

# Fast Reserve Post Assessment WebEx

November-19



# Introduction

## This WebEx:

- Relates to the results of the November FR tender round that were published on the website on the 19<sup>th</sup> November 2019
- Provides you with some more detailed feedback to ensure all suppliers are getting the same level of information.
- Update on Fast Reserve OCP
- Outline the trial commencing January 2020 for Fast Reserve and the revised requirement.
- Presentation will last approx. 30 minutes. Q&A recap from previous month at the end.

**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.
- This information will only be used to improve the information we provide to you regarding the 2 ancillary services.

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# 1. OCP update

During the October Fast Reserve Webinar we notified you of our plan to launch the Outline change proposal for Fast reserve capturing changes as a result of Article 16.6 of the EGBL only before the 8<sup>th</sup> November

Scope of the OCP has changed. Initially this was going to be an EGBL specific proposal

NGESO are reviewing the requirements of relevant EU Codes and impacts on Fast Reserve

The OCP is now going to be a wider document with the view to capture other aspects of change, including P354 (application of ABSVD to NBM units)

You shall all be receiving an invite to an Ad-Hoc Webinar in the coming weeks to talk you through the end to end process of the new assessment process.

## 2. Fast Reserve November Assessment

### Step 1

- The forecasted cost of a tender are evaluated against the cost of obtaining an equivalent service in other markets. This includes:
  - The cost of creating the equivalent reserve
  - The alternative utilisation cost
  - The cost of positioning units to offer fast acting reserve
- We account for the type of service delivered, duration of tender and availability window
  - Utilisation restrictions such as periods of unavailability and MNZT are factored into the forecasted contract cost.
  - Maximum utilisation volumes are accounted for in the forecasted utilisation volume
  - Windows with durations beyond the requirement are valued based on forecasts of potential utilisation volumes

### Step 2

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

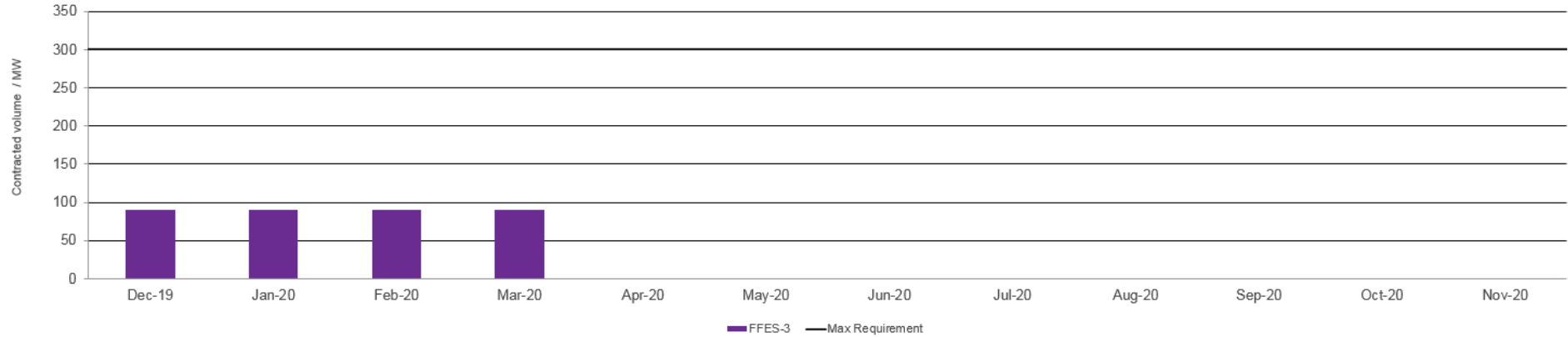
### Step 3

- Where applicable, any possible over holding is also accounted for in the assessment.



