

Fast Reserve Post Assessment WebEx

December-19



Introduction

This WebEx:

- Relates to the results of the November FR tender round that were published on the website on the 17th December 2019
- Provides you with some more detailed feedback to ensure all suppliers are getting the same level of information.
- Presentation will last approx. 30 minutes. Q&A recap from previous month at the end.

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Contents

1.	Fast Reserve Assessment	[7]
2.	Fast Reserve Requirement	[8 & 9]
3.	Overview of Tenders	[10]
4.	Results	[11 – 13]
5.	Rejection Reason Codes	[14]
6.	New Assessment Principles from January 2020	[15]
7.	Next Tender Round	[16]
8.	Feedback	[17]
9.	Questions	[18]

1. Fast Reserve December 2019 Assessment

Step 1

- The forecasted cost of a tender are evaluated against the cost of obtaining an equivalent service in other markets. This includes:
 - The cost of creating the equivalent reserve
 - The alternative utilisation cost
 - The cost of positioning units to offer fast acting reserve
- We account for the type of service delivered, duration of tender and availability window
 - Utilisation restrictions such as periods of unavailability and MNZT are factored into the forecasted contract cost.
 - Maximum utilisation volumes are accounted for in the forecasted utilisation volume
 - Windows with durations beyond the requirement are valued based on forecasts of potential utilisation volumes

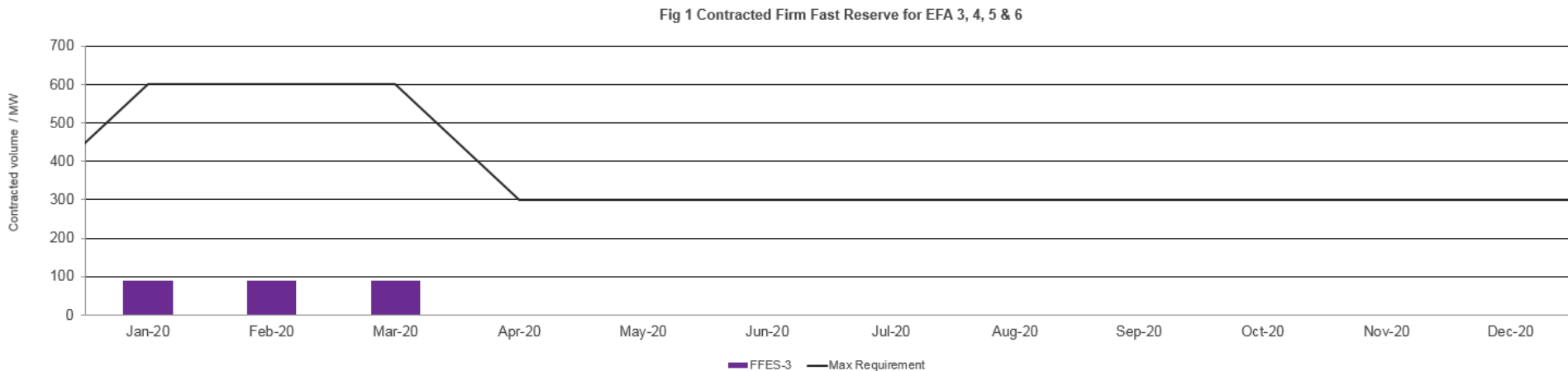
Step 2

- Tenders are stacked in terms of benefit delivered against any outstanding requirement.

Step 3

- Where applicable, any possible over holding is also accounted for in the assessment.

