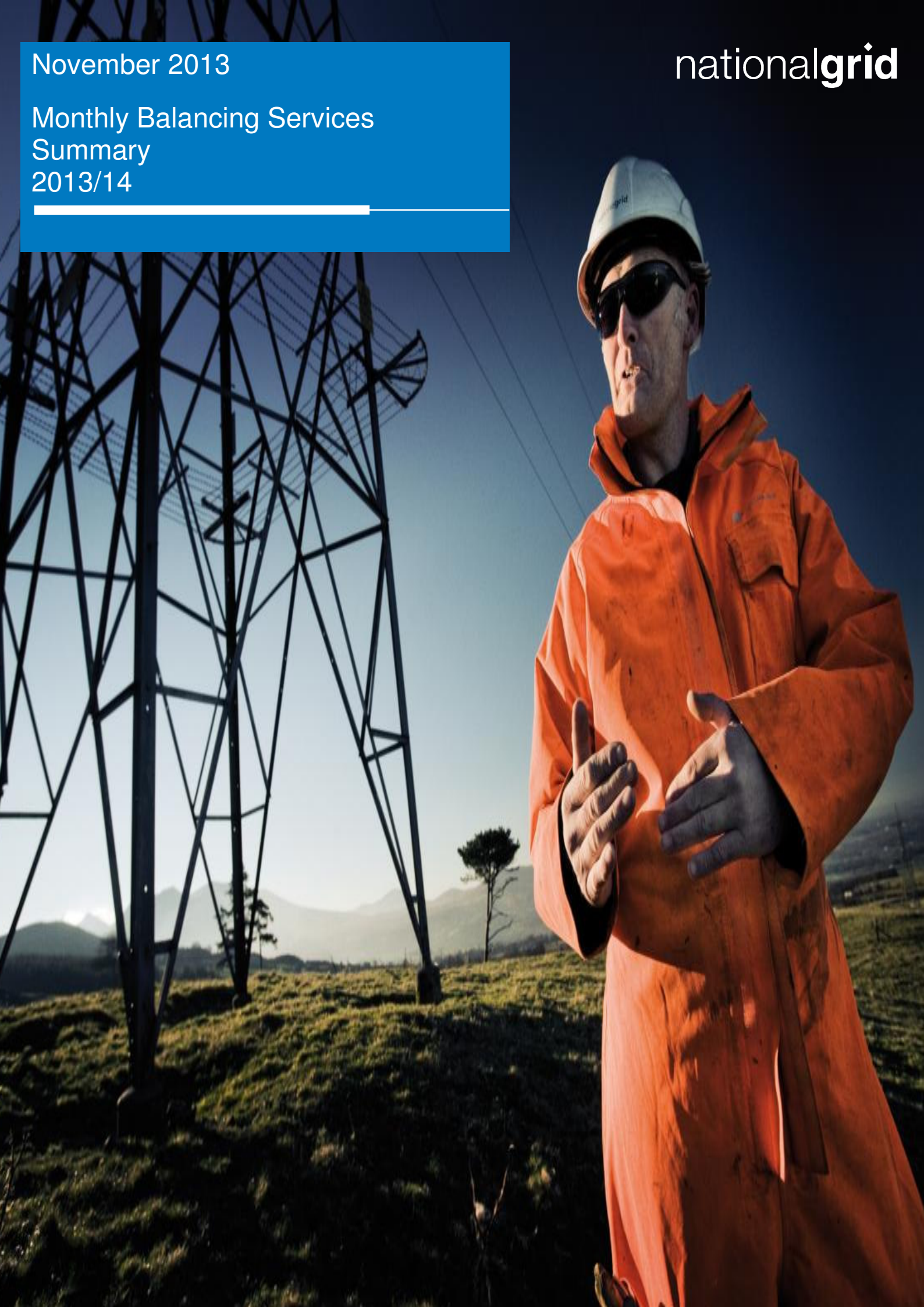


November 2013

Monthly Balancing Services
Summary
2013/14

nationalgrid



Contents

1. Introduction	2
1.1 Purpose of Monthly Balancing Services Summary Report.....	2
1.2 Nature of information provided in this report	2
1.3 Balancing Services.....	3
1.4 Report Structure	3
1.5 Services not included in the report.....	3
2. Services Procured Via Market Arrangements	4
2.1 Reactive Power	4
2.2 Fast Reserve (Tendered).....	6
2.3 Short Term Operating Reserve (STOR) including Balancing Mechanism (BM) and Non Balancing Mechanism (NBM).....	7
2.4 Tendered Frequency Response.	10
3. Services Procured Via Non-Tendered Bilateral Contracts	10
3.1 Mandatory Frequency Response	10
3.2 Commercial Frequency Response	12
3.3 Fast Start	13
3.4 Black Start.....	14
3.5 BM Start up	14
3.6 Fast Reserve (Procured on a Non-Tendered basis)	15
3.7 System to System Services	16
3.8 System to Generator Operational Inter-tripping Schemes.....	18
3.9 Commercial Intertrip Service.....	18
3.10 Ancillary Contracts to manage System Issues	20
3.11 Maximum Generation Service	20
3.12 Demand Turndown, Fees and Liabilities	21
4. Energy Related Products.....	22
4.1 Forward Trading	22
4.2 Pre-Gate BMU Transactions (PGBT).....	24
5. Constraints	24
5.1 Summary of costs of constraint actions, including Balancing Mechanism, Trades and SO-SO actions.....	25
5.2 Break down of constraint costs per category	26
5.3 Explanatory Notes	26
6. Summary.....	27
7. Further information	28
8. Information Summary Page.....	29
9. Summary of BSIS Costs	30
9.1 New Wind Generation.....	32
9.2 How we manage Wind generation.....	32
9.3 Payments to Wind Powered Generation.....	32
Glossary of Terms used in BSIS Tables	36

1. Introduction

National Grid procures Balancing Services to operate the transmission system in an efficient, economic and co-ordinated manner. A number of statements and market reports pertaining to the procurement and use of Balancing Services are already published on the industry information web site. National Grid has undertaken to publish this summary on a monthly basis to increase the timeliness and visibility of the Balancing Service actions taken during the given month. This Monthly Summary provides information on the procurement of Balancing Services in twelve separate monthly publications.

1.1 Purpose of Monthly Balancing Services Summary Report

The purpose of the Monthly Balancing Services Summary Report is to provide information in respect of Balancing Services that National Grid has procured during the relevant month for the purpose of operating the electricity transmission system. This publication contains volume and cost information associated with these balancing services and is based on the latest data and information available at the time of publication. The data in this report is subject to revision post publication as reconciled information becomes available. This report, however, is intended only to give an indication of the balancing actions National Grid has undertaken and so the relevant months report will not be republished in light of any revisions.

1.2 Nature of information provided in this report

The information provided for the relevant month is based upon preliminary data. As future monthly summaries are produced, information in the graphs and tables will be updated to reflect the latest information available at that time. Changes to preliminary data that occur after the publication of the relevant month's report will thus be visible in the graphs and tables of future reports. Each monthly report will report volume data on a monthly rolling basis. The cost values contained in this document are predominantly reported to 2 decimal places (£m). Due to confidentiality agreements in place within Balancing Services contracts and the resolution of utilisation on a monthly basis, some information cannot be published in relation to the provision of some of these services. Where there are only a limited number of providers in a given month, cost information will not be separately identified on a monthly basis against the relevant service.

1.3 Balancing Services

The Balancing Services National Grid has procured, either via market arrangements or bilateral contracts, throughout the period covered by the Report, are:

- Frequency Response
- Reactive Power
- Fast Start
- Black Start
- Reserve Services - Fast Reserve, Short Term Operating Reserve, BM Start-up
- System to Generator Operational Intertripping Schemes
- Commercial Intertrip Service
- Ancillary Contracts to manage System Issues
- Maximum Generation Service
- All Other Services
- System to System Services
- Energy Related Products (including PGBT)

It is important to note that Balancing Services are procured from both Balancing Mechanism and Non Balancing Mechanism Parties.

For further information regarding the type of providers of Balancing Services please consult the Procurement guidelines on the National Grid website.

