

# Trading



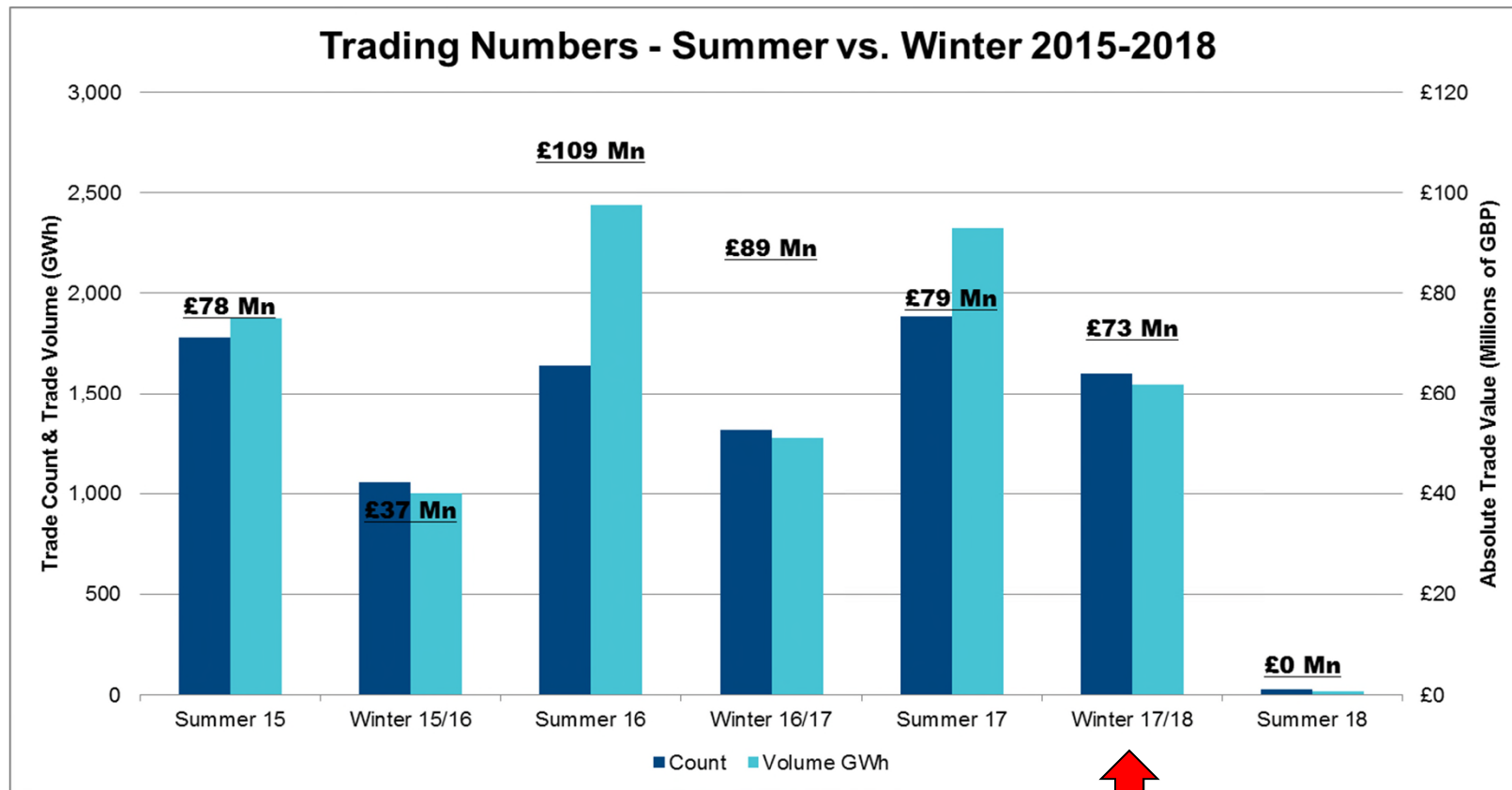
Tom Freeman

## Content

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- Winter trading activity
- Managing constraints through trading
- What to expect this summer
- Transparency update