2. Fast Reserve Requirement

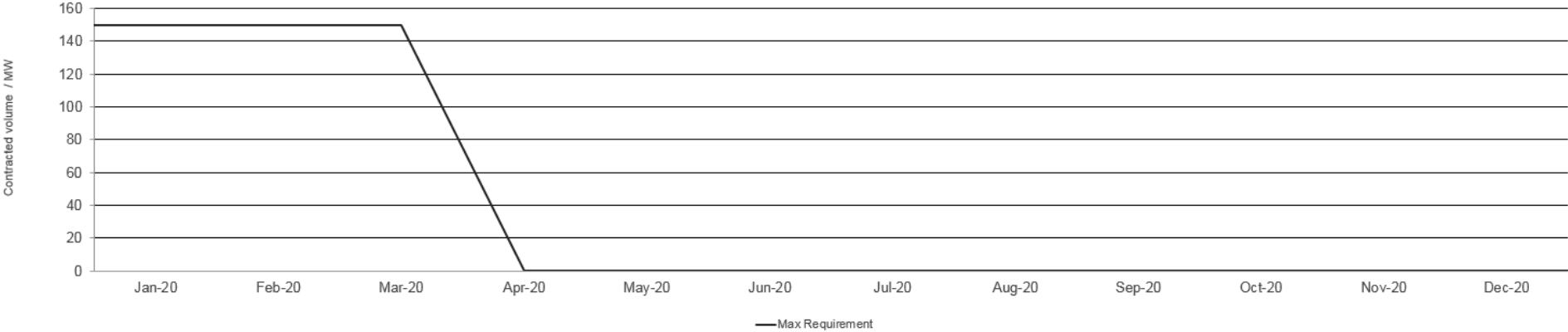


The primary focus was to procure volume as per the published tender calendar to be delivered in:

- January 2020 for EFA blocks 1, 2, 3, 4, 5 & 6.

2. Fast Reserve Requirement

Fig 2 Contracted Firm Fast Reserve for EFA 1 & 2



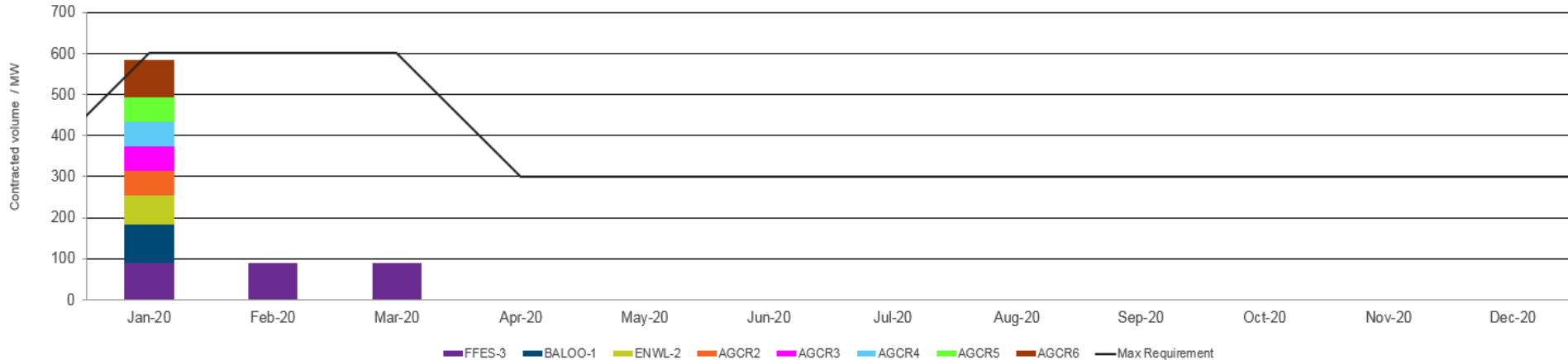
3. Overview of tenders

Tendered Unit	Start Date	End Date	EFA 1	EFA 2	EFA 3	EFA 4	EFA 5	EFA 6	Availability Fee (£/hr)	Positional fee (£/hr)	Firm Energy Fee (£/MWh)	MW Delivery	Maximum energy utilisation /MWh (per Operational Day)	Maximum number of utilisations (per Operational Day)
BALOO-1	01/01/20	31/01/20	1	1	0	0	0	0	93	0	85	94	9999	9999
ENWL-2	01/01/20	31/01/20	1	1	0	0	0	0	43.5	0	85	50	1200	20
BALOO-1	01/01/20	31/01/20	0	0	1	1	0	1	258.5	0	85	94	9999	9999
ENWL-2	01/01/20	31/01/20	0	0	1	1	1	1	139.3	0	85	70	1680	20
AGCR6	01/01/20	31/01/20	0	0	1	1	0	1	368.1	0	84	90	99999	7
AGCR5	01/01/20	31/01/20	0	0	1	1	0	1	251.4	0	84	60	99999	7
AGCR4	01/01/20	31/01/20	0	0	1	1	0	1	257.4	0	84	60	99999	7
AGCR3	01/01/20	31/01/20	0	0	1	1	0	1	293.4	0	84	60	99999	15
AGCR2	01/01/20	31/01/20	0	0	1	1	0	1	299.4	0	84	60	99999	15
T_FFES-4	01/01/20	31/01/20	0	0	1	1	1	1	950	0	115	90	300	30
T_HUMR-1	01/01/20	31/01/20	0	0	1	1	0	1	300	0	75	25	300	0
T_HUMR-1	01/01/20	31/01/20	0	0	0	0	1	0	1000	0	75	25	100	0
AGCR6	01/01/20	31/01/20	0	0	0	0	1	0	4832.1	0	84	90	99999	7
AGCR5	01/01/20	31/01/20	0	0	0	0	1	0	3227.4	0	84	60	99999	7
AGCR4	01/01/20	31/01/20	0	0	0	0	1	0	3233.4	0	84	60	99999	7
AGCR3	01/01/20	31/01/20	0	0	0	0	1	0	3413.4	0	84	60	99999	15
AGCR2	01/01/20	31/01/20	0	0	0	0	1	0	3419.4	0	84	60	99999	15

