

## **Commercial Intertrip Service**

### **Assessment Principles (Issue 1, 20 November 2009)**

This note sets out the principles that National Grid considers in assessing potential Commercial intertrip service providers.

#### **Background**

National Grid procures services to manage constraints through a number of Balancing Services to enable it to manage congestion on its high voltage transmission network. These services include bids and offers in the Balancing Mechanism, traded products and commercial intertrip services.

#### **Main Economic Assessment**

National Grid will look to secure identified future constraint management requirements via commercial intertrips, in an economic and efficient manner. The accepted providers will be selected with the aim of ensuring the total costs of managing system constraints are lower than without the procurement of intertrip services.

In assessing the benefit of acceptance of a Commercial Intertrip Service, the value and costs of that service is considered.

The forecast cost of a potential Commercial Intertrip Service will reflect:

- Capability Fee
- Expected Arming Fees = Arming Fee \* Expected Hours of arming (arming price as per indicated by relevant provider, expected hours of arming as identified in planning timescales)
- Tripping Fees = Tripping Fee + Post-trip Generator imbalance mechanism costs
- The cost of installing/ extending an intertrip signal at/ to the Unit or Site(s) in question

The costs of alternatives to agreeing a Commercial intertrip contract may comprise (but not be limited to):

- BM offers and bids
- PGBTs
- Forward Energy Trading
- Market-delivered generation changes (zero cost)
- Planned generation outages (zero cost)

## **Further Assessment Principles**

In addition National Grid will take into account other factors in the appraisal of potential intertrip services. The order in which these factors are listed is not an indication of the relative importance of each to the others:

- The effectiveness of the Unit or Site(s) in question against the relevant identified constraint
- The technical requirements of the relevant Unit or Site(s) of installing any necessary equipment e.g. outage requirements, plant configuration etc
- The interaction of any other Balancing Service provided by the tenderer to NGET from the Unit or Site(s) in question
- The extent of planned outages and limitations on the transmission or distribution system of any host Public Distribution System Operator affecting the Sites(s).
- Any other factors that, in NGET's reasonable opinion, are relevant in appraising the viability of any potential Commercial intertrip service