

**This is a brief on the instruction and performance of the Maximum Generation Service (MaxGen), as per section 4.2 of the CUSC, on 18<sup>th</sup> of July 2006.**

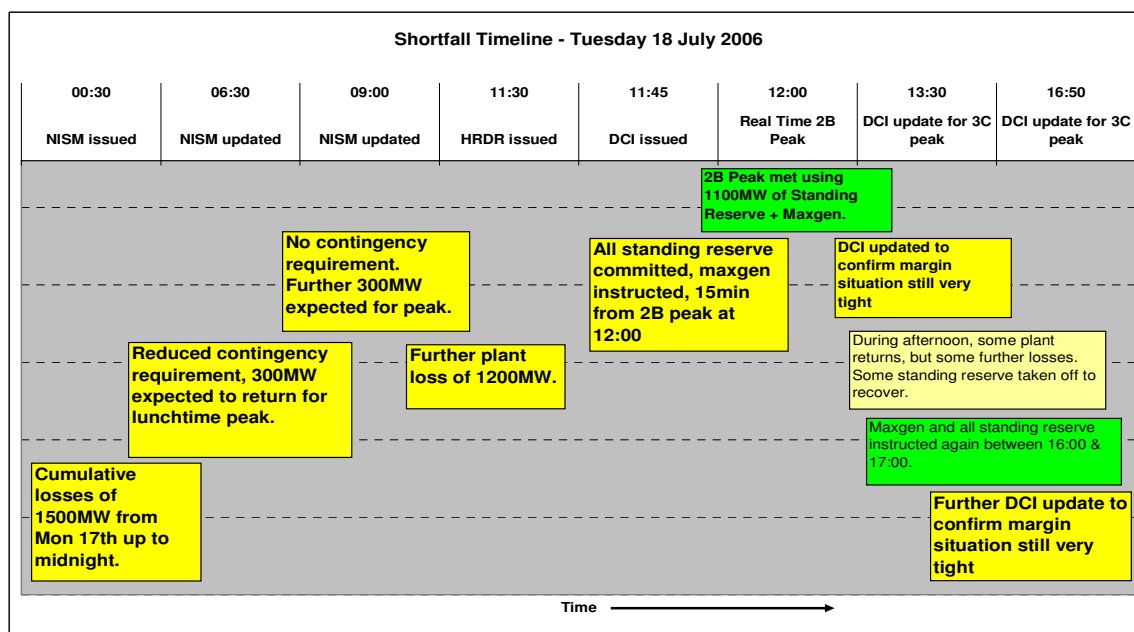
The 18<sup>th</sup> of July 2006 was an abnormal day in which options to resolve an increasing demand supply imbalance became continually more limited. In order to provide some context to the use of the Maximum Generation service a background capturing the circumstances that required the instructions to be issued have been added to the brief.

**Background to events on the 18<sup>th</sup> of July**

- There were approximately 15GW of plant on planned outage for summer maintenance
- There were approximately 4GW of plant declared unavailable through unplanned outage prior to the start of the 18<sup>th</sup> of July
- Approximately 2GW of plant declared itself unavailable between lunchtime on Monday the 17<sup>th</sup> of July and the lunchtime peak on the 18<sup>th</sup> of July. Very little of this plant re declared itself as available within this timeframe
- The demand for the peak on the 18<sup>th</sup> (45GW) was greater than the seasonal norm of 43GW and directly attributable to a record temperature level of July of 36.5C
- This high demand was forecasted by National Grid and notified to the industry via the BMRS. It correlated well with outturn demand levels.

**Impact on the Operation of the System**

- There were two demand peaks of approximately similar size on the 18<sup>th</sup> of July - a demand profile which is consistent with a summer week day. The first occurred in settlement period 25 and 26, and the second occurred in settlement period 33 and 34.
- The lack of declared accessible capacity required to meet expected demand and reserve requirement at both demand peaks led to a series of system warnings being issued as per section OC.7.4.8 of the Grid Code. The following graph gives an indication of the time line of when these warnings were issued and the events that informed the decision to do so.



## **Maximum Generation Service**

The Maximum Generation Service is a commercial non-firm service that the System Operator procures to maintain the integrity of the GB Transmission System in emergency circumstances. The decision to instruct Maxgen is not based upon its position in the overall merit order, but rather on operational necessity.

The Maximum Generation Service was instructed on two separate occasions on the 18<sup>th</sup> of July. Initially the service was instructed in periods 25 and 26 and subsequently in periods 33 and 34.

- The “Weekly Maximum Generation Declaration” of the Maximum Generation Service for the BM Units utilised was provided to the System Operator in line with the requirement specified in section 4.2.3.1 of the CUSC
- The instruction to provide Maximum Generation was issued by means of an Emergency Instruction in line with the requirement specified in 4.2.4.4 of the CUSC;
- On each occasion, a total of 48 MW of Maximum Generation was requested across BM units EGGPS-2, EGGPS-3 and EGGPS-4. These were the cheapest Maximum Generation contracts available to us at that time
- On both occasions all the BM Units instructed were generating at their declared MEL level as required by section 4.2.4.2 of the CUSC;
- Information relating to the utilisation of the Maximum Generation service was published on the BMRS in line with the requirement defined in part B section (e) of the Balancing Principles statement
- The fees, timeframe of the instruction and volume of energy delivered have been published on the National Grid Web site in accordance with section 4.2.12.3 of the CUSC. This published information is provided in appendix 1
- The costs and volumes associated with the use of the Maximum Generation Service were included in the calculation of BSAD in line with requirement defined in Part B section 1.2 of the BSAD methodology Statement.
- The volume of electricity delivered as a result of the use of the Maximum Generation Service was included in the calculation of ABSVD and treated in accordance with the procedure defined in the ABSVD methodology Statement

## **Conclusion**

The System Operator believes the Maximum Generation service made a material contribution to the resolution of the demand supply imbalance in circumstances of system stress, and believes that there are no apparent deficiencies in the arrangements associated with the service that require further attention.

National Grid

Appendix 1

<b>Date</b>	<b>Unit</b>	<b>Settlement Period</b>	<b>MWhrs Delivered</b>	<b>Energy Fee £/MWh</b>
18-Jul-06	EGGPS-2	34	1.794	500
18-Jul-06	EGGPS-3	33	3.590	500
18-Jul-06	EGGPS-4	25	5.100	500
18-Jul-06	EGGPS-4	26	3.395	500
18-Jul-06	EGGPS-4	33	4.700	500
18-Jul-06	EGGPS-4	34	9.715	500