1.4 Report Structure

This report presents the Balancing Services under four main titles:

- Services Procured via Market Arrangements
- Services Procured via Non-Tendered Bilateral Contracts
- Energy Related products
- A summary section providing the high level information for all services for the relevant month.

1.5 Services not included in the report

The monthly total costs in this document intentionally do not include the acceptance of Bids or Offers in the Balancing Mechanism. However where the structure of ancillary services include a utilisation component exercised through the Balancing Mechanism those Bid and Offer volumes and costs

have been included in the relevant graphs to better inform participants of the costs in those areas.

Further information on Bid and Offer acceptances is contained within the Balancing Principles Statement which can be located on the National Grid Website in the Electricity section under Balancing Services & Transmission Licence Statements. All Bid and Offer information is available by clicking the following link to the NETA web site in the BRMS, <http://www.bmreports.com/>

2. Services Procured Via Market Arrangements

2.1 Reactive Power

National Grid manages voltage on the transmission system within statutory limits to ensure quality of supply. In doing this we ensure that reactive power resources are provided on a localised basis to meet the constantly varying needs of the system, and that there is sufficient reactive power reserve available to meet contingencies.

2.1.1 Market Arrangements for Reactive Power

All contracts awarded via tender **round 32 (TR32)** commenced on the **1st October 2013**. Further information regarding the nature of these contracts please refer to the National Grid Website:

<http://www.nationalgrid.com/uk/Electricity/Balancing/services/ReactivePower/>.

For this reporting period, the total utilisation volume for reactive power procured via market arrangements was **0GVarh**. The total expenditure relating to the capability and utilisation costs of reactive power procured via market arrangements was **£0.00m**.

2.1.2 Default Arrangements for Reactive Power

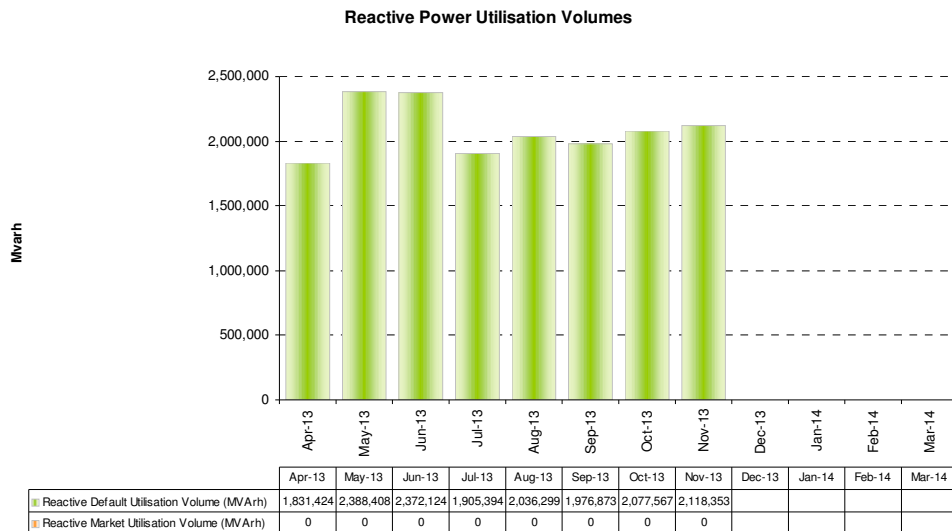
For this reporting period, the total utilisation volume for reactive power under the default arrangements was **2,118GVarh**. The total amount spent on Reactive Power under the default arrangements during this reporting month was **£5.89m**.

For further information regarding the default payment arrangements please view the Introduction to Reactive document which can be found on the National Grid Website.

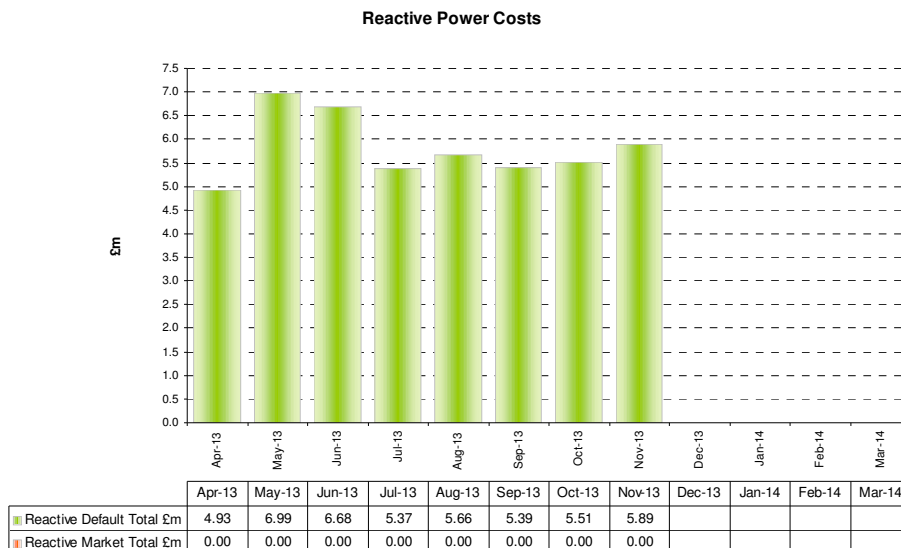
For this month, the combined total expenditure on reactive power was **£5.89m**.

Monthly Balancing Services Summary November 2013

Utilisation of Reactive Power under market and default arrangements for the relevant month is detailed in the chart below.



Utilisation costs of Reactive Power under market and default arrangements over the relevant period are detailed in the chart below.



Monthly Balancing Services Summary November 2013

2.2 Fast Reserve (Tendered)

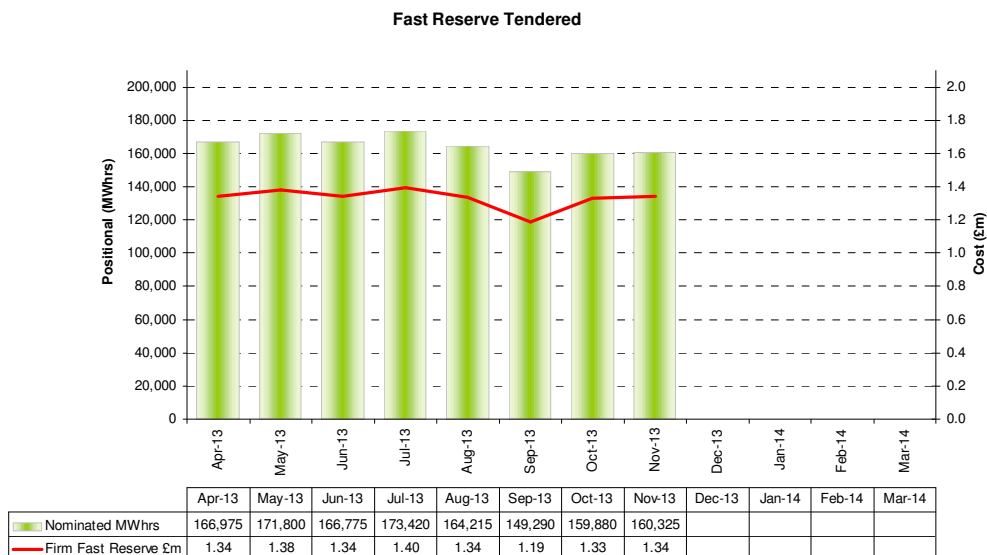
Further information explaining the service and assessment criteria of tenders for this Balancing Service can be found on the National Grid Website under Electricity/Balancing/tender reports/fast reserve.

The table detailed below lists the tender details for the relevant month.