# Winter 2017/2018

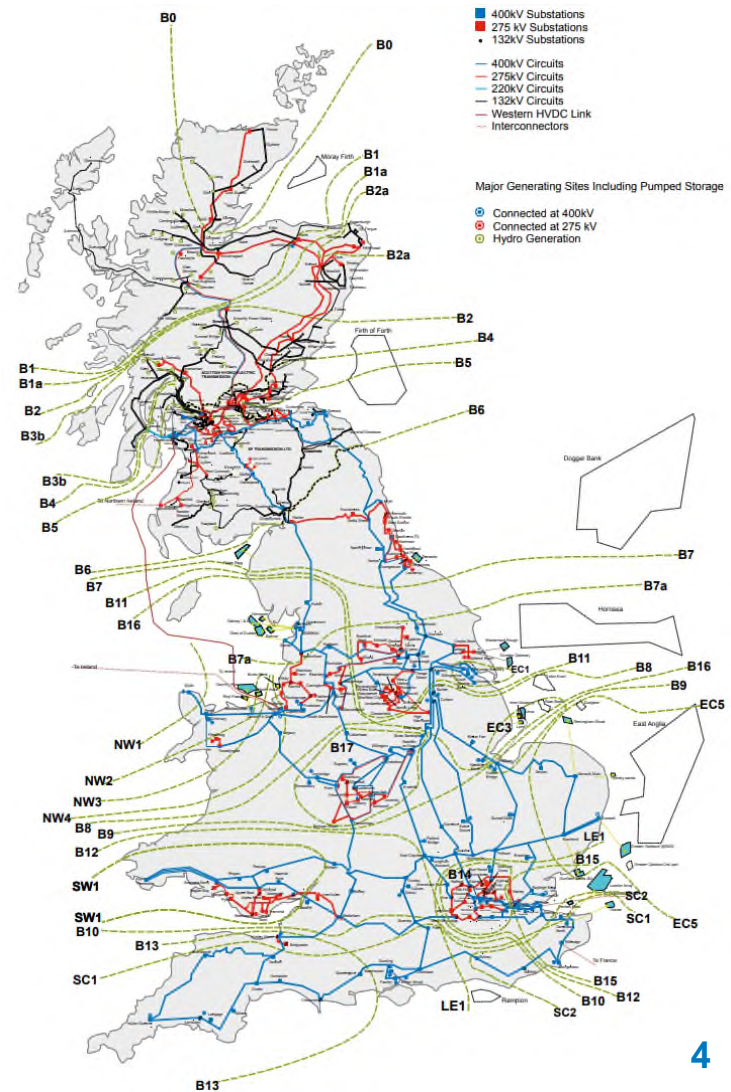


- Trading volume breakdown:
  - Locational constraints: 85%
  - Non-locational energy: 15%

  
**LAST WINTER**

# Trading for constraint management

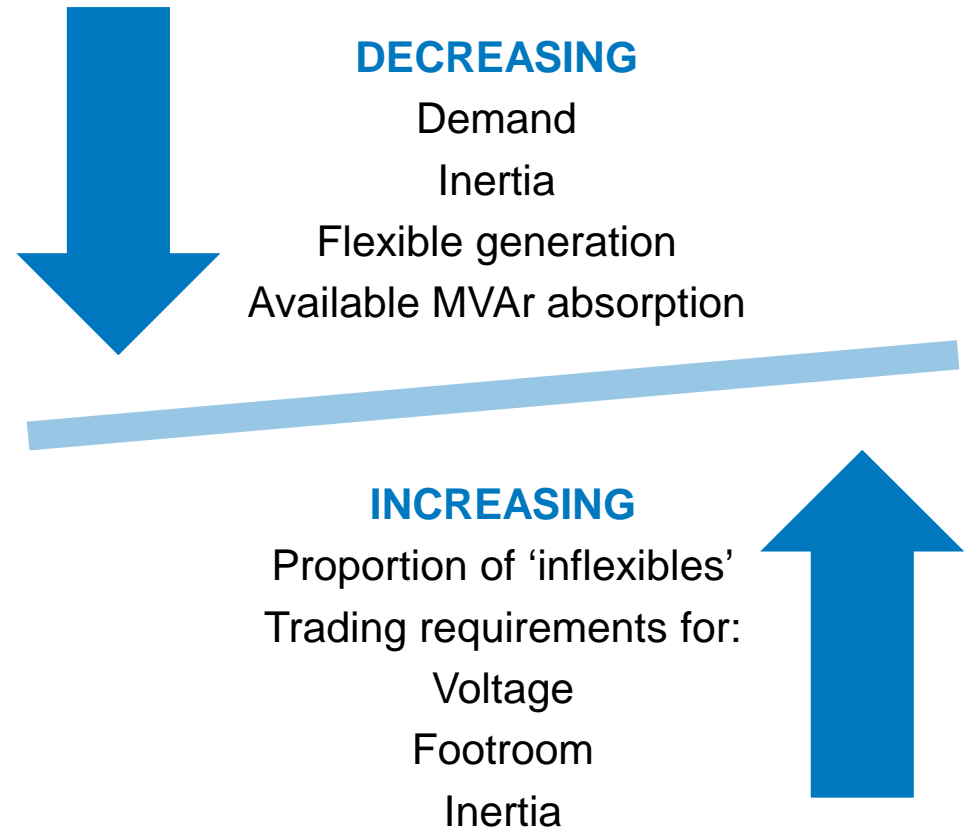
- Three broad constraint types:
  - ‘Scottish’
  - Voltage
  - Thermal
- Multiple varieties of each
- Boundaries can change day-to-day
- All options considered
- Bespoke trading solutions required
- Commercial teams (e.g. Trading):
  - Find most economic solution



