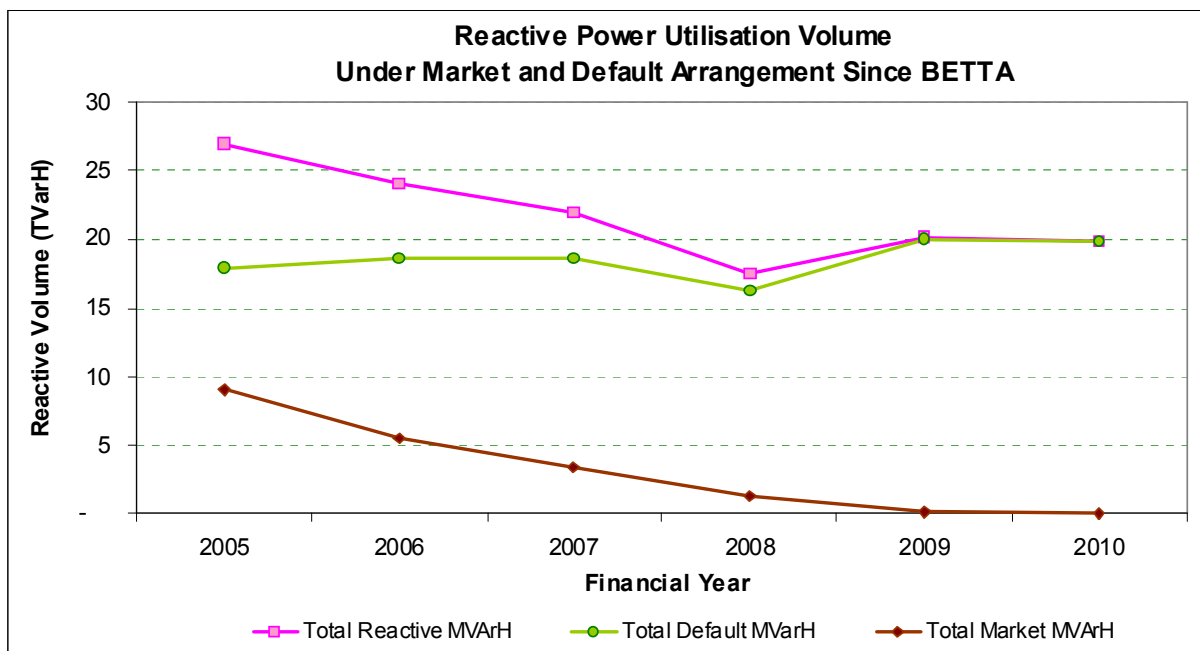
2.4 Reactive Power Comparison with previous year

Reactive costs have increased by 9% from £43m in 2009/10 to £47m in 2010/11. The cost increase was driven by higher wholesale power prices. On average, the default price in 2010/11 was 11% higher than that in 2009/10. The cost increase was offset by a small reduction in utilisation volume, from 20.2 TVarh in 2009/10 to 19.9 TVarh in 2010/11.

Utilisation volume and costs of Reactive Power under Market and Default arrangements for the last 6 years are detailed in the charts below. The share of reactive power utilisation under market arrangement had been shrinking; and in the last year and half, all reactive power was purchased under the default arrangement.

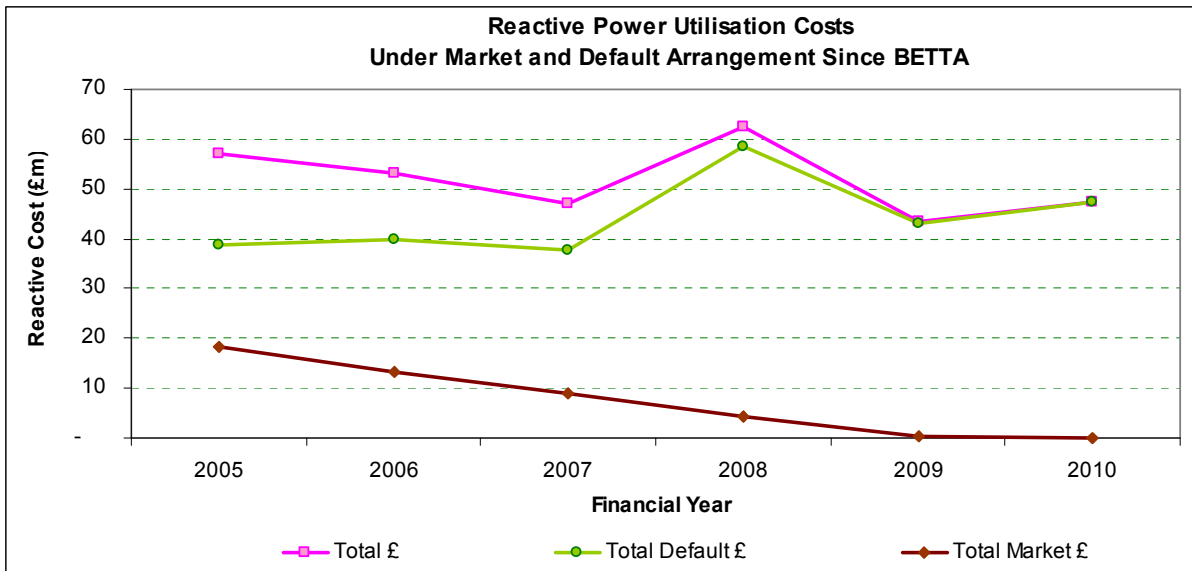
Further information regarding the default payment arrangements can be found at the following National Grid Website.

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



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2.5 Fast Reserve (Contracted)

Further information explaining Fast Reserve and the assessment criteria of tenders can be found on the National Grid Website.

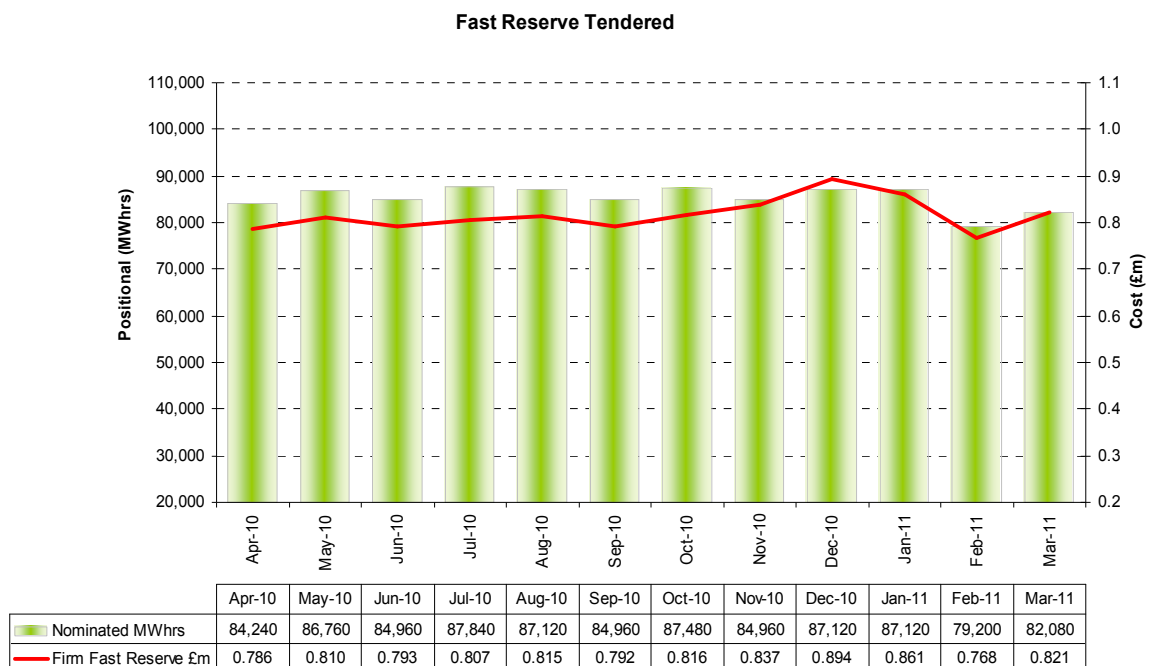
<http://www.nationalgrid.com/uk/Electricity/Balancing/services/reserveservices/fastreserve/>

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2.6 Fast Reserve (Tendered) Comparison with previous year

The following graph shows the monthly variation in nomination hours from the contracted Fast Reserve Capacity.



The nominated volume of Fast Reserve has increased to 1,023,840 MWhrs, from 910,917 MWhrs in 2009/10. Consequently, this has led to an increase in Firm Fast Reserve costs from £8.4m to £9.8m. The rise in the nominated volume is attributed to an increase in the proportion of contracted MWhrs nominated by National Grid. For each month of the financial year during 2009/10, an average of 68% of the contracted MWhrs was nominated and throughout 2010/11 this figure rose to an average of 99% per month.