	Units tendered in previous months	Units tendered this month	Units accepted from previous months	Units accepted from this month	Total MW tendered	Total MW contracted	Max GWh tendered	Max GWh contracted	Nominated MWhrs	Firm Fast Reserve £m
Apr-13	4	0	4	0	370	370			166,975	1.34
May-13	4	0	4	0	370	370			171,800	1.38
Jun-13	4	0	4	0	370	370			166,775	1.34
Jul-13	4	0	4	0	370	370			173,420	1.40
Aug-13	4	0	4	0	370	370			164,215	1.34
Sep-13	4	0	4	0	370	370			149,290	1.19
Oct-13	4	0	4	0	370	370			159,880	1.33
Nov-13	4	0	4	0	370	370			160,325	1.34
Dec-13										
Jan-14										
Feb-14										
Mar-14										

Please note that eligible companies and eligible unit data is no longer made available to us so we are unable to report this information.

The following graph shows the variation in Fast Reserve capacity contracting by month.



A total of **370MW** of capacity was contracted during the month. The total expenditure on availability and utilisation excluding bids and offers was **£1.34m**.

For more information on Fast Reserve please refer Fast Reserve information at:

<http://www.nationalgrid.com/uk/Electricity/Balancing/services/reserveservices/fastreserve/>.

Fast Reserve Contracts placed through non-tendered bilateral agreements are detailed in section 3.6 of this report.

2.3 Short Term Operating Reserve (STOR) including Balancing Mechanism (BM) and Non Balancing Mechanism (NBM)

National Grid procures Short Term Operating Reserve (STOR) through a competitive tender process which is conducted three times per year. For further information regarding this service, and the timetable for future tenders, please refer to the STOR information at:

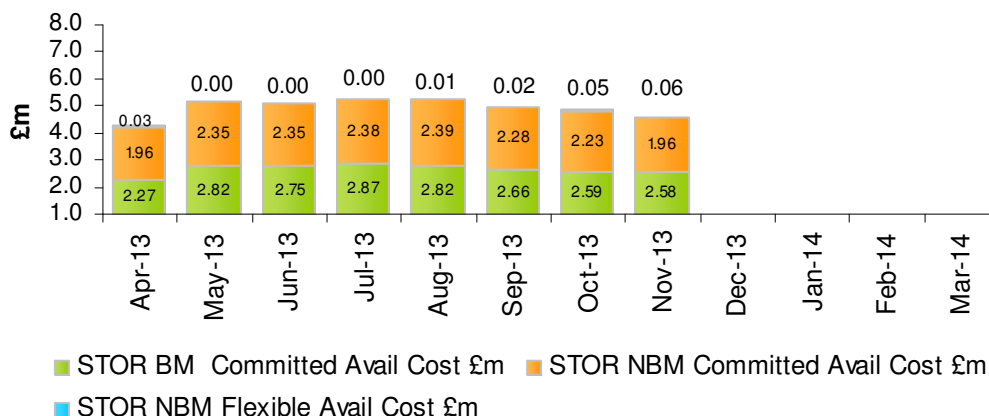
<http://www2.nationalgrid.com/uk/services/balancing-services/reserve-services/short-term-operating-reserve/>

The current reporting month falls in **Season 2013/14 7.5** which was covered by tender rounds **10 to 12** and **16 to 21**. A total of **3,149MW** of STOR contracts were accepted for season **7.5**.

For November 2013, there was a volume weighted average availability price of **£5.69/MW/h** and a volume weighted average utilisation price of **£192.42/MWh**.

Monthly Balancing Services Summary November 2013

STOR BM & NBM Availability Costs

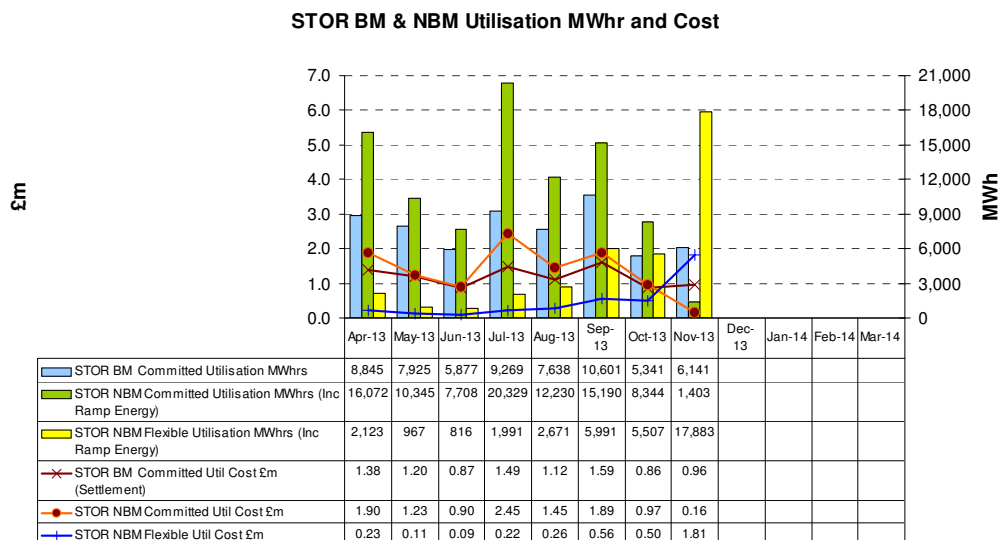
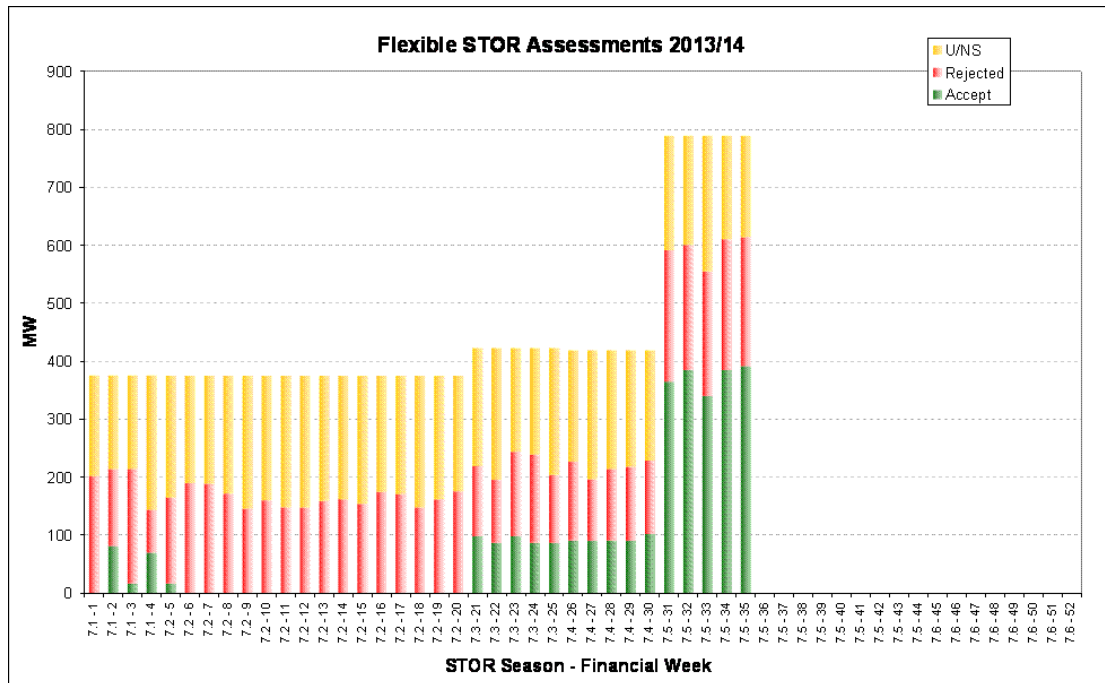


Note – the underlying data, presenting flexible STOR information since 1 April 2007, is available in the MBSS_DATA excel attachment.

Previous Year STOR BM & NBM Availability Costs

Previous Years November costs	November 2012/13	November 2011/12	November 2010/11	November 2009/10	November 2010/11
STOR BM committed Avail Cost £m	3.84	5.81	5.06	4.44	4.05
STOR NBM committed Avail Cost £m	1.41	0.55	0.33	0.21	0.25
STOR NBM flexible Avail Cost £m	0.26	0.51	0.85	0.98	0.39
Average utilisation payment £/MWh	207.18	225.68	258.75	290.23	

Monthly Balancing Services Summary November 2013



Non-BM STOR Availability payments, Non-BM STOR Utilisation payments and BM STOR Availability payments are paid as Balancing Services. BM STOR Utilisation payments are paid via the BM Bids and Offers, not as a Balancing Service, they are included in this report only to clarify the total STOR expenditure.

