

# Fast Reserve Post Assessment WebEx May-18



24 May 2018

# Introduction

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## ■ This WebEx:

- Relates to the results of the May-18 Fast Reserve tender round that were published on the website on the 21st May 2018.
- Provides you all with some more detailed feedback to ensure all suppliers are getting the same level of information.
- Please logon to the following website to provide us with feedback on the information we provide.

<https://www.sli.do/>

**Event code: #2792**

# Representatives

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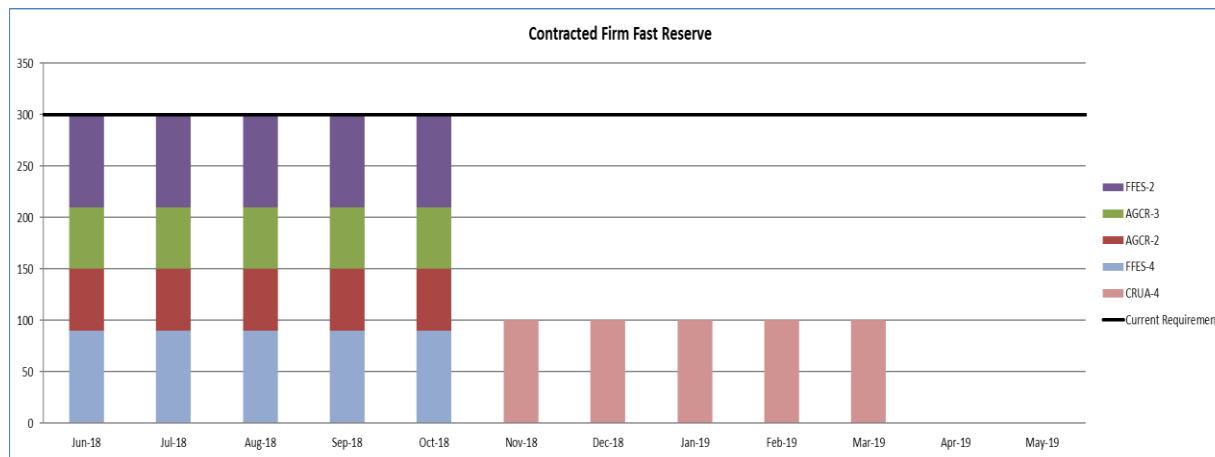
Person	Responsibility
Rachel Turner	Structuring & Optimisation Manager
Nisha Doshi	Ancillary Services Analyst
Holly Lake	Fast Reserve Service Lead/Account Manager

# Agenda

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1. Requirement
2. Overview of Tenders
3. Assessment
4. Reason Codes
5. Results
6. Next Round
7. Fast Reserve – Product Roadmap
8. Feedback and Questions

# 1. Requirement

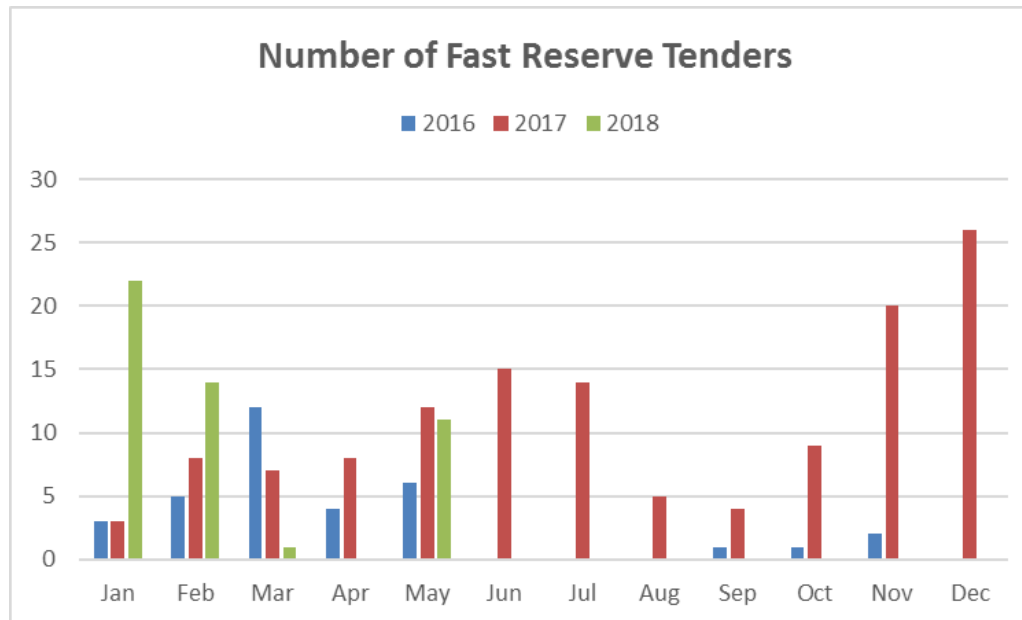


Month	Additional Optimal Max Firm Requirement (MW)
Jun-18	0
Jul-18	0
Aug-18	0
Sep-18	0
Oct-18	0
Nov-18	200
Dec-18	200
Jan-19	200
Feb-19	200
Mar-19	200
Apr-19	300
May-19	300

