

## Fast Reserve

### Market Information for Tenders for May 2003

National Grid publishes this information, in order to inform potential participants for the Fast Reserve tender round for May 2003.

#### Fast Reserve Availability

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

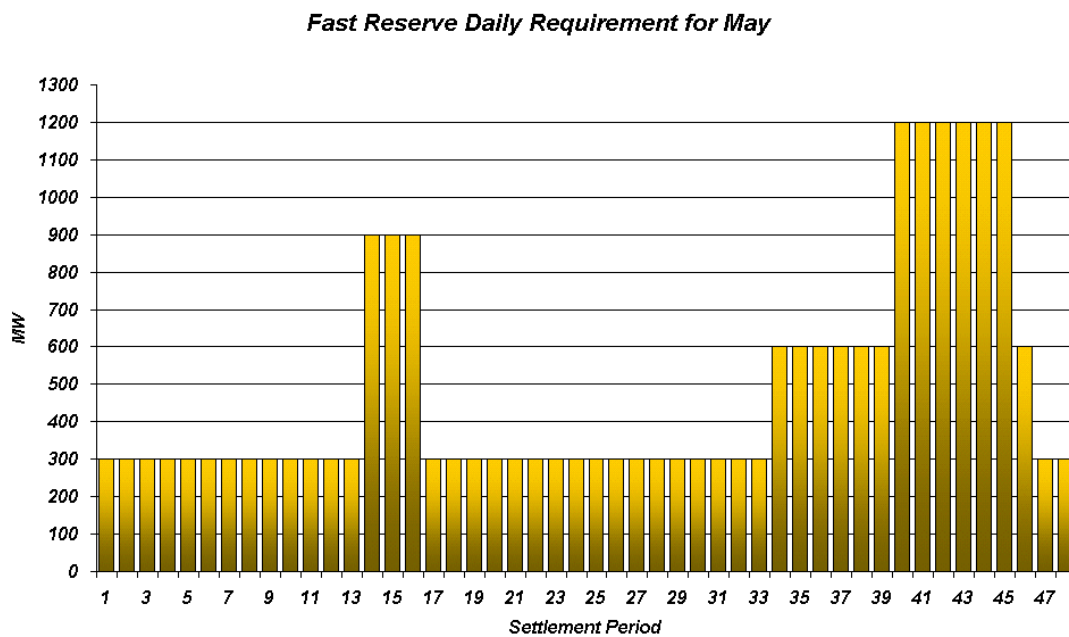


Figure 1

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 February (1<sup>st</sup> – 28<sup>th</sup> February 2003) and March (1<sup>st</sup> – 31<sup>st</sup> March 2003). This information is based on the aggregate of Offers plus |Bids| accepted to provide Fast Reserve in the BM.

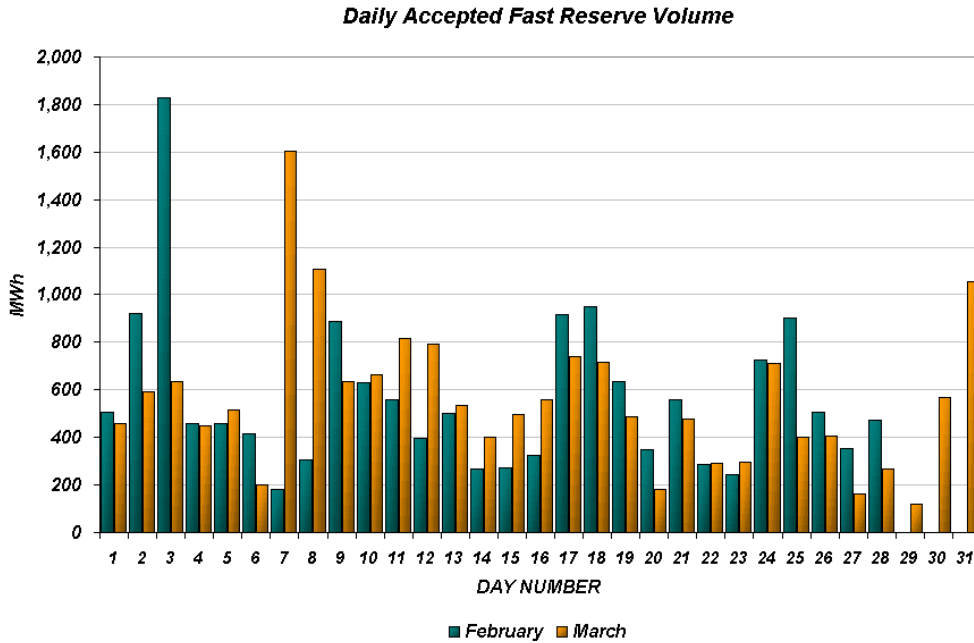


Figure 2

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.