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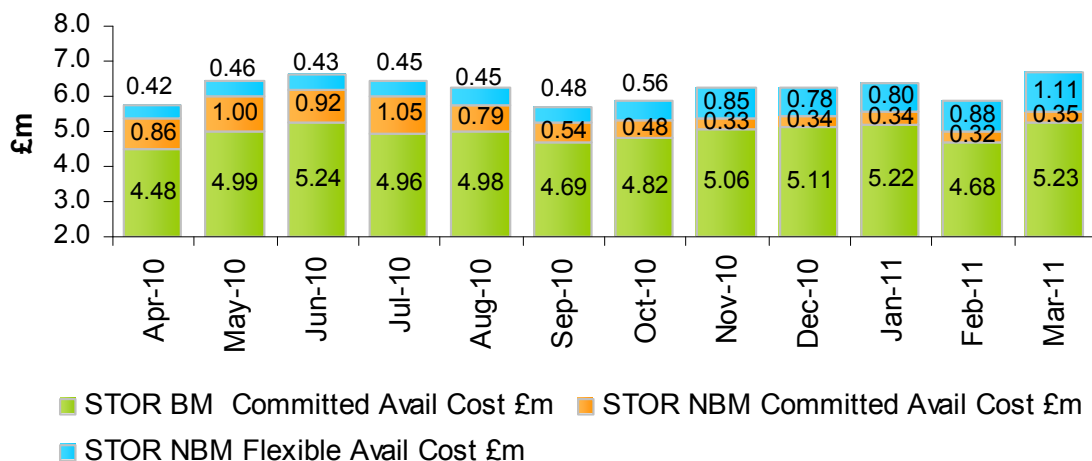
2.7 Short Term Operating Reserve (STOR) including Balancing Mechanism (BM) and Non Balancing Mechanism (NBM)

National Grid procures Short Term Operating Reserve (STOR) through a competitive tender process which is conducted three times per year.

Further information on STOR can be found on the National Grid website.

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

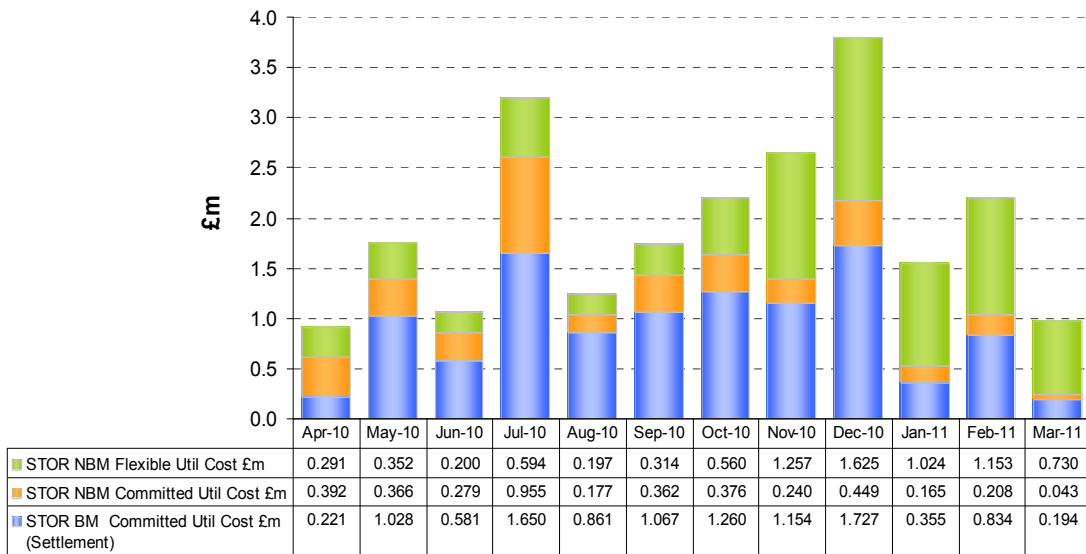
STOR BM & NBM Availability Costs



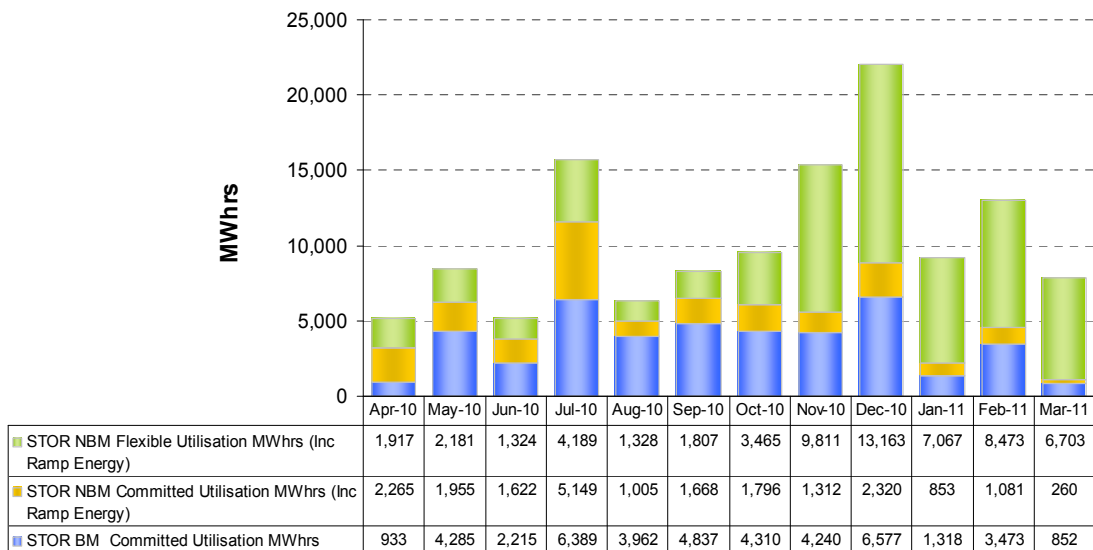
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STOR BM and NBM Utilisation Cost - Flexible and Committed



STOR BM and NBM Utilisation MWhrs - Flexible and Committed



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STOR BM and NBM Utilisation MWhrs and Costs (Data)

Month	STOR BM Committed Util Cost £m (Settlement)	STOR NBM Committed Util Cost £m	STOR NBM Flexible Util Cost £m	STOR BM Committed Utilisation MWhrs	STOR NBM Committed Utilisation MWhrs (Inc Ramp Energy)	STOR NBM Flexible Utilisation MWhrs (Inc Ramp Energy)
Apr-10	0.221	0.392	0.291	933	2,265	1,917
May-10	1.028	0.366	0.352	4,285	1,955	2,181
Jun-10	0.581	0.279	0.200	2,215	1,622	1,324
Jul-10	1.650	0.955	0.594	6,389	5,149	4,189
Aug-10	0.861	0.177	0.197	3,962	1,005	1,328
Sep-10	1.067	0.362	0.314	4,837	1,668	1,807
Oct-10	1.260	0.376	0.560	4,310	1,796	3,465
Nov-10	1.154	0.240	1.257	4,240	1,312	9,811
Dec-10	1.727	0.449	1.625	6,577	2,320	13,163
Jan-11	0.355	0.165	1.024	1,318	853	7,067
Feb-11	0.834	0.208	1.153	3,473	1,081	8,473
Mar-11	0.194	0.043	0.730	852	260	6,703

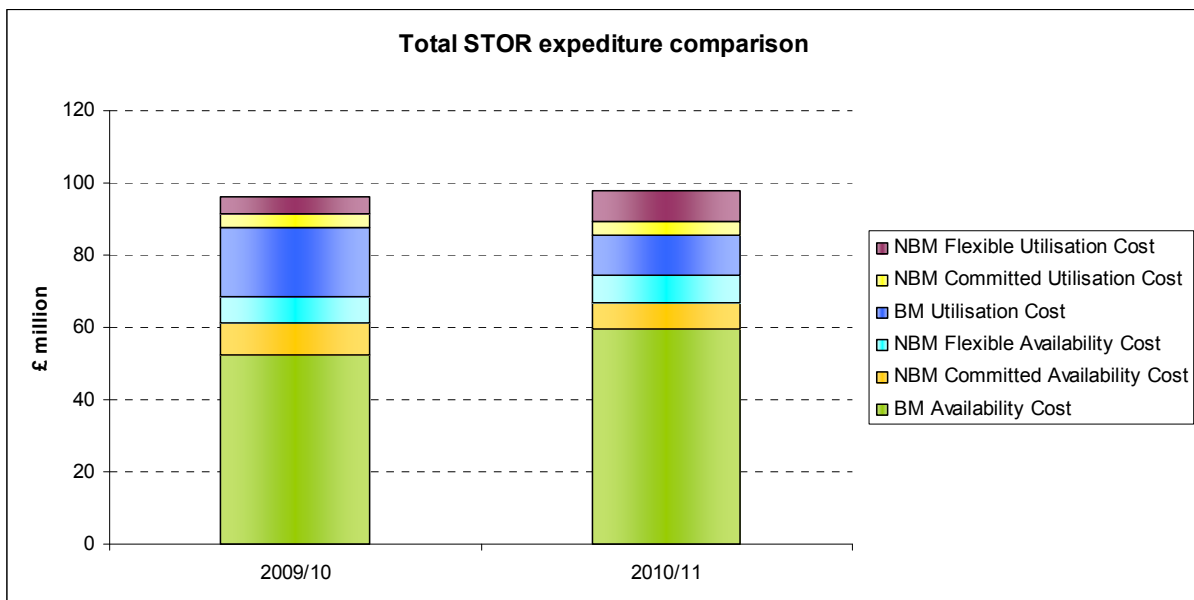
[Please note graphs and the table above do not reflect any seasonal reconciliation due to non-availability]

Non-BM STOR Availability payments, Non-BM STOR Utilisation payments and BM STOR Availability payments are paid as Ancillary Services. BM STOR Utilisation payments are paid via the BM Bids and Offers, not as an Ancillary Service; they are included in this report to clarify the total STOR expenditure. STOR BM Utilisation costs in this report are based on actual spend (i.e. MWh Utilised x Utilisation Price for that BM STOR unit).

