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Dear Industry Colleagues

DECISION TO REMOVE REQUIREMENT ON GRID SUPPLY POINT GROUPING FOR NON-BM UNITS IN THE FREQUENCY RESPONSE AUCTION TRIAL

The Auction Trial for Frequency Response commenced on 13th June 2019 and we are already gaining valuable learnings.

On 19 June 2019 NGENSO published Response Auction Trial Glossary v 1.3 stating that grouping units by Grid Supply Point (GSP) was required from providers by 11 July 2019. Since then we have been reviewing the risk to delivering economic operation of the system and have had further discussions with the ADE and individual market participants to understand the potential impact on auction liquidity. As a result, we have decided to remove the requirement of grouping by GSP, on Non-BM units, for the remainder of the Frequency Response Auction Trial.

Through our future operability work we are continuing to understand the requirements for operating the low inertia, more distributed system of the future. This work will feed into our continuing development of requirements for the future market design which may include introducing a locational requirement if this is required for economic, secure operation of the system.

We look forward to continued engagement and collaboration with you as we work together to develop the markets of the future. We value your feedback so please feel free to contact us if you would like to discuss further.

Please contact: commercial.operation@nationalgrideso.com

Yours sincerely,

Colm Murphy
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