

FFR Results WebEx (TR 109)

23rd January 2019



Introduction

This WebEx:

- Relates to the results of the January FFR tender round that were published on the website on the 17th January 2019. (This was a month ahead only tender)
- Provides you with some more detailed feedback to ensure all suppliers are getting the same level of information.

This month we will be using the live poll in WebEx for feedback on this feedback session.

Representatives

	Responsibility	Contact
Amy Boast	Structuring & Optimisation Manager	box.AncillaryAssessment@nationalgrid.com
Hannah Kernthaler	Ancillary Services Analyst	box.AncillaryAssessment@nationalgrid.com
Andrew Rice	FFR Service Lead/Account Manager	Andrew.Rice@nationalgrid.com

Contents

1	Requirement	[6]
2	Overview	[7]
3	Results	[9]
4	Assessment	[10]
5	Mutually exclusive bids - Reminder	[10]
6	Next Round	[11]
7	Questions	[21]

1. Requirement

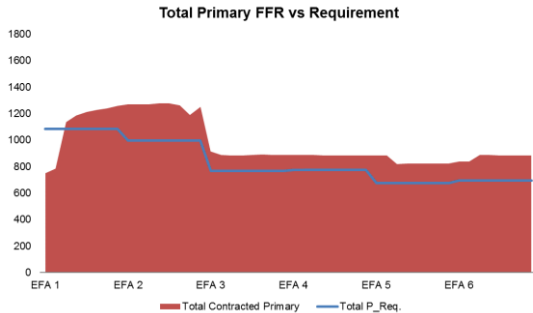
At month ahead, volume is procured economically from either the dynamic or non-dynamic market

A secondary non-dynamic requirement of varying volume for all EFA blocks remained

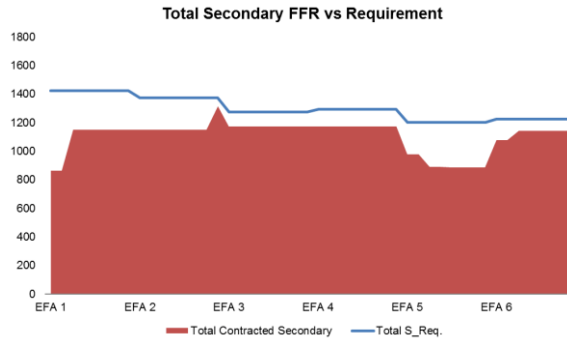
A primary & secondary dynamic requirement for EFA 1-2.