The total STOR expenditure on availability payments and utilisation payments to both BM and NBM providers for the month was **£7.53m**.

The total STOR Utilisation volume for both BM and Non-BM units for the month was **25,426MWh**.

For further information on the nature of this service please refer to the STOR information at:

<http://www2.nationalgrid.com/uk/services/balancing-services/reserve-services/short-term-operating-reserve/>

2.4 Tendered Frequency Response.

Please see Section 3.2

3. Services Procured Via Non-Tendered Bilateral Contracts

3.1 Mandatory Frequency Response

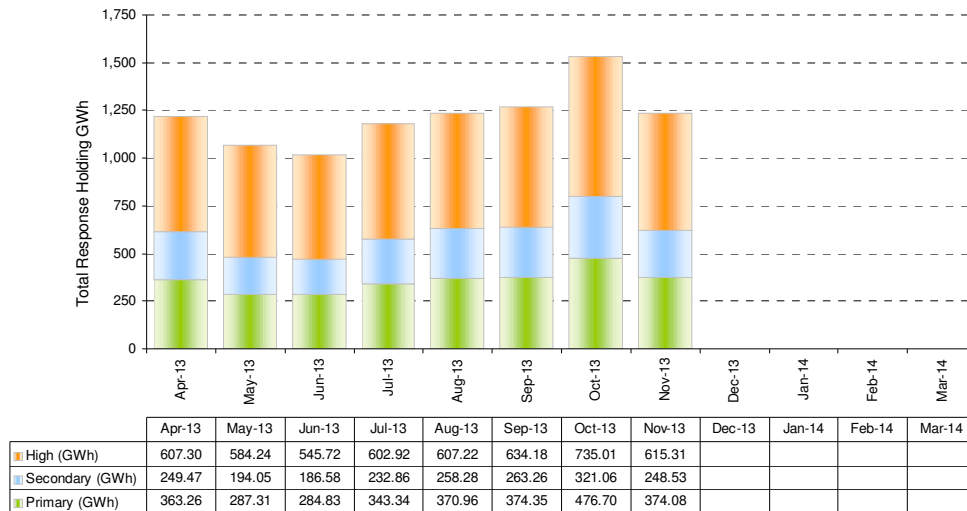
Mandatory Frequency Response is a mandatory service provided by large generators (>100MW) to automatically change their active power output in response to a change in system frequency. The Grid Code Connection Condition 6.3.7 and 8.1 describe the technical requirements for this service.

Payments for Mandatory Frequency Response comprise a Holding Payment (£/MW/h) and a Response Energy Payment (£/MW/h). Details on frequency response holding are given below. More information on this can be found on the National Grid Website:

<http://www.nationalgrid.com/uk/Electricity/Balancing/services/frequencyresponse/mandatoryfreqresp/>.

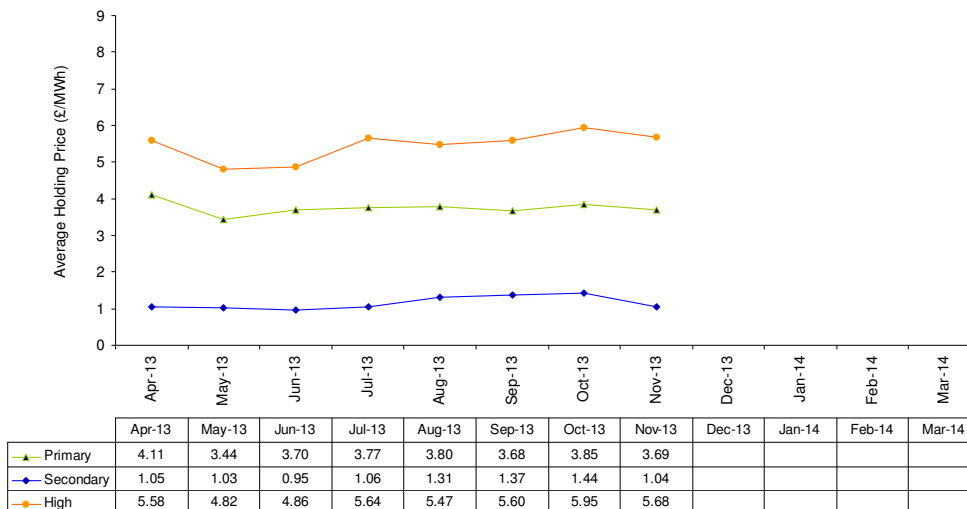
Monthly Balancing Services Summary November 2013

Mandatory Frequency Response Holding



The chart below shows the Average Holding price of Mandatory Frequency Response.

Mandatory Frequency Response Average Holding Price



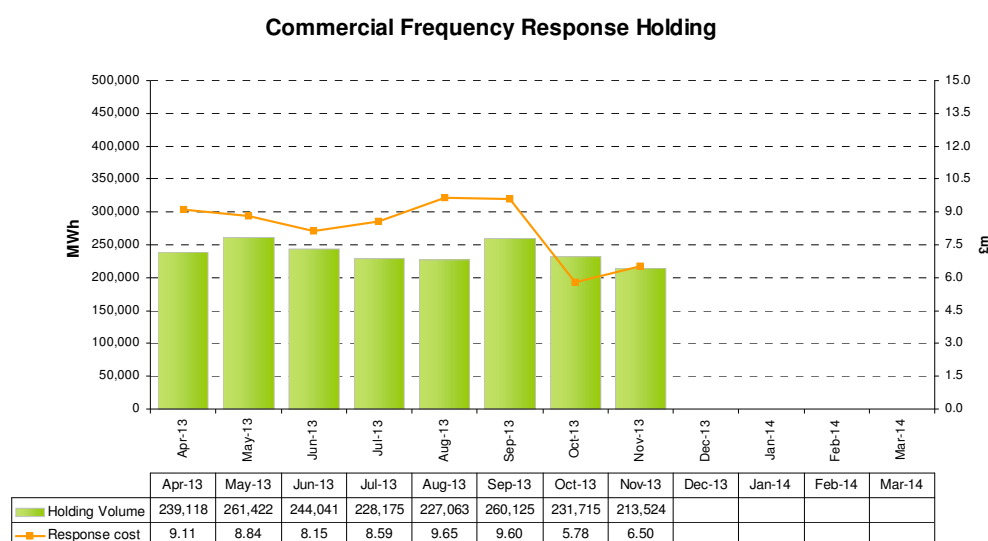
Spend on Mandatory Frequency Response holding for the reporting month was **£5.13m**.

Spend on Response Energy Payments was **£0.16m¹**. The methodology for calculating these payments is given in the Connection & Use of System Code (CUSC) section [4.1.3.9 & 4.1.3.9A](#). The CUSC can be found on the National Grid website.

The total expenditure on Mandatory Frequency Response during the reporting month was **£5.29m**.

3.2 Commercial Frequency Response

Commercial Frequency Response is a collection of services that can be provided by demand side participants and generation plant. The technical characteristics of these services are different to those required under mandatory service arrangements, and range from enhanced mandatory dynamic services through to non-dynamic services effected via LF relays. Part of the contract portfolio includes services provided by demand side participants through Frequency Control Demand Management (FCDM) and through the firm frequency response (FFR) tender rounds.



