Firm Frequency Response Market Information for July-15

Monthly Report

Published May 2015

Please note that the layout of this report has changed to make our requirements clearer.

Key points

This Market Information Report is relevant for **tenders submitted in June for delivery in July.**

Tenders from eligible service providers for firm frequency response should be submitted by **Monday 1st of June 2015** (1st business day) for all tenders.

National Grid will notify service providers of the outcome of the tender assessment by **Tuesday 16th of June 2015** (12th business day).

For successful tenders, National Grid will notify nominated windows, following assessment by **Tuesday 16th of June 2015** (12th business day).

Introduction

Firm Frequency Response (FFR) is a service through which balancing mechanism (BM) and non-BM participants commit to providing a given measure of response for a fee. National Grid procures the services through a monthly tender process ahead of BM timescales.

Submitted prices are compared to the costs of alternatives to deliver the equivalent level of frequency response. Mandatory response costs include the forecast response holding costs, the forecast bid and offer positioning costs and the forecast cost of creating headroom to provide response. You can find more information about how these costs are considered during tender assessments via the link below.

This report provides information to current and potential providers about the volume of, and time periods over which, response is required.

Highlights

In May 2015, we received 6 FFR tenders for delivery to start in June. 4 tenders were from BM units and 2 from a non-BM unit. More details on the tenders accepted/rejected are available from the post-assessment tender report.

Both the FFR Assessment Principles and Post-Assessment Tender Report are available at:
http://www.nationalgrid.com/uk/Electricity/Balancing/services/frequencyresponse/ffr/

For a monthly summary of the cost of services procured please follow the below link to the Monthly Balancing Services Summary (MBSS), which breaks costs down by service.

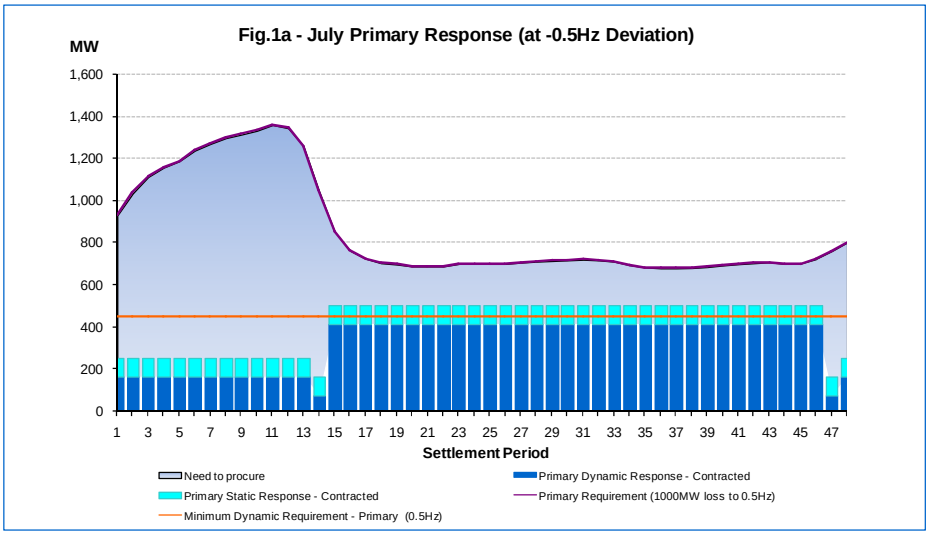
http://www2.nationalgrid.com/UK/Industry-information/Electricity-transmission-operational-data/Report-explorer/Services-Reports/

