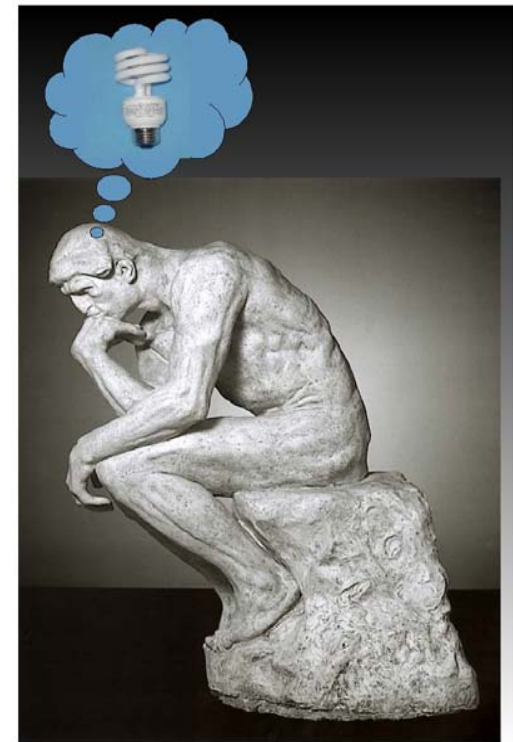


Constraint Management Tender Review



Outline

- Recap – how we got here
- Two-stage tender
 - The process
 - Areas for consideration
- Future of constraint management



Recap

- Earlier CBSG meetings
 - Constraint management contracting process
 - Information provision and transparency
- Ops Forum presentation
 - Intention to carry out two-stage tender for Scotland
 - Sample invitation to tender pack published
- Latest CBSG meeting
 - Intention to employ same two-stage tender process for a forthcoming Humber requirement (fast de-load)

Recap – Scotland and Humber

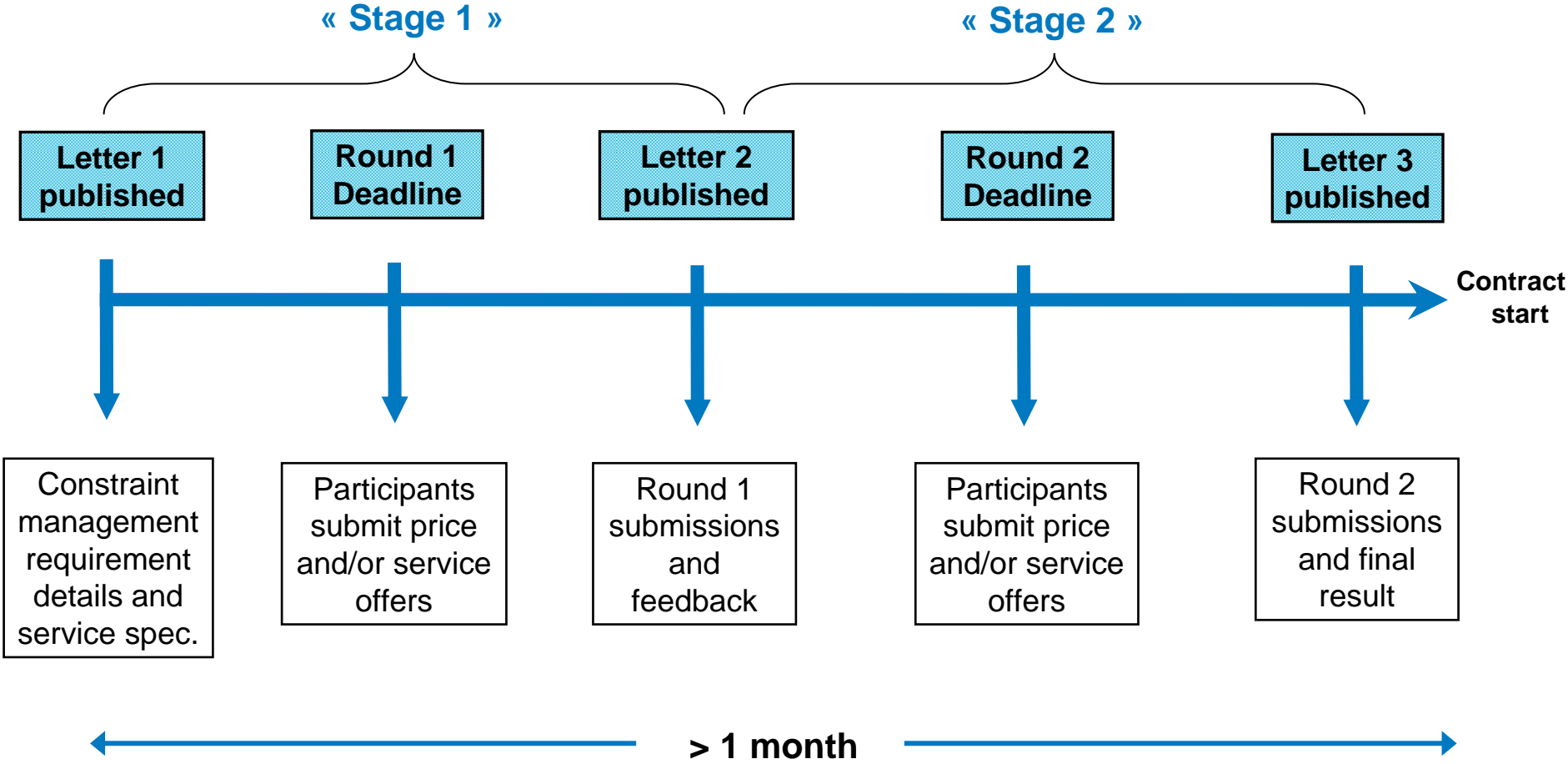
- Scotland
 - 7th August – 29th October 2010
 - Capped PN and/or floored bid prices and/or Commercial intertrip
 - Outcome: Capped PN and Commercial intertrip at Peterhead

- Humber
 - 23rd August – 12th November 2010
 - Fast de-load
 - Outcome: Fast de-load at Killingholme

New area of the National Grid website to accommodate these:

http://www.nationalgrid.com/uk/Electricity/Balancing/services/systemsecurity/constraint_agree/Requirement/

Two-Stage Tender Process



Areas for Consideration

- Tender sheets and guidance
 - Provide structure without restricting flexibility
 - Governance
 - Round 2 participation dependent upon Round 1 submission
 - Default position - Round 2 submission – must re-submit
 - Enforcement of submission deadlines
- Effectiveness of generation against the requirement
- Standard terms for various services.....

Future of Constraint Management

“.....develop a suite of appropriate Constraint Management tools to better meet the requirements of service providers, National Grid and the industry.....”

- Develop standard terms for Constraint Management services:
 - Commercial intertrip
 - Fast de-load
 - Constraint Management Service
 - Capped PN
- Tender process to enable a ‘pick and mix’ of the above depending upon the requirement

Summary

- Experience of a transparent process
 - Areas for development identified
 - Future of constraint management
 - Increased flexibility
 - Increased awareness of services and terms
- ➔ Increased transparency