

STOR Market Information Report 08-04



(Short-Term Operating Reserve)

Introduction

This market report is produced after each tender round and is designed to give existing and potential STOR participants an overall view of the tendered utilisation and availability prices and National Grids' resultant forward contracted position; together with further details on the type, size and dynamics of the tendered plant. For further information regarding this product or how and when to tender please consult the tender and reports section of National Grids Balancing Services information website:

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

Furthermore, information on the use of the STOR service can be seen at monthly resolution in the Monthly Balancing Services Statement found on National Grids Balancing Services information website:

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

The report is divided into 2 main sections:

- Section 1 provides a summary of the tender round providing market participants with tendered and accepted volume and price information across seasons. The data is broken down between response time, flexible and committed providers plus a breakdown of the size of accepted units.
- Section 2 provides an overview of the total contracted position for each season of National Grid's Short Term Operating Reserve Requirement (STORR) through this and any previous tender rounds. This section allows the market participants to identify where there are opportunities to tender in future tender rounds.

This report is for the first tender round for 2008/09 and is for service provision commencing on the 1st April 2008. In this report year 2 refers to 2008/09 and year 3 refers to 2009/10.

Disclaimer of liability

The information contained or referred to in this market report and all other information relating to Short Term Operating Reserve which is provided by National Grid at any time whether before or after the date of publication of this market report is provided in good faith. Although National Grid makes reasonable efforts to ensure the accuracy and integrity of such information, no warranty or representation or other obligation or commitment of any kind is given by National Grid, its employees or advisors as to the accuracy, completeness, timeliness or fitness for any purpose of any such information. Neither National Grid nor its employees or advisors shall be under any liability for any error or misstatement contained in this market report and will not be liable for any loss caused as a result of the reader doing or not doing anything as a result of reading this market report or any part of it.

Copyright

Any and all copyright and all other intellectual property rights contained in this document belong to National Grid. To the extent that you re-use the document, in its original form and without making any modifications or adaptations thereto, you must reproduce, clearly and prominently, the following copyright statement in your own documentation:

© National Grid plc, all rights reserved.