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2.8 STOR Comparison with previous year



Total STOR costs for 2009/10 were £96.2m, this increased by 1.6% for 2010/11 to £97.7m. The increase in total availability expenditure is driven by higher availability prices, the average accepted availability price for 2009/10 was £8.52/MW/h this increased by 10% in 2010/11 to £9.38/MW/h. The increase in availability expenditure is offset by a decrease in utilisation expenditure, from £27.7m in 2009/10 to £23.2m in 2010/11. This decrease is driven by both a drop in the average utilisation price for accepted tenders and a slight decrease in the volume of utilisation when compared with 2009/10. The level of utilisation of BM units has dropped significantly when compared with 2009/10 and the level of flexible Non-BM utilisation has increased, this was driven by a number of flexible Non-BM units tendering more competitive prices.

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2.9 Tendered Frequency Response.

Please see Section 3.2 Services Procured via Non-Tendered Bilateral Contracts.

3. Services Procured Via Non-Tendered Bilateral Contracts

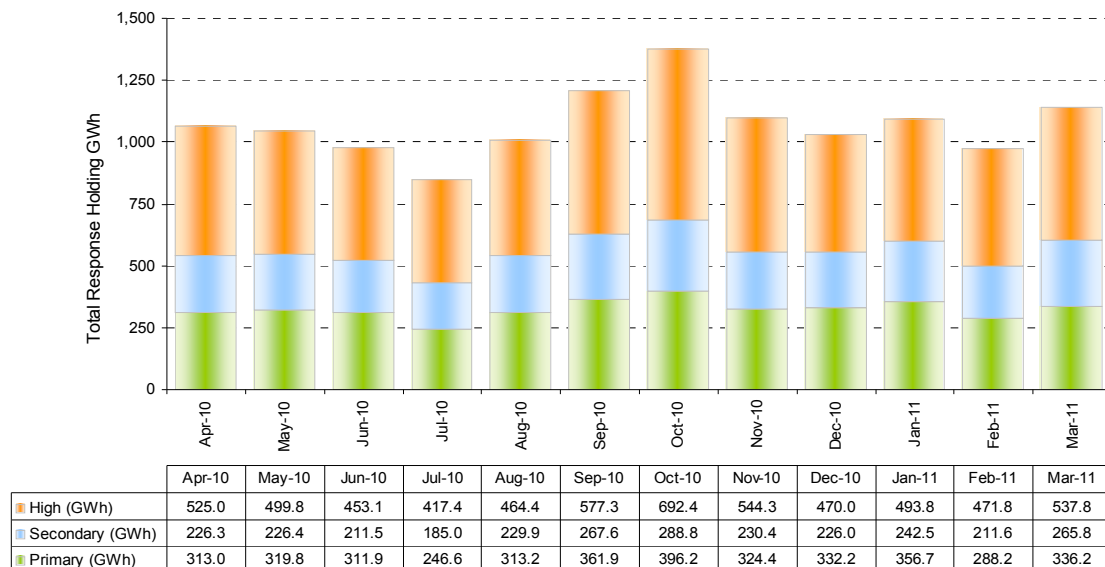
3.1 Mandatory Frequency Response

Mandatory Frequency Response is a mandatory service provided by large generators (>100MW) to automatically change their active power output in response to a change in system frequency. The Grid Code Connection Condition 6.3.7 and 8.1 describe the technical requirements for this service.

Payments for Mandatory Frequency Response comprise a Holding Payment (£/MW/h) and a Response Energy Payment (£/MWh). Details on frequency response holding are given below. More information on this can be found on the National Grid Website.

<http://www.nationalgrid.com/uk/Electricity/Balancing/services/frequencyresponse/mandatoryfreqresp/>

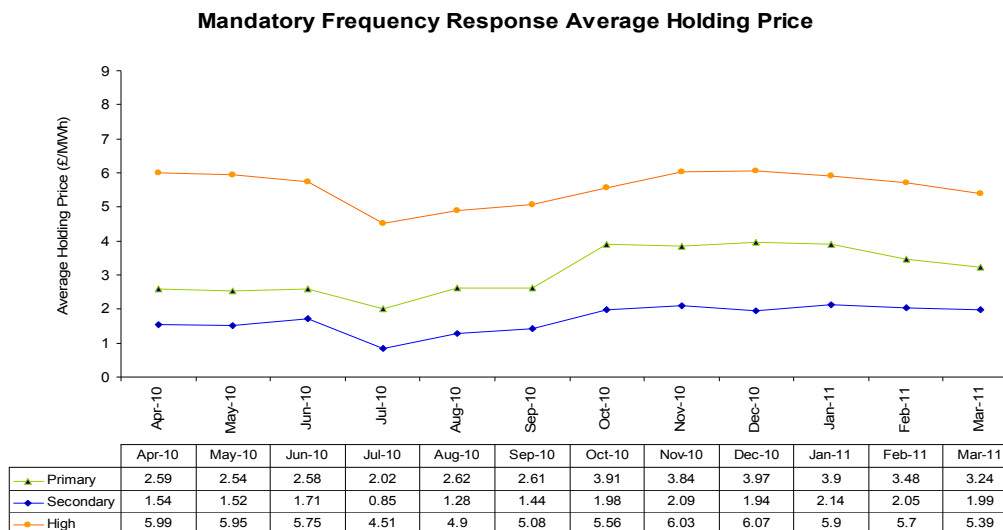
Mandatory Frequency Response Holding



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The next chart shows the Average Holding cost of Mandatory Frequency Response.



The methodology for calculating these payments is given in CUSC section 4.1.3.9 & 4.1.3.9A. <http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/>

3.2 Commercial Frequency Response

Commercial Frequency Response is a collection of services that can be provided by demand side participants and generation plant. The technical characteristics of these services are different to those required under mandatory service arrangements, and range from enhanced mandatory dynamic services through to non-dynamic services effected via Low Frequency relays. Part of the contract portfolio includes services provided by demand side participants via the Frequency Control by Demand Management (FCDM) service and through Firm Frequency Response (FFR) tender rounds.

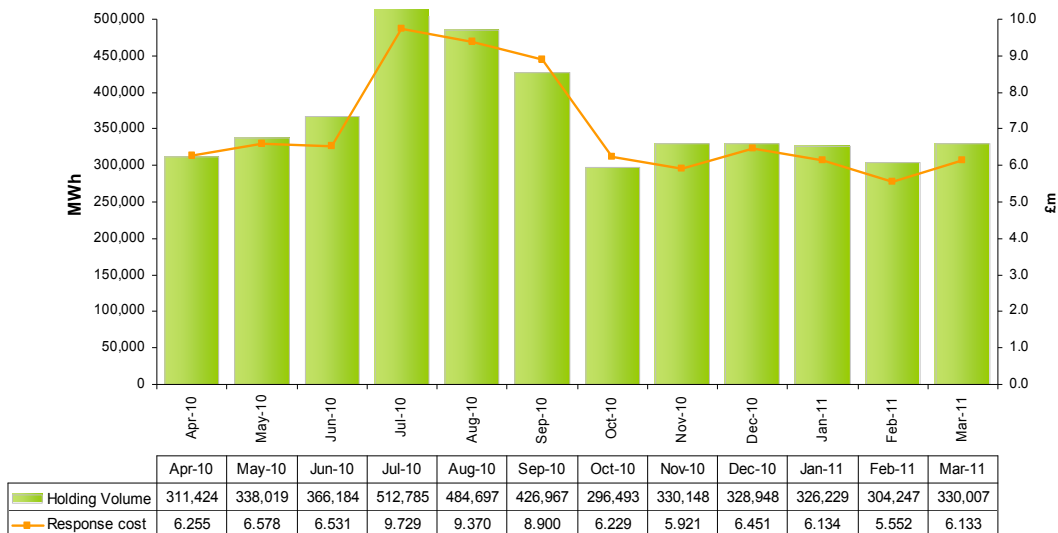
Further information on Commercial Frequency Response is available on the National Grid Website, or specifically on firm frequency response through the tenders and reports section of National Grid's Balancing Services website.

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

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Commercial Frequency Response Holding



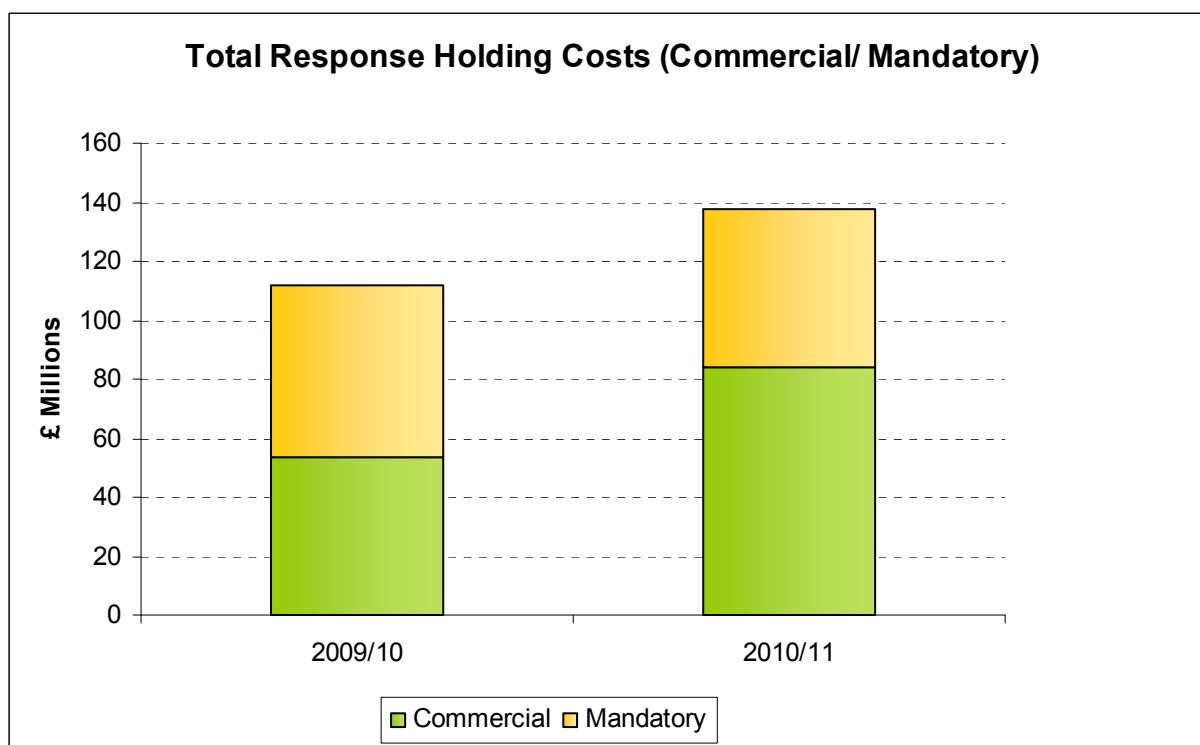
3.3 Frequency Response Comparison with previous year

