

BM Start Up



CBSG
February 2011

Background

- CBSG November launched possible changes to BM Start Up Agreements.
- Scoped as anything within reason, as long as all parties agree, ie, the BM Start Up Agreement will remain generic.
- Received requests for:
 - Increased transparency
 - Increase frequency of price changes
 - Removal of barriers

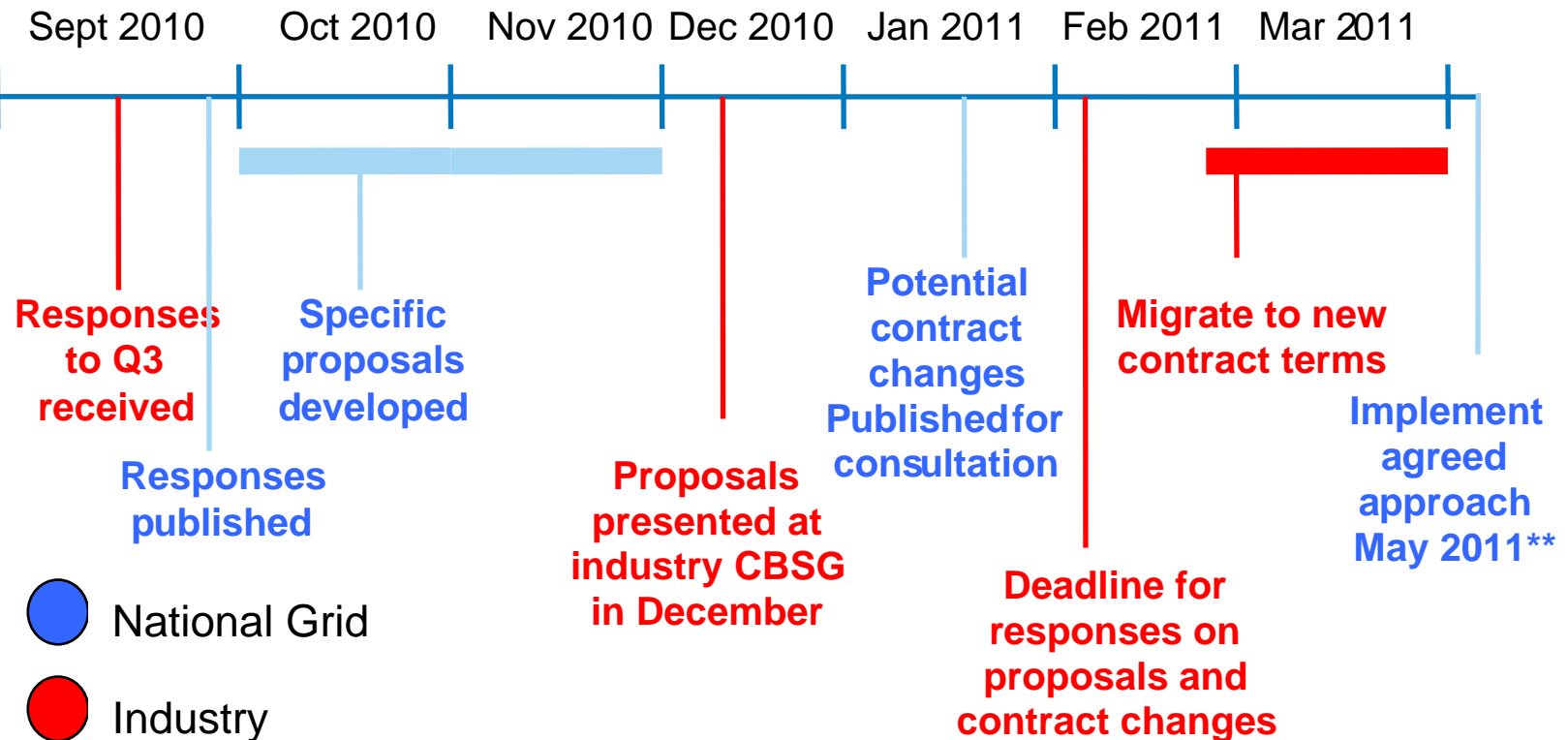
BMSU – Key Changes

- Increase Transparency
 - Publish BMU name
 - Publish Information on Advance Syncs
 - Publish all Alpha and Beta prices on a unit basis
- Increase Frequency of Price Change
 - Business Day plus 2
- Remove Barriers to Entry
 - No lower threshold for Maximum Hot Standby Period

BMSU – General Contractual Changes

- Review all deemed cancels to see whether a manual cancel better fits the Agreement.
- Draft terms to allow “un-winding” of BM Start Up instruction (BOA unwind and CHS).
- Introduce a new mechanism for payment where a cease instruction from an Adv Sync is issued AFTER Hot Standby Target Time.

Project Timeline



CBSG = Commercial Balancing Services Group

<http://www.nationalgrid.com/uk/Electricity/Balancing/CommercialBalancingServicesGroup/>

** Please note publication of some data is envisaged for Q3 2011