***“National Grid have an outstanding requirement for Winter 18/19 (from November-18 to March-19 inclusive). From the May-18 tender round onwards, National Grid will look to fulfil this requirement.”***

## 2. Overview of Tenders

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- 11 tenders received in May-18
  - 3 Providers
  - 6 units

## 2. Overview of Tenders

Tender Ref	Company	Unit	Date_From	Date_To	Time of Day	MW	Avail_Fee £/h	Posit_Fee £/h	Firm_Ene rgy £/MWh
180501	Peak Gen	PFGS-1	01/03/2019	31/03/2019	Mon-Fri 06:00 to 23:30 Sat, Sun & BHs 07:00 to 23:30	60	209		99
180502	Peak Gen	PFGS-1	01/07/2018	31/10/2018	Mon-Fri 06:00 to 23:30 Sat, Sun & BHs 07:00 to 23:30	90	300		109
180503	First Hydro	FFES-4	01/11/2018	31/10/2019	Mon-Fri 06:00 to 23:00 Sat 06:00 to 23:00 Sun & BHs 07:00 to 23:00	90	250	250	110
180504	First Hydro	FFES-3	01/11/2018	31/03/2019	Mon-Fri 06:00 to 23:00 Sat 06:00 to 23:00 Sun & BHs 07:00 to 23:00	90	355	355	110
180505	UKPR	AGCR-2	01/11/2018	31/10/2019	Mon-Fri 06:00 to 23:30 Sat, Sun & BHs 07:00 to 23:30	60	426		84
180506	UKPR	AGCR-2	01/11/2018	31/10/2019	Nov to Feb - Mon-Fri 06:00 to 16:30 Nov to Feb - Mon-Fri 19:30 to 23:30 Nov to Feb - Sat, Sun & BHs 07:00 to 23:30 Mar to Oct Mon-Sun 05:00 to 04:59	60	204		84
180507	UKPR	AGCR-2	01/11/2018	28/02/2019	Mon-Fri 06:00 to 16:30 Mon-Fri 19:30 to 23:30 Sat, Sun & BHs 07:00 to 23:30	60	372		84
180508	UKPR	AGCR-4	01/11/2018	31/10/2019	Mon-Fri 06:00 to 23:30 Sat, Sun & BHs 07:00 to 23:30	60	383		95
180509	UKPR	AGCR-4	01/11/2018	31/10/2019	Nov to Feb - Mon-Fri 06:00 to 16:30 Nov to Feb - Mon-Fri 19:30 to 23:30 Nov to Feb - Sat, Sun & BHs 07:00 to 23:30 Mar -Oct Mon-Sun 05:00 to 04:59	60	184		95
180510	UKPR	AGCR-4	01/11/2018	28/02/2019	Mon-Fri 06:00 to 16:30 Mon-Fri 19:30 to 23:30 Sat, Sun & BHs 07:00 to 23:30	60	335		95
180511	UKPR	AGCR-7	01/04/2019	31/10/2019	Mon-Fri 05:00 to 04:59 Sat, Sun & BHs 05:00 to 04:59	50	174		88

## 3. Assessment

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### ■ Step 1

- Tenders are evaluated against the cost of obtaining an equivalent service in the optional market.
- This accounts for, type of service delivered, duration of tender and availability window.
  - The costs of any periods of unavailability are assessed.
  - Any periods with availability beyond the Fast Reserve window will be valued based on the relevant parameters outside these windows.