The total mandatory response volume in 2010/11 was fairly constant when compared with 2009/10. The average response holding price continued to trend downwards and stabilised at levels that were lower than 2009/10 prices. This drop in holding price led to a 8.6% reduction in total mandatory frequency response costs from £59m in 2009/10 to £54m in 2010/11.

Commercial frequency response costs increased by 58% from £53m in 2009/10 to £84m for 2010/11. This increase in costs was partly influenced by a 6% increase in commercial frequency response holding volume. In 2010/11 we had more Commercial Frequency Contracts than in the previous year 2009/11; these contracts lead to savings in the BM costs of frequency response at the same time increasing Ancillary Commercial frequency response costs.

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Total Response Holding Costs which include both Mandatory and Commercial costs have increased from £112 million to £137 million in 2010/11.

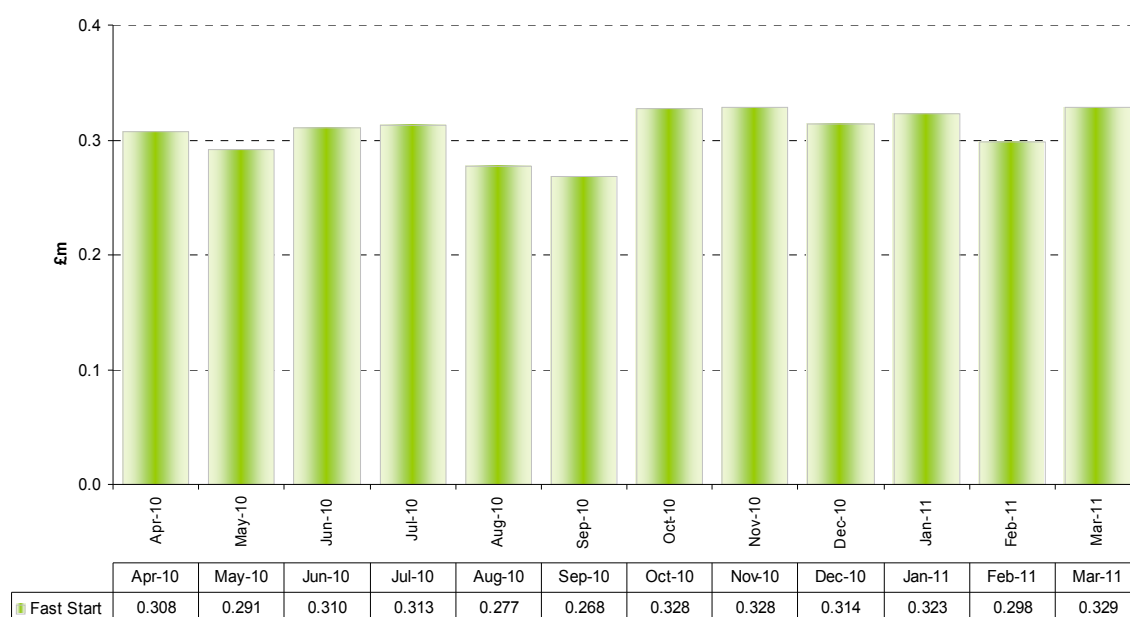
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3.4 Fast Start

Fast Start is the ability of generation to start rapidly from a standstill condition and to deliver its rated power output automatically within a defined time period.

Fast Start Utilisation



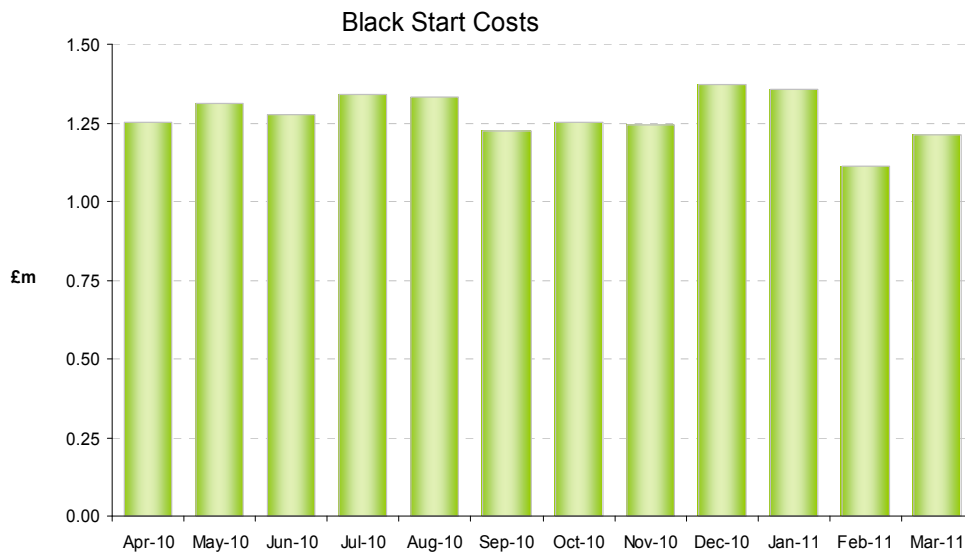
Further information on Fast Start can be found on the National Grid Website.
http://www.nationalgrid.com/uk/Electricity/Balancing/services/balanceserv/reserve_serv/faststart/

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3.5 Black Start

During the reporting year from April 2010 to March 2011 there were 22 stations with Black Start agreements in place, remaining constant with previous year. Costs have stabilised at £15m this reporting year compared to £14m in the year 2009/10.



	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11
Blackstart Contract costs (£m)	1.25	1.31	1.28	1.34	1.33	1.22	1.25	1.24	1.37	1.36	1.11	1.21
Other Black Start Costs (£m)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

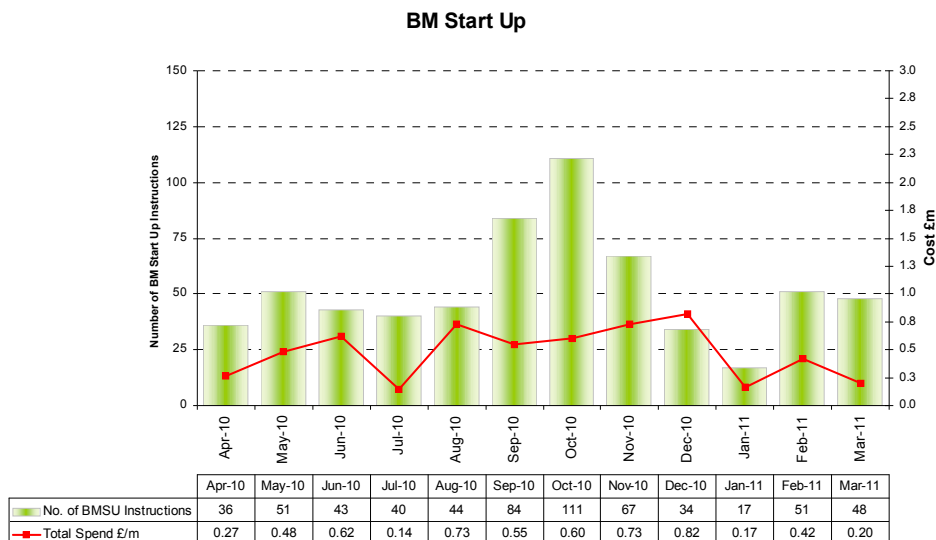
Further information on Black Start can be found on the National Grid Website.
<http://www.nationalgrid.com/uk/Electricity/Balancing/services/systemsecurity/blackstart2/>

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3.6 BM Start up

The chart below contains information relating to the procurement of BM Start up Balancing Services:



3.7 BM Start up Comparison with previous year

The number of BM Start up instructions issued during 2010/10 was 626 compared to 951 instructions during the previous year. In terms of costs, £11m was spent on this service in 2009/10 compared to £6m in 2010/11. Reserve levels at day-ahead and within day timescale combined with lower power prices have contributed to lower costs spent on this service this year compared with previous year.

Further details are available via the National Grid Website.