## Summer 2018 – What to expect

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- We expect similar trade volumes compared to summer 2017 for:
  - Voltage
  - Footroom
  - Inertia
- Most requirements are for overnight period
- But solar peak is increasingly challenging
- We may buy machines on to increase inertia



## Transparency update (1/2)

<https://trades.nationalgrid.co.uk>

### Upcoming Trades

Updated: 14:30 22/04/2018 BST

Settlement Date	Settlement Period	ID	Cost	Volume	Price	SO Flag
22/04/2018	33	1	-£856.50	-50	17.13	T
22/04/2018	33	2	-£155	-50	3.1	T
22/04/2018	34	1	-£856.50	-50	17.13	T

Looks for new trades every 10 minutes

Download data in .csv format

Subscribe to email alerts

[trading@nationalgrid.com](mailto:trading@nationalgrid.com)


# Transparency update (2/2)

## Contracted Volumes in Data Explorer

Outcome system services  
Find out about contracted and reactive energy volumes and data.

**Contracted energy volumes and data**

As of 24 November 2017, contract volume files are split by fixed price and index-linked volumes. See the Fixed price and index-linked contract volumes section for these files.

Published	Name
22 Apr 2018	 22-4-2018_ContractVolume



**Fixed price or indexed to DA Auction**

**File uploaded before 11:00**

Contract volume enacted per settlement period.  
Positive: NG buy, Negative: NG Sell  
Issued: 22/04/2018

Date	SP	Volume Fixed Price (MW)	Volume Indexed (MW)
22/05/2018	48	0	0
22/05/2018	47	0	0
22/05/2018	46	0	0