### ■ Step 2

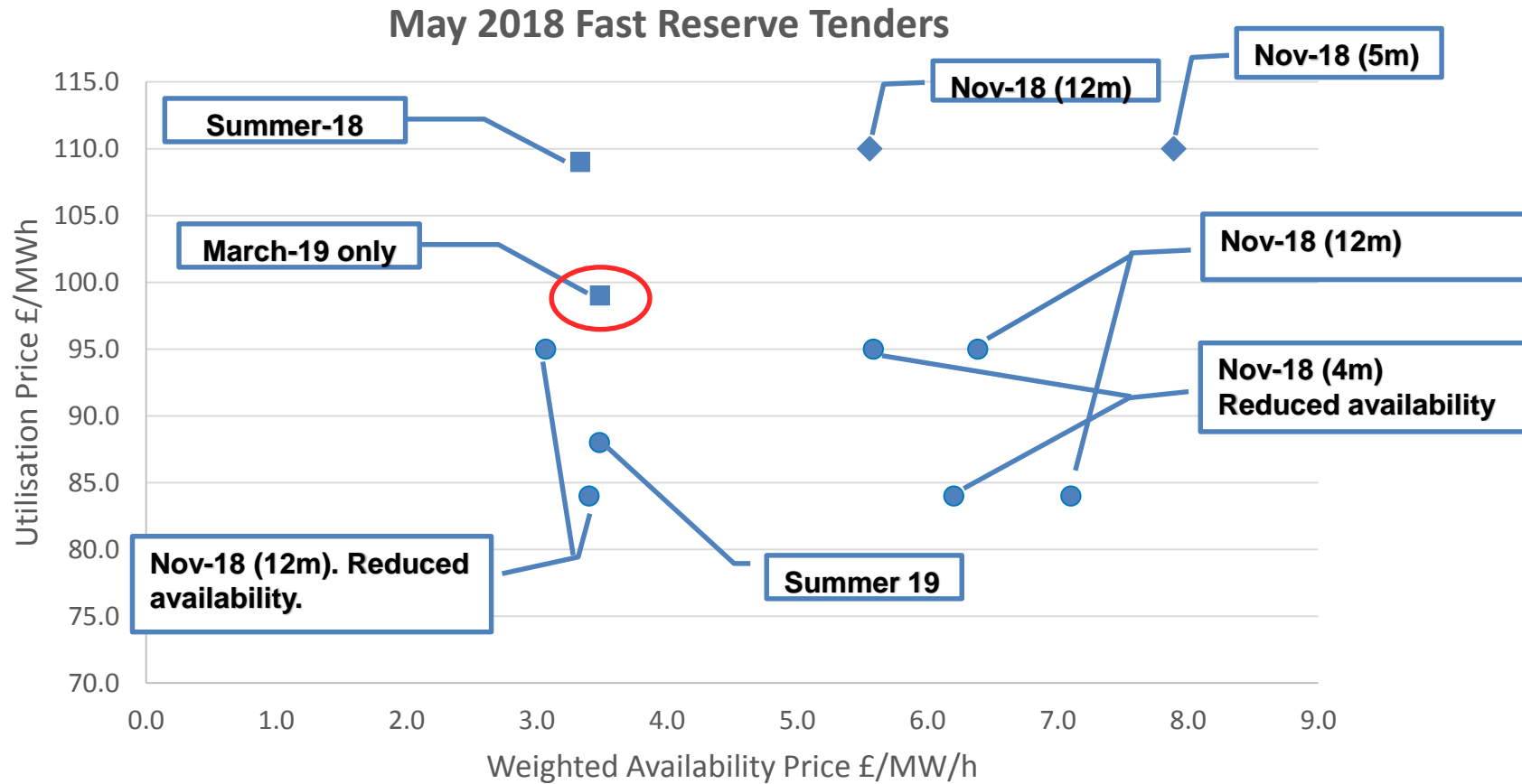
- Tenders are stacked in terms of benefit delivered against any outstanding requirement.

### ■ Step 3

- Where applicable, any possible over holding is also accounted for. The volume of tenders that lead to overholding are assumed to offer no value.



# 3. Assessment



## 4. Reason Codes

No.	FR Reason Codes	Definition
1	Price not beneficial across tendered period	The price submitted was too high and did not provide any contract benefit against alternative actions.
2	Tender was not beneficial across any duration of the tender period	The tender submitted was not considered beneficial when evaluated against the forecasted cost of alternative actions over any duration of the tender period.
3	Multiple tenders received for the same unit	Only the most valuable tender of the total group of submitted tenders was considered.
4	Beneficial but the benefit is lower than that of other tenders	While the tender submitted was considered as beneficial, on this occasion there were tenders that provided a higher benefit.
5	Beneficial but requirement already satisfied	While the tender submitted was assessed as beneficial, the benefit was not determined as sufficient for us to contract above our procurement requirement.
6	Does not meet tender prerequisites and rules	Please refer to the 'Technical requirements' and 'How to participate' sections using the following link to determine the criteria necessary to participate in the FR market. <a href="http://www2.nationalgrid.com/uk/services/balancing-services/reserve-services/fast-reserve/">http://www2.nationalgrid.com/uk/services/balancing-services/reserve-services/fast-reserve/</a>