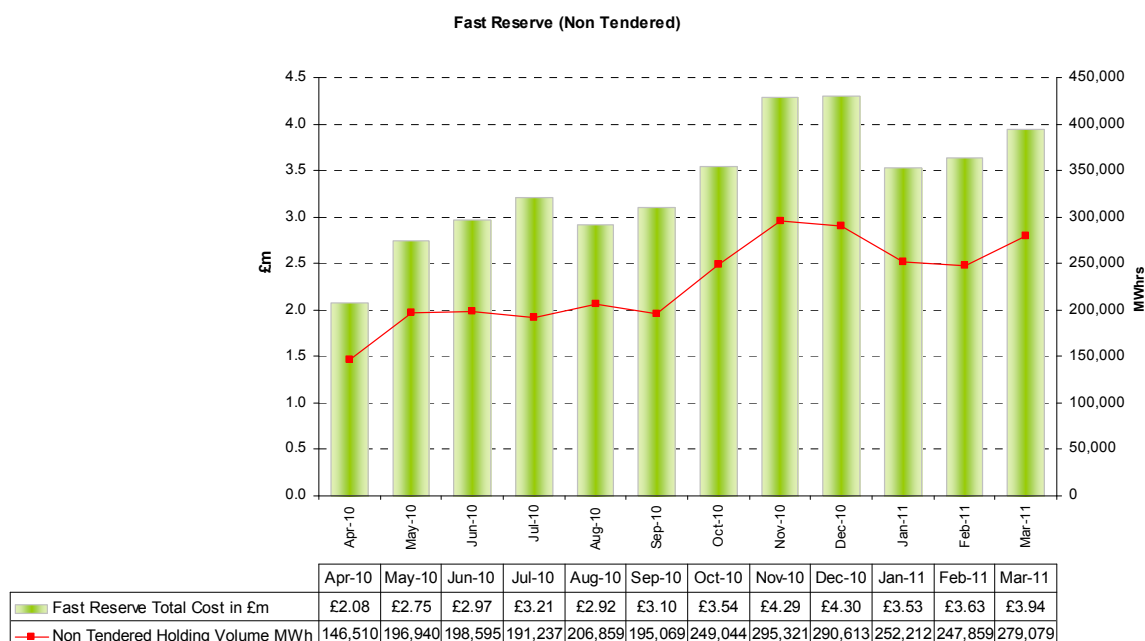
<http://www.nationalgrid.com/uk/Electricity/Balancing/services/reserveservices/bmstartup/>

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3.8 Fast Reserve (Procured on a Non-Tendered basis)

Non-Tendered Fast Reserve is a service that is contracted on a bilateral basis with service providers. The nature of the service is similar to the Firm Fast Reserve service although the payment and utilisation mechanisms differ for each service.



3.9 Non-tendered Fast Reserve Comparison with previous year

Non-tendered Fast Reserve costs have increased by 14.8% from £35.1m in 2009/10 to £40.3m in 2010/11. This increase is driven by higher submitted prices despite a small decrease in the overall holding volume of non-tendered fast reserve.

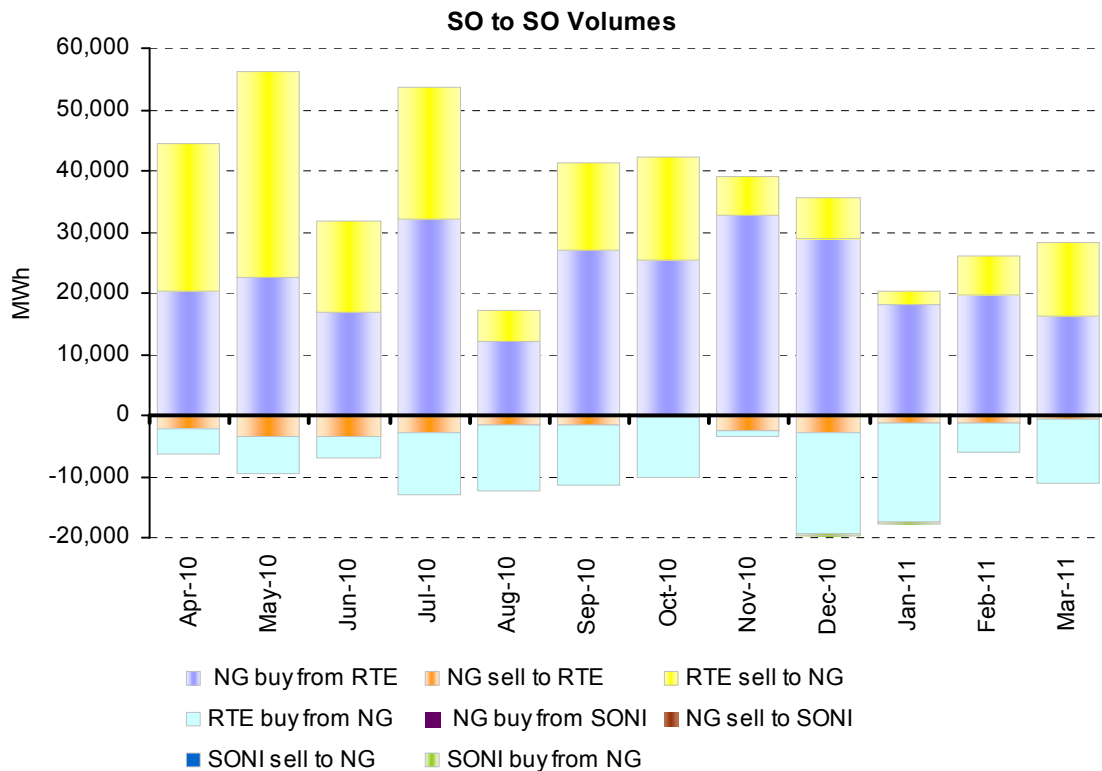
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3.10 System to System Services

System to System services are provided mutually with other Transmission System Operators connected to the GB system via interconnectors. Such services are typically used to manage interconnector transfer profiles and to increase or reduce power flows across an interconnector to resolve transmission constraints on either side, or provide Emergency Assistance if required.

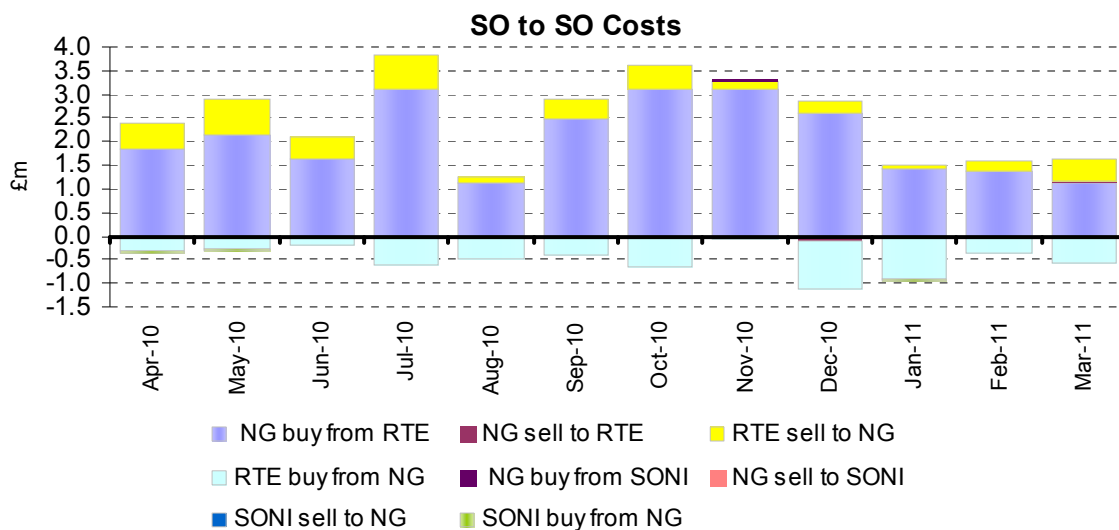
The graph below shows the total net volume imported and exported between Great Britain, France and Ireland. Please see Appendix 1 for further clarification on System Operator to System Operator (SO-SO) services.



For definition see Appendix 1

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For definition see Appendix 1

3.11 SO-SO Comparison with previous year

The volume of SO-SO trades undertaken decreased this year from 659GWh gross in 2009/10 to 564GWh gross in 2010/11.

There has been a decrease in import volume to the UK from 577GWh in 2009/10 to 436GWh in 2010/11, requested by both National Grid and RTE. The volume requested by National Grid has reduced and constraint sell trades have also reduced hence offsetting the requirement for further downward regulation sells by National Grid via the SO-SO service. Volume requested by RTE has increased mainly due to the new BALIT system and price structures that are aimed at encouraging cross border balancing.

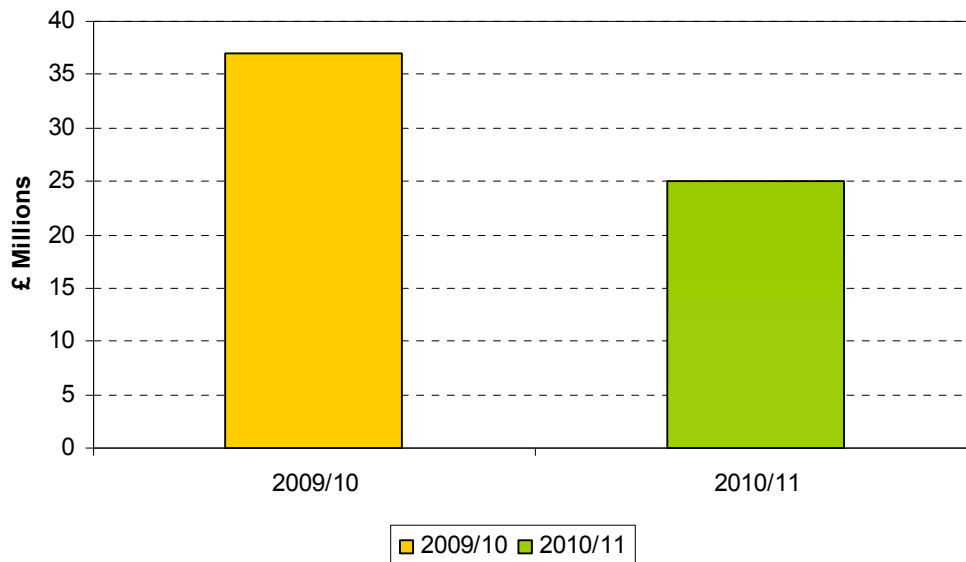
On the Moyle Interconnector, there were little volumes exchanged, mainly consistent small buy volumes which were SONI initiated.