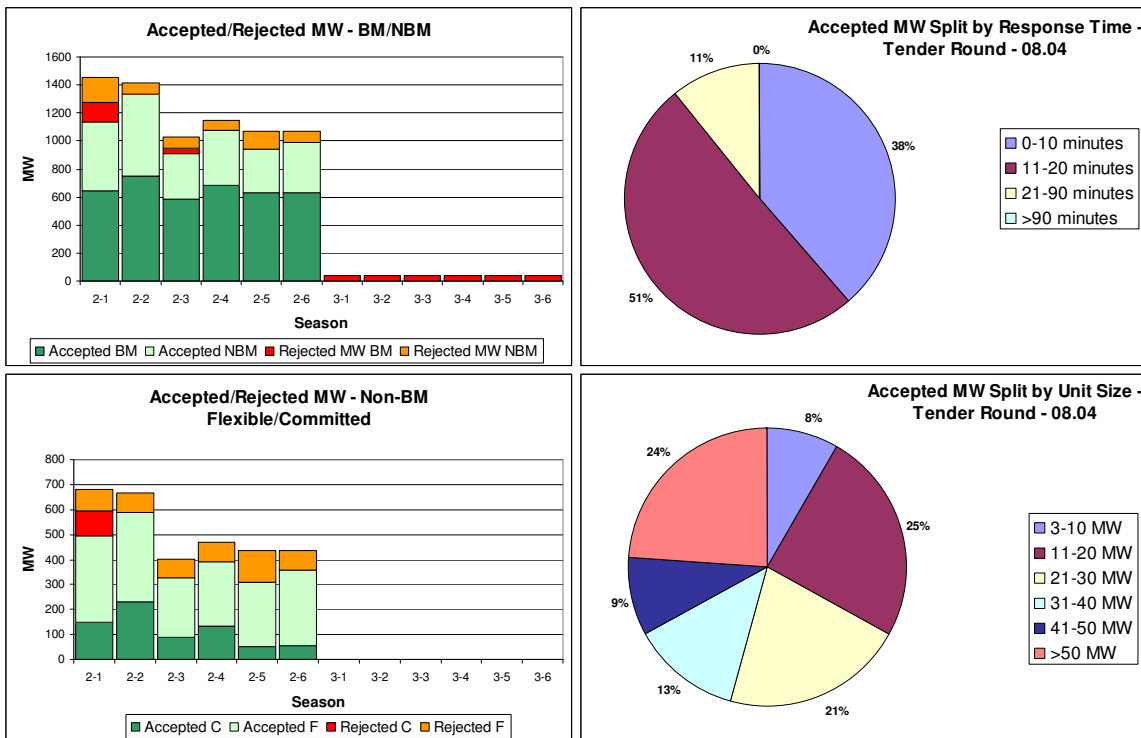
Section 1 Tender Round- 08.04

Table 1 below shows a high-level overview of the tenders received by National Grid and those that were accepted through the assessment process.

Table1: Season summary table for Tender Round – 08.04

	1 APRIL 2008 - 31 MARCH 2009						1 APRIL 2009 - 31 MARCH 2010					
	2-1	2-2	2-3	2-4	2-5	2-6	3-1	3-2	3-3	3-4	3-5	3-6
Tendered Companies	28	28	28	28	28	28	1	1	1	1	1	1
Tendered Units	74	71	48	53	51	51	2	2	2	2	2	2
Tendered MWs [MW]	1457	1437	1027	1150	1070	1067	40	40	40	40	40	40
Average Availability Price* (submitted) [£/MWh]	£6.92	£6.95	£7.05	£7.26	£7.34	£7.31	£10.00	£10.00	£10.00	£10.00	£10.00	£10.00
Average Utilisation Price* (submitted) [£/MWh]	£257.42	£259.79	£273.13	£269.16	£276.69	£275.76	£325.00	£325.00	£325.00	£325.00	£325.00	£325.00
Accepted Units	58	64	40	46	42	44	0	0	0	0	0	0
Accepted MWs [MW]	1137	1360	910	1073	940	990	0	0	0	0	0	0
Average Availability Price* (Accepted) [£/MWh]	£6.75	£6.95	£7.03	£7.22	£7.24	£7.27	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Average Utilisation Price* (accepted) [£/MWh]	£277.21	£260.73	£277.58	£270.33	£281.49	£276.91	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00

Below are a range of graphs to highlight the range of accepted providers and their characteristics.