## 4. Rejection Reason Code 5

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Tender Ref	Company	Unit	Date_From	Date_To	Time of Day	MW	Avail_Fee £/h	Posit_Fee £/h	Firm_Energy £/MWh	Rejection Reason code
180502	Peak Gen	PFGS-1	01/07/2018	31/10/2018	Mon-Fri 06:00 to 23:30 Sat, Sun & BHs 07:00 to 23:30	90	300		109	5
180511	UKPR	AGCR-7	01/04/2019	31/10/2019	Mon-Fri 05:00 to 04:59 Sat, Sun & BHs 05:00 to 04:59	50	174		88	5

- While tenders were assessed as beneficial they led to overholding against the requirement or against the procurement strategy.

## 4. Rejection Reason Code 4

Tender Ref	Company	Unit	Date_From	Date_To	Time of Day	MW	Avail_Fee £/h	Posit_Fee £/h	Firm_Energy £/MWh	Rejection Reason code
180503	First Hydro	FFES-4	01/11/2018	31/10/2019	Mon-Fri 06:00 to 23:00 Sat 06:00 to 23:00 Sun & BHs 07:00 to 23:00	90	250	250	110	4
180504	First Hydro	FFES-3	01/11/2018	31/03/2019	Mon-Fri 06:00 to 23:00 Sat 06:00 to 23:00 Sun & BHs 07:00 to 23:00	90	355	355	110	4
180506	UKPR	AGCR-2	01/11/2018	31/10/2019	Nov to Feb - Mon-Fri 06:00 to 16:30 Nov to Feb - Mon-Fri 19:30 to 23:30 Nov to Feb - Sat, Sun & BHs 07:00 to 23:30 Mar -Oct Mon-Sun 05:00 to 04:59	60	204		84	4
180509	UKPR	AGCR-4	01/11/2018	31/10/2019	Nov to Feb - Mon-Fri 06:00 to 16:30 Nov to Feb - Mon-Fri 19:30 to 23:30 Nov to Feb - Sat, Sun & BHs 07:00 to 23:30 Mar -Oct Mon-Sun 05:00 to 04:59	60	184		95	4

- While tenders were assessed as beneficial these bids were lower in the stack. Only the most beneficial tenders were considered against our procurement strategy.

## 4. Rejection Reason Code 3

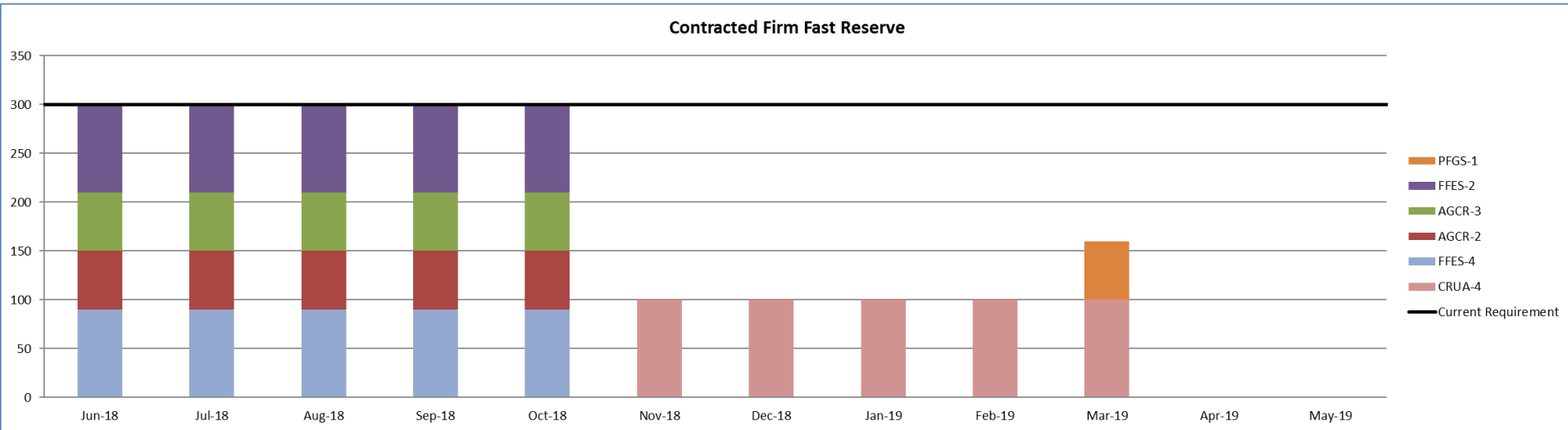
Tender Ref	Company	Unit	Date_From	Date_To	Time of Day	MW	Avail_Fee £/h	Posit_Fee £/h	Firm_Energy £/MWh	Rejection Reason code
180505	UKPR	AGCR-2	01/11/2018	31/10/2019	Mon-Fri 06:00 to 23:30 Sat, Sun & BHs 07:00 to 23:30	60	426		84	3
180507	UKPR	AGCR-2	01/11/2018	28/02/2019	Mon-Fri 06:00 to 16:30 Mon-Fri 19:30 to 23:30 Sat, Sun & BHs 07:00 to 23:30	60	372		84	3
180508	UKPR	AGCR-4	01/11/2018	31/10/2019	Mon-Fri 06:00 to 23:30 Sat, Sun & BHs 07:00 to 23:30	60	383		95	3
180510	UKPR	AGCR-4	01/11/2018	28/02/2019	Mon-Fri 06:00 to 16:30 Mon-Fri 19:30 to 23:30 Sat, Sun & BHs 07:00 to 23:30	60	335		95	3