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Total System Operator to System Operator Costs have reduced from £37 million in 2009/10 to £25 million in 2010/11 as shown in the graph below.

SO-SO (RTE & SONI) Net Costs



3.12 System to Generator Operational Inter-tripping Schemes

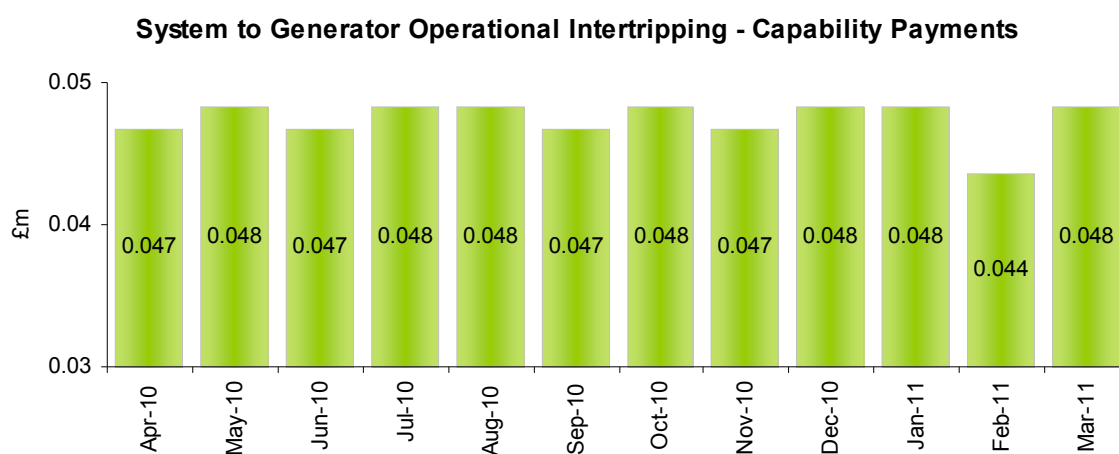
As a consequence of their connection conditions, certain generators are obligated to have in place operational intertrip schemes.

These schemes fall under a number of different category types as defined under section 4.2.A of the CUSC which describes the compensation arrangements relating to these schemes. A proportion of these categories entitle the counter party to payments for maintaining the capability to provide the intertrip and also following utilisation of the service.

Total costs for System to Generator Operational Inter-tripping Schemes remains reasonably constant at £0.57m for reporting year 2010/11, compared to £0.5m in 2009/10. Inflationary price increases account for the slight rise in costs.

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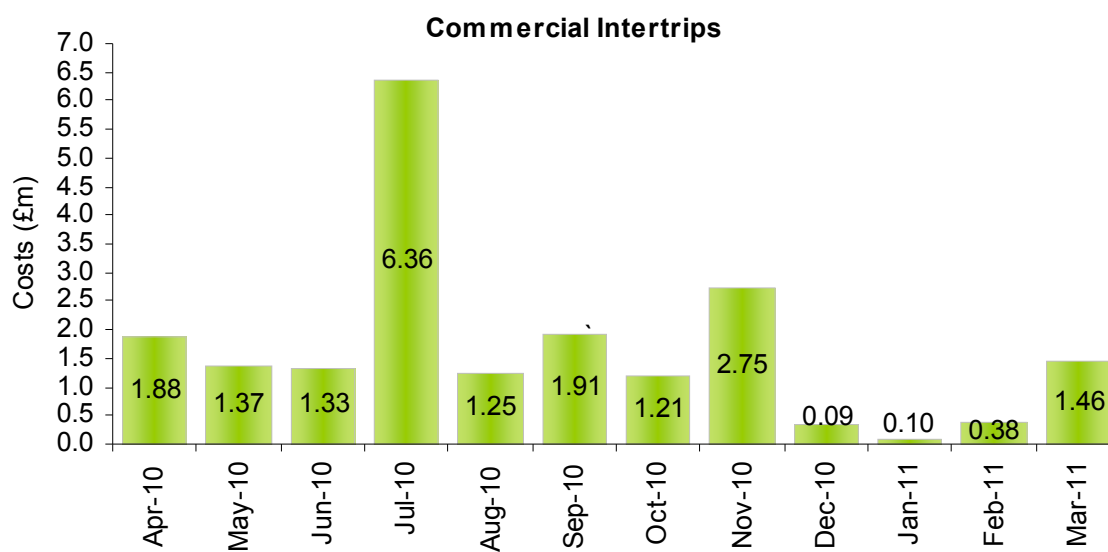


3.13 Commercial Intertrip Service

In addition to System to Generator Operational Inter-tripping Schemes, National Grid will seek to, where it proves economic and efficient to do so, enter into Commercial Intertrip schemes to manage system issues.

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Commercial Intertrip Monthly Summary

Month	Capability Payment £'s	Arming Payment £'s	Number of Hours of Intertrip Arming, Outside of Pre-Paid Arming Contract(s)	Contracted Pre-paid Arming £'s	Number of Hours Armed under Pre-Paid Arming Contract(s)	Number of Trips	Tripping Payment £'s
Apr-10	90,389	106,433	7	1,686,960	212	0	0
May-10	93,402	2,335	5	1,278,192	152	0	0
Jun-10	90,389	0	0	1,236,960	254	0	0
Jul-10	93,402	4,983,032	278	1,278,192	543	0	0
Aug-10	93,402	87,267	10	1,071,792	217	0	0
Sep-10	90,389	825,797	133	989,280	445	0	0
Oct-10	93,402	24,933	1	1,093,128	400	0	0
Nov-10	90,389	170,809	30	2,431,824	254	0	0
Dec-10	93,402	0	0	0	33	0	0
Jan-11	93,402	0	0	0	190	0	0
Feb-11	84,363	298,517	16	0	19	0	0
Mar-11	93,402	1,368,561	240	0	0	0	0

Under commercial intertrip agreements arming is payable either as;

1. A fixed pre-agreed sum, this may be for a fixed number of hours or unlimited hours (shown above as Contracted arming) or;
2. Payable on utilisation with the generator typically having the right to alter their payments with a short notice period (shown above as Arming Payments).
3. An agreement has been put in place with generators from March 2010 to manage system issues which include the use of a number of hours of arming on an intertrip. The figure quoted in the "Contracted arming" column is the maximum firm payment that could be made assuming the intertrip is available for use for all the Contracted Arming Hrs as quoted in the above table during the contracted period.
4. Contracted pre-paid arming allows for arming of the intertrip for an aggregated total of 50% of the hours across the duration of the contract.

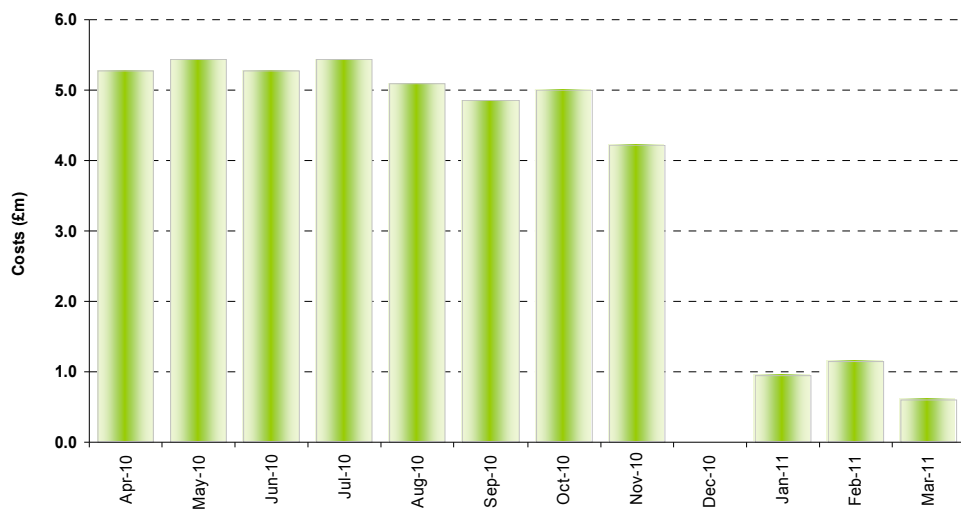
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3.14 Balancing Services Contracts to manage System Issues

On occasion, National Grid enters into bespoke Balancing Services contracts to manage certain transmission system issues. The number and nature of these contracts is necessarily confidential. The costs reported here include any costs of 'Transmission Related Agreements', which are entered as a consequence of certain customer choices of connection conditions.