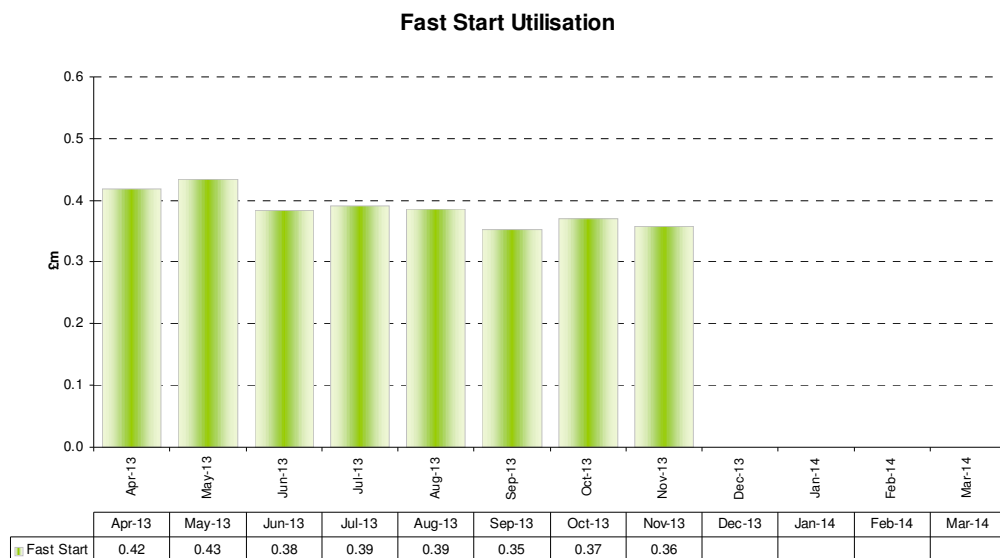
The total amount spent on Commercial Frequency Response holding during the reporting month was **£6.50m**.

¹ The Response Energy Payment can be both a positive or negative payment, dependant upon the relative volumes of high and low frequency response dispatched during the course of the relevant month.

Further information on Commercial Frequency is found in the appropriate place on the National Grid Website, or specifically on firm frequency response through the tenders and reports section of National Grid's Balancing Services website.

3.3 Fast Start

Fast Start is the ability of Open Cycle Gas Turbine (OCGT) plant to start rapidly from a standstill condition and to deliver its rated power output automatically within a defined time period. Fast Start details below:

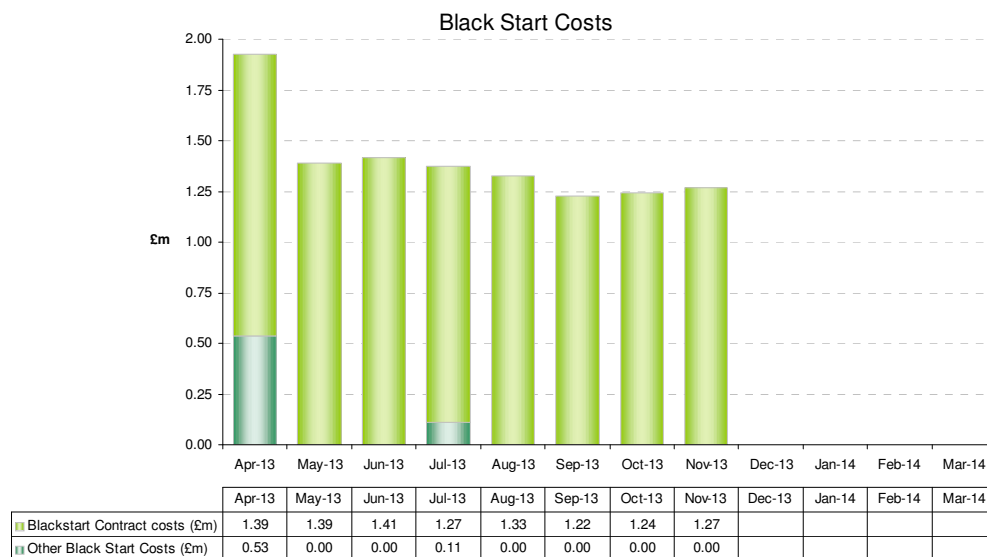


The total amount paid during the relevant reporting month for the availability and utilisation of the Fast Start service was **£0.36m**.

Further information on Fast Start can be found on the National Grid Website: http://www.nationalgrid.com/uk/Electricity/Balancing/services/balanceserv/reserve_serv/faststart/.

3.4 Black Start

During the reporting month there were up to **22** stations with Black Start agreements in place. No new agreements were entered into during the period. The total amount paid during the relevant reporting month for the availability of the Black Start service was **£1.27m**.



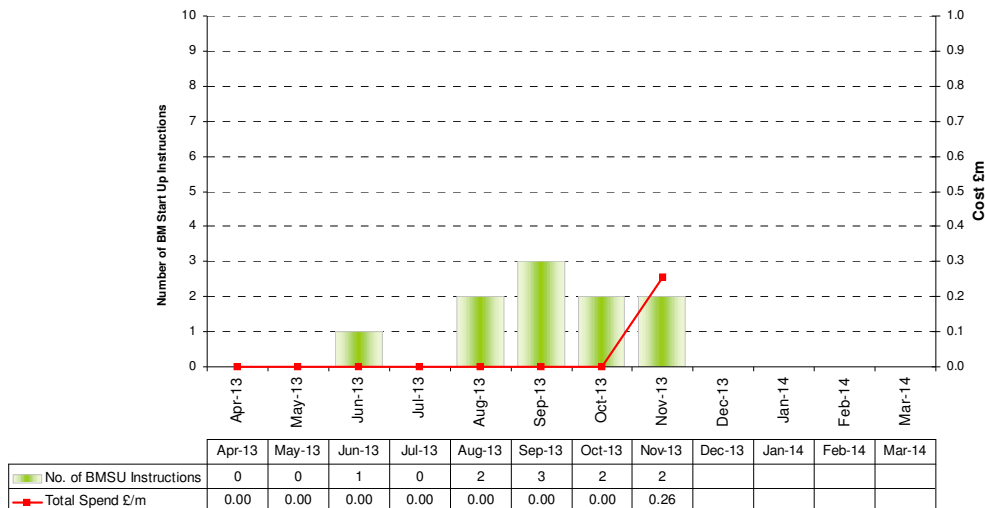
Further information on Black Start can be found on the National Grid Website:
<http://www2.nationalgrid.com/UK/Services/Balancing-services/System-security/Black-start/>.

3.5 BM Start up

The chart below contains information relating to the procurement of BM Start Up Balancing Services.

Monthly Balancing Services Summary November 2013

BM Start Up



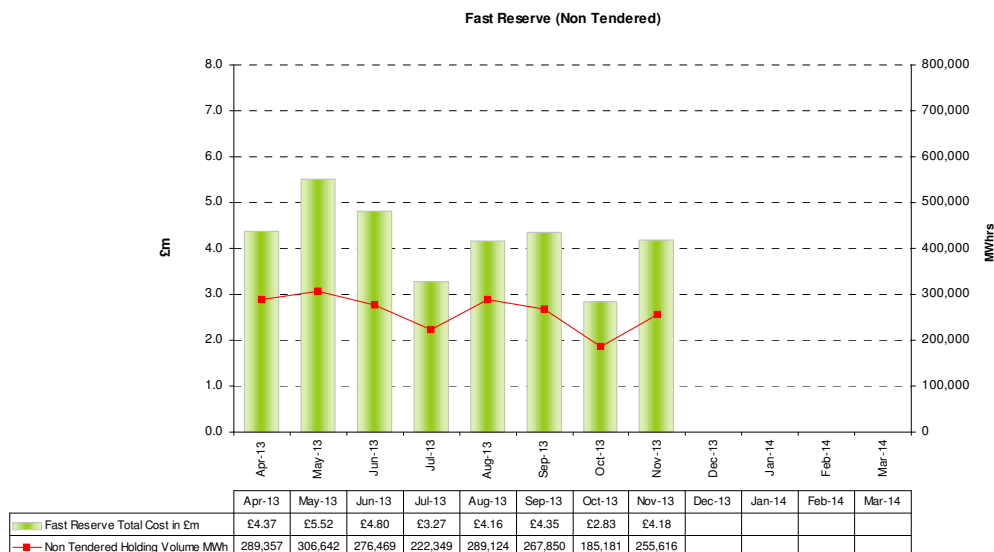
The total amount spent on BM Start Up during the reporting month was **£0.26m**. The total number of BM Start Up instructions was **2**. Further details are available via the National Grid Website:

<http://www.nationalgrid.com/uk/Electricity/Balancing/services/reserveservices/bmstartup/>.

