

FFR Results WebEx (TR 118)

22nd October 2019

**THE FFR RESULTS WEBINAR
WILL BE STARTING SHORTLY**

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Introduction

This WebEx:

- Relates to the results of the October FFR tender round that were published on the website on the 16th October 2019. (This was a month ahead only tender for November'19 delivery)
- Provides you with some more detailed feedback to ensure all suppliers are getting the same level of information.

Representatives

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1. Requirement (TR118)

As system conditions are changing, we have increased the requirement of dynamic frequency response to manage our pre-fault frequency. Our total response requirement remains unchanged. We have monitored the use of MFR to meet the increased requirement for several months and are now confident this requirement should be released to the FFR market (as opposed to procured via the mandatory market) for increased transparency and maximum competition. This change is not related to volumes procured for the response auction trial. Given the requirements for our monthly FFR tenders are impacted by existing contracts, the consequence of this change is that our requirement for FFR dynamic response has increased. As our total requirement remains unchanged, this has therefore resulted in a reduction in the requirement for static response. Given the current contracted position, the non-dynamic requirement is already satisfied.

The review of the monitored volumes was only concluded shortly before this month's Market Information Report was published hence the short notice to providers regarding this change. Whilst the change in requirement has come at short notice it wouldn't be acceptable for the NGENSO to continue to procure a product for a period of time that it wasn't required.

1. Requirement (TR118) – as published in MIR

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

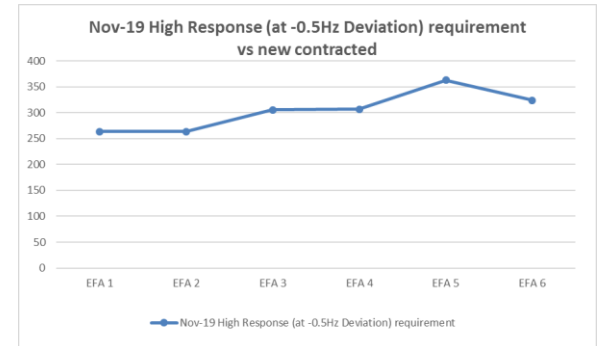
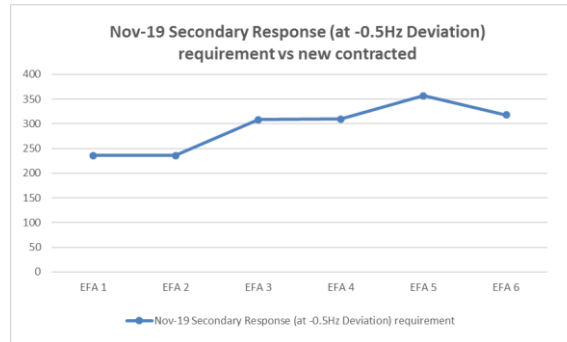
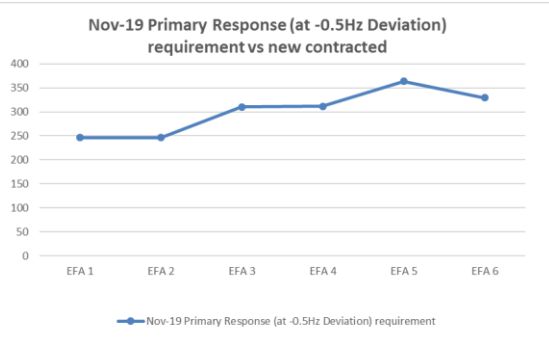
No non-dynamic secondary requirement exists in any EFA blocks.

A primary, secondary and high dynamic requirement exists in all EFA blocks.

Dynamic Primary FFR vs Requirement

Dynamic Secondary FFR vs Requirement

Dynamic High FFR vs Requirement



1. Requirement (TR118)

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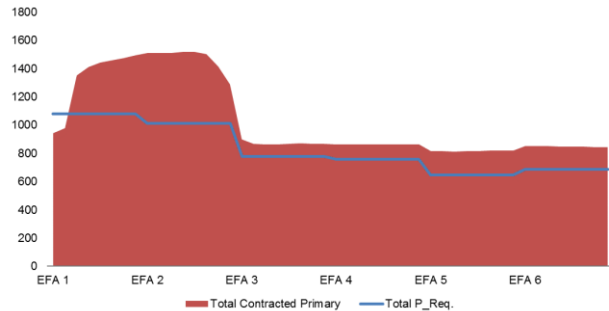
A primary, secondary and high dynamic requirement exists in all EFA blocks.

