STOR Webinar – TR38

May-19



Introduction

This WebEx:

- Relates to the results of TR37 and a look at the requirements for TR38
- Provides you with some more detailed feedback to ensure all suppliers are getting the same level of information.

During this webinar we will use WebEx to collect feedback about this session and other information we have provided. We would like to make you aware of the following:

- Any feedback that we collect will be anonymised.
- You can use an anonymous name and email address to login if you have any concerns.
- This information will only be used to improve the information we provide to you regarding the ancillary services.

Questions

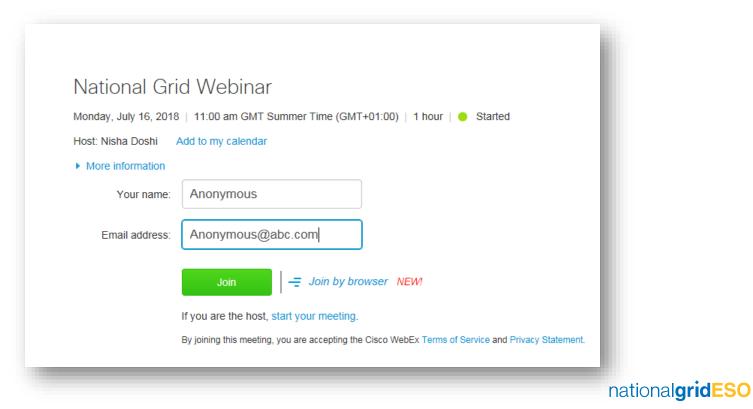
Please ask your questions via the WebEx chat function

If we are unable to offer an answer to a question on the call, we will take it away and provide an answer back in writing to all those on the call.

NGESO reserves the right to refuse to answer any questions deemed inappropriate.



Anonymous login example



If you would like to logout and login anonymously please do so now.

Thank you



Representatives

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|-----------------|-----------------------------------|---|
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1. STOR Assessment

Step 1

Tenders are evaluated against the cost of alternative actions.

• Comparing the total forecast cost (availability and utilisation) against alternative actions e.g. BM

Step 2

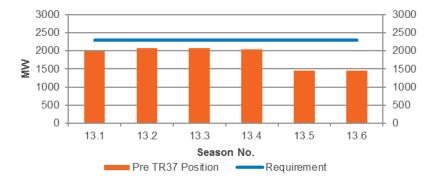
Tenders are stacked in terms of benefit

• Consideration is given to response time, restrictions and any technical constraints.

Step 3

The most beneficial tenders are accepted to meet our requirement – whilst ensuring that capacity remains for future tender rounds

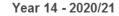
2. STOR Requirement (Year 13 and 14)

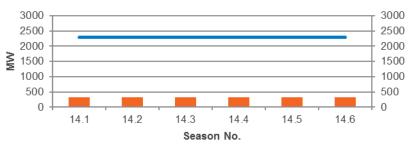


Year 13 - 2019/20

- ~300MW remained for summer 13
- ~900MW remained for winter 13

 First tendering opportunity for Year 14, excluding ~400MW of long term tenders





Pre TR37 Position Requ

----Requirement

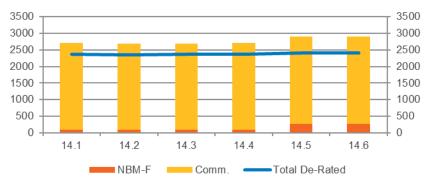
3. Overview of tenders received (Year 13 & 14)



Tendered MW-2019/20

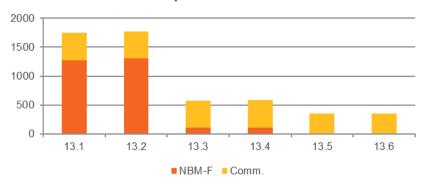
- Increased amount of flexible tenders for last available seasons
- Surplus over the remaining requirement for all seasons.

- Significant volume tendered across year 14 to meet remaining requirement across all seasons.
- Surplus over the remaining requirement for all seasons.