3.6 Fast Reserve (Procured on a Non-Tendered basis)

Non-Tendered Fast Reserve is a service that is contracted on a bilateral basis with service providers. The nature of the service is similar to the Firm Fast Reserve service although the payment and utilisation mechanisms differ for each service.

Monthly Balancing Services Summary November 2013

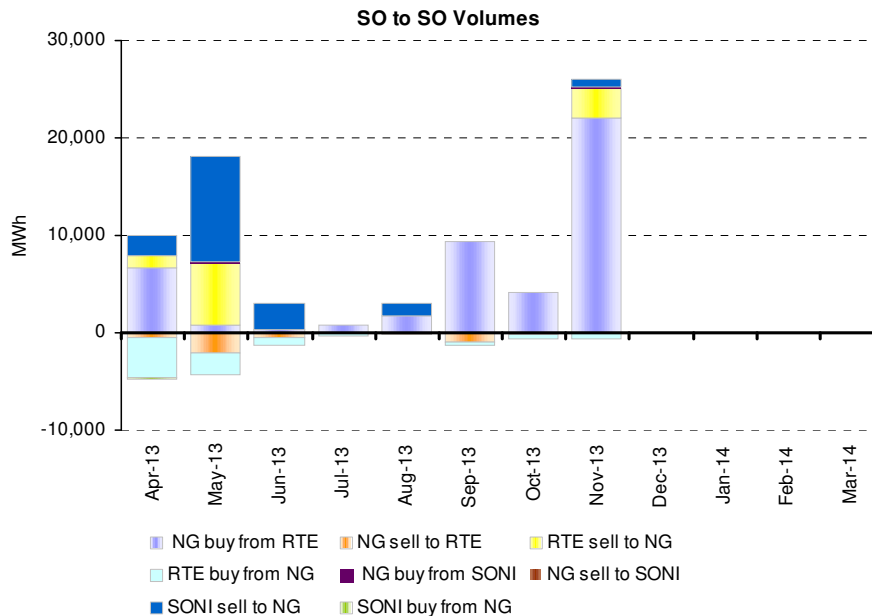


The availability payments during the relevant month totalled **£4.18m**. Excluding Utilisation Via Offers and Bids Accepted in the Balancing Mechanism).

3.7 System to System Services

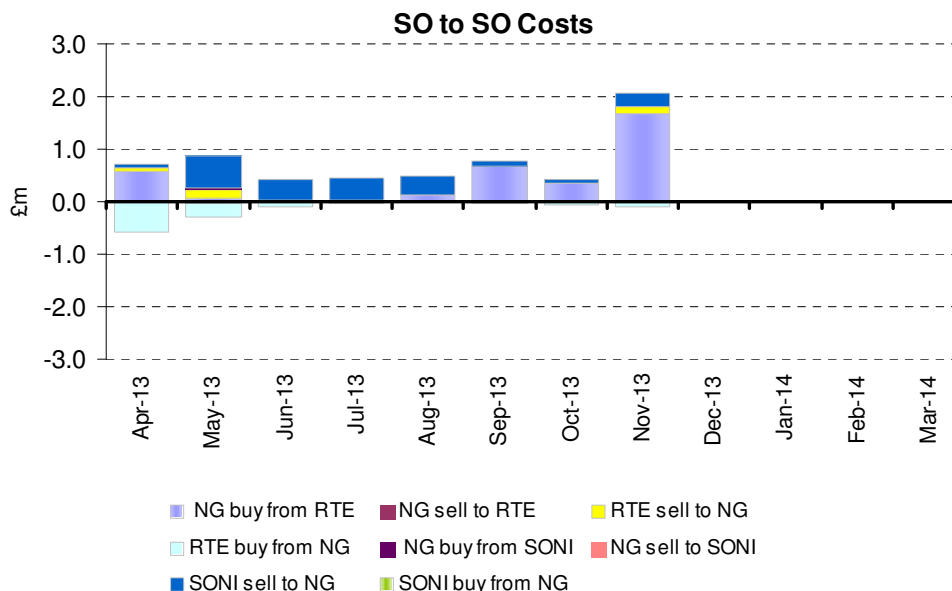
System to System services are provided mutually with other Transmission System Operators connected to the GB system via interconnectors. Such services are typically used to manage interconnector transfer profiles and to increase or reduce power flows across an interconnector to resolve transmission constraints on either side, or provide Emergency Assistance if required. The graph below shows the total net volume imported and exported between GB, France and Northern Ireland.

Monthly Balancing Services Summary November 2013



The total energy volumes associated with system to system services during the reporting month was **-1GWh** export (from GB) and **26GWh** import (to GB).

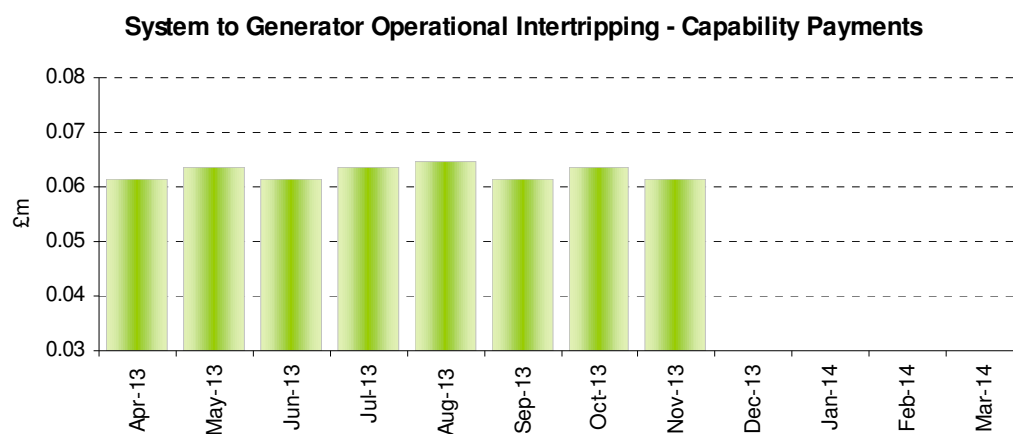
The next graph shows total net expenditure associated with System to System Services and was **£1.97m**.



3.8 System to Generator Operational Inter-tripping Schemes

As a consequence of their connection conditions, certain generators are obligated to have in place operational intertrip schemes.

These schemes fall under a number of different category types as defined under section 4.2.A of the CUSC which describes the compensation arrangements relating for these schemes. A proportion of these categories entitle the counter party to payments for the arming (capability fee) and utilisation of this service.



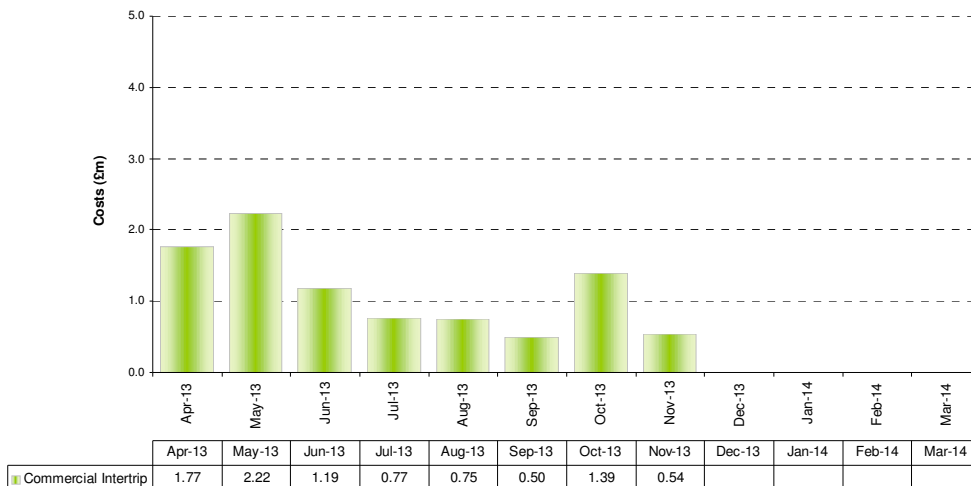
System to Generator Operational Intertripping – Capability Payments in the reporting month totalled **£0.06m**.

