

Tender Procurement Update

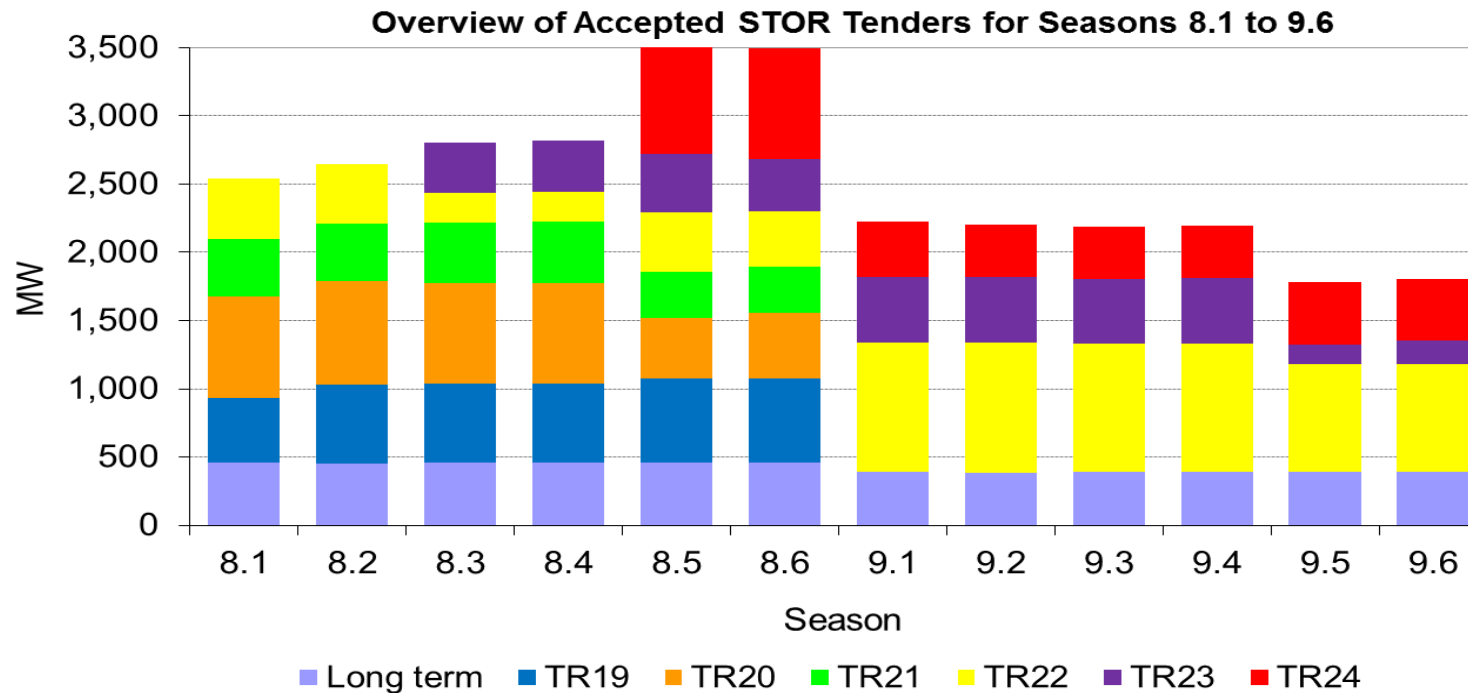


David Preston – Contracts Team

Constraint Management Tenders

- Voltage Management Tenders
 - **South East:** Six parties participated over two tenders and three parties participated in a further localised tender
 - **June to September** – Contract agreed with Damhead Creek for combined frequency response and voltage management
 - **August** – Additional localised requirement. Contracts agreed at Grain
 - **East Anglia:** Bilateral negotiations
 - **July** – No contracts agreed
 - **October to November** – Under negotiation
 - **Scotland:** Bilateral contract with Longannet
 - **August to September** – Contracts agreed
 - **South (Central):** Bilateral contract with Didcot
 - **October** – Contracts agreed