### 3. Fast Reserve Requirement

Fig 1 Required Firm Fast Reserve for EFA 3, 4, 5 & 6

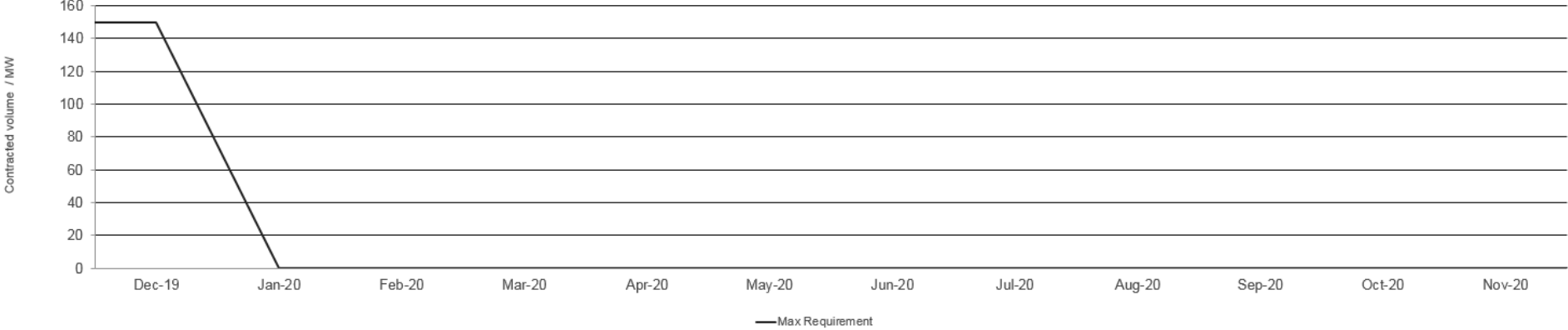


The primary focus was to procure volume as per the published tender calendar to be delivered in:

- December 2019 for EFA blocks 1, 2, 3, 4, 5 & 6.

