

## Fast Reserve

### Market Information for Tenders for December 2002

National Grid publishes the following information, in order to inform participants in the Fast Reserve tender round for December 2002.

#### Fast Reserve Availability

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

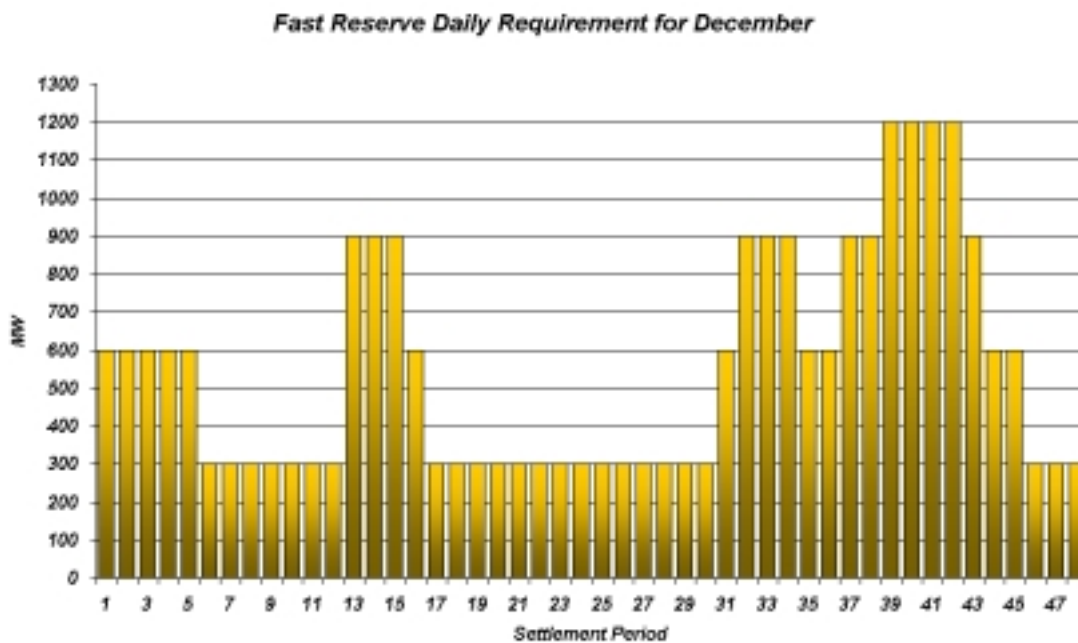


Figure 1

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 during September (1<sup>st</sup> – 30<sup>th</sup> September 2002) and October (1<sup>st</sup> – 31<sup>st</sup> October 2002). This information is based on the aggregate of Offers plus |Bids| accepted to provide Fast Reserve in the BM.

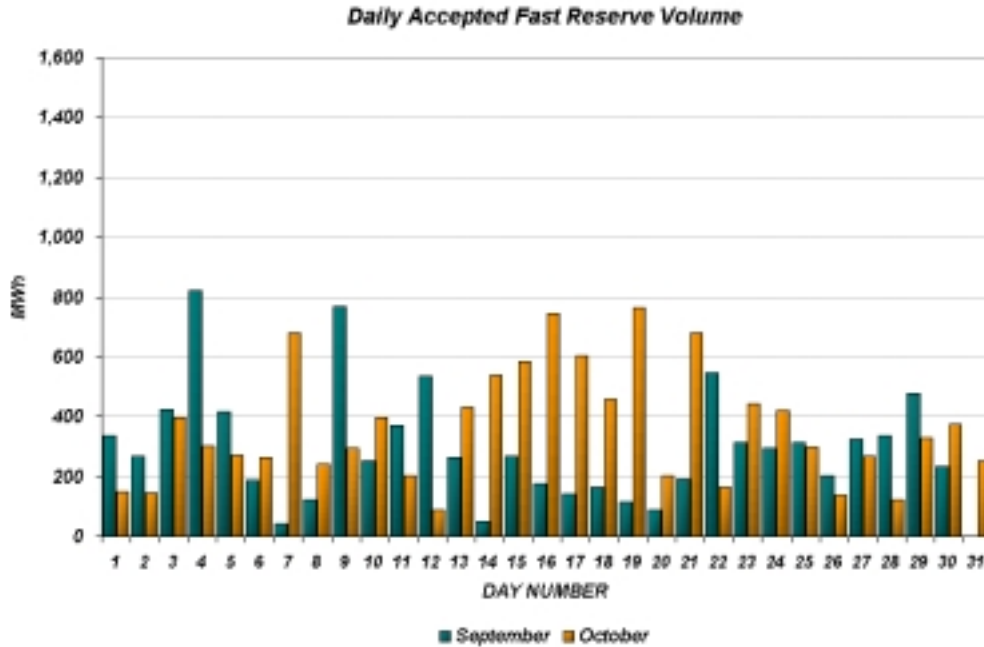


Figure 2

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.