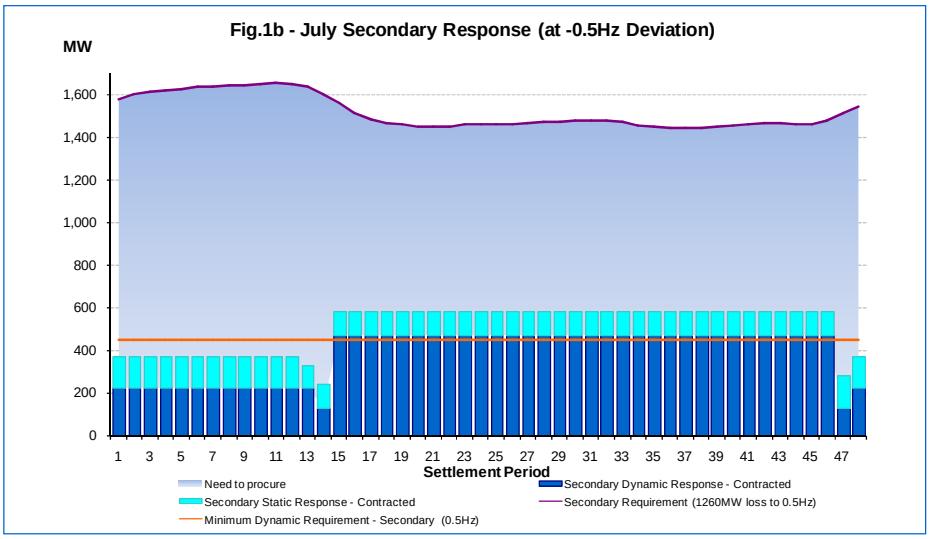
July-15 Requirement

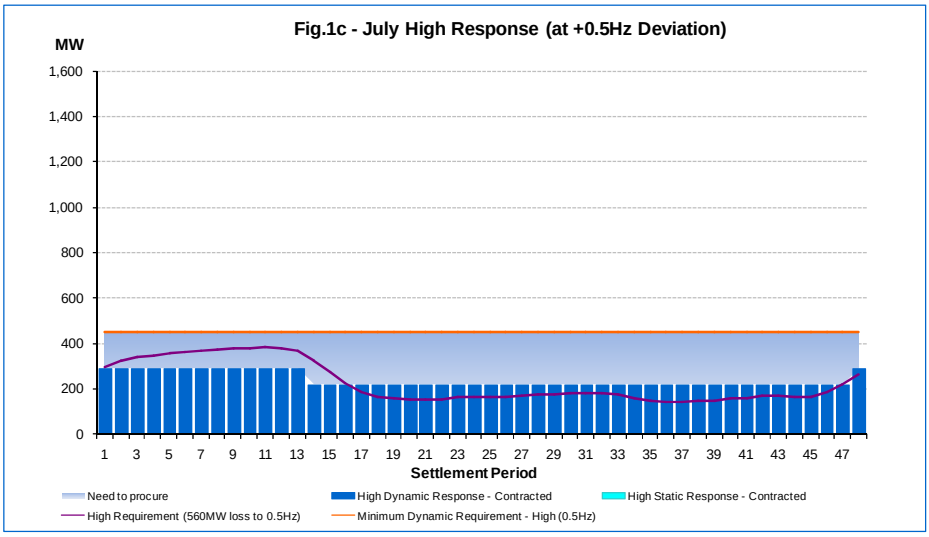
The figures on this page show the amount of existing contracted response capability available by Settlement Period, against the minimum dynamic requirement and the total overall requirement.
The remaining requirement is the grey/blue shaded area. NGET will look to fill this requirement via contracts ahead of time or in real-time via the mandatory market.

