

Kayte O'Neill
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Update to STOR and Fast Reserve tenders

Dear industry colleagues,

We wrote to you earlier this year on the suspension of the January [STOR](#) and [Fast Reserve](#) tenders, and the subsequent [update](#) that no further contracts would be concluded for either service for the time being. Recognising the disruption this has caused to you, we committed to keeping you engaged and informed of progress as we assessed the impacts of Article 6 of the recast Electricity Regulation within the Clean Energy Package (CEP).

Whilst recent events have unavoidably taken priority, in terms of meeting our operational requirements, we have continued to move forward with our work in this area, in particular:

- We are continuing to engage with Ofgem on our derogation requests against Article 6.9 of the CEP. As part of this engagement, we have shared our outline plans for making the necessary changes to our systems in order to be fully compliant with the CEP by April 2021.
- We are currently finalising more detailed plans and undertaking a complete review of the systems and process changes that will be required for full compliance with the CEP.

For now, we intend to continue with our decision not to procure any further firm STOR or Fast Reserve contracts. We will continue to operate with existing firm STOR contracts and the optional routes for both Fast Reserve and STOR. In addition, wider access remains a route for providers wanting to offer their capacity in the Balancing Mechanism.

During early July 2020, we expect to be able to provide you with much more clarity around our plans for STOR and Fast Reserve procurement for the immediate and medium term, which we believe will give the certainty you have been looking for. We will also share more on our detailed plans, expected system requirements and overall timeline for full compliance with the CEP.

Your feedback is crucial in helping us to better understand the potential barriers and timescales providers face in meeting the CEP requirements. In the next few days we will be asking for your opinions on moving closer to real-time procurement in a short survey. This will be followed by a series of podcasts and webinars through July to provide more background and explanation on our plans, providing further opportunities for joint engagement.

Can I take this opportunity to thank you all for your continued patience and support. We fully understand the continued uncertainty that this has for our providers, and we are treating this work as a priority, and intend to keep you engaged and informed of progress at frequent intervals over the coming weeks and months.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Kayte O'Neill', written over a dotted horizontal line. The signature is fluid and cursive.

Kayte O'Neill
Head of Markets