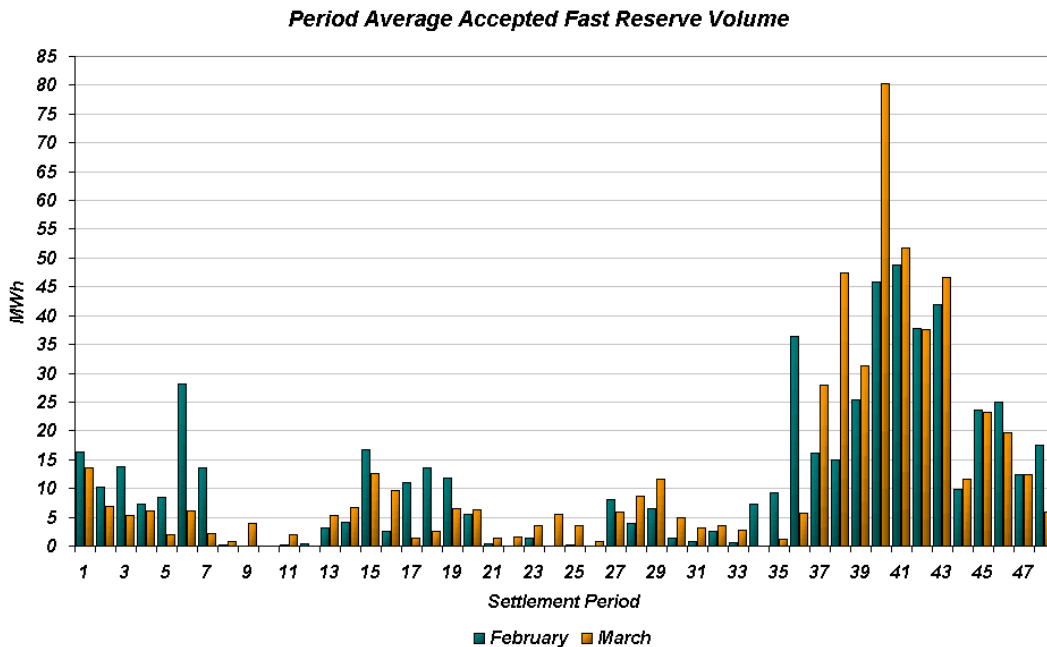


Figure 3

The total volumes of Fast Reserve utilisation of **15.8 GWh** for February and **17.3 GWh** for March break down into price bands as follows:

| February      | 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              | 398             | 464                   | 0.18          |
|               | 0 to 300                 | 14,326          | 148                   | 2.12          |
| <b>Total</b>  |                          | <b>14.7 GWh</b> |                       | <b>£2.3 m</b> |
| <b>BIDS</b>   | 0 to 300                 | 0               | n/a                   | n/a           |
|               | -300 to 0                | -761            | -96                   | 0.07          |
|               | -1000 to -300            | -321            | -621                  | 0.20          |
|               | -2000 to -1000           | 0               | n/a                   | n/a           |
|               | -10000 to -2000          | 0               | n/a                   | n/a           |
| <b>Total</b>  |                          | <b>-1.1 GWh</b> |                       | <b>£0.3 m</b> |
| <b>Total</b>  |                          | <b>15.8 GWh</b> |                       | <b>£2.6 m</b> |

| March         | 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              | 336             | 434                   | 0.15          |
|               | 0 to 300                 | 15,286          | 147                   | 2.25          |
| <b>Total</b>  |                          | <b>15.6 GWh</b> |                       | <b>£2.4 m</b> |
| <b>BIDS</b>   | 0 to 300                 | 0               | n/a                   | n/a           |
|               | -300 to 0                | -1,422          | -69                   | 0.10          |
|               | -1000 to -300            | -288            | -513                  | 0.15          |
|               | -2000 to -1000           | 0               | n/a                   | n/a           |
|               | -10000 to -2000          | 0               | n/a                   | n/a           |
| <b>Total</b>  |                          | <b>-1.7 GWh</b> |                       | <b>£0.2 m</b> |
| <b>Total</b>  |                          | <b>17.3 GWh</b> |                       | <b>£2.6 m</b> |

The above charts and tables show that from February to March Fast Reserve utilisation rose by ~9%. Overall Fast Reserve spend remained the same as February despite the increase in utilisation. This is due to the range in which the Bids and Offers were taken.

For May, the demand shape follows a summer trend. As such Fast Reserve utilisation patterns for May are expected to be similar to those seen in May/June 2002 (ignoring World Cup effects in 2002). Overall Fast Reserve utilisation for May is forecast to fall from levels seen in March and April.

For the month of **May**, tenders from eligible Service Providers for a firm Fast Reserve service should be submitted to National Grid by close of business on Monday 14<sup>th</sup> April. National Grid will notify Service Providers of the outcome of the tender assessment by Wednesday 23<sup>rd</sup> April.

Tenders should be sent for the attention of:

Paul Bagg  
Contracts & Trading  
National Grid Company plc  
National Grid House  
Kirby Corner Road  
Coventry  
CV4 8JY

Tenders can be sent by fax to Paul Bagg on 024 7642 3114.