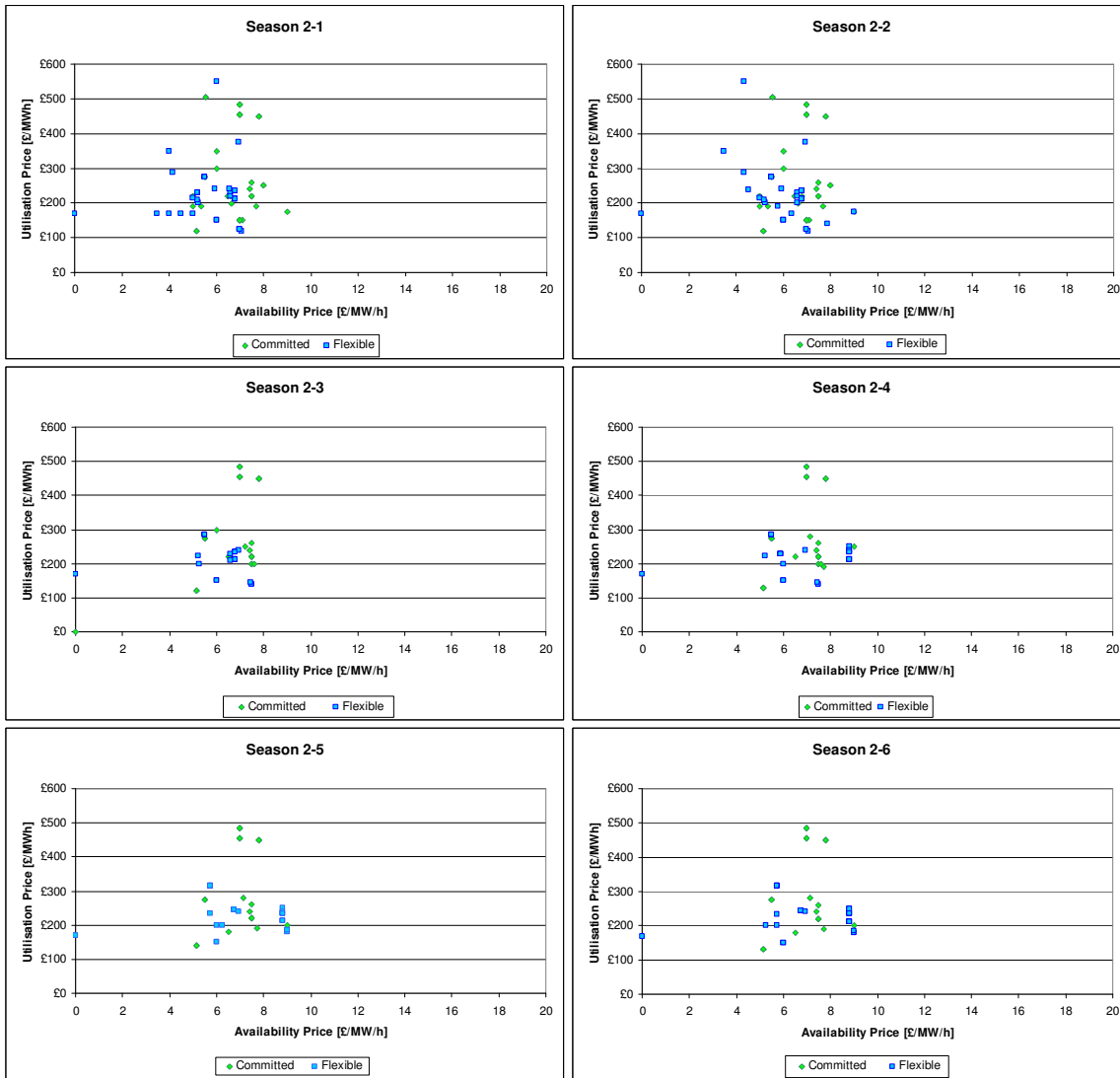


*Average prices are volume weighted

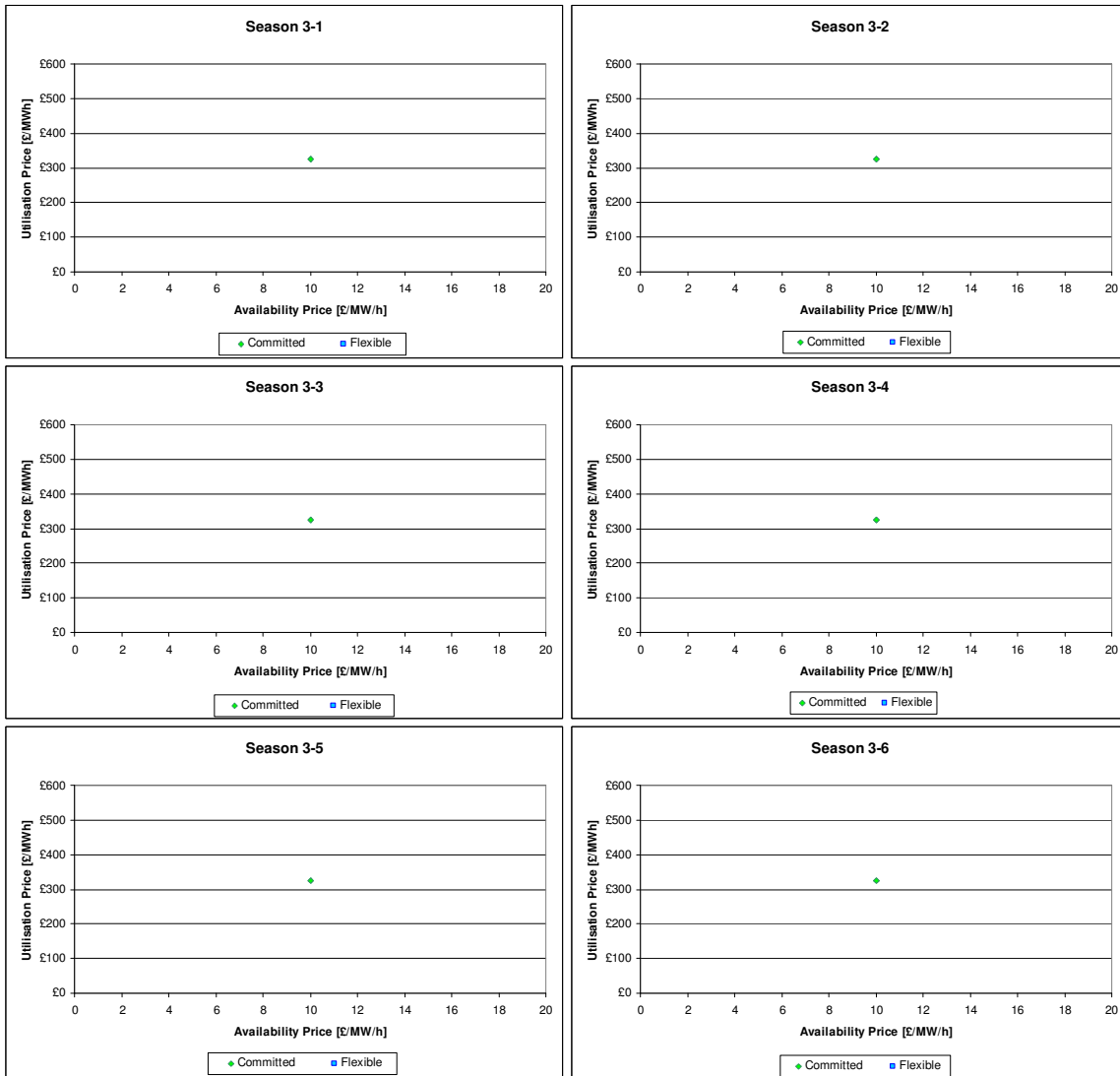
Section 1.2 Prices

Scatter plots of availability and utilisation prices for each season is shown below. Note that under STOR, providers may have significantly different response times. The data used to populate these charts can be found in the Appendix.

Year 2 Submitted Tender Prices – Scatter Plots of availability & utilisation prices.



Year 3 Submitted Tender Prices – Scatter Plots of availability & utilisation prices