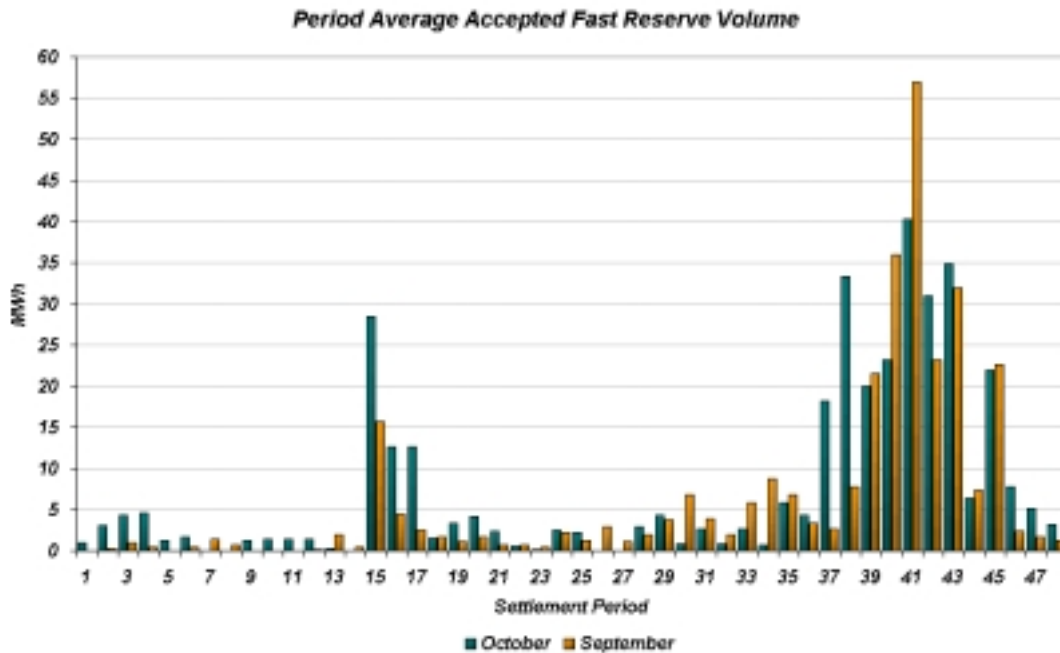


Figure 3

The total volumes of Fast Reserve utilisation of **9.0 GWh** for September and **11.2 GWh** for October break down into price bands as follows:

SEPTEMBER	Price band (£/MWh range)	Volume (MWh)	Average Price (£/MWh)	Cost (£m)
<b>OFFERS</b>	2000 to 10000	0	n/a	n/a
	1000 to 2000	0	n/a	n/a
	300 to 1000	80	496	0.04
	0 to 300	8,811	128	1.13
<b>Total</b>		<b>8.9 GWh</b>		<b>£1.2 m</b>
<b>BIDS</b>	0 to 300	-49	9	0.00
	-300 to 0	-46	-263	0.01
	-1000 to -300	-52	-533	0.03
	-2000 to -1000	0	n/a	n/a
	-10000 to -2000	0	n/a	n/a
<b>Total</b>		<b>-0.1 GWh</b>		<b>£0.0 m</b>
<b>Total</b>		<b>9.0 GWh</b>		<b>£1.2 m</b>

OCTOBER	Price band (£/MWh range)	Volume (MWh)	Average Price (£/MWh)	Cost (£m)
<b>OFFERS</b>	2000 to 10000	0	n/a	n/a
	1000 to 2000	0	n/a	n/a
	300 to 1000	365	426	0.16
	0 to 300	10,116	133	1.34
<b>Total</b>		<b>10.5 GWh</b>		<b>£1.5 m</b>
<b>BIDS</b>	0 to 300	-524	6	0.00
	-300 to 0	-116	-207	0.02
	-1000 to -300	-111	-474	0.05
	-2000 to -1000	0	n/a	n/a
	-10000 to -2000	0	n/a	n/a
<b>Total</b>		<b>-0.8 GWh</b>		<b>£0.1 m</b>
<b>Total</b>		<b>11.2 GWh</b>		<b>£1.6 m</b>

The above charts and tables show that from September to October Fast Reserve utilisation increased by ~24%. Overall Fast Reserve spend rose to 1.6 £m per month.

For the December demand shape, winter demand characteristic will prevail. As such Fast Reserve utilisation levels are expected to continue the rise seen in October into December. December utilisation levels should be similar to levels seen in December 2001 and January 2002.

For the month of **December**, tenders from eligible Service Providers for a firm Fast Reserve service should be submitted to National Grid by close of business on Thursday 14<sup>th</sup> November. National Grid will notify Service Providers of the outcome of the tender assessment by Thursday 21<sup>st</sup> November.