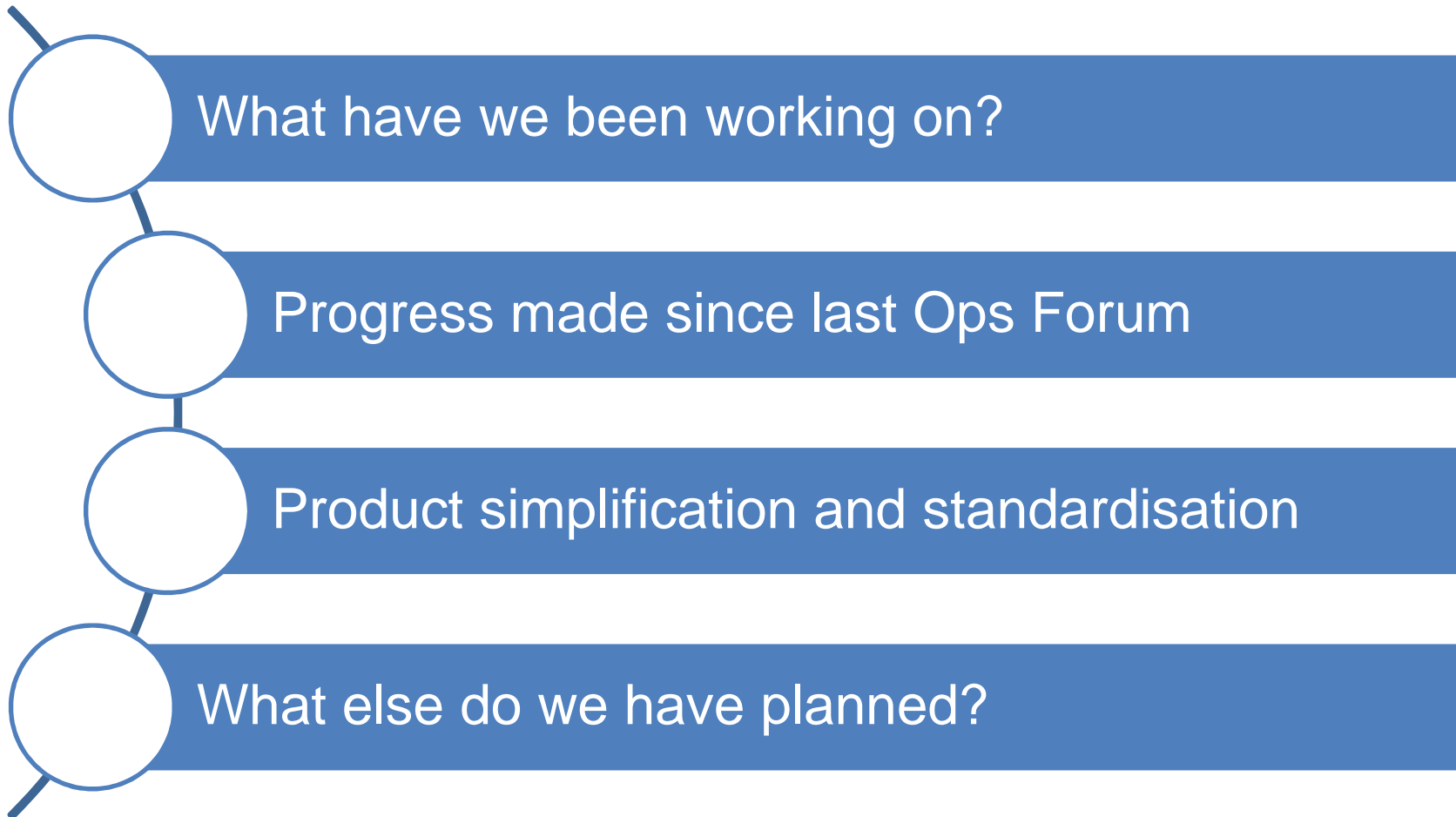
# Tendered Services Update

Rachel Turner



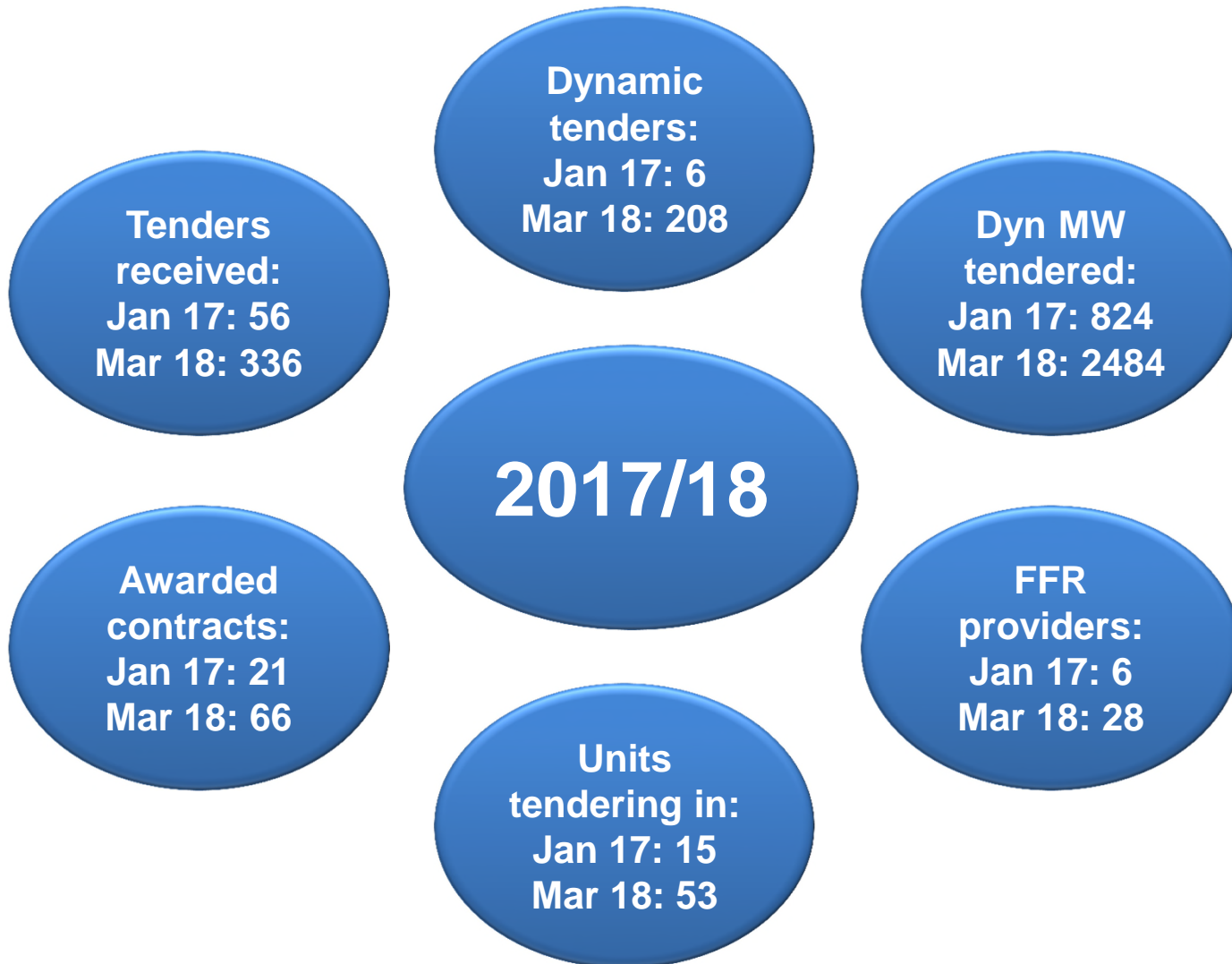
