

Summer Outlook Report



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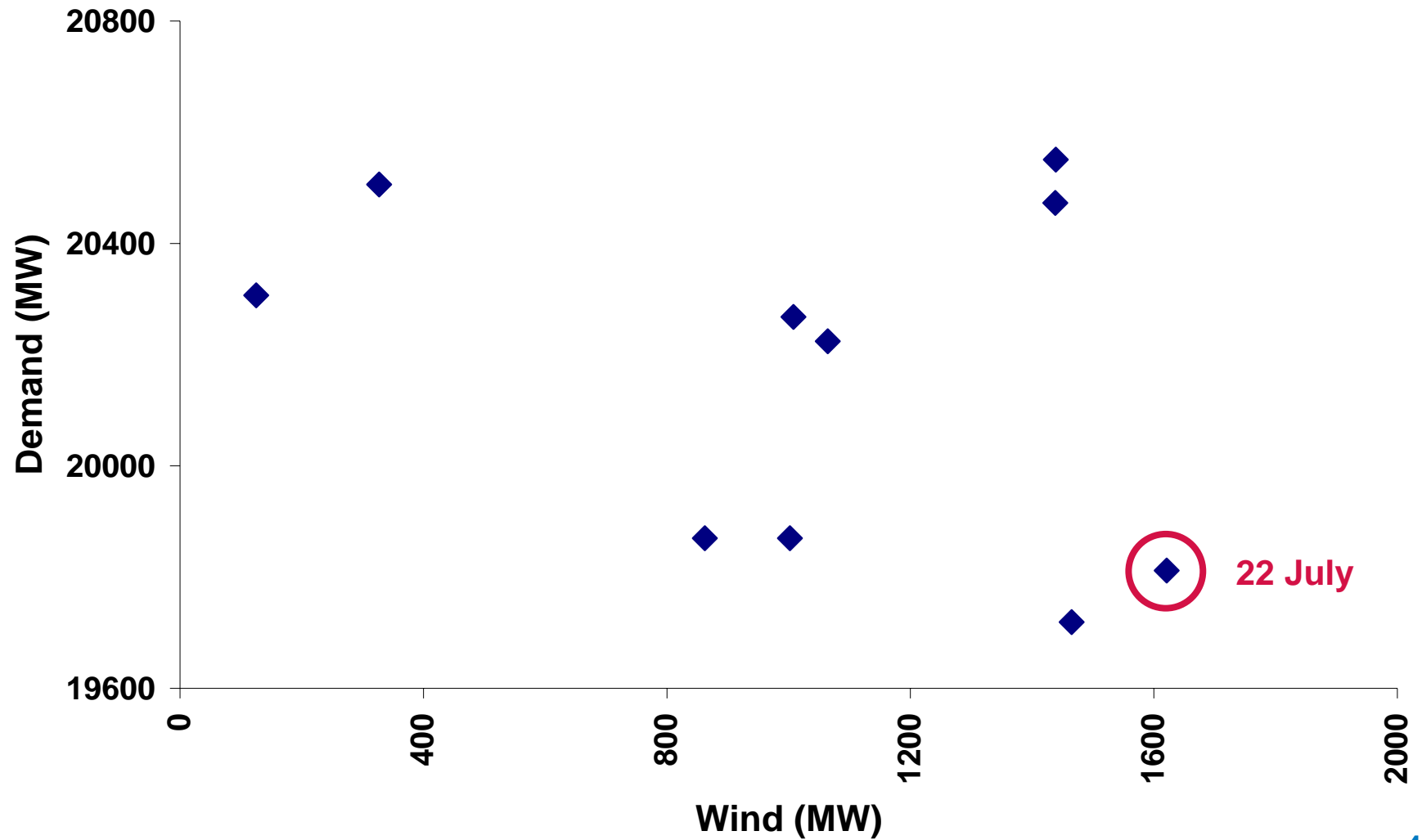
Summer Outlook Report - Overview

- Sets out National Grid's view and analysis for the summer ahead
 - Adequate forecast capacity on both gas supply and electricity generation
 - Economics continue to favour coal over gas burn for power generation, however
 - Higher gas demand for power generation is forecast compared to last year due to the closure of several coal fired power stations
 - During low demand periods, adequate negative margins are forecast on the electricity system, with wind farms playing a growing role balancing supply and demand

Focus on Electricity System Operation during Low Demand Periods

- We have to maintain:
 - Sufficient frequency response
 - Sufficient positive and negative regulating reserve
 - The voltage profile
 - Sufficient system inertia
- With fewer generators synchronised and less overall flexibility overnight