A daytime high dynamic requirement for all EFA blocks

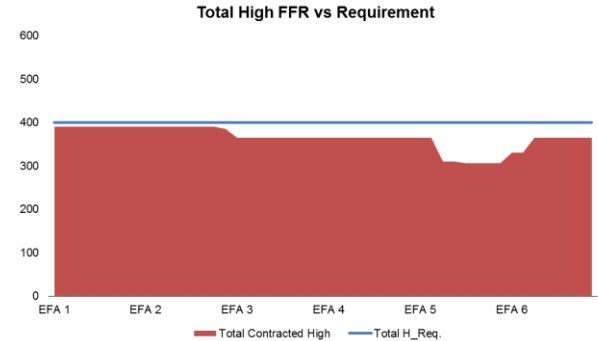
Total Primary FFR vs Requirement



Total Secondary FFR vs Requirement



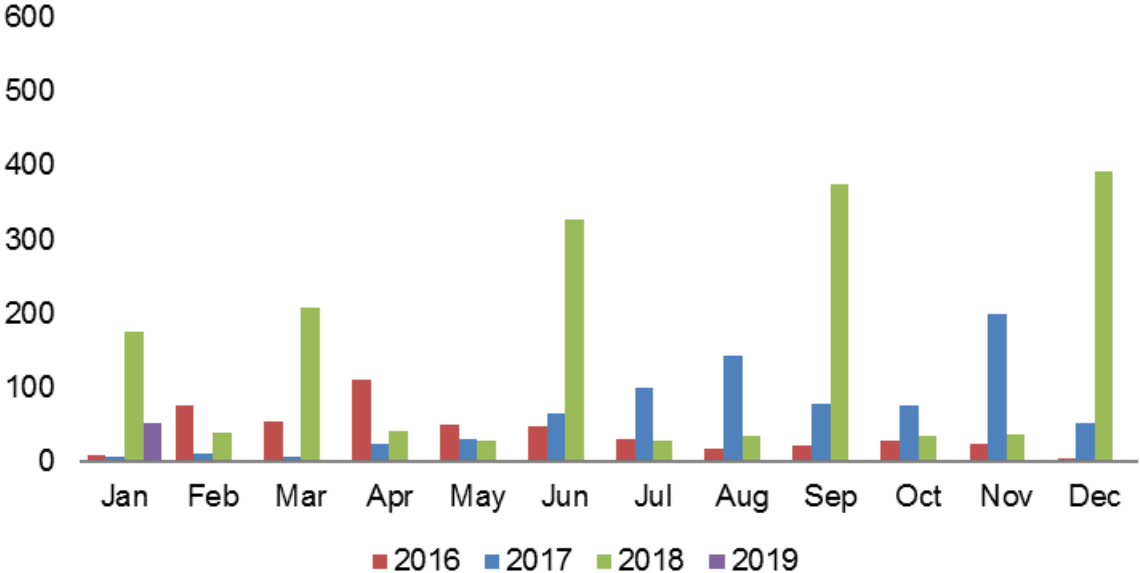
Total High FFR vs Requirement



2. Overview

No. Dynamic Tenders

No. Dynamic Tenders

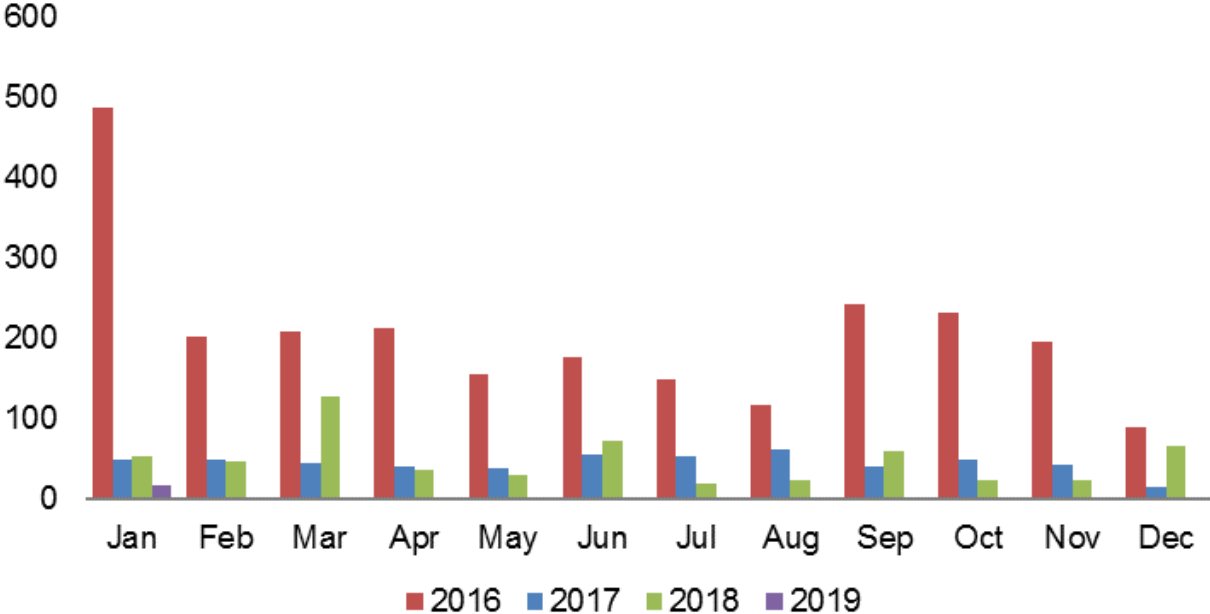


53 tenders

2. Overview

No. Non-Dynamic Tenders

No. Non-Dynamic Tenders



18 tenders

3. Results

Accepted Tenders: Beneficial against the outstanding requirement or upon account of overholding