# 3. Fast Reserve Requirement

Fig 2 Required Firm Fast Reserve for EFA 1 &2

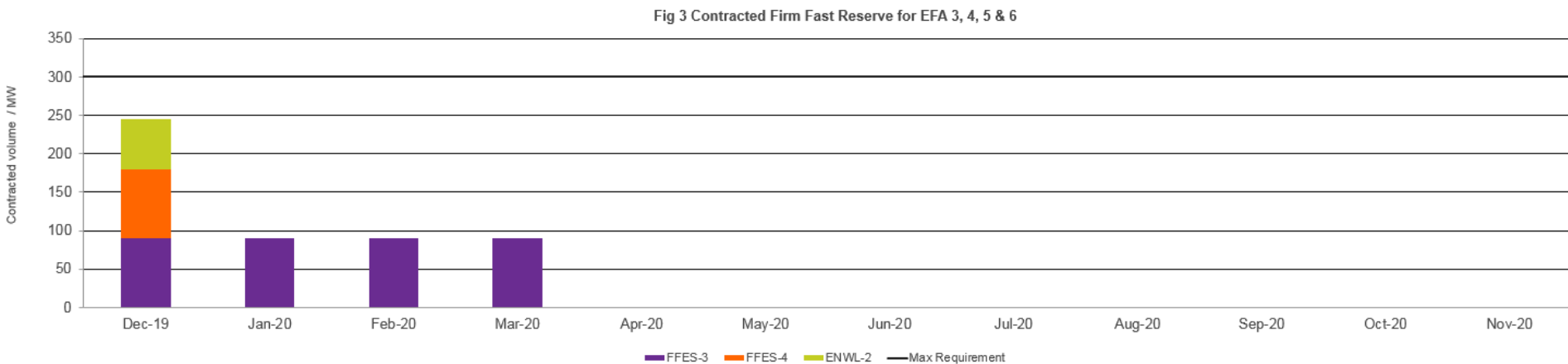


## 4. Overview of tenders

Tendered Unit	Start Date	End Date	EFA 1	EFA 2	EFA 3	EFA 4	EFA 5	EFA 6	Availability Fee (£/hr)	Positional fee (£/hr)	Firm Energy Fee (£/MWh)	MW Delivery	Maximum energy utilisation /MWh (per Operational Day)	Maximum number of utilisations (per Operational Day)
BALOO-1	01/12/19	31/12/19	1	1	0	0	0	0	93.06	0	85	92	9999	9999
ENWL-2	01/12/19	31/12/19	1	1	0	0	0	0	39	0	85	45	1080	20
AGCR2	01/12/19	31/12/19	1	1	0	0	0	0	58	0	88	60	99999	7
AGCR3	01/12/19	31/12/19	1	1	0	0	0	0	58	0	88	60	99999	7
AGCR6	01/12/19	31/12/19	1	1	0	0	0	0	90	0	88	90	99999	7
T_FFES-4	01/12/19	31/12/19	0	0	1	1	1	1	750	0	110	90	300	30
ENWL-2	01/12/19	31/12/19	0	0	1	1	1	1	129	0	85	65	1560	20
BALOO-1	01/12/19	31/12/19	0	0	1	1	0	1	275	0	89	92	9999	9999
AGCR4	01/12/19	31/12/19	0	0	1	1	0	1	209	0	88	60	99999	7
AGCR6	01/12/19	31/12/19	0	0	1	1	0	1	323	0	88	90	99999	7
AGCR2	01/12/19	31/12/19	0	0	1	1	0	1	239.4	0	88	60	99999	15
AGCR5	01/12/19	31/12/19	0	0	1	1	1	1	750	0	88	60	99999	7
AGCR3	01/12/19	31/12/19	0	0	1	1	1	1	840	0	88	60	99999	15
BALOO-1	01/12/19	31/12/19	0	0	0	0	1	0	5564	0	89	92	9999	9999

## 5. Results

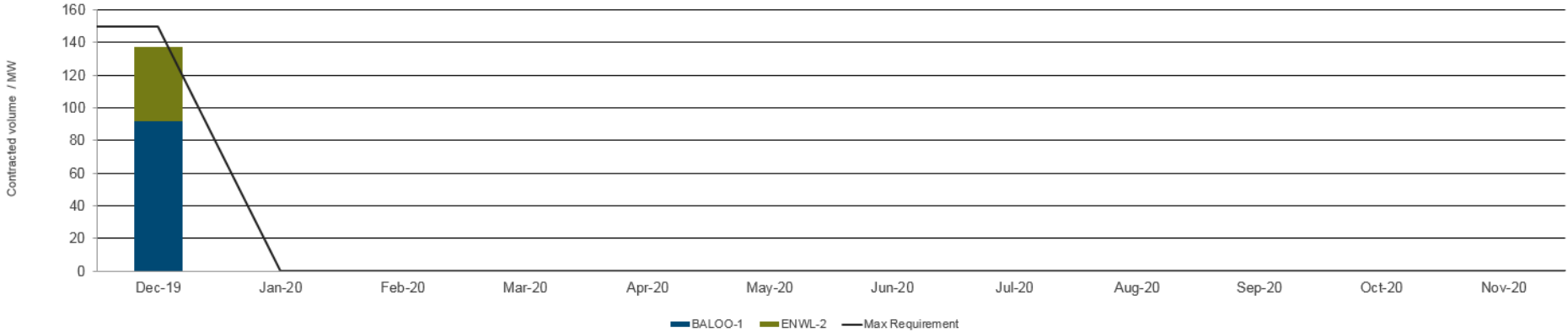
- 90MW was procured from FFES-4 and 65MW was procured from ENWL-2 for delivery in December 2019 for EFA 3, 4, 5 & 6



# 5. Results

- 92MW was procured from BALOO-1 and 45MW was procured from ENWL-2 for delivery in December 2019 for EFA 1 & 2