Total Primary FFR vs Requirement

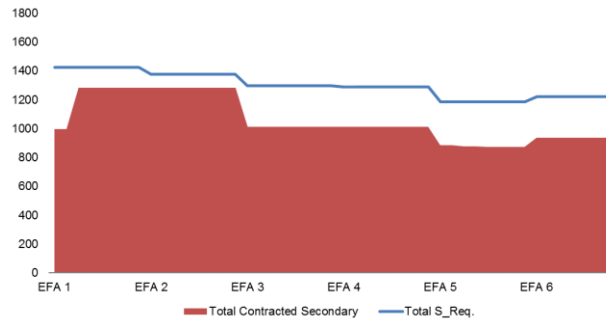
Total Secondary FFR vs Requirement

Total High FFR vs Requirement

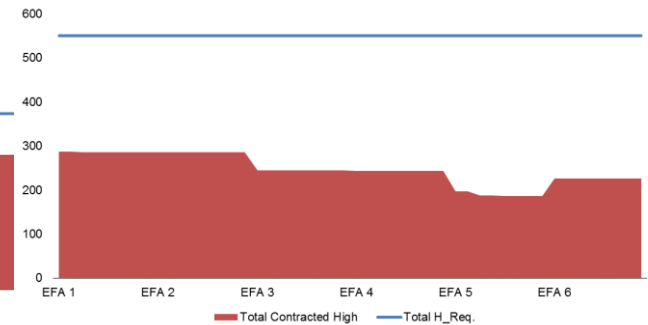
Total Primary FFR vs Requirement



Total Secondary FFR vs Requirement



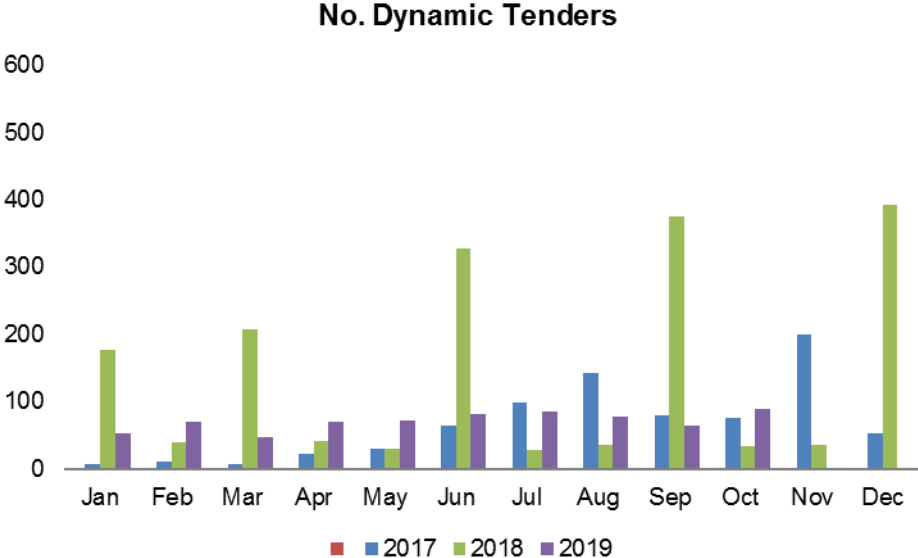
Total High FFR vs Requirement



2. Overview

No. Dynamic Tenders

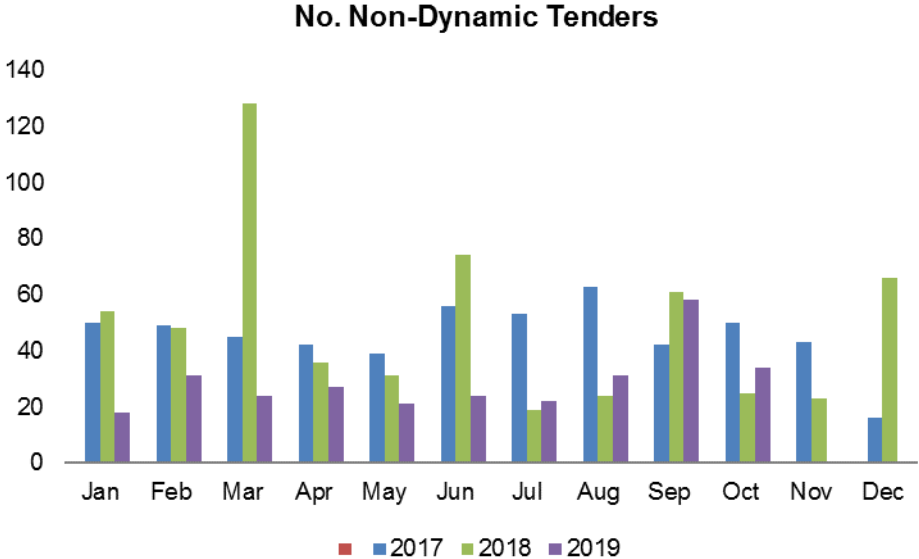
89 tenders



2. Overview

No. Non-Dynamic Tenders

34 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

