

Fast Reserve Market Information from July-18

Monthly Report

Published May-18

Key points

This Market Information Report is relevant for tenders submitted in **June-18** for delivery from **July-18**.

Tenders from eligible service providers for Firm Fast Reserve should be submitted by **Friday 1st June 2018** (1st business day) for all tenders.

National Grid will notify service providers of the outcome of the tender assessment by **Monday 18th June 2018** (12th business day).

Firm Fast Reserve is required during the following hours:

- Mon-Fri:
- 06:00 – 23:30hrs
- Sat, Sun and Bank Holidays:
07:00 – 23:30hrs

The volume requirements are explained on the next page.

Tenders should be submitted on the ARIBA E-Tender platform. If you have not registered in ARIBA or received an invite to the event please contact your Account Manager in the first instance. If you have any questions about the event, email commercial.operations@nationalgrid.com

Introduction

Fast Reserve (FR) service provides the rapid and reliable delivery of active power through an increased output from generation or a reduction in consumption from demand sources, following receipt of an electronic dispatch instruction from National Grid. Fast reserve service requires all units to have capability to commence within two minutes following instruction, at rates of 25MW or greater per minute and providing a minimum of 50MW. Fast Reserve is an additional energy balancing service used to control frequency changes.

Fast Reserve may be provided as either a Firm service, procured through a tender process, or Optional service. Submitted tender prices are compared to the costs of alternatives to deliver the equivalent level of Fast Reserve. This report provides information to current and potential providers about the volume of, and time periods over which, Firm Fast Reserve is required.

Highlights

In May-18, eleven tenders were received; two from Peak Gen, two from First Hydro and seven from UKPR. Following the May-18 assessment, we contracted 60 MW from Peak Gen's PFGS-1 unit for the month of March-19. More details on the tenders that have been accepted or rejected are available from the post-assessment tender reports.

National Grid has an outstanding requirement for twelve months from November-18. From the June-18 tender round onwards, National Grid will look to fulfil this requirement with contracts commencing from November-18 onwards.

In the July-18 tender round we will be looking to procure further Fast Reserve volume for September-18. We will advise on the volume and duration of this requirement in the next Market Information Report.

Please note once our requirement has been fulfilled we will not procure any further volume. If we require further volume, we will update you via this report.

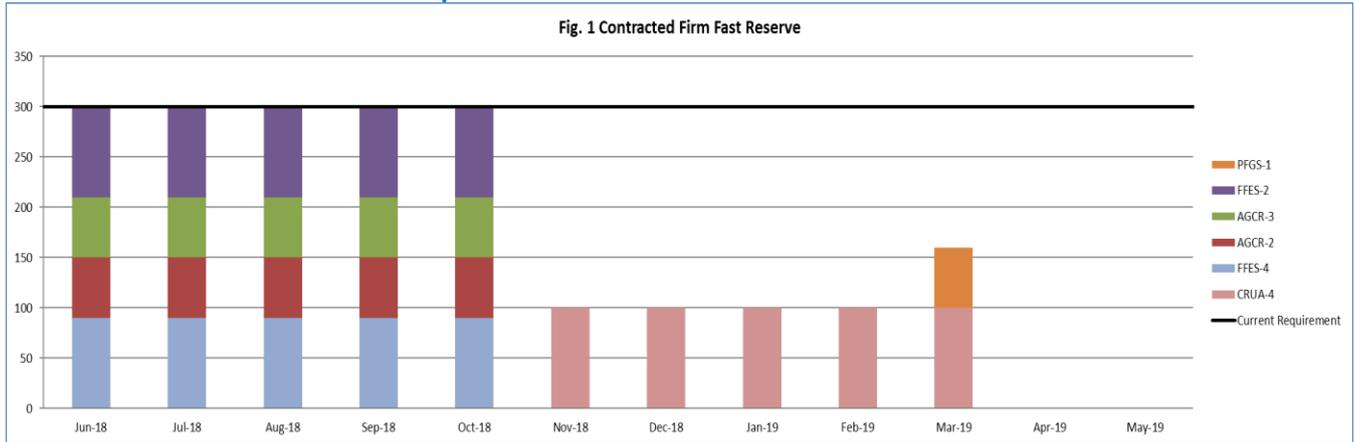
The Market Report containing Post-Assessment details are available at: <https://www.nationalgrid.com/uk/electricity/balancing-services/reserve-services/fast-reserve?market-information>

The Fast Reserve Assessment Principles Report and other useful reports are available at: <https://www.nationalgrid.com/uk/electricity/balancing-services/reserve-services/fast-reserve>

For a monthly cost summary of services procured please follow the below link to the Monthly Balancing Services Summary (MBSS), which breaks costs down by service including the Firm and Optional Fast Reserve costs. <https://www.nationalgrid.com/uk/electricity/market-operations-and-data/system-balancing-reports>

Fast Reserve Market Information

Firm Fast Reserve Requirement



The figures on this page show the amount of existing contracted Fast Reserve available per month and per day, against the optimal firm fast reserve requirement.