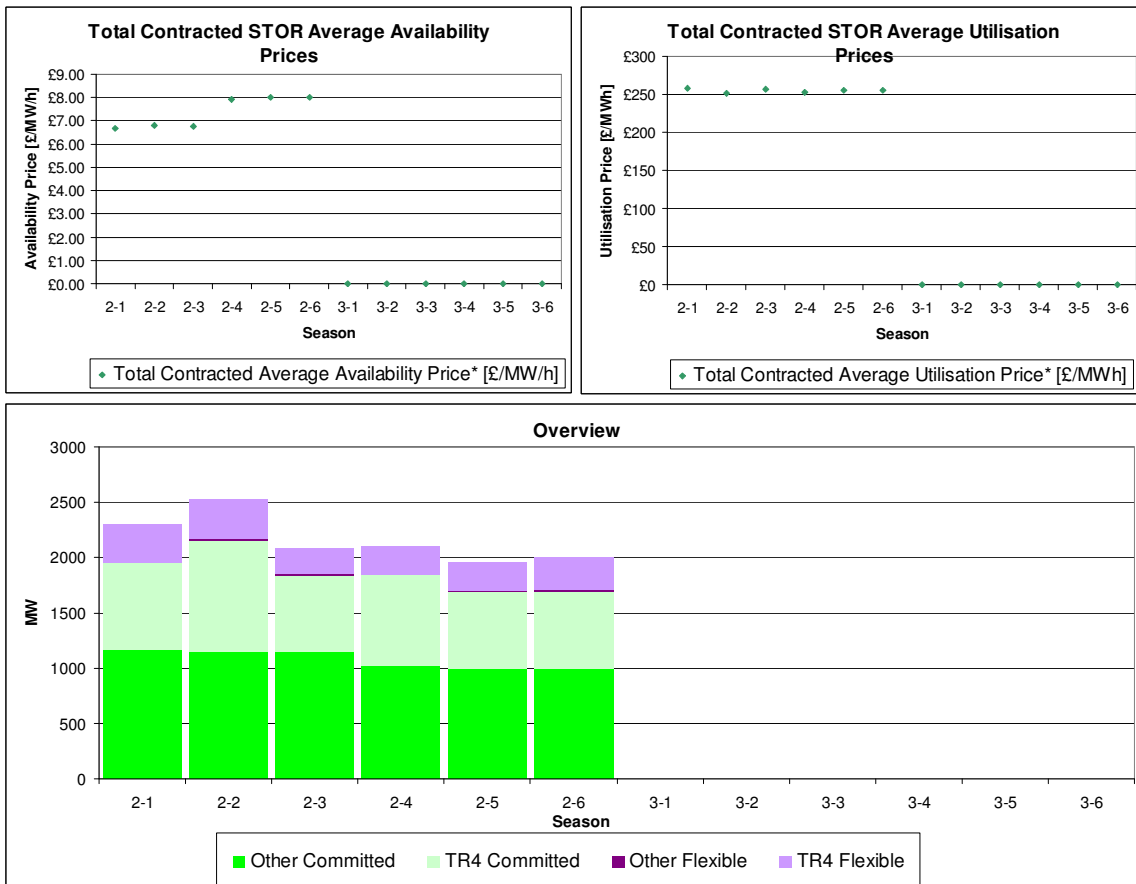
Section 2 Total Contracted Position

This section highlights how the results of this tender round contribute to National Grid's total requirement for Short Term Operating Reserve

Table 2: Summary of total contracted position as a result of Tender Round – 08.04

	1 APRIL 2008 - 31 MARCH 2009						1 APRIL 2009 - 31 MARCH 2010					
	2-1	2-2	2-3	2-4	2-5	2-6	3-1	3-2	3-3	3-4	3-5	3-6
Accepted Units	58	64	40	46	42	44	0	0	0	0	0	0
Accepted MWs [MW]	1137	1360	910	1073	940	990	0	0	0	0	0	0
Other Contracted Units	34	38	38	31	28	28	0	0	0	0	0	0
Other Contracted [MW]	1169	1173	1173	1031	1016	1016	0	0	0	0	0	0
Total Contracted Units	92	102	78	77	70	72	0	0	0	0	0	0
Total Contracted [MW]	2306	2533	2083	2104	1956	2006	0	0	0	0	0	0
Total Contracted Average Availability Price* [€/MWh]	£6.67	£6.78	£6.77	£7.90	£8.01	£8.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Total Contracted Average Utilisation Price* [€/MWh]	£258.25	£250.68	£256.66	£252.25	£254.91	£254.68	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00

A graphical overview of the above table is shown below to highlight the total breakdown between providers and previous tender rounds.



*Average prices are volume weighted

Appendix

Terminology and Definitions

Term	Definition
STOR	Short-Term Operational Reserve
STORR	Short-Term Operational Reserve Requirement
Unit	As described within a STOR framework agreement as constituting a STOR site
Tendered / Accepted MW	The maximum availability in the specified period
Year 2	Equivalent to Financial Year 2008/09 commencing on 1st April 2008
Year 3	Equivalent to Financial Year 2009/10 commencing on 1st April 2009
Average Availability / Utilisation Price	The volume weighted average price for the specified period
TR	Tender Round

Season Reference

Season 2008/09		WD		NWD	
		Start Time	End Time	Start Time	End Time
1	05:00 1st April 2008 to 05:00 27th April 2008	07:00 19:00	13:30 22:00	10:00 19:00	14:30 22:30
2	05:00 27th April 2008 to 05:00 17th August 2008	07:30 15:30 19:30	14:00 18:00 22:30	09:30 19:00	13:30 22:30
3	05:00 17th August 2008 to 05:00 22nd September 2008	07:30 16:00	14:00 21:30	10:30 19:00	13:30 22:00
4	05:00 22nd September 2008 to 05:00 26th October 2008	07:00 16:30	13:30 21:00	10:30 17:30	14:00 21:30
5	05:00 26th October 2008 to 05:00 1st February 2009	07:00 16:30	13:30 21:00	10:30 15:30	13:30 20:30
6	05:00 1st February 2009 to 05:00 1st April 2009	07:00 16:30	13:30 20:30	10:30 16:30	13:30 21:00

Season 2009/10		WD		NWD	
		Start Time	End Time	Start Time	End Time
1	05:00 1st April 2009 to 05:00 27th April 2009	07:00 19:00	13:30 22:00	10:00 19:30	14:00 22:00
2	05:00 27th April 2009 to 05:00 17th August 2009	07:30 16:00 19:30	14:00 18:00 22:30	09:30 19:30	13:30 22:30
3	05:00 17th August 2009 to 05:00 21st September 2009	07:30 16:00	14:00 21:30	10:30 19:00	13:30 22:00
4	05:00 21st September 2009 to 05:00 26th October 2009	07:00 16:30	13:30 21:00	10:30 17:30	13:30 21:00
5	05:00 26th October 2009 to 05:00 1st February 2010	07:00 16:00	13:30 21:00	10:30 16:00	13:30 20:30
6	05:00 1st February 2010 to 05:00 1st April 2010	07:00 16:30	13:30 21:00	10:30 16:30	13:30 21:00