Balancing Services Contracts



	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11
■ Constraint Contracts (£m)	5.269	5.445	5.269	5.445	5.092	4.846	5.005	4.209	0.000	0.947	1.152	0.600

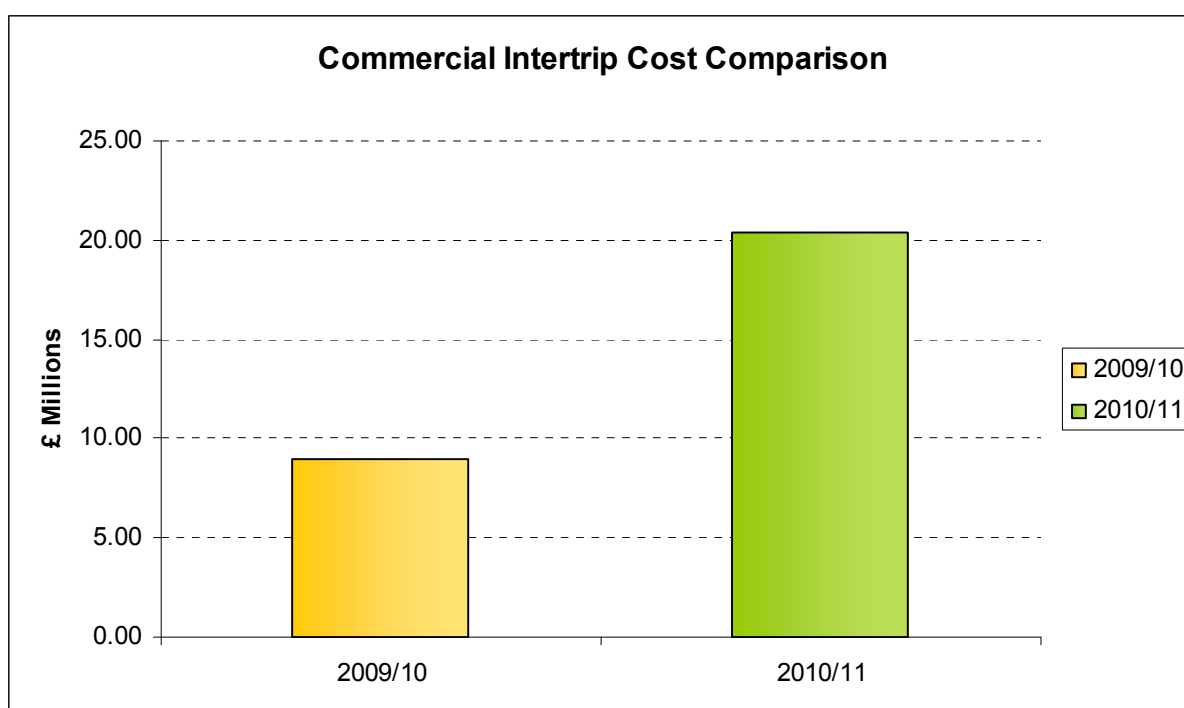
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3.15 System Issues Comparison with previous year

The costs of managing Transmission System constraints via contracts decreased from £81.36m in 2009/10 to £43.28m in 2010/11. In contrast Commercial Intertrip costs have increased from £8.99m in 2009/10 to £18.59m in 2010/11. The increase in Commercial Intertrip usage is relative to the decrease in Balancing Services contracts to manage constraints, one partially offsetting the other. It is also worth noting that a larger volume of constraints during 2010/11, in comparison with 2009/10, were managed via GTMA trades and thus appear in the "BMU Specific" trade costs.

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3.16 Maximum Generation Service

The Maximum Generation Service (MGS) is required to provide additional short term generation output during periods of system stress for energy balancing. This service allows access to unused capacity outside of the Generator's normal operating range. MGS will be initiated by the issuing of an Emergency Instruction in accordance with the Grid Code BC2.9.2. Details of the service are contained in the CUSC section 4.2

Further details on the utilisation and availability of the service are available on the National Grid Website.

<http://www.nationalgrid.com/uk/Electricity/Balancing/services/systemsecurity/maxgeneration/>

This service was not utilised during 2009/10 and during 2010/11.

3.17 All Other Services

These include bespoke services to manage specific system conditions and costs relating to fees and liabilities. In 2010/11 costs have increased to £3.1m from £1.6m in reporting year 2009/10.



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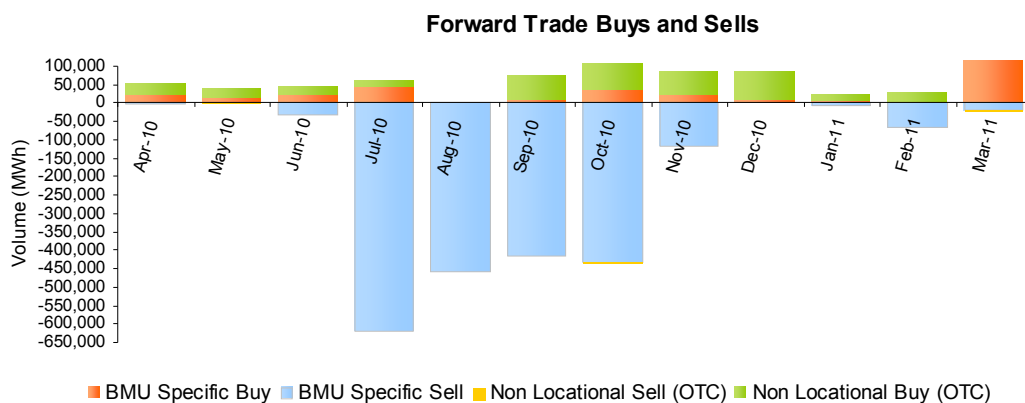
4. Energy Related Products

4.1 Forward Trading

National Grid's forward trading is undertaken to reduce the overall costs of balancing the system, and to resolve system issues as appropriate. There are a number of products and procurement mechanisms available.

Non Locational	Volume (MWh)	Cost (£)
Buy Volume	431,072	£22,238,266.8
Sell Volume	-12,421	-£478,674.93
BMU Specific		
Buy Volume (MWh)	311,264	£26,611,683.6
Sell Volume (MWh)	-2,170,377	-£54,569,014.02
Net Total		-£6,197,738.59

The following chart shows the monthly profile of our trading activities, both for non-locational energy trades and BMU-Specific trades.

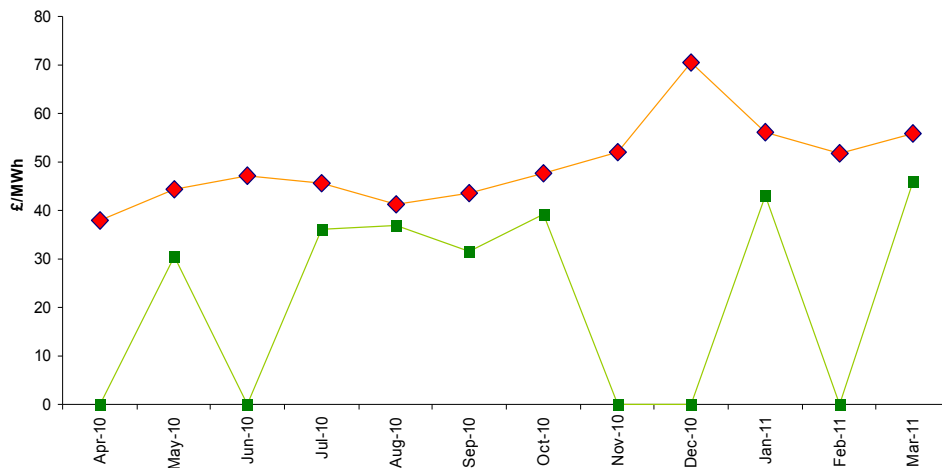


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The following graph shows the monthly profile of our non-localational energy trading activities. It comprises all the trades undertaken by National Grid through Power Exchanges and through the use of brokerage houses for that purpose.

Average Price of Non-Localational Energy Trades



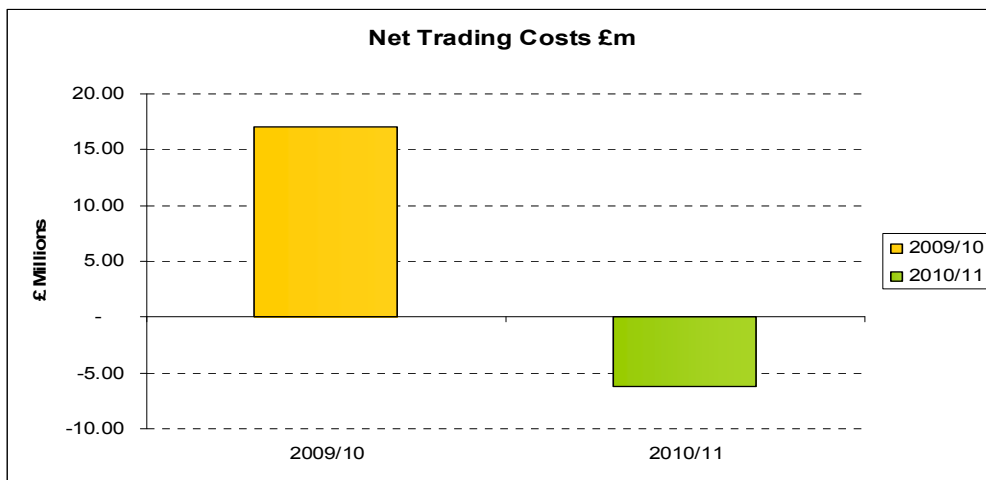
	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11
◆ Avg. Buy Price (£/MWh)	37.96	44.28	47.08	45.76	41.25	43.56	47.73	52.12	70.51	56.08	51.78	55.78
■ Avg. Sell Price (£/MWh)	0.00	30.41	0.00	36.27	37.00	31.50	39.34	0.00	0.00	43.08	0.00	46.01

4.2 Trades Comparison with previous year

Non localational trade and locational trade volumes increased this year. Locational buy trades are on a par with last years volume, the majority of which were taken to reduce exports to France for margin and also to manage southern constraints. This year has also seen a significant increase in locational sell actions predominantly for constraint resolution and consequently a rise in non locational buy volume for balancing.