Fig 4 Contracted Firm Fast Reserve for EFA 1 & 2



## 6. Rejection reason codes

Tendered Unit	Start Date	End Date	EFA 1	EFA 2	EFA 3	EFA 4	EFA 5	EFA 6	Availability Fee (£/hr)	Positional fee (£/hr)	Firm Energy Fee (£/MWh)	MW Delivery	Maximum energy utilisation /MWh (per Operational Day)	Maximum number of utilisations (per Operational Day)	Reason Code
BALOO-1	01/12/19	31/12/19	1	1	0	0	0	0	93.06	0	85	92	9999	9999	Accept
ENWL-2	01/12/19	31/12/19	1	1	0	0	0	0	39	0	85	45	1080	20	Accept
AGCR2	01/12/19	31/12/19	1	1	0	0	0	0	58	0	88	60	99999	7	2
AGCR3	01/12/19	31/12/19	1	1	0	0	0	0	58	0	88	60	99999	7	2
AGCR6	01/12/19	31/12/19	1	1	0	0	0	0	90	0	88	90	99999	7	2
T_FFES-4	01/12/19	31/12/19	0	0	1	1	1	1	750	0	110	90	300	30	Accept
ENWL-2	01/12/19	31/12/19	0	0	1	1	1	1	129	0	85	65	1560	20	Accept
BALOO-1	01/12/19	31/12/19	0	0	1	1	0	1	275	0	89	92	9999	9999	2
AGCR4	01/12/19	31/12/19	0	0	1	1	0	1	209	0	88	60	99999	7	2
AGCR6	01/12/19	31/12/19	0	0	1	1	0	1	323	0	88	90	99999	7	2
AGCR2	01/12/19	31/12/19	0	0	1	1	0	1	239.4	0	88	60	99999	15	2
AGCR5	01/12/19	31/12/19	0	0	1	1	1	1	750	0	88	60	99999	7	2
AGCR3	01/12/19	31/12/19	0	0	1	1	1	1	840	0	88	60	99999	15	2
BALOO-1	01/12/19	31/12/19	0	0	0	0	1	0	5564	0	89	92	9999	9999	2

# 7. Fast Reserve utilisation review - Change in Requirement

– Quantitative Analysis team

# Context

- In line with our commitment to Reserve Reform we are looking for opportunities to facilitate increased competition in the reserve market.
- We want to encourage more participation in tenders, which will provide us with more options for optimising balancing costs.
- We are looking to reduce services that are delivered via bilateral optional reserve contracts and move towards tendered market services.
- We want to explore potential ways to expand the current tendered market for reserve services and encourage the market to provide more options to meet different system requirements.
- Some optional service costs have led to external queries for better clarification and increased transparency.