Fig.1 shows our monthly Fast Reserve requirement against our current contracts for the next 12 months.

Fig. 2 to Fig.4 shows our requirement by day and contracted Fast Reserve for the delivery month of July-18.

The Firm requirement is 300MW for all periods between

- Mon-Fri: 06:00 – 23:30
- Sat, Sun, BH: 07:00 – 23:30

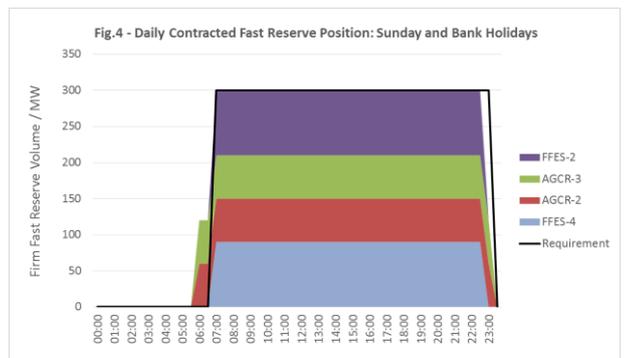
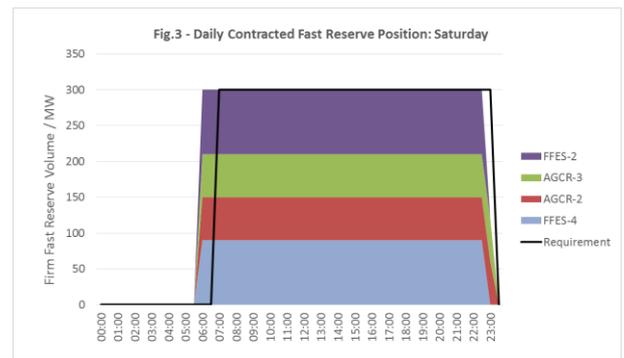
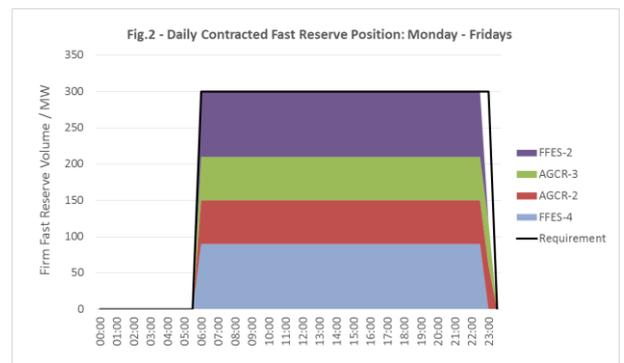


Table 1: 12 month requirement

Month	Additional Optimal Max Firm Requirement (MW)
Jun-18	0
Jul-18	0
Aug-18	0
Sep-18	0
Oct-18	0
Nov-18	200
Dec-18	200
Jan-19	200
Feb-19	200
Mar-19	140
Apr-19	300
May-19	300

The data used to produce the graphs of the Firm Fast Reserve requirement and contracted volume for each delivery month is available in the 'Fast Reserve Market Information Data' spreadsheet.

National Grid has an outstanding requirement for twelve months from November-18. From the June-18 tender round onwards, National Grid will look to fulfil this requirement with contracts commencing from November-18 onwards.

