

Update on BM System Replacement

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Presentation Outline

- ◆ BM system replacement
 - Context.... why replace the system
 - Current work
 - Next steps

- ◆ Existing BM system
 - Asset refresh

- ◆ Summary

Context ... why replace the system

- Current system approaching end of lifecycle.
- Reliability challenges and supportability
- Industry perception of system being inflexible
 - Costs and lead times **P219/P220 ≈ £0.5m**
- Ongoing / future regime changes e.g.
 - Climate change agenda, leading to evolving generation mix
 - European legislation, leading to greater convergence
- Potentially serious consequences in future if no action taken now
 - Replacement with a global best-practice system
 - A superior base for future industry changes

**3 times more
BM instructions
by 2020***

* National Grid consultation: Operating the Electricity Transmission Networks in 2020

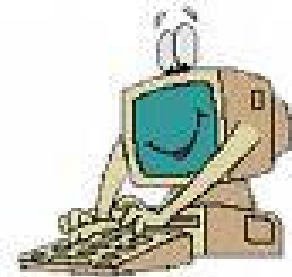
<http://www.nationalgrid.com/uk/Electricity/Operating+in+2020/>

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Current Work on BM System Replacement

- ◆ Vendor assessment
 - All three vendors are major players in the energy sector
 - Detailed 3-week long sessions held with each vendor
- ◆ Initial views on vendor systems
 - Can preserve existing interfaces >>> **‘phase 1’ changes internal to National Grid**
 - Web-based submission of voice/fax data possible
 - Higher availability due to in-built redundancy
 - Control over automated despatch
 - Significant system flexibility for making certain type of changes (e.g. market information reporting)



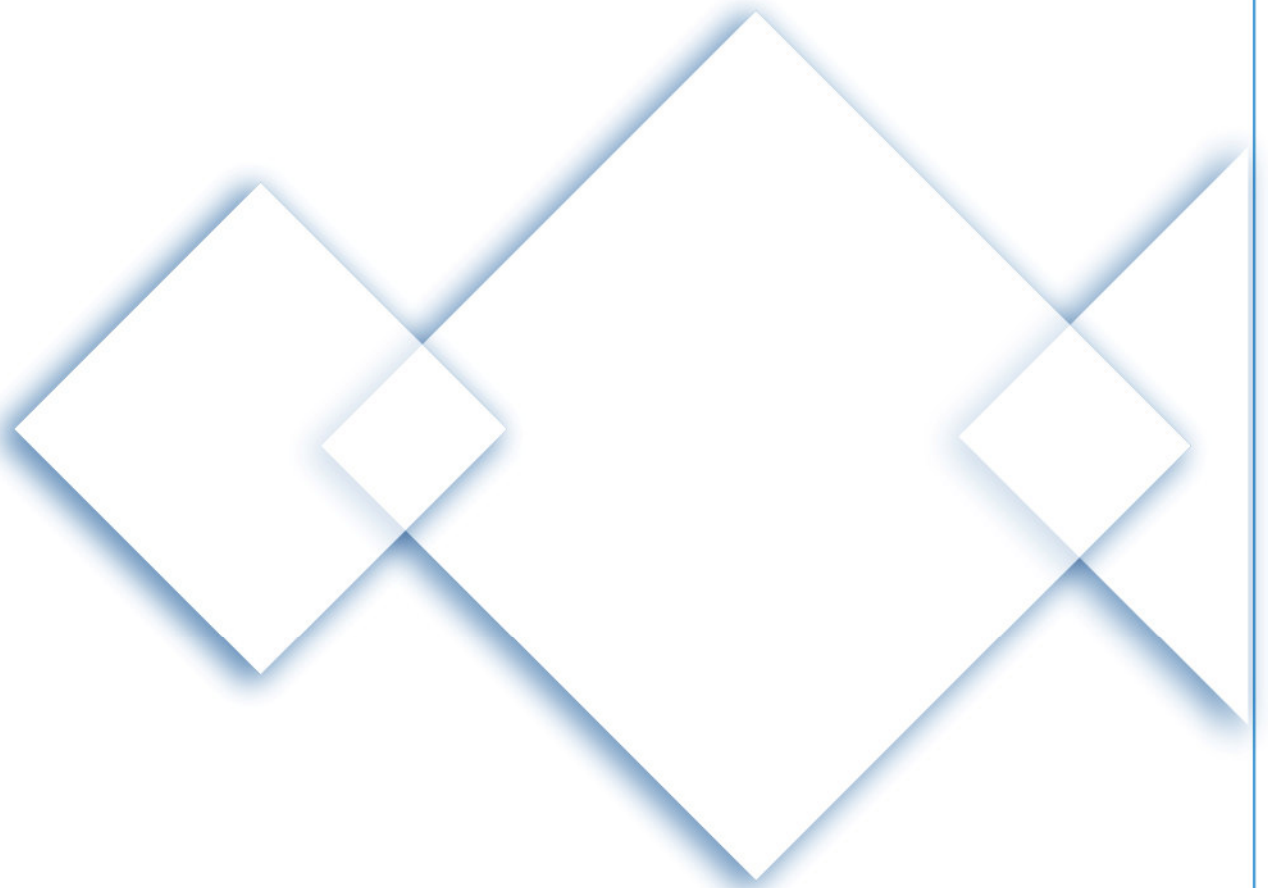
A flexible 'off-the-shelf' system is the best way forward to meet future challenges in the GB market

Next Steps

- ◆ Continuation of vendor assessment
 - Lessons learnt from initial assessment now feeding into updated system requirements
 - Vendor re-submissions and re-assessment - part of normal IS process

 - Feedback from users of vendor systems
- ◆ Further industry update after completion of the vendor assessment process (Q1/Q2 2010)
- ◆ Further down the line..... implementation
 - Minimal impact on industry e.g. system testing

- Rigorous vendor assessment to continue
- Balance between parties' requirements and need to deliver fit-for purpose, economic and efficient system



Existing BM System

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BM Asset Refresh

Primary focus: Ensure continued system reliability up to system replacement

- ◆ Part of National Grid's policy to ensure robustness of its critical network infrastructure
 - Current servers out of manufacturer support in 2010
- ◆ Ongoing work
 - Replace current servers with up-to-date, fit-for-purpose, and supported, servers
 - Replace servers for back up system
 - Replace on-site and inter-site cabling and terminal hardware
- ◆ Improved BM outage communications via email
 - Please provide your group email address to ext.bmoutage@uk.ngrid.com.

Summary

- ◆ A flexible, fit-for-purpose, economic and efficient 'off-the-shelf' system is the best way forward
- ◆ Rigorous vendor assessment / system procurement process
- ◆ Continued reliability of the existing BM system critical