1.1: The outstanding requirement has already been satisfied by more beneficial tenders

1.2: There was no outstanding requirement

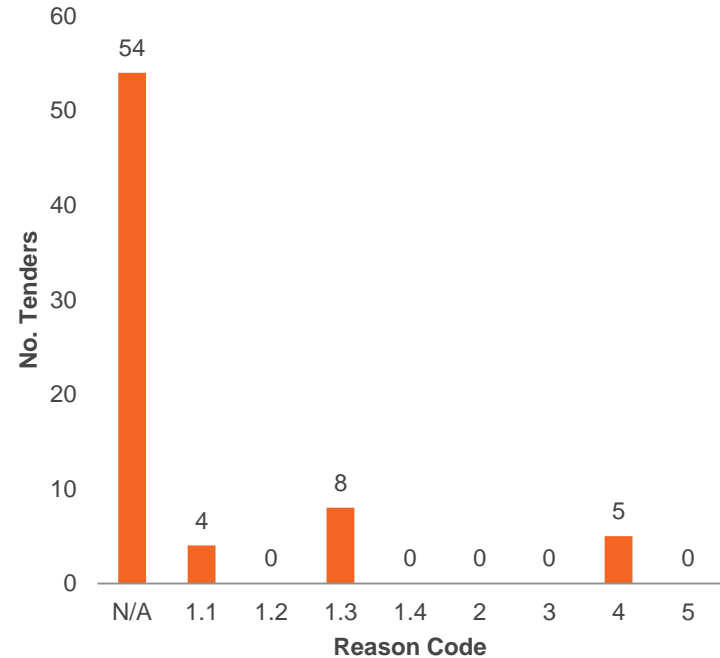
1.3: The desired volume against the National Grid procurement strategy for future tender months had already been satisfied

1.4: This tender formed part of an all-or-nothing group which did not collectively deliver enough benefit to be considered

2: Price not beneficial across tendered period. Either against the mandatory market or other alternative services

3: Does not meet tender prerequisites. Service requirements can be located on the frequency response section of the ESO website

4: Multiple tenders received for the same unit. The most beneficial of the tenders on the unit was accepted

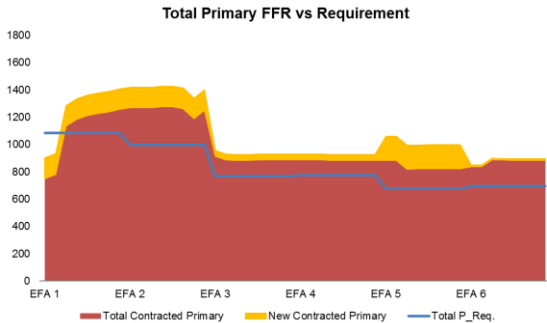


3. Results

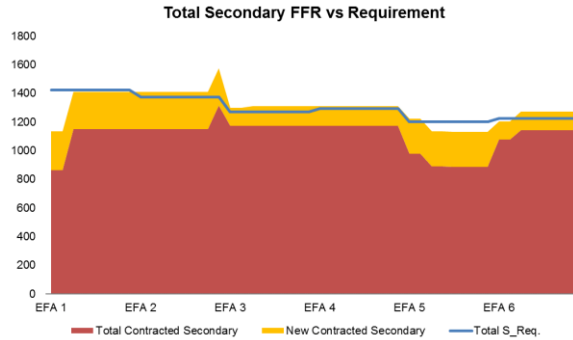
At month ahead, volume is procured economically from either the dynamic or non-dynamic market

