

Transmission Operational Forum Update

February 2010

Review of Reactive Power MSA Data

We are currently undertaking a review of reactive power data that sits within Mandatory Services Agreements (MSAs). In particular we want to ensure that all reactive metering technical details are current and that we hold as much information as possible in order to ensure the accuracy of reactive power payments. A letter to this effect has been sent to all providers which requests up-to-date information on reactive meters and we appreciate providers' support with verifying this information and completing additional fields where necessary. This information has been requested by Friday 26th February. If you have any queries as to what is required then please contact your account manager.

Declaring Revised Reactive Capability

We would like to remind all generators that any revised Mvar capability declarations are required to be communicated to National Grid's Control Centre via fax, in line with the process detailed in the Grid Code (BC2.A.3.2 and GC6). The format of the fax is detailed within BC2, Appendix 3, Annexures 1 & 2. Any failures to follow this process can result in incorrect reactive despatch instructions as well as impacting planning and settlement processes.

BM System Replacement

Following a rigorous vendor evaluation process involving 3 potential vendors, we have identified a preferred supplier for this project. We will communicate further details to the industry once a contract has formally been awarded.

Future Balancing Services Requirements

The analysis completed for the 2020 consultation report highlighted the impact of the changes in the electricity industry on requirements for Balancing Services. To ensure that these services continue to be provided, an increased level of information is necessary for new and existing market participants. National Grid has published two reports describing how it expects the frequency response and reserve requirements will change over the coming years. These reports can be found at the following link:

<https://www.nationalgrid.com/uk/Electricity/Balancing/services/FutureRequirements/>

Cross Codes Electricity Forum

National Grid and Elexon have launched a joint cross-codes electricity forum. Each session of the forum will include an education session in the morning, where industry participants can get information about the changes being progressed under the different codes, and an informal break-out discussion forum in the afternoon. Initially, the forum will cover the Balancing and Settlement Code, CUSC and Grid Code issues.

The forum will be held at Elexon's offices in London every other month, starting on 19th March 2010. For more information, including meeting dates for 2010 and to register your interest, please see the Elexon website at:

<http://www.elexon.co.uk/bscpanelandcommittees/panelcommittees/crosscodesforum/default.aspx>

Customer Demand Management

Energy suppliers are required under the Grid Code Section OC 1.5.5 to provide notifications of anticipated Customer Demand Management. The volume of notifications we receive has reduced over recent years, but the apparent customer demand management impact we observe on high demand days has remained an important factor in making electricity demand forecasts for peaks of the winter. We would like electricity suppliers to contact the Energy Requirements team during February 2010 through energy.operations@uk.ngrid.com so that we can provide information on the simple process to follow and specific guidance on the information that helps us improve our national demand forecasting accuracy. OC1.5.5 information is important as it helps us plan generation requirements, especially on high demand days. As part of working with electricity suppliers to clarify the process and information needed, we would also like to hear about any issues for suppliers in meeting the requirements of Grid Code OC 1.5.5 so that we can look to address these. For reference, the Grid Code can be found at the following link:

http://www.nationalgrid.com/NR/rdonlyres/67374C36-1635-42E8-A2B8-B7B8B9AF2408/35187/Complete_I4GridCode.pdf

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Accessing BELLAs/Embedded Generation - The Generation Curtailment Service

National Grid has an ever increasing requirement to access renewable embedded generation whether via the Balancing Mechanism (BM) or via Balancing Services Contracts. We have previously presented a number of approaches being developed for the short, medium and longer term when considering balancing services and potentially new balancing services and we are currently trialing the Generation Curtailment Service. The shorter term view for this type of service is for the reduction in output from sites that do not participate in the Balancing Mechanism. This service is designed to enable safe management of the transmission system during period of low demand and high generation output (notably overnight, bank holidays and weekend periods).

In the medium term we see this type of service becoming more commercial with regular utilisations on a national basis. At present our Generation Curtailment requirement and service development is focused on generation in Scotland and is foreseen as a rare event (2 to 5 times per year). This service enables the provider to offer their ability to curtail a variable/specified volume of generation with varying response (and utilisation) times and in return receive a fixed utilisation payment linked specifically to the volume of energy curtailed (lost opportunity).

All details regarding the Generation Curtailment Service can be found on our website by following the link:

http://www.nationalgrid.com/NR/rdonlyres/67374C36-1635-42E8-A2B8-B7B8B9AF2408/35187/Complete_I4GridCode.pdf

Special Actions Process

Responding to recent queries from market participants, we would like to provide some information about the special actions process, its purpose and the mechanisms involved.

Special actions are provided for in Grid Code BC1 and are a means whereby National Grid can maintain the integrity of the National Electricity Transmission System (NETS) in accordance with its Transmission Licence. A special action is a pre-agreed action, to be carried out by another party on instruction from National Grid. An example would be a drop in generation at a power station at pre-agreed ramp rates, typically to be enacted following a fault on the NETS.

Where the agreed ramp rates of the special action differ from those prevailing in the BM, the special action would be invoked via the issuing of an Emergency Instruction rather than a Bid-Offer Acceptance. However, in accordance with Grid Code BC2.9.2.3, such instructions are treated as Bid-Offer Acceptances, and the BSC enables these Bid-Offer Acceptances to be entered into the Settlement system post-event.

It is worth noting that faults on the NETS which require post-fault actions such as these to be utilised are relatively rare, and indeed in many cases sufficient post-fault actions can be delivered through the issuing of normal Bid-Offer Acceptances.

Once special actions have been agreed, they become part of the information which National Grid notifies to Users, under Grid Code OC2.4.1.3.5. Confirmation of continued acceptance by Users following each notification forms part of the same Grid Code clause. Currently this information is communicated with Users by a mixture of faxes and emails. To improve consistency and efficiency, National Grid is moving to an entirely email based process.

There will be an opportunity at the Operation Forum for participants' questions regarding special actions to be addressed if required.

Transmission Operational Forum 10:00am, Wednesday 24th February Ardencote Manor Hotel, Claverdon

Agenda

- Operational Update
 - featuring the winter so far - Stuart Bailey
- 2020 Update - Graham Stein
- European Update - Nick Morris
- 2012 Olympics - Phil Clements
- Incentive Update - Dave Smith
- Buffet Lunch



Whitelee Wind Farm