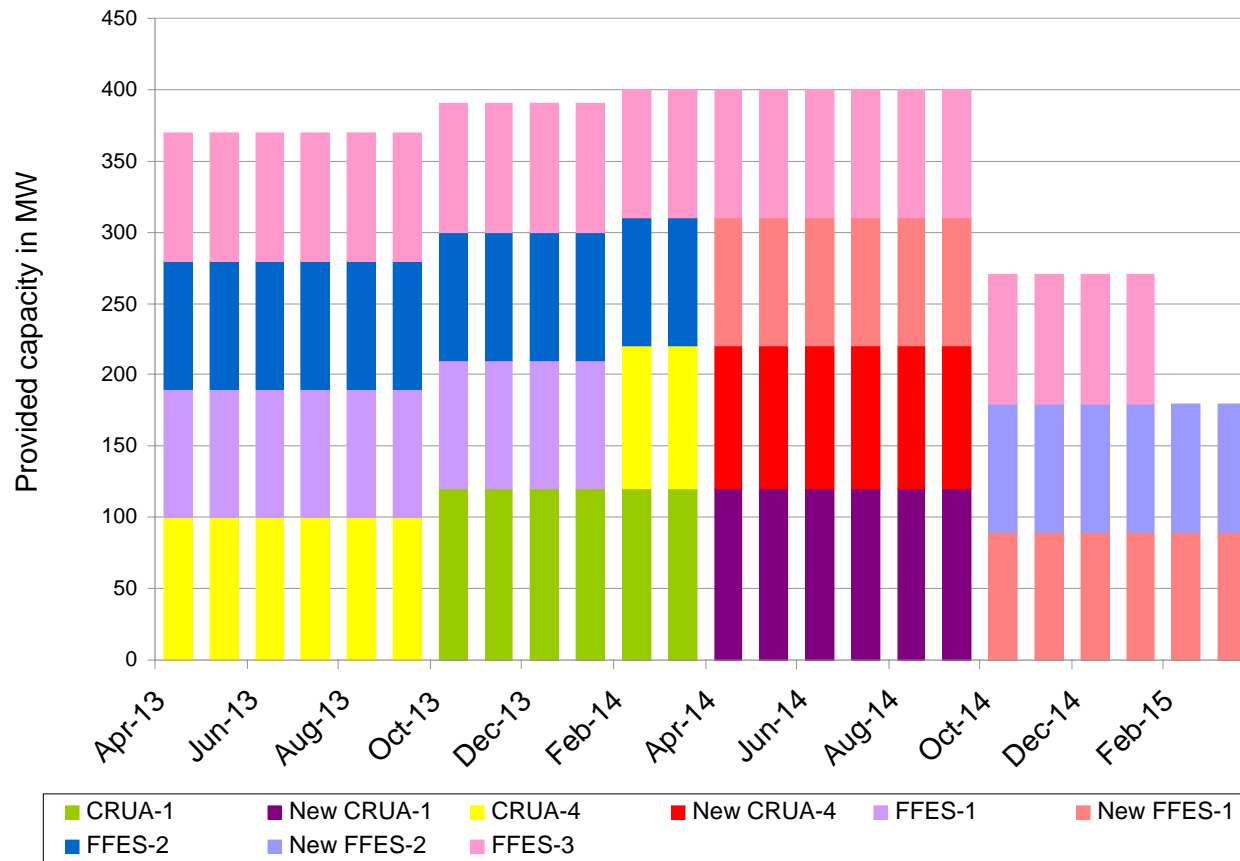
Contracted STOR Position



- Current requirements: ~2300MW for seasons 8.5 to 8.6. Year 9 requirement currently being reviewed.
- Strong volumes of Premium Flexible on contract for Winter 2014 representing opportunity to prove concept
- Single electronic tender solution for TR25