4. Results

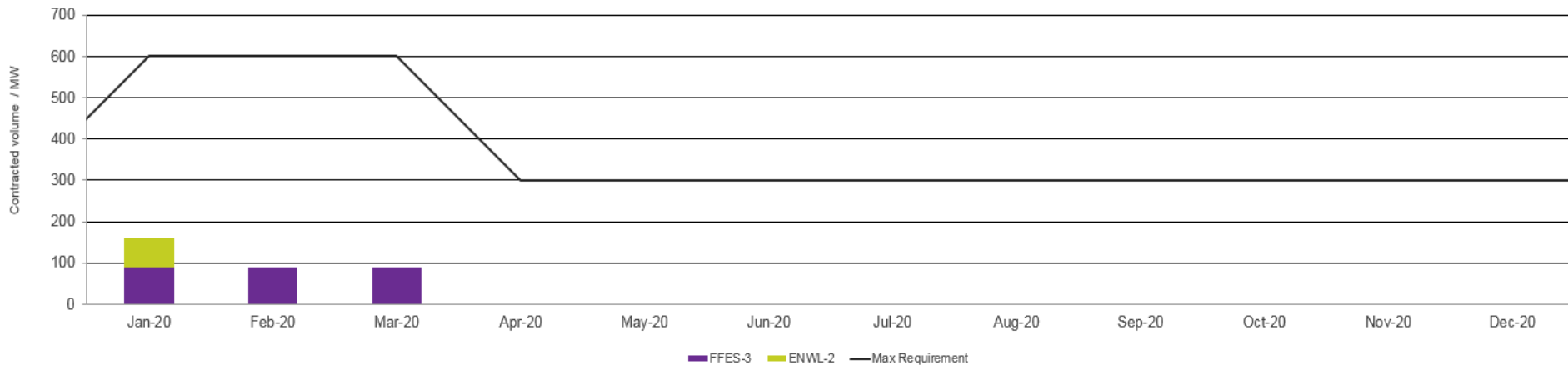
- 70MW was procured from ENWL-2 for delivery in January 2020 for EFA 3, 4, 5 & 6.
- 94MW was procured from BALOO-1 for delivery in January 2020 for EFA 3, 4 & 6.
- 60MW was procured from AGCR2, AGCR3, AGCR4 and AGCR5 and 90MW was procured from AGCR6 for delivery in January 2020 for EFA 3, 4 & 6.