## FFR tendering and assessments

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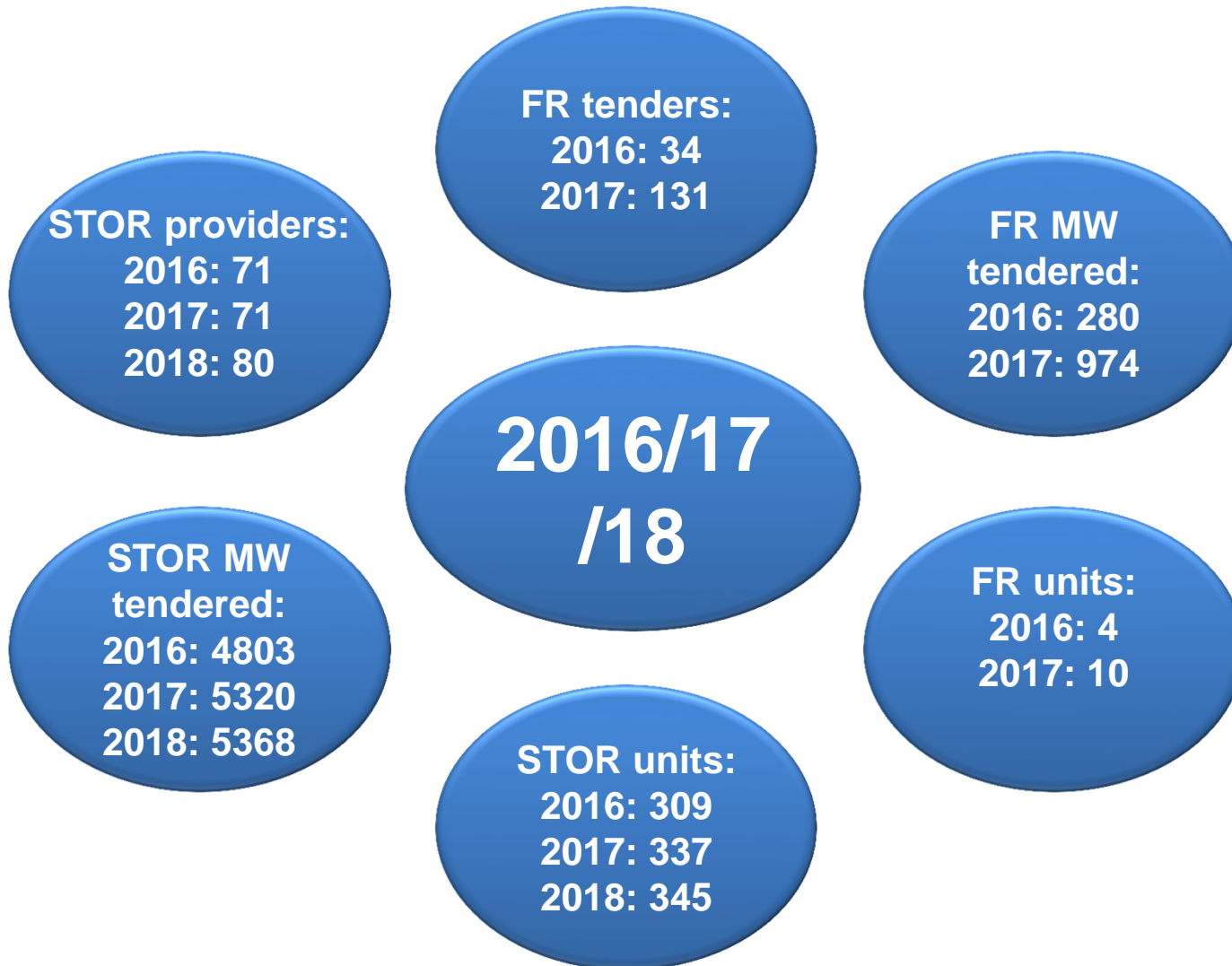
## FFR 2017 / 2018

