

## Firm Frequency Response Review

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CBSG 5<sup>th</sup> June 2013

### Firm Frequency Response Current Tender Process

The current FFR market arrangements allow potential providers to tender for provision of dynamic or static Frequency Response services for timeframes between 1 month and 23 months, at least 1 month ahead of service provision start date. There is also a facility for longer term tenders where the industry is informed of these and there is an opportunity to submit competing tenders; the service start date for these longer term tenders is 3 months from the initial tender submission.

The Grid Code Frequency Response Working Group recommended implementation of a weekly FFR service. Additional feedback from the industry highlighted that the current month ahead timescales can prevent other commercial options from being entered into in anticipation that the tender may be accepted or, for the demand side providers, there are limitations to their ability to accurately forecast two months in advance the running patterns of plant (for example, plant used subject to weather conditions).

With the development of a mandatory 'Rapid' Frequency Response service, the terms will also be reviewed to ensure that the commercial terms can accommodate the procurement of a 'Rapid' Frequency Response service from Both BM and non BM units so as to provide an initial route to procure the service ahead of the mandatory requirement and an enduring mechanism to facilitate a competitive market for the service going forward

A general review of the Standard Terms and Conditions (STCs) is also due this year to ensure that these are consistent with proposed control system changes and that they continue to be relevant for all required by National Grid. A detailed review of the FFR market arrangements is being progressed by National Grid to consider the likely impacts of a weekly FFR tender; this will be presented to the CBSG at the next meeting.

Any changes to the SCTs to accommodate a weekly FFR tender will be progressed alongside the general review with the formal Outline Change Proposal being presented to the industry around September.

In addition to the review of the SCT's, National Grid will be re-visiting the assessment methodologies to ensure that we can accurately evaluate the economics of the different services we are now being offered via the FFR tender process, and to streamline the assessment process to accommodate weekly FFR tenders.

Additionally, if we are to introduce weekly FFR tenders, then the current, paper based, tender process would be inadequate; therefore, an electronic tendering system will need to be developed and implemented prior to the start of any week ahead service. This would also be consistent with the EJEU procurement guidance.

### Contact Information

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