Fig 3 Contracted Firm Fast Reserve for EFA 3, 4 & 6



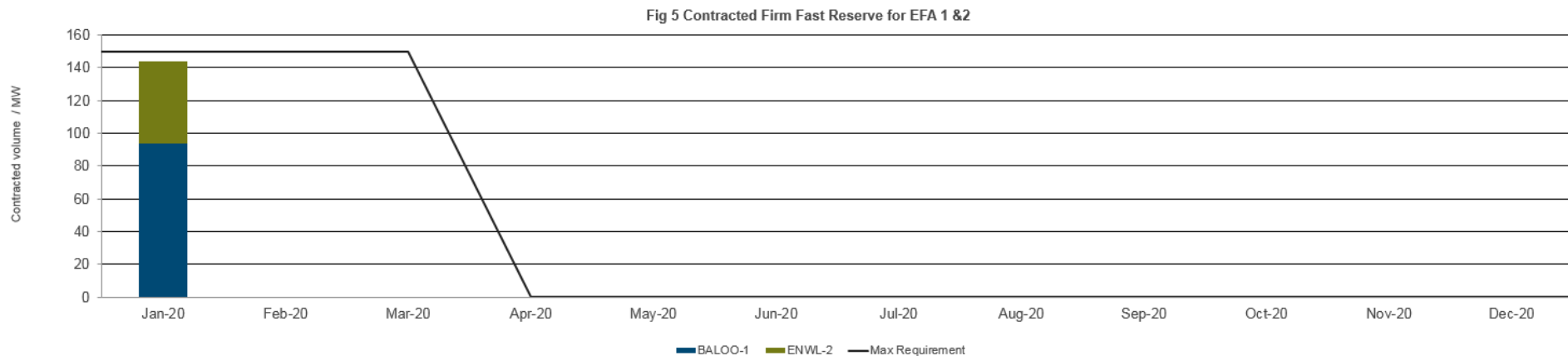
4. Results

Fig 4 Contracted Firm Fast Reserve for EFA 5



4. Results

- 94MW was procured from BALOO-1 and 50MW was procured from ENWL-2 for delivery in January 2020 for EFA 1 & 2



5. Rejection reason codes

Tendered Unit	Start Date	End Date	EFA 1	EFA 2	EFA 3	EFA 4	EFA 5	EFA 6	Availability Fee (£/hr)	Positional fee (£/hr)	Firm Energy Fee (£/MWh)	MW Delivery	Maximum energy utilisation /MWh (per Operational Day)	Maximum number of utilisations (per Operational Day)	Reason Code
BALOO-1	01/01/20	31/01/20	1	1	0	0	0	0	93	0	85	94	9999	9999	Accept
ENWL-2	01/01/20	31/01/20	1	1	0	0	0	0	43.5	0	85	50	1200	20	Accept
BALOO-1	01/01/20	31/01/20	0	0	1	1	0	1	258.5	0	85	94	9999	9999	Accept
ENWL-2	01/01/20	31/01/20	0	0	1	1	1	1	139.3	0	85	70	1680	20	Accept
AGCR6	01/01/20	31/01/20	0	0	1	1	0	1	368.1	0	84	90	99999	7	Accept
AGCR5	01/01/20	31/01/20	0	0	1	1	0	1	251.4	0	84	60	99999	7	Accept
AGCR4	01/01/20	31/01/20	0	0	1	1	0	1	257.4	0	84	60	99999	7	Accept
AGCR3	01/01/20	31/01/20	0	0	1	1	0	1	293.4	0	84	60	99999	15	Accept
AGCR2	01/01/20	31/01/20	0	0	1	1	0	1	299.4	0	84	60	99999	15	Accept
T_FFES-4	01/01/20	31/01/20	0	0	1	1	1	1	950	0	115	90	300	30	2
T_HUMR-1	01/01/20	31/01/20	0	0	1	1	0	1	300	0	75	25	300	0	2
T_HUMR-1	01/01/20	31/01/20	0	0	0	0	1	0	1000	0	75	25	100	0	2
AGCR6	01/01/20	31/01/20	0	0	0	0	1	0	4832.1	0	84	90	99999	7	2
AGCR5	01/01/20	31/01/20	0	0	0	0	1	0	3227.4	0	84	60	99999	7	2
AGCR4	01/01/20	31/01/20	0	0	0	0	1	0	3233.4	0	84	60	99999	7	2
AGCR3	01/01/20	31/01/20	0	0	0	0	1	0	3413.4	0	84	60	99999	15	2
AGCR2	01/01/20	31/01/20	0	0	0	0	1	0	3419.4	0	84	60	99999	15	2

6. New Assessment Principals from January 2020

Step 1

- The VWAP (Volume Weighted Availability Price) in £/MWh is calculated for all tenders.
- We weight the VWAP to produce an AAP (Adjusted Availability Price) taking into account duration of tender and availability window as well as:
 - Utilisation restrictions such as periods of unavailability and MNZT.
 - Maximum utilisation volumes.
 - Location i.e. are the tendered units behind a constraint that is expected to be active?