3.9 Commercial Intertrip Service

In addition to System to Generator Operational Inter-tripping Schemes, National Grid will seek to, where it proves economic and efficient to do so, enter into commercial Intertrip schemes to manage system issues.

Monthly Balancing Services Summary November 2013

Commercial Intertrips



Expenditure on Commercial Intertrips was **£0.54m**.

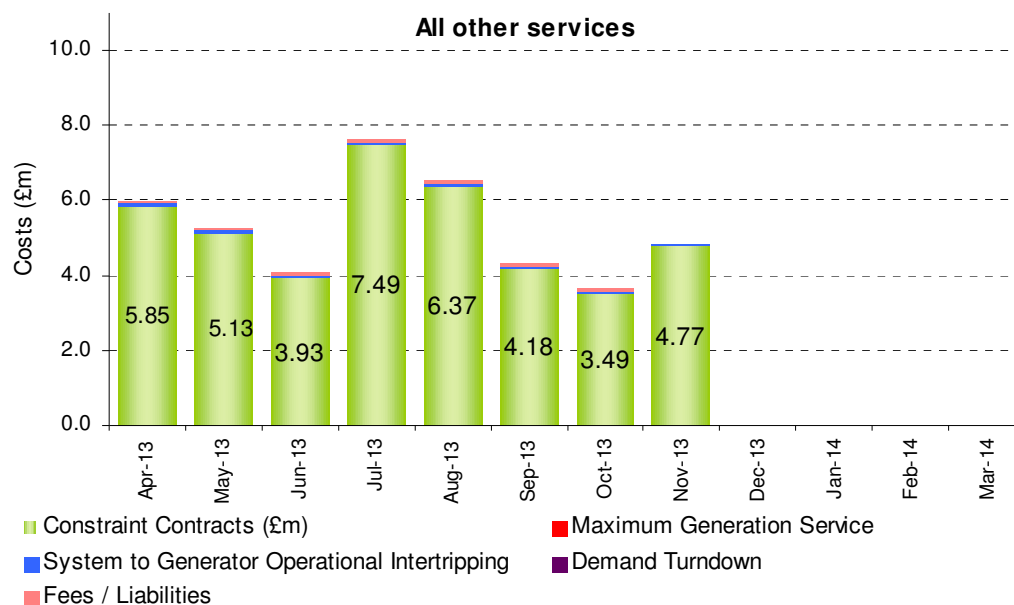
Month	Capability Payment £'s	Arming Payment £'s	Number of Hours of Intertrip Arming, Outside of Pre-Paid Arming Contract(s)	Contracted Pre-paid Arming £'s	Number of Hours Armed under Pre-Paid Arming Contract(s)	Number of Trips	Tripping Payment £'s
Apr-13	112,234	1,655,615	511			0	0
May-13	115,893	2,108,389	632			0	0
Jun-13	112,234	1,075,488	244			0	0
Jul-13	115,975	654,131	254			0	0
Aug-13	112,701	636,899	221			0	0
Sep-13	109,066	386,916	191			0	0
Oct-13	98,684	1,289,171	463			0	0
Nov-13	95,501	439,945	181			0	0
Dec-13							
Jan-14							
Feb-14							
Mar-14							

Under commercial intertrip agreements arming is payable either as;

1. A fixed pre-agreed sum, this may be for a fixed number of hours or unlimited hours (shown above as Contracted arming) or;
2. Payable on utilisation with the generator typically having the right to alter their payments with a short notice period (shown above as Arming Payments).
3. NGET have on occasion agreements in place with generators to manage system issues which include the use of a number of hours of arming on an intertrip. The figure quoted in the "Contracted pre-paid arming" column is the maximum firm payment that could be made assuming the intertrip is available for use for all the Contracted Arming Hrs as quoted in the above table during the contracted period.

3.10 Ancillary Contracts to manage System Issues

On occasion, National Grid enters into bespoke Ancillary service contracts to manage certain transmission system issues. A number and nature of these contracts is necessarily confidential however where possible National Grid will make the information available via our website. The costs reported here include any costs of 'Transmission Related Agreements', which are entered as a consequence of certain customer choices of connection conditions.



Further details on constraint contracts are available, where possible, via the National Grid Website:

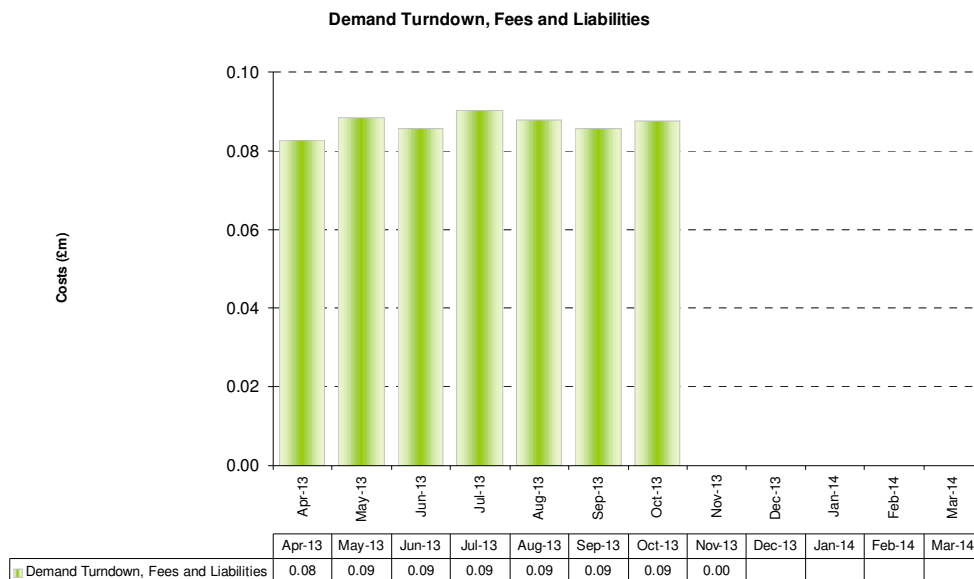
http://www.nationalgrid.com/uk/Electricity/Balancing/services/systemsecurity/constraint_agree/Requirement/

3.11 Maximum Generation Service

The Maximum Generation Service (MGS) is required to provide additional short term generation output during periods of system stress for system balancing. This service allows access to unused capacity outside of the Generator's normal operating range. MGS will be initiated by the issuing of an Emergency Instruction in accordance with the Grid Code BC2.9.2. Details of the service are contained in the CUSC section 4.2.

3.12 Demand Turndown, Fees and Liabilities

These include bespoke services to manage specific system conditions and costs relating to fees and liabilities.



The total expenditure on Demand Turndown, Fees and Liabilities during the reporting month was **£0.00m**.

4. Energy Related Products

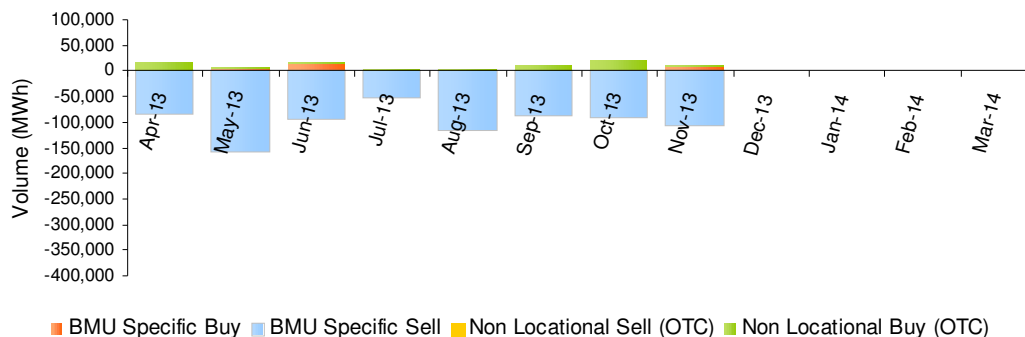
4.1 Forward Trading

National Grid's forward trading is undertaken to reduce the overall costs of balancing the system, and to resolve system issues as appropriate. There are a number of products and procurement mechanisms available. During the reporting month, National Grid traded a gross volume of **117,086MWh**.