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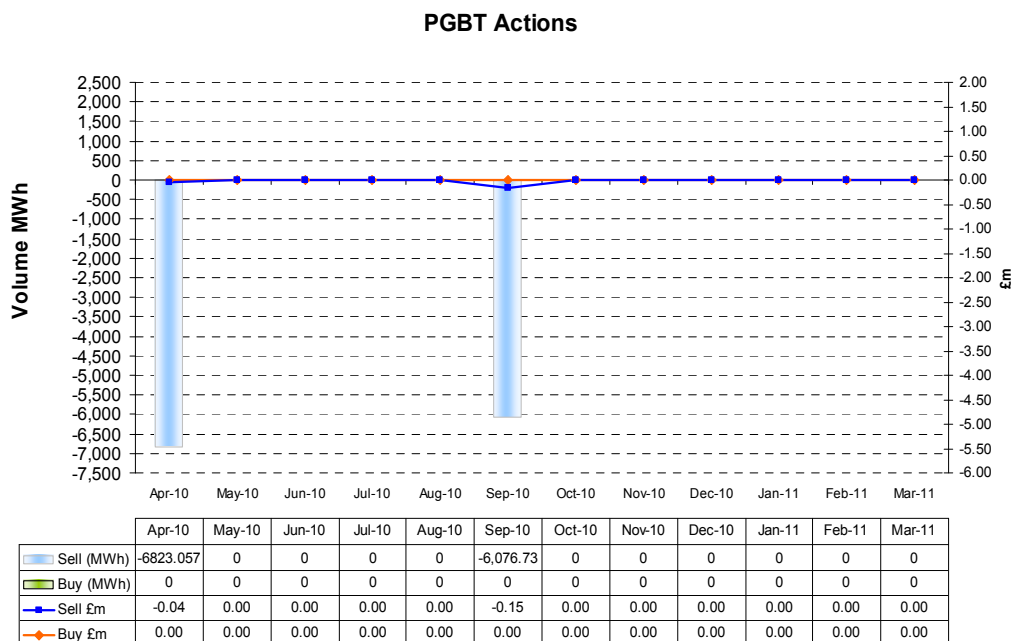
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Further details are available on the [National Grid Website](#)

4.3 Pre-Gate BMU Transactions (PGBT)

Information on PGBT activity transactions is given in the chart below:



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4.4 PGBTs Comparison with previous year

Few PGBTs were undertaken this year and all to facilitate outages and manage constraint volume, this is offset in part by an increase in locational sell trades. Costs for PGBTs have increased from -£1m in 2009/10 to -£0.19m this year.

Details on real time PGBT transactions can be found on the BMRS (system warning page) and post event, on the National Grid Website.

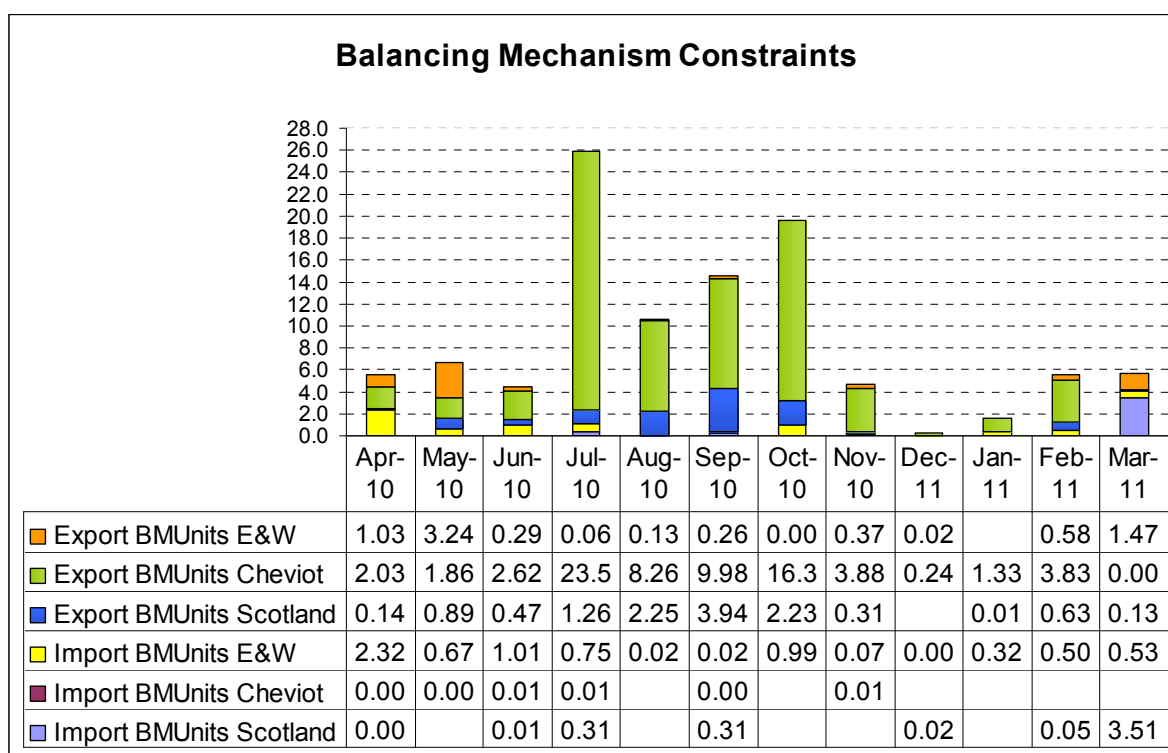
<http://www.nationalgrid.com/uk/Electricity/Balancing/services/energyrelated/pgbt/>

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5. Constraints

National Grid resolves constraints in the GB Transmission System through different mechanisms, including bids and offers in the Balancing Mechanism, PGBTs, Trades and System to System Services (SO-SO). The costs of resolving constraints via intertrip contracts (see section 3.12) and bilateral contracts (see section 3.13) have already been explored.



5.1 BM Constraints Comparison with previous year

BM Constraints Costs for reporting year 2010/11 turned out at £105m compared to £45m in 2009/10. This has been due to the balance between contracted volumes and residual balancing mechanism actions to manage constraints. In 2010/11 it was assessed as being more economic to resolve these in the BM than through contracts due to the expected intermittency and volatility of constraint volumes.

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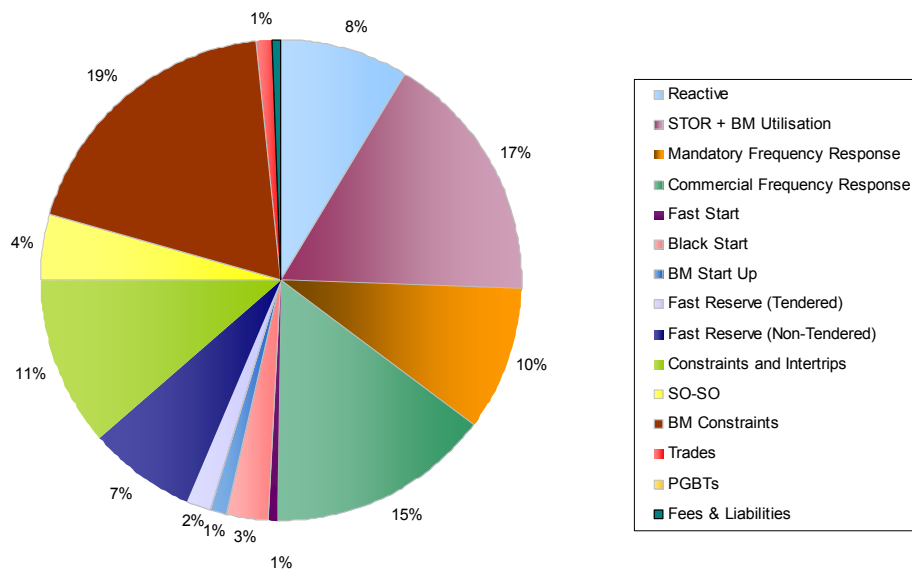
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6. Summary

As a summary of financial activity, the following breakdown of balancing services costs is provided by category, for the year 2010/11.

6.1 Summary Chart

Summary of Balancing Services Contracts Costs 2010/11



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6.2 Further information

For further information on the types of Balancing Services that National Grid intends to procure, please refer to the prevailing **Procurement Guidelines**. Information on bid and offer acceptances in the Balancing Mechanism is contained within the **Balancing Principles Statement Report**. These documents, along with the **Procurement Guidelines Report**, are published in accordance with Standard Condition C16 of the Transmission Licence and are available on the National Grid Industry Information website.

6.3 Contact and Feedback

National Grid welcomes feedback on any aspect of this report including suggestions for future reports. For any comments please email Electricity Codes at soincentives@uk.ngrid.com

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7. Appendix

7.1 Appendix 1: System to System Services Definitions

Initiator	Definition
NG buy from RTE	National Grid request to RTE for additional energy to England
NG sell to RTE	National Grid request to RTE for reduced energy to England
RTE sell to NG	RTE request to National Grid for additional energy to England
RTE buy from NG	RTE request to National Grid for reduced energy to England
NG buy from SONI	National Grid request to SONI for additional energy to England
NG sell to SONI	National Grid request to SONI for reduced energy to England
SONI sell to NG	SONI request to National Grid for Additional energy to England
SONI buy from NG	SONI request to National Grid for reduced energy to England.

RTE = Reseau de Transport de l'Electricite (*French electricity grid operator*)

NG = National Grid

SONI = System Operator Northern Ireland