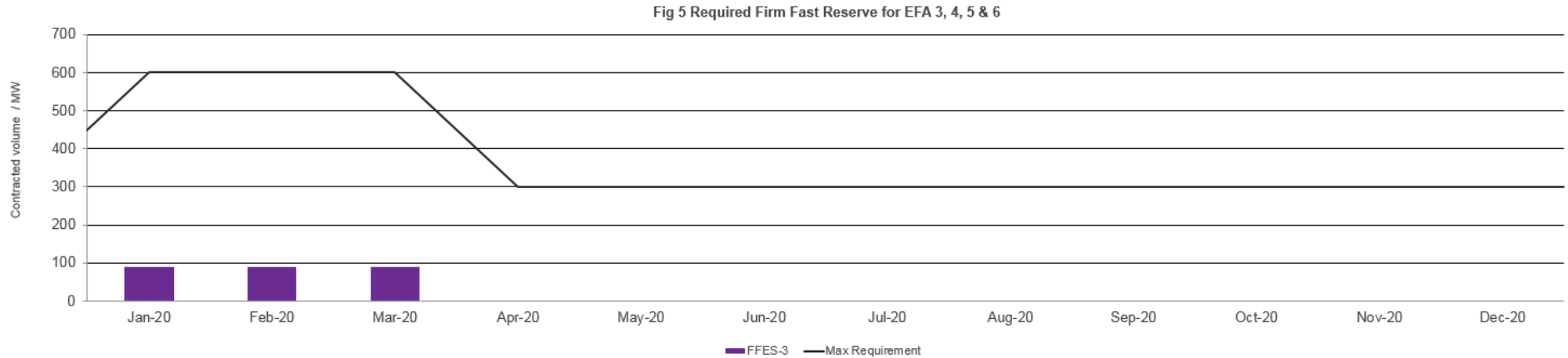
# Purpose of trial

- Having analysed historic use of Fast Reserve units there may be value in holding additional fast reserve in the day time.
- We are committing to running a 3 month trial to assess whether a higher contracted volume of firm day time fast reserve could provide cost savings based on current levels of spending and utilisation
- A learning exercise to understand what further development is required from the reserve market to better fulfil our system requirements.
- We recognise that optional reserve services resolve system needs beyond energy support i.e. inertia and voltage support.
- Our collective market reform activity for reserve, stability and voltage will enable us to reach our ambition to procure standardised, unbundled services (as per SNAPS)

# Proposal

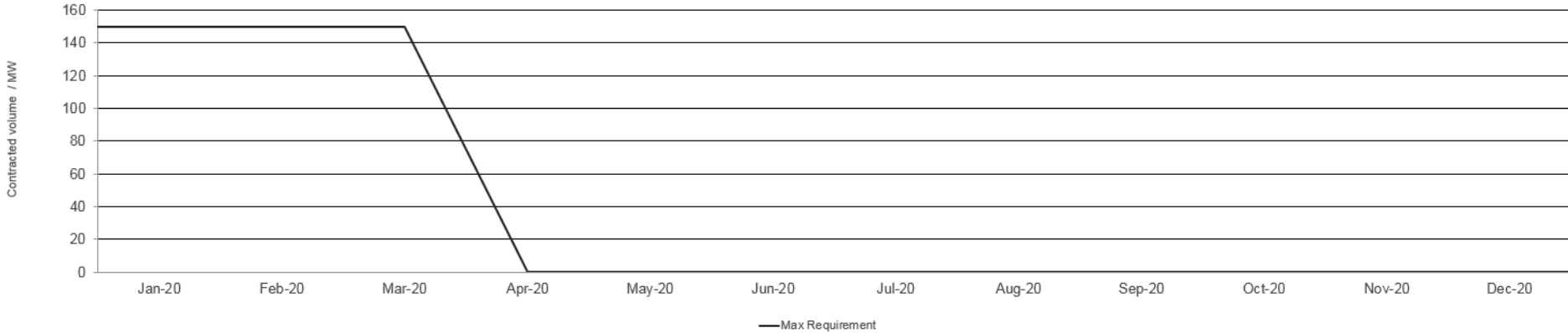
- Increase daytime procurement of firm fast reserve contract from 300MW to 600MW to provide more confidence to real time operation that fast energy is available to instruct rather than using optional services for energy
- Keep overnight procurement the same as current level: 150MW
- Run the Trial for 3 months while reviewing the utilisation on a monthly basis