Key points

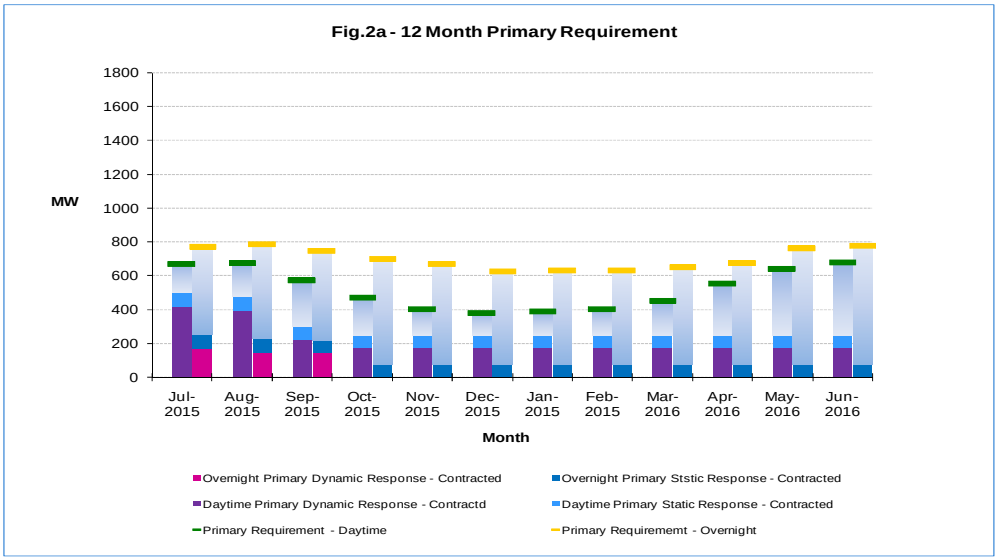
- The response requirement for each type is greater overnight.
- Greater preference is given to secondary response. More secondary response is required than primary or high response
- For both primary and secondary response the total requirement is greater than the minimum dynamic requirement. This means a Static service could help meet the total requirement.
- For high response the minimum dynamic requirement is greater than the requirement. This means a Static service would not help meet the requirement.