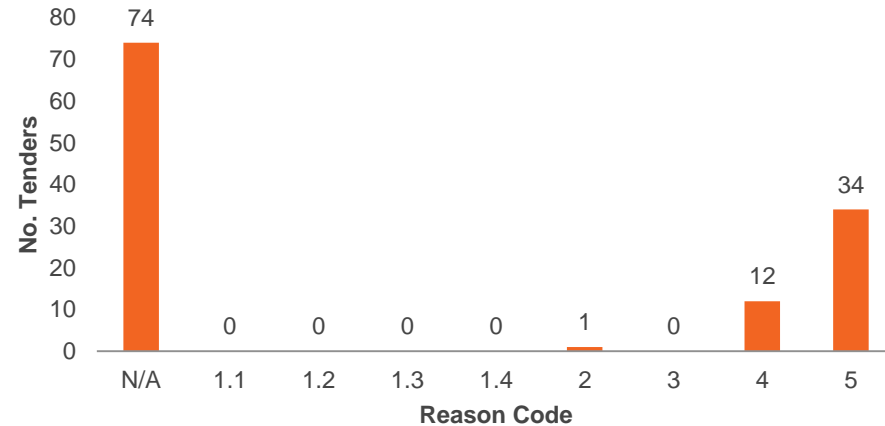
1.4: This tender formed part of an all-or-nothing group which did not collectively deliver enough benefit to be considered

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

5: Beyond desired procurement volume



3. Results (TR118)

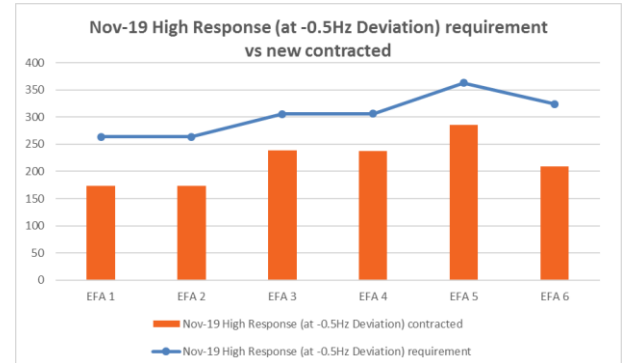
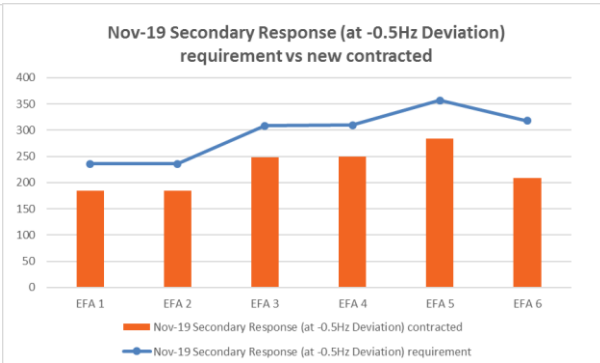
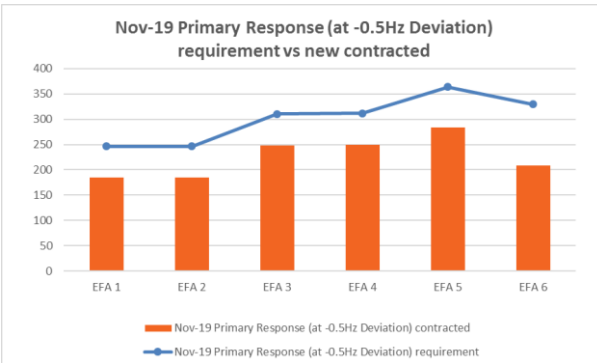
At month ahead, volume is procured economically from either the dynamic or non-dynamic market