Tendered MW - 2020/21

4. Results (Year 13 and 14)



Accepted MW - 2019/20

- Acceptance of nearly all flexible tenders over summer seasons
- Procurement of committed capacity across all seasons.

• Procured a proportion of the remaining requirement across all Year 14 seasons to maintain liquidity for future tenders



Accepted MW - 2020/21

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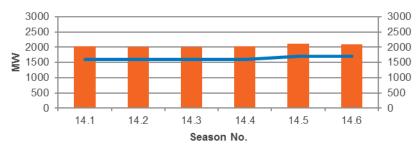
5. Next Tender Round – Requirement for TR38



Year 13 - 2019/20

- Further capacity to be procured for summer seasons if considered beneficial.
- Sufficient volume remains available for this winter.

• Sufficient volume available from TR37 to meet remaining Yr 14 requirement



Year 14 - 2020/21

De-Rated Rejected

ed Remaining

5. Key Dates

- TR38 closes 17th May 2019 at 17:00
- A framework agreement and access to Ariba is required
- Results will be published on 28th June on STOR website*
- Market Information Report for TR38 will be released on 27th July on STOR website*
- TR39 opens 17th July and closes 9th August
- Procuring capacity for delivery from 28th October to 1st April 2021

Dates subject to change

* https://www.nationalgrideso.com/balancing-services/reserve-services/short-term-operating-reserve-stor?market-information=

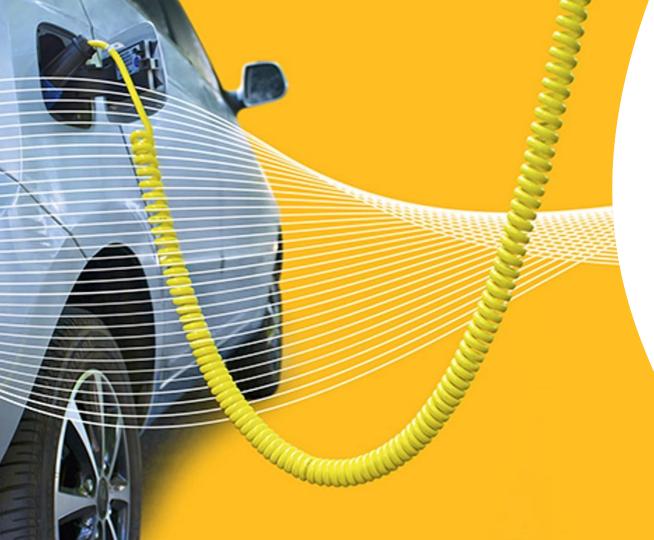


6. AOB

• Changes to STOR Contract terms – from Q2 2019/20

- Requirements under the European Network Codes
 - Pre-qualification, optional bids, contract transfers
- Implementation of new NBM despatch system, ASDP
- Reserve Reform in H1 2019/20
- Aim to deliver a proposal for reformed reserve services
- Outline how reserve will interact with response, spin gen and European products
- PAS Migration of NBM contracts from Q1 2019/20
- Transition providers from SRD onto ASDP
- Shutdown of SRD system in Dec-19





7. Feedback

Before we move onto the questions section, we ask you to leave your feedback using Webex live poll that will shortly be appearing on your screen shortly



Q. With BM capacity expected to grow and more new entrants to join the Balancing Mechanism, how is that expected to change STOR- i.e. STOR capacity requirements, Committed vs Flex STOR, utilisation etc? and

Are there any thoughts on changing the 2.2 GW yearly requirement for STOR in the next years?

A. This is something that will be reviewed as part of the Reserve Reform work that we will be carrying out in the next few months. At this stage, we will not be changing how much and when we buy STOR until the review has been completed. You can stay updated on this work on the <u>Future of Balancing Services page</u>.

Q. What is the percentage of the capacity which is going to be accepted for Yr13 in TR38 (out of the 700 MW left)?

A. This will be dependent on the tenders received and the considerations set out under STOR Assessment in an earlier slide.