Demand Side Balancing Reserve & Supplemental Balancing Reserve Update

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Agenda

**DSBR**
- 2014/15 tender results
- 2014/15 validation process
- Dispatch system development
- Operational messaging (DSBR and SBR)
- 2015/16 tender timetable and “Holding” MPAN flexibility

**SBR**
- Verbal tender update

**Q&A**
DSBR – 2014/15 tender results

- 14/15 Tender window open from 10th June ‘14 to 25th July ‘14
- Encouraging levels of engagement and participation with all 3 customer categories represented
- Full 3 phase validation exercise completed accessing ECOES and HHDC data for the 1st time (under BSC Mod P299)
- All tenders met economic criteria set out in procurement methodology
- Contracts agreed with 24 DSBR Units from 12 companies, representing 431 sites / MPANs and 319MW
- Dispatch and Settlement discussions ongoing with all providers in advance of service going live in November
Validation took place between 28th July ’14 to 22nd August ‘14

501 MPANs exposed to 3 levels of validation (wholly new process)
  - Address and meter energisation check (ECOES) – All
  - kW Volume validation using HHDC data from 13/14 winter – 95%
  - Site contact discussion – All 3rd Party offered sites

332 MPANs accepted as tendered
105 MPANs volume offer amended
64 MPANs rejected

Validation process will be repeated for 15/16 tenders but differing baseline winters will be used depending on timing
DSBR – Dispatch system development

- Dispatch system delivery imminent

- Login details to be sent to registered Dispatch contact (new account) with user required to follow on screen process to set up account

- Dispatch process published
  - Text message notification sent to primary dispatch mobile number
  - DSBR provider prompted to login to Dispatch portal to view instructions (including start time, end time and impacted DSBR Unit)
  - Button to acknowledge instruction. Once acknowledged the dispatch is visible in a separate acknowledged list.
  - Acknowledgement is essential for Control Room confidence in product, however expectation is that all dispatches will trigger a response

- Further instructions / advice to be communicated with login details.
DSBR – Operational messaging (DSBR and SBR)

- Four new warning messages created on BM Reports
  - DSBR dispatched today
  - SBR plant warmed today
  - SBR dispatched today
  - SBR plant being tested today
- Warning messages will refer reader to a new National Grid Contingency Balancing Reserve Operational Information webpage, showing:
  - DSBR spreadsheet detailing dispatch events for the season, updated after each event, including volume per SP and max price per MWh
  - A list of contracted SBR units to correlate to BM Reports messages re SBR unit tests, warming or dispatch

DSBR – 2015/16 tender timetable
“Holding MPAN flexibility”

<table>
<thead>
<tr>
<th>Tender Round 1</th>
<th>2014</th>
<th>2015</th>
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<tbody>
<tr>
<td></td>
<td>Oct</td>
<td>Nov</td>
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<tr>
<td><strong>Tender Window</strong></td>
<td>Validate</td>
<td>Assess &amp; Award</td>
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**Eligibility**
Open to all

**MW Opportunity**
Cap of 200% of completed MPANs tendered (100% in TR2)

**Holding MPAN Administration**
Individual numbers sourced from DSBR support team

**DSBR Unit Tender Allocation**
Preferably in discrete DSBR Units

**Communication of Final MPANs**
Via spreadsheet direct to National Grid after 10 weeks

**MPAN Duplication**
Single MPAN can only be offered in one DSBR Unit in a TR

**Validation**
Final MPANs subject to full but separate validation process

**Assessment**
All DSBR Units assessed together

**Contract Offer and Award**
Participant with Holding MPANs subject to conditional offer

**Contract Documentation**
All DSBR participants documentation issued in April ’15

**TR2 - Open in Feb / Mar**
Potential TR3 in June
SBR – Verbal update
Q&A

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