Any additional volume required for November 2019 delivery will be procured by the ENCC in accordance with the daily system needs

Dynamic Primary FFR vs Requirement

Dynamic Secondary FFR vs Requirement

Dynamic High FFR vs Requirement

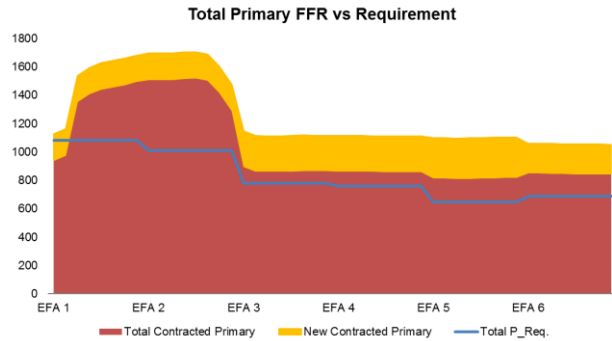


3. Results (TR118)

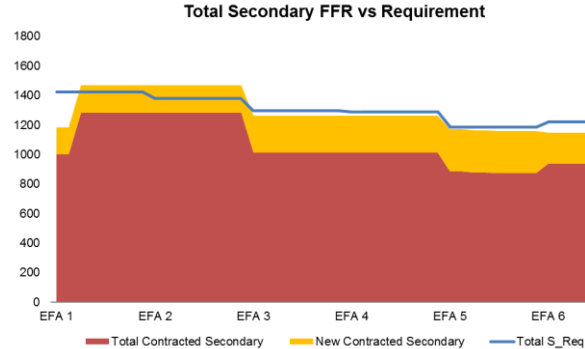
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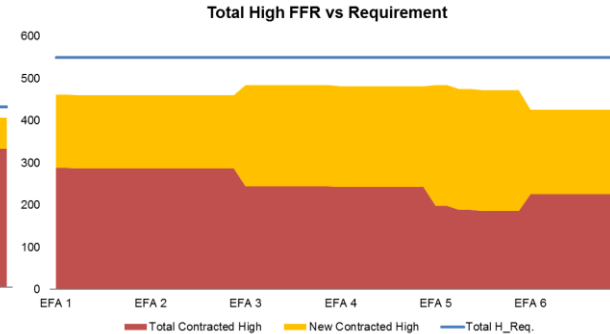
Total Primary FFR vs Requirement



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 also accounted for. In this periods, 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. 'Next Round' – TR 119

November'19 – TR 119

- Month ahead only tender round, procuring volume for delivery in December 2019
- Tender submission date of Friday 1st November'19 at 17:00. Only units that have passed testing by NG Generator compliance are able to tender in for month ahead delivery (December 2019 delivery)
- The next Market Information Report will be released: **No later than Thursday 24th October 2019.**

Quick Reminder

- Clearly identify All or Nothing bids using Alpha characters (add any additional info in the comments column)
- Clearly identify if bids are mutually exclusive
- Reminder that bids starting on the last day of the previous month must start at 23:00 to be compliant
- Reminder that there is a maximum of 3 bids per unit per tender round (more than 3 is non-compliant)
- All units must have passed testing prior to submitting a tender

6. Questions?

Please submit your questions using the chat function in Webex