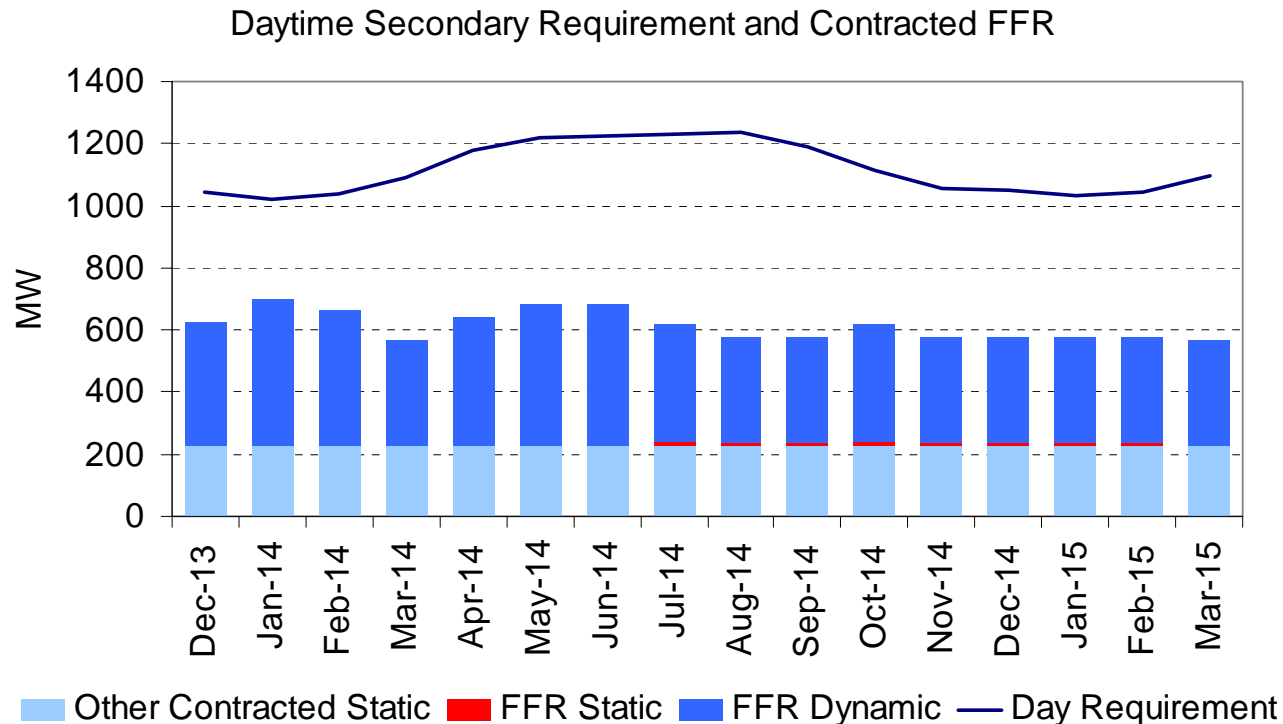
Former & Current Fast Reserve Contracts – day time

Fast Reserve Day contracts



- Wider review of reserve holdings is currently focusing on the optimisation of Fast Reserve across firm and optional sources
- November tender results imminent
- Tender opportunities remain available
- NBM trial successfully completed. Additional trials welcomed

Firm Frequency Response



- Participation in commercial frequency markets fairly static
- Opportunity remains, compared to BM alternatives, especially in Secondary
- Contracting strategy being reviewed – stimulation of FCDM / Secondary Static
- Upcoming Electronic tender rollout
- Contact steven.lam@nationalgrid.com re: FFR opportunities

DSBR & SBR

Note: Wider DSBR / SBR session this afternoon

DSBR

- 14/15 tender completed
- Contracts awarded for Units representing 319MW across 431 MPANs
- First 15/16 tender to be opened early next week

SBR

- Precautionary 14/15 tender open during September
- 8 tenders received from 26 units across 13 sites representing >5GW: Assessments nearing completion
- Regulatory governance process ongoing, contract offers imminent subject to finalising volume requirements
- First 15/16 tender to open once 14/15 process completed



Q&A

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