Fast Reserve Market Information

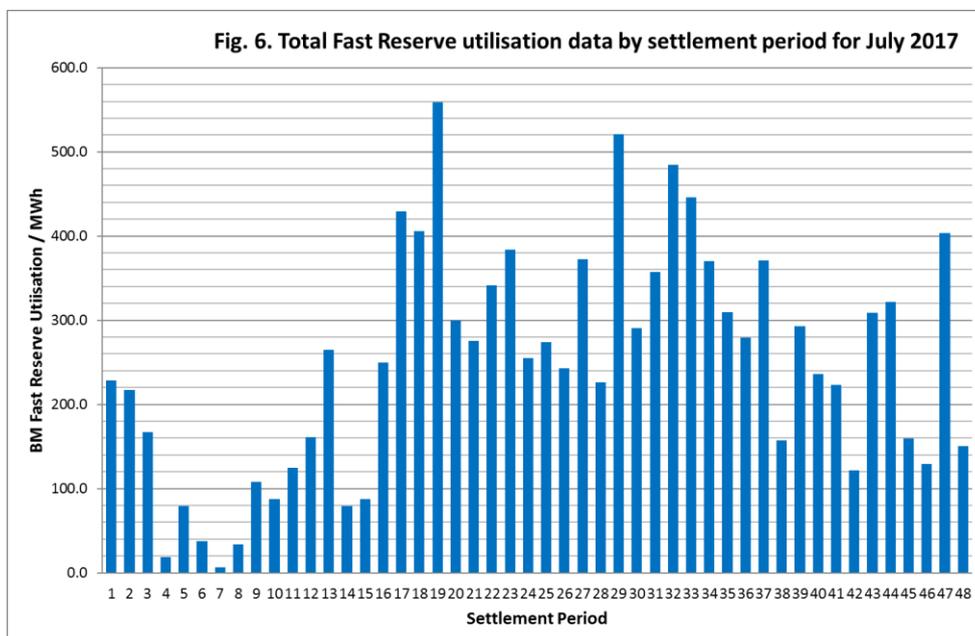
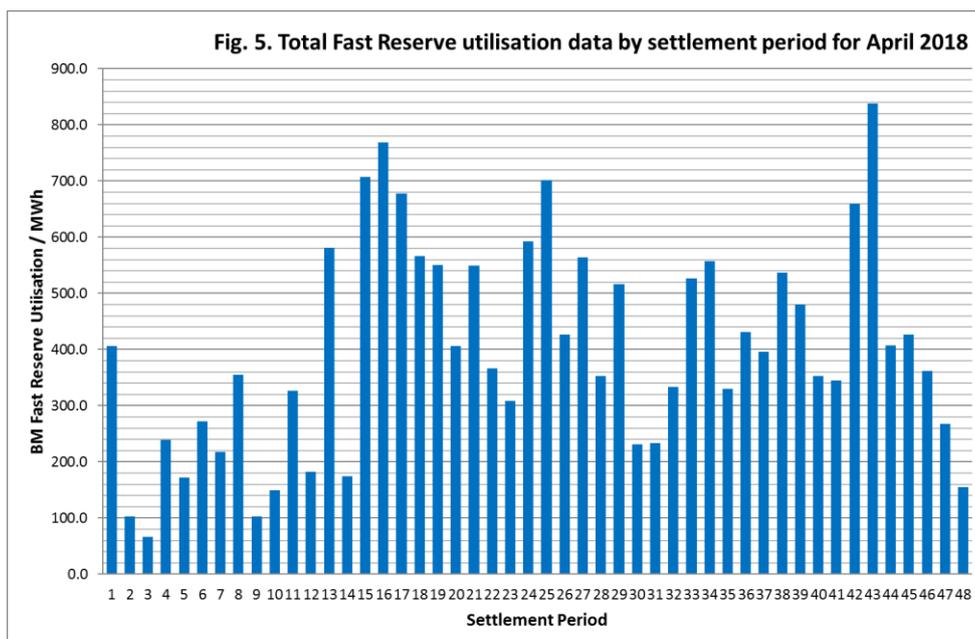
In the July-18 tender round we will be looking to procure further Fast Reserve volume for September-18. We will advise on the volume and duration of this requirement in the next Market Information Report.

Please note once our requirement has been fulfilled we will not procure any further volume. If we require further volume, we will update you via this report.

Fast Reserve Utilisation data

The following information is based on the aggregate of all accepted Offers from BM and NBM units to provide Fast Reserve.

Figure 5 and 6 are bar charts of the total utilisation by Settlement Period over one month. This data therefore represents the daily profile of Fast Reserve utilisation from the last month, April-18 (Figure 5) and 12 month previous, July-17 (Figure 6). **Please note that each bar chart is the total utilisation for the whole month across all settlement periods and is not the average utilisation by settlement period.**



Fast Reserve Market Information

Reason Codes

The table below provides guidance as to the reasons that a tender has been rejected. They can be matched against the numbers in the 'Reason Code' section of the Post Tender Report. This will be effective for tenders submitted from November 2017.

No.	FR Reason Codes	Definition
1	Price not beneficial across tendered period	The price submitted was too high and did not provide any contract benefit against alternative actions.
2	Tender was not beneficial across any duration of the tender period	The tender submitted was not considered beneficial when evaluated against the forecasted cost of alternative actions over any duration of the tender period.
3	Multiple tenders received for the same unit	Only the most valuable tender of the total group of submitted tenders was considered.
4	Beneficial but the benefit is lower than that of other tenders	While the tender submitted was considered as beneficial, on this occasion there were tenders that provided a higher benefit.
5	Beneficial but requirement already satisfied	While the tender submitted was assessed as beneficial, the benefit was not determined as sufficient for us to contract above our procurement requirement.
6	Does not meet tender prerequisites and rules	Please refer to the 'Technical requirements' and 'How to participate' sections using the following link to determine the criteria necessary to participate in the FR market. https://www.nationalgrid.com/uk/electricity/balancing-services/reserve-services/fast-reserve?how-to-participate

Where appropriate, new reasons will be added following each tender round.

This report is under continuous review and development, therefore if you have any comments or suggestions of information you would like to see in the future reports, please contact your account manager or email the assessment team: box.AncillaryAssessment@nationalgrid.com