Any additional volume required for Feb '19 delivery will be procured by the ENCC in accordance with the daily system needs

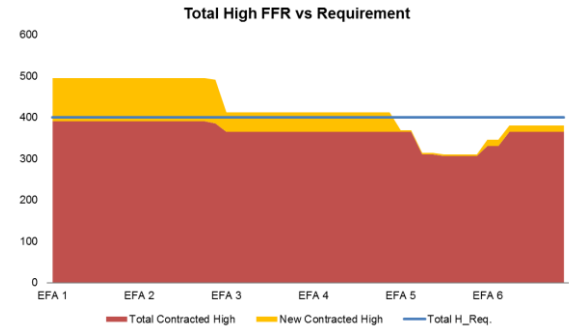
Total Primary FFR vs Requirement



Total Secondary FFR vs Requirement



Total High FFR vs Requirement



4. Assessment

Step 1

- Tenders are evaluated against the cost of obtaining an equivalent service in the mandatory market
- This accounts for the start date, type of service delivered, duration of tender and service availability window

Step 2

- Tenders are stacked in terms of benefit delivered against any outstanding requirement

Step 3

- Where applicable, any possible over holding is accounted for. Tenders are assumed to offer no value where the requirement has already been satisfied. Tenders are then restacked against the recalculated perceived benefit

Step 4

- The ESO procurement strategy is applied to ensure a measured approach is taken to procure volume for future delivery periods

5. Mutually exclusive Bids - Reminder

- Bids that are mutually exclusive should be clearly listed in the column labelled “please indicate if this is a mutually exclusive tender”

AO	AP	AQ	AR
Please indicate as per detail change provision if you are adding volume	Please state the accepted tender that you are stacking onto	Please state if this is an all or nothing bid. Clearly reference what lines are included in each all or nothing bid	Please indicate if this is a mutually exclusive tender
-	-		
-	-		
			111.002
			111.001
		A	B
		A	B
		B	A
		B	A

Mutually Exclusive column (AR) in tender proforma

Indicate which bids are mutually exclusive by using either the tender reference or All or Nothing indicator

We have been communicating the importance of identifying mutually exclusive bids over the last few months. The next step will be making this mandatory for tenders to be compliant. The implementation of this will be communicated via MIR and webinars

5. 'Next Round' – TR 110

February '19 – TR 110

- Month ahead only tender round, procuring volume for delivery for March '19
- Tender submission date of Friday 1st February '19 at 17:00. Only units that have passed testing by NG Generator compliance are able to tender in for month ahead delivery (March '19 delivery)
- The next Market Information Report will be released: **No later than Friday 25th January 2019**

Look out for: Implementation plan for our new suite of frequency response products.

- Update from our messaging regarding this publication, the implementation plan for our new suite of frequency response products will now be published in January '19. This report will provide more information on the products we will be introducing, and what the preconditions and dependencies of implementation are. It will also explore the interactions of implementing the new products with the existing FFR market.

LOOKING AHEAD TO TR111

In order to implement the new product suite, and avoid overholding of response volumes, it will be necessary to gradually reduce our long term procurement of the existing P S H products. Under the current arrangement, the March 2019 FFR tender would normally advance the procurement horizon for P S H response (dynamic and static) from 31 March 2021 to 30 September 2021, and seek to procure a small volume. We will not be procuring this additional small volume at the present time, but we will continue to hold monthly FFR tenders for month ahead volume, and quarterly FFR tenders for volume up to 31 March 2021.

6. Questions?

Please submit your questions using the chat function in Webex

6. Questions & Answers

1. All the night volume was accepted and well above the primary and high requirements, could you clarify what lead to this over procurement?

A. Filling the secondary overnight requirement this month led to overholding in Primary and High but the overall benefit of each tender accepted was at the appropriate level.

2. Can the industry expect a similar volume of accepted volume in the month tender round?

A. At month ahead we look to fill our requirement in an economic way. Provided tenders offer benefit over alternative actions, the priority is to fill any remaining requirement