

BSSG Notes & Actions

28 August 2007

1. Attendees:

Duncan Burt	Chair
Andrew Russell	First Hydro
Ben Sheehy	EoN
Craig Dyke	National Grid
David Scott	EdF Energy
David Small	SSE
John Perkins	National Grid
Katy Jackson	Drax
Malcolm Arthur	National Grid
Matt Buffey	Ofgem
Rob Rome	British Energy

2. Frequency Response Discussion

Information Provision

CAP158 has been (will be) proposed by National Grid. This mod looks at providing additional data on the monthly utilisation volumes, publishing interim data on the 3rd working day of the month.

Overall comment was that this would help in providing additional information prior to the price submission. However, it would be more beneficial to have weekly data publication as this would provide up to date info on utilisation volumes.

Capability matrices – currently there is limited information on the capability of units. It was suggested that all the capability matrices for every unit could be made public. This would improve the assessment by providers of what is being selected and why. Currently the capability matrices are part of the bilateral agreement between National Grid and the associated provider and so would need approval in order to publish.

Action: MA to look into a mini consultation requesting approval for the publication of the capability matrices.

National Grid is currently holding a consultation on information provision. MA requested that everyone should input into the consultation on the information they believed would benefit balancing services.

Action: MA to find out the timescales for the next stages of the consultation process.

Increase in frequency of price submission and submitting prices for different periods

Due to legacy IS systems used by National Grid to dispatch response, there is a limitation on the number of price changes that can be used by the current system. National Grid's initial assessment of the current system and the acceptable frequency of price changes indicated that weekly price submission was possible, with a corresponding increase in resource requirements. Any increase in price change frequency would require an upgrade to the new frequency assessment tool.

National Grid stated that over the last three months, only 25 – 30 units change their prices per month (on a base of approximately 150 units). General view was that an increase to weekly price submission would not significantly improve the current arrangements. Also, there was general agreement that at present an increasing the frequency of price submission was not something to pursue.

Energy Deliver Payments

No progress.

Non-delivery

One of the main issues is associated with providers who are excluded from delivering response are not identified to the industry. As this information is not available to participants, they cannot assess the potential effects on the mechanism.

One solution is to publish all providers that are currently included in the frequency response assessment.

Action: MA to consider what such a report may look like.

Separation of procurement of LF and HF products

MA gave an update on the assessment of the potential annual over procurement of response. The rough assessment of the annual value was £6.5 million. The potential to reduce this was considered worth pursuing.

Action: MA to determine the volume of providers that can separate out high and low response products.

JP provided information on the FFR tender process. Information has been updated on the web site on how to tender for separate products via the FFR process.

FFR Issues

JP presented the issues that had been raised on the FFR process. There was general agreement that the main issues had been raised.

RR and DS stated that from the information currently provided there was no way that an assessment of the value of the accepted tender could be made.

Action: JP to consider how to improve information.

3. Reactive

Craig Dyke updated the group on the current progress. National Grid is currently reviewing the internal responsibilities for reactive power tender process. This may mean a delay in progressing development of the process.

Action: CD to consider monthly tender process

Action: CD to consider improving indexation in the tender process

Action: CD to look at the assessment process to see if there is anything that can be sped up.

AOB

KJ asked about the black start tender process. There is a Black Start commercial workshop planned for 30th August.

Post Meeting Note: The outcome of the Black Start workshop will be summarised at the October full Operational Forum. A second workshop will be scheduled for some time in October.

4. Next meeting

To be arranged in October and November.