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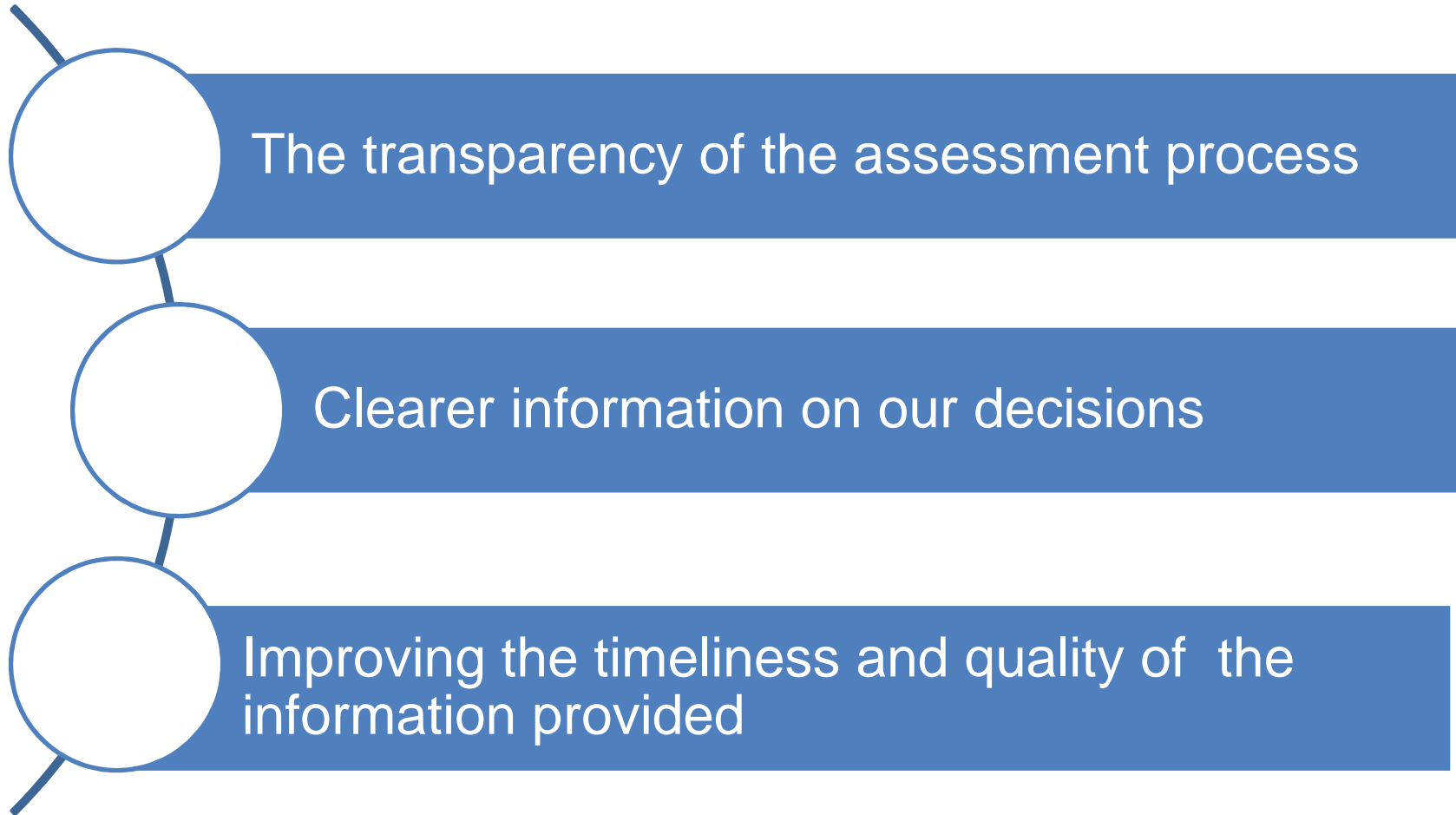
## STOR and Fast Reserve