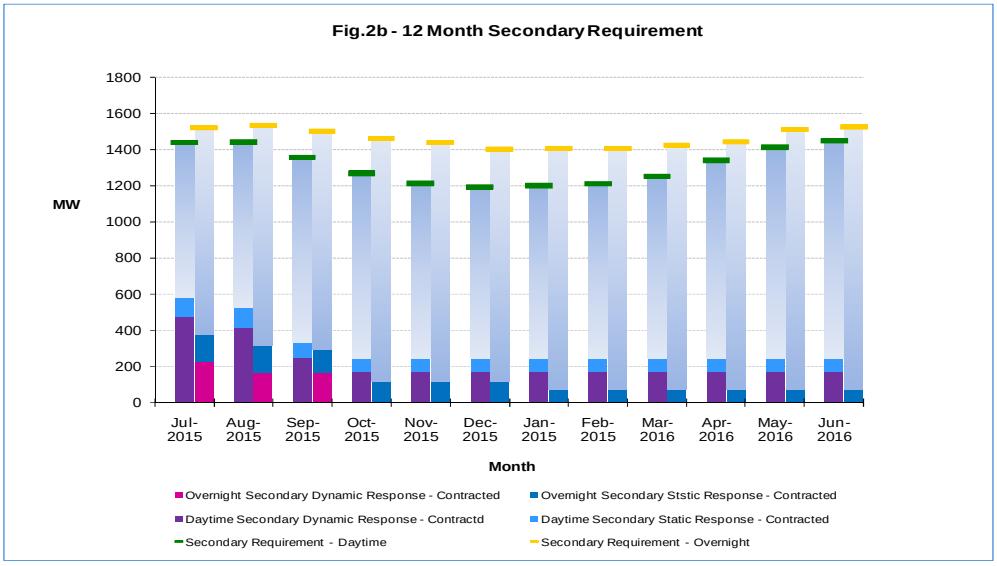


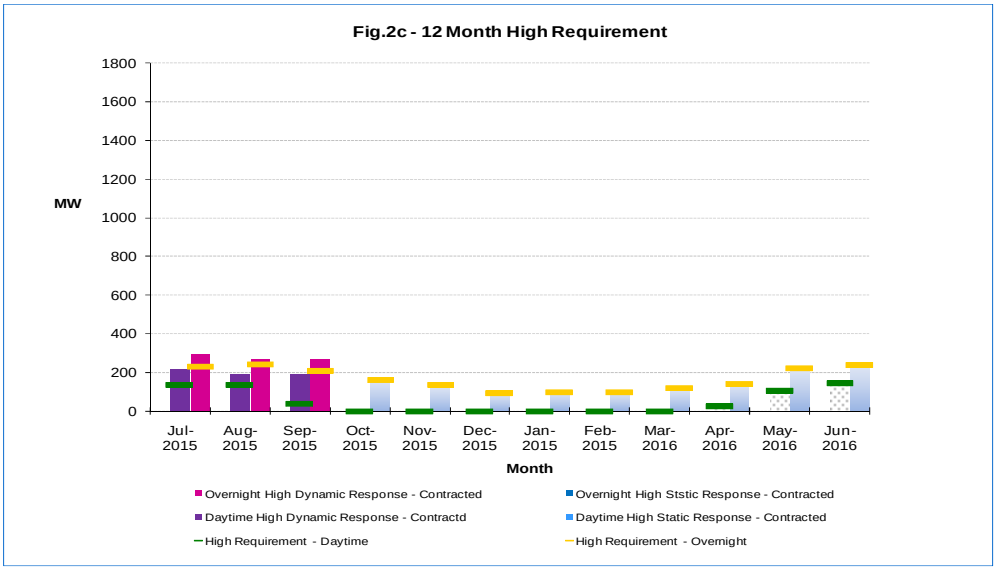




12-Month Requirement







The following charts contain similar information to the monthly requirements above but extends it over the next 12 months. The charts provide an estimate of the response requirements by day/night, and includes information on existing contracts. The grey/blue shaded area is the approximate response that will need to be procured. The minimum dynamic requirement for primary, secondary and high response over the 12 month period is 450MW.

Key points

- The response requirement is greater during the summer than winter.
- The response requirement is greater overnight than during the daytime
- The secondary response requirement is greater than primary or high requirements throughout the year
- The primary and secondary response requirements are greater than the minimum dynamic throughout the year. A static response service could therefore be beneficial in meeting the total requirement.
- For High frequency response, the minimum dynamic response (450MW) is greater than the requirement throughout the year. A static response service would not be beneficial in meeting the requirement.

Requirement Tables

The following tables state the predicted amount, in MW, of response we need to procure in the future.

July requirement:

Settlement Period	Amount required (MW)		
	Primary	Secondary	High
1	678	1,205	7
2	785	1,227	33
3	863	1,242	50
4	907	1,249	58
5	938	1,254	64
6	988	1,262	73
7	1020	1,267	78
8	1048	1,271	83
9	1064	1,273	86
10	1082	1,276	89
11	1110	1,280	94
12	1095	1,278	91
13	1009	1,307	77
14	887	1,361	105
15	352	979	56
16	262	933	3
17	224	901	0
18	202	883	0
19	196	878	0
20	187	870	0
21	187	871	0
22	188	871	0
23	200	881	0
24	201	882	0
25	200	882	0
26	200	882	0
27	205	885	0
28	210	889	0
29	214	893	0
30	217	896	0
31	220	898	0
32	217	895	0
33	210	889	0
34	194	876	0
35	183	867	0
36	179	864	0
37	179	864	0
38	180	865	0
39	185	869	0
40	192	875	0
41	198	879	0
42	203	884	0
43	207	887	0
44	199	880	0
45	201	882	0
46	223	900	0
47	600	1,229	1
48	551	1,173	0

12 month requirement

Daytime	Amount required (MW)		
	Primary	Secondary	High
Jul-2015	168	855	0
Aug-2015	193	913	0
Sep-2015	274	1,021	0
Oct-2015	223	1,023	0
Nov-2015	159	970	0
Dec-2015	135	950	0
Jan-2015	142	955	0
Feb-2015	156	967	0
Mar-2016	204	1,007	0
Apr-2016	309	1,095	23
May-2016	395	1,166	104
Jun-2016	434	1,199	142

Overnight	Amount required (MW)		
	Primary	Secondary	High
Jul-2015	518	1,145	0
Aug-2015	557	1,216	0
Sep-2015	532	1,206	0
Oct-2015	625	1,343	157
Nov-2015	596	1,319	129
Dec-2015	552	1,283	87
Jan-2015	557	1,329	92
Feb-2015	555	1,328	91
Mar-2016	577	1,346	111
Apr-2016	601	1,366	135
May-2016	685	1,436	215
Jun-2016	703	1,451	232

If you have any queries, suggestions or feedback on the content or format of the new report please contact your account manager or steven.lam@nationalgrid.com