Step 2

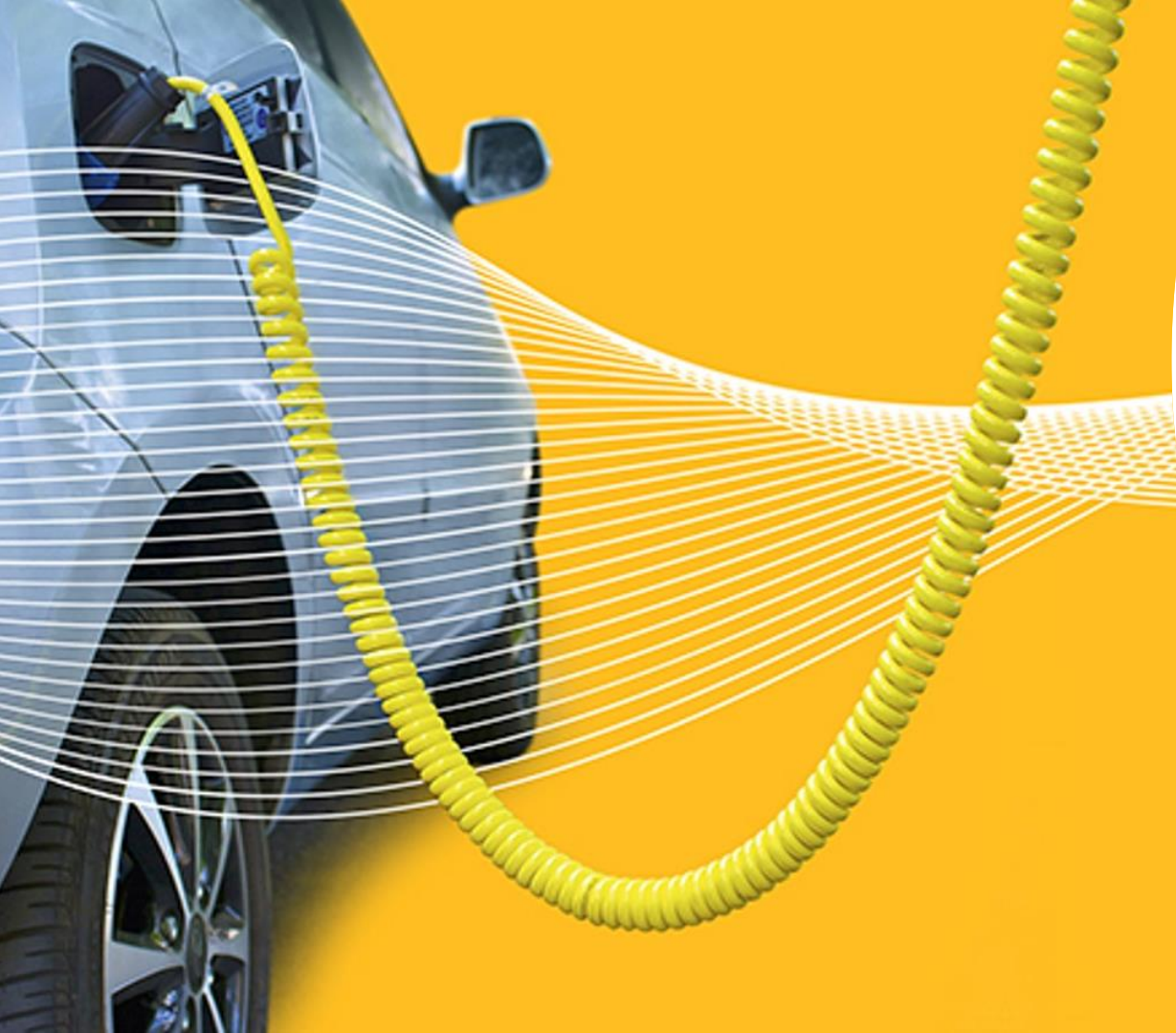
- Tenders are stacked in terms of lowest AAP. If there are tenders with the same AAP then other factors will be considered such as MZT, response times, ramp rates and performance to separate these tenders.

Step 3

- Where applicable, any possible over holding is also accounted for in the assessment.

7. Next Tender Round

- NGESO have submitted a derogation from **Article 6(9) of the Clean Energy Package (CEP)**. Outcome of this may impact the next Fast Reserve Tender.
- Market Information Report will be published tomorrow on 20th December 2019
- Tender submission deadline will be 5pm on 7th January 2020
- Notification of outcome of the tender assessment by 20th January 2020
- Results published online by 22nd January 2020
- **January 2020 tender we will only be procuring month ahead for EFA blocks 1, 2, 3, 4, 5 & 6 for February 2020.**



8. Feedback

Before we move onto the questions section, we ask you to leave your feedback using WebEx chat function

9. Questions

Please ask your questions via the WebEx chat function

If we are unable to offer an answer to a question on the call, we will take it away and provide an answer back in writing to all those on the call.

NGESO reserve the right to refuse to answer any questions deemed inappropriate.



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