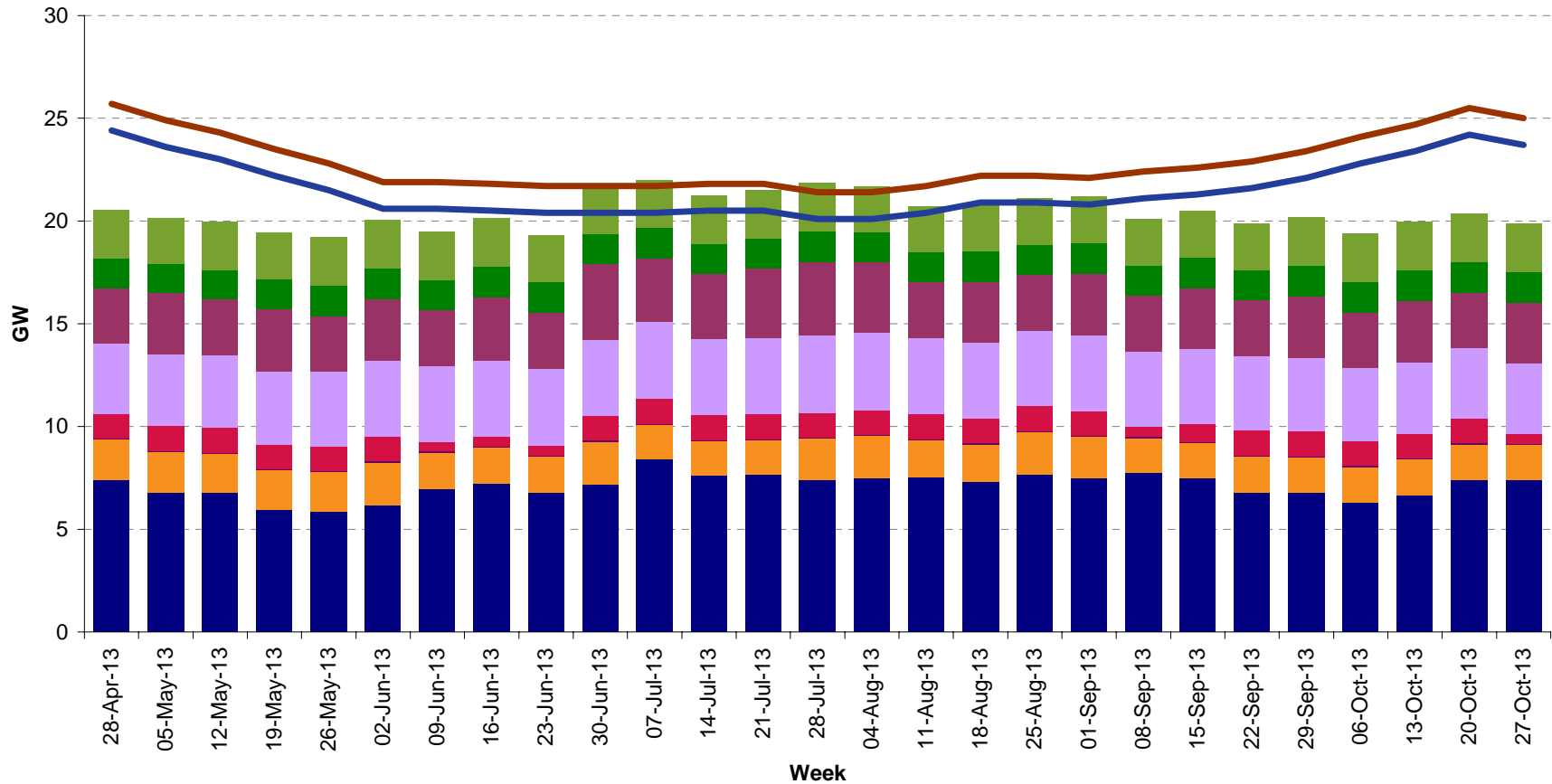
Ten Lowest Actual Demands in 2012



Conventional Units Running at the Minimum on 22 July 2012

Nuclear	Inflex Hydro	Freq Response	Min Reg Reserve
DNGB22 HEYM12 HEYM27 HEYM28 HINB-7 HINB-8 HRTL-1 HRTL-2 HUNB-7 HUNB-8 SIZB-1 SIZB-2 TORN-1 WYLF-2 WYLF-3	CAS-BEU01 CAS-CLU01 CAS-CON01 CAS-KIL01 CAS-MOR01 FASN-4	ABTH7 ABTH9 COSO-1 DAMC-1 DRAXX-2 DRAXX-3 DRAXX-4 DRAXX-6 EGGPS-1 FERR-3 FIDL-4 LOAN-1 LOAN-3 SCCL-1 SCCL-2 SCCL-3	COTPS-4 DIDCB5 DIDCB6 PEMB-11 PEMB-31 RATS-2 RATS-4 ROCK-1 STAY-1 STAY-2 Pumps -2100MW I/C Import 1900MW Wind 1600MW
	Inflex BMU		
	DERW-1 GRMO-1 HUMR-1 PEMB-41 PEMB-51 RUGPS-7		

Weekly Minimum Analysis - Summer 2013



- Nuclear
- I/C imports
- Inflex Wind
- Inflex BMUs (eg CHP)
- Plant providing Frequency Response
- Inflex Hydro
- Flex Wind
- Plant providing Regulating Reserve
- Min Demand + Pump Demand
- Minimum Demand

Take Away and Feedback

1. Encourage the provision of reactive power and appropriately priced frequency response from all power stations, but especially wind farms as this will allow more thermal generation to be shut down overnight
2. Encourage less flexible generators to review:
 - OC2.4.3 – Negative Reserve Active Power Margins
 - Their BM prices and parameters
3. Wind farms will play a growing role in balancing supply with demand, which may begin to affect imbalance pricing this summer
4. Feedback commercial.operation@nationalgrid.com

Q&A

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