Year 2 and Year 3 Submitted Tender Prices – Data of availability & utilisation prices

Year 2	Committed		Flexible		Year 3	Committed		Flexible				
	Availability Price (£/MWh)	Utilisation Price (£/MWh)	Availability Price (£/MWh)	Utilisation Price (£/MWh)		Availability Price (£/MWh)	Utilisation Price (£/MWh)	Availability Price (£/MWh)	Utilisation Price (£/MWh)			
Season 1	5	190	0	170	Season 1	10	325					
	5	220	3.5	169								
	5.15	120	4	169								
	5.35	190	4	348								
	5.5	275	4.15	289								
	5.54	505	4.5	169								
	6	300	5	169								
	6	350	5	213								
	6.5	220	5.2	210								
	6.6	220	5.2	230								
	6.65	198	5.25	200								
	6.98	455	5.5	275								
	6.98	485	5.95	240								
	7	150	6	150								
	7.1	150	6	550								
	7.4	240	6.55	240								
	7.48	260	6.6	220								
7.5	220	6.6	250									
7.7	190	6.8	212									
7.81	450	6.8	235									
8	250	6.95	375									
9	175	7	125									
		7.05	120									
Season 2	5	190	0	170	Season 2	10	325					
	5	220	3.49	348								
	5.15	120	4.35	289								
	5.35	190	4.35	550								
	5.5	275	4.55	239								
	5.54	505	5	213								
	6	300	5.2	210								
	6	350	5.25	200								
	6.5	220	5.5	275								
	6.65	198	5.8	189								
	6.8	220	5.95	240								
	6.98	455	6	150								
	6.98	485	6.35	169								
	7	150	6.6	200								
	7.1	150	6.6	220								
	7.4	240	6.6	230								
	7.48	260	6.8	212								
7.5	220	6.8	235									
7.7	190	6.8	235									
7.81	450	6.95	375									
8	250	7	125									
9	175	7.05	120									
		7.89	139									
		9	175									
Season 3	0	0	0	170	Season 3	10	325					
	5.15	120	5.22	223								
	5.5	275	5.25	200								
	6	300	5.5	285								
	6.5	220	6	150								
	6.98	455	6.6	210								
	6.98	485	6.6	230								
	7.2	250	6.8	212								
	7.4	240	6.8	235								
	7.48	260	6.95	240								
	7.5	200	7.45	145								
	7.5	220	7.5	140								
	7.6	200	7.5	140								
	7.81	450	8.8	212								
			8.8	235								
			8.8	240								
			8.8	250								
Season 4	5.15	130	0	170	Season 4	10	325					
	5.5	275	5.22	223								
	6.5	220	5.5	285								
	6.98	455	5.9	230								
	6.98	485	6	150								
	7.15	280	6	200								
	7.4	240	6.95	240								
	7.48	260	7.45	145								
	7.5	200	7.5	140								
	7.5	220	8.8	212								
	7.6	200	8.8	235								
	7.7	190	8.8	240								
	7.81	450	8.8	250								
	9	250	8.8	250								
			9	180								
			9	185								
	Season 5	5.15	140	0		170	Season 5	10	325			
5.5		275	5.74	233								
6.5		180	5.75	315								
6.98		455	6	150								
6.98		485	6	200								
7.15		280	6.25	200								
7.4		240	6.75	245								
7.48		260	6.95	240								
7.5		220	8.8	212								
7.7		190	8.8	235								
7.81		450	8.8	240								
9		200	8.8	250								
			9	180								
			9	185								
Season 6		5.15	130	0	170	Season 6		10	325			
		5.5	275	5.25	200							
		6.5	180	5.74	233							
	6.98	455	5.75	200								
	6.98	485	5.75	315								
	7.15	280	6	150								
	7.4	240	6.75	245								
	7.48	260	6.95	240								
	7.5	220	8.8	212								
	7.7	190	8.8	235								
	7.81	450	8.8	240								
	9	200	8.8	250								
			9	180								
			9	185								