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## What have we been working on?

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# Transparency

<b>What have you told us?</b>	<b>What did we say we would do?</b>	<b>What have we done?</b>
<b>It's not clear how the assessment process works</b>	<b>Update the assessment principles</b>	<b>Published an interactive guidance document for FFR.</b>
<b>What services do we value and when</b>	<b>Indicate when services have most value</b>	<b>Published information on the relative value of services in MIR</b>
<b>How we use Mandatory Frequency Response (MFR) to value tenders</b>	<b>Explain this in more detail, present this information</b>	<b>Webinar to explain assessment and new provider day</b>

## Clearer decisions

<b>What have you told us?</b>	<b>What did we say we would do?</b>	<b>What have we done?</b>
<b>Post assessment feedback not sufficient</b>	<b>Provide more feedback on decisions</b>  <b>Webinar for results</b>	<b>Host monthly FFR webinars to explain results</b>
<b>Don't understand why tenders have been rejected</b>	<b>Include reason codes for rejection in the results</b>  <b>Provide definitions of reasons in the Market Information Report (MIR)</b>	<b>Provide reason codes in the MIR and in the results with each rejected tender</b>

## Timeliness and quality of information

<b>What have you told us?</b>	<b>What did we say we would do?</b>	<b>What have we done?</b>
<p><b>Not enough time between results, MIR and following tender submission</b></p>	<p><b>Trial - run full tenders every other month, run month ahead every month</b></p> <p><b>Align results and MIR</b></p>	<p><b>Running full tenders every other month, run month ahead every month</b></p> <p><b>We need to continue to work on making this happen</b></p>
<p><b>Requirements aren't clear</b></p>	<p><b>Provide better indication of what we want and when</b></p>	<p><b>Reviewed and simplified the MIR</b></p>
<p><b>Our longer-term requirements are not known</b></p>	<p><b>Improve the information in MIR and publish data in excel</b></p>	<p><b>Publish the requirements data in excel</b></p>

## Product Simplification & Standardisation

<b>What have you told us?</b>	<b>What did we say we would do?</b>	<b>What have we done?</b>
<b>To increase the standardisation of our products</b>	<b>Standardise the term of contracts and the daily windows</b>	<b>Changes effective from 1<sup>st</sup> June (tenders to be submitted by first BD in May)</b>
<b>Move procurement closer to real time – but with periodic longer term contracting opportunities</b>	<b>Standard duration products: monthly, quarterly and seasonal blocks</b> <b>EFA Blocks</b>	<b>Communicated this through the results webinar, the MIR and in a webinar dedicated to explaining these changes</b>
<b>To trial new ways of working</b>	<b>Trialling auctions to procure closer to real time</b>	<b>Presentation and Q&amp;A can be found on the website</b>



## What else do we have planned?

Results webinars for Fast Reserve	From May 2018 onwards
Results webinars for STOR	From TR35 onwards
Results webinars for ad hoc tendered services	As required
Regular assessment process webinars	Every 6 months
MBSS data review	Ongoing
Auctions	December 2018