# New FR Requirement from January 2020 – EFA 3, 4, 5 & 6



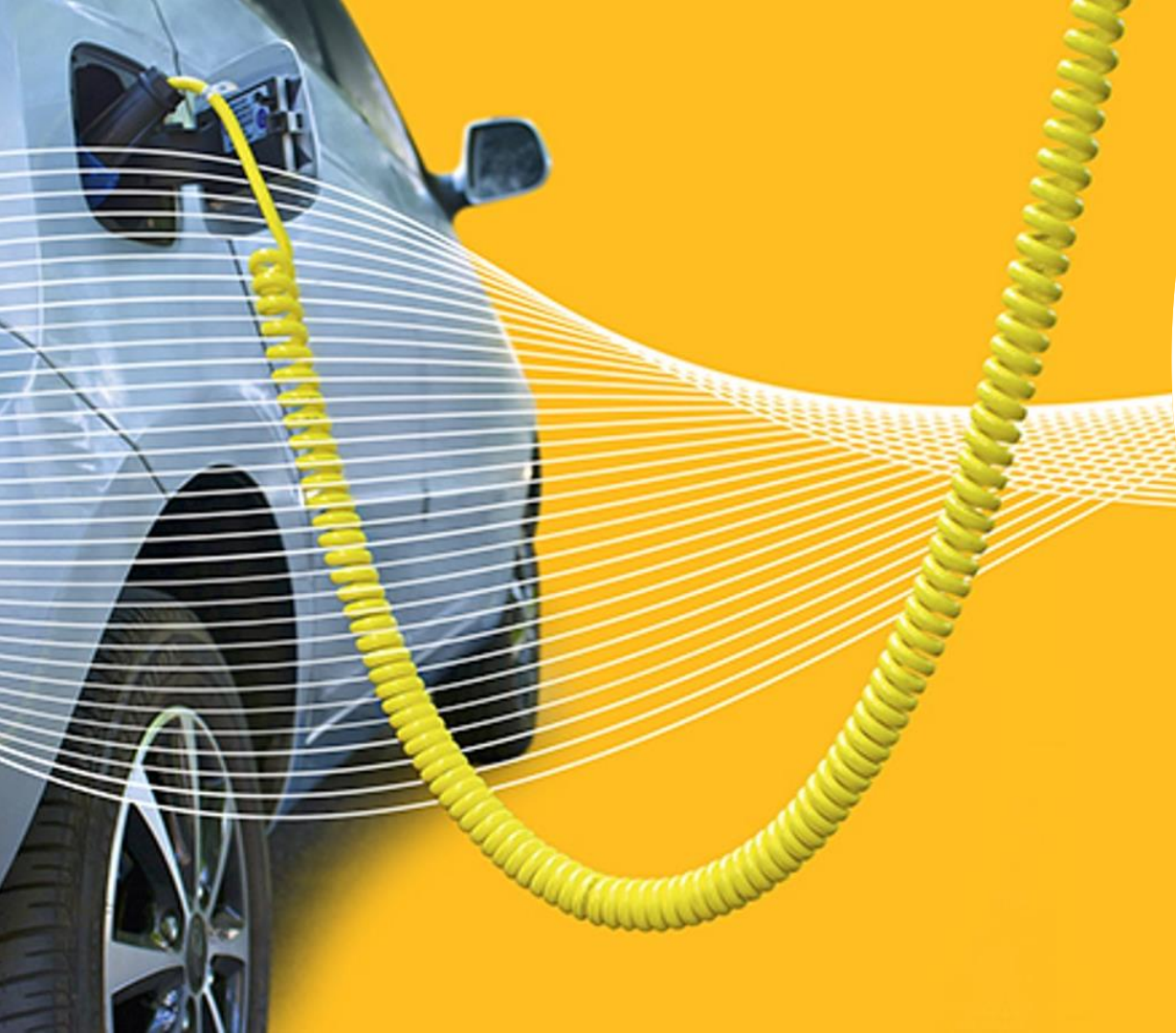
# New FR Requirement from January 2020 – EFA 1 & 2

Fig 6 Required Firm Fast Reserve for EFA 1 & 2



## 8. Next Tender Round

- Market Information Report will be published next week on 25<sup>th</sup> November
- Tender submission deadline will be 5pm on 2<sup>nd</sup> December
- Notification of outcome of the tender assessment by 17<sup>th</sup> December
- Results published online by 19<sup>th</sup> December
- **December tender we will only be procuring Month ahead for EFA blocks 1, 2, 3, 4, 5 & 6 for January 2020.**
- **Increased day time requirement of 600MW for January – March 2020**



## 9. Feedback

Before we move onto the questions section, we ask you to leave your feedback using WebEx chat function

## 10. 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 reserve the right to refuse to answer any questions deemed inappropriate.



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