- For mutually exclusive tenders only the most valuable were considered.

# 5. Results

Tender Ref	Company	Unit	Date_From	Date_To	Time of Day	MW	Avail_Fee £/h	Posit_Fee £/h	Firm_Energy £/MWh	Rejection Reason code
180501	Peak Gen	PFGS-1	01/03/2019	31/03/2019	Mon-Fri 06:00 to 23:30 Sat, Sun & BH 07:00 to 23:30	60	209		99	Accept
180502	Peak Gen	PFGS-1	01/07/2018	31/10/2018	Mon-Fri 06:00 to 23:30 Sat, Sun & BHs 07:00 to 23:30	90	300		109	5
180503	First Hydro	FFES-4	01/11/2018	31/10/2019	Mon-Fri 06:00 to 23:00 Sat 06:00 to 23:00 Sun & BHs 07:00 to 23:00	90	250	250	110	4
180504	First Hydro	FFES-3	01/11/2018	31/03/2019	Mon-Fri 06:00 to 23:00 Sat 06:00 to 23:00 Sun & BHs 07:00 to 23:00	90	355	355	110	4
180505	UKPR	AGCR-2	01/11/2018	31/10/2019	Mon-Fri 06:00 to 23:30 Sat, Sun & BHs 07:00 to 23:30	60	426		84	3
180506	UKPR	AGCR-2	01/11/2018	31/10/2019	Nov to Feb - Mon-Fri 06:00 to 16:30 Nov to Feb - Mon-Fri 19:30 to 23:30 Nov to Feb - Sat, Sun & BHs 07:00 to 23:30 Mar to Oct Mon-Sun 05:00 to 04:59	60	204		84	4
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180511	UKPR	AGCR-7	01/04/2019	31/10/2019	Mon-Fri 05:00 to 04:59 Sat, Sun & BHs 05:00 to 04:59	50	174		88	5

# 5. Results



## 6. Next tender round, Jun-18

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### ■ Jun-18 Tender Round

- Procuring volume from delivery in July 18.
- Tender submission date of Friday 1st June 2018 at 17:00.

### ■ Market Information Report

- The Market Information Report will be released on Friday 25th May 2018.
- Please note we will give further detail about over which periods we are looking to procure volume.



## 7. Fast Reserve Product Roadmap

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- Product Roadmap for Frequency Response and Reserve published in December 2017.
- Standardised contract term:
  - Current proposal to continue with a month-ahead tender every month, with longer time periods available every quarter.
  - We are also proposing to remove the Long Term contract term tender option until the implementation of TERRE and MARI.
- Standardising will increase transparency and facilitate price discovery.
- We will be working on standardisation and update you in due course.

## 8. Questions and Feedback

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- We value your feedback on these webinars, please can you spare a few minutes and complete Slido survey.
- Join at:

<https://www.sli.do/>

**Event code: #2792**

- 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.
- National Grid reserve the right to refuse to answer any questions deemed inappropriate.

## 8. Q&A

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- We received one question through the Slido website. We ask that all question are sent via the WebEx chat function.
  - **Question:** Can you share with us how much volume for Winter 18 you plan to accept in the next tender round? Do you have a specific glide path for the volume procurement?
  - **Answer:** The Market Information Report provides information on which periods we are seeking to procure Fast Reserve volume. We will not share any further information about our procurement strategy.