Non Locational		} Total Net Spend £-2.12m
Buy Volume	2,400MWh	
Sell Volume	0MWh	
BMU Specific		
Buy Volume	8,760MWh	
Sell Volume	-105,926MWh	

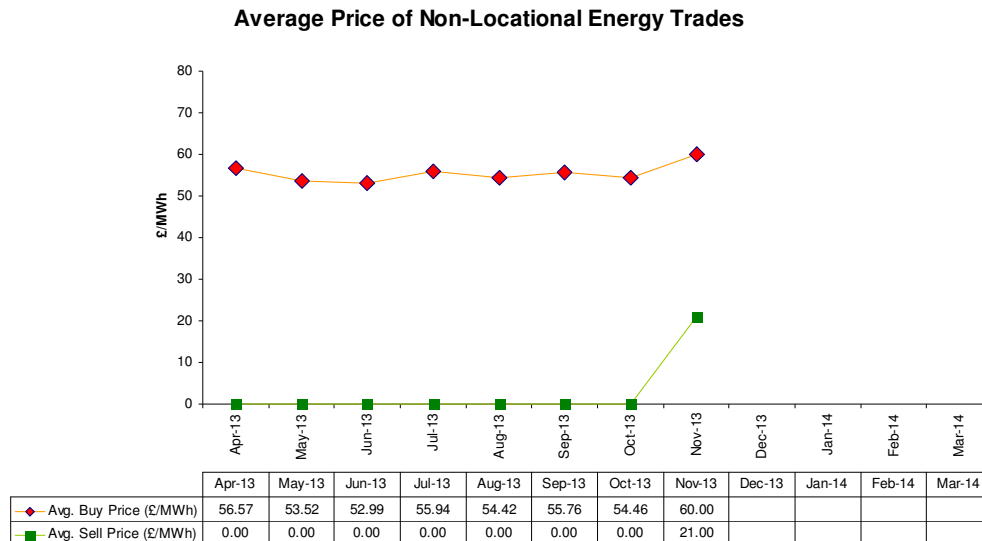
The following chart shows the monthly profile of our trading activities, both for non-locational energy trades and BMU-Specific trades.

Forward Trade Buys and Sells



Monthly Balancing Services Summary November 2013

The following graph shows the monthly profile of our non-locational energy trading activities. It comprises all the trades undertaken by National Grid through Power Exchanges and through the use of brokerage houses for that purpose.

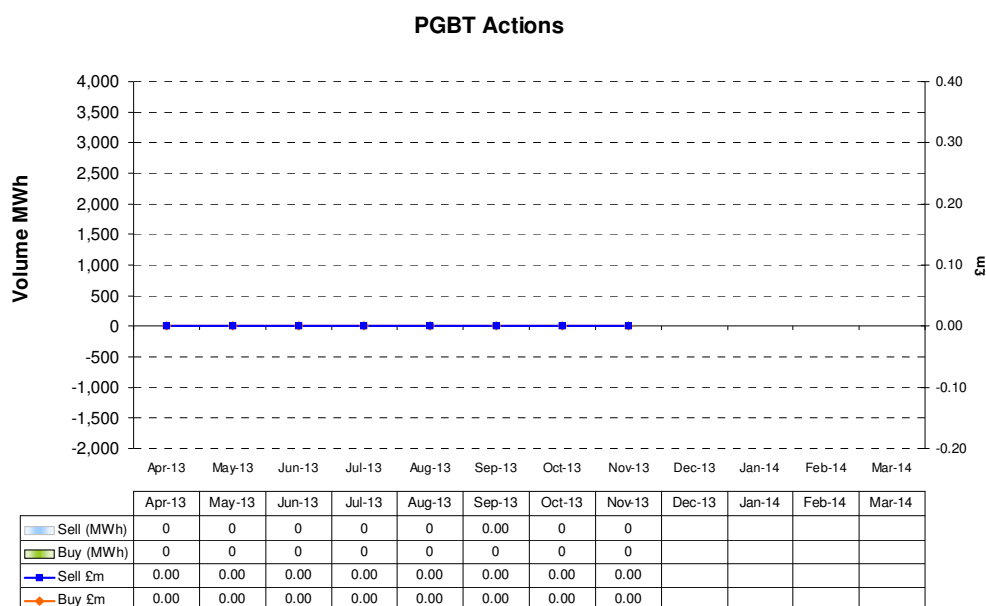


Further details are available via the National Grid Website:

<http://www.nationalgrid.com/uk/Electricity/Balancing/services/energyrelated/>.

4.2 Pre-Gate BMU Transactions (PGBT)

Information on PGBT activity Transactions Sourced and Agreed is given in the chart below.



The total net spend on PGBT during the reporting month was **£0m**.

Details on real time PGBT transactions can be found on the BMRS (system warning page) and post event, on the National Grid Website.

5. Constraints

National Grid resolves constraints in the GB Transmission System through different mechanisms, including bids and offers in the Balancing Mechanism, PGBTs, Trades and SO-SO actions. This section presents the costs for National Grid to resolve constraints in the reporting period, breaking them down into the three aforementioned categories. The costs of resolving constraints via intertrip contracts (see section 3.9) and bilateral contracts (see section 3.10) have already been explored.

The total cost of resolving constraints via Balancing Mechanism, Trading and SOSO actions was **£13.71m**. This cost includes part of the costs of SO-SO actions (section 3.7), Trades (section 4.1) and PGBTs (section 4.2) already reported above.

Explanatory notes on the meaning of each row in the tables below follow at the end of this section.

5.1 Summary of costs of constraint actions, including Balancing Mechanism, Trades and SO-SO actions

	Type of Constraint	Location	Date						
	Export			Export summary	Import			Import summary	Grand Summary
	Scotland	Cheviot	England & Wales		Scotland	Cheviot	England & Wales		
Constrained Volume (GWh) [A]	-33.95	-188.17	-17.93	-240.05	0.03	0.00	34.64	34.66	274.71
Average Price of Action (£/MWh) [B]	8.07	23.82	21.45	21.42	128.42	0.00	61.29	61.34	26.46
Average Energy Replacement Price (£/MWh) [C]	48.15	44.58	52.34	45.66	38.50	0.00	40.80	40.80	45.05
Total Direct Cost (£m) [G]=[A*(B-C)]	1.36	3.91	0.55	5.82	0.00	0.00	0.71	0.71	6.53
Reserve Replaced (GWh)	45.66	387.64	30.83	464.12	0.00	0.00	6.92	6.92	471.04
Volume of Actions Required for Reserve Replacement (GWh) [D]	27.31	233.69	19.68	280.68	0.00	0.00	6.74	6.74	287.42
Average Reserve Replacement Price (£/MWh) [E]	74.70	72.61	87.13	122.00	0.00	0.00	-8.35	-8.57	120.09
Average Energy Reference Price for Reserve Replacement (£/MWh) [F]	49.24	48.30	53.27	80.56	0.00	0.00	30.84	31.66	79.84
Total Reserve Cost (£m) [H]=[D*(E-F)]	0.70	5.68	0.67	7.04	0.00	0.00	-0.26	-0.26	6.78
Total Cost (£m) [I]=[G+H]	2.06	9.59	1.22	12.86	0.00	0.00	0.45	0.45	13.31
Additional (Transferred) Costs (£m) [J]	0.02	0.16	0.00	0.17	0.00	0.00	0.22	0.22	0.40
Total constraint net cost (£m) [I+J]	2.07	9.74	1.22	13.04	0.00	0.00	0.67	0.67	13.71

*Please note Constrained Volumes for Import and Export are now shown as positive volumes. The Grand Summary therefore is the absolute constrained volume.

Monthly Balancing Services Summary November 2013

5.2 Break down of constraint costs per category

ACTION TYPE	Export	Import	Total
BM Actions	10.25	0.66	10.91
SO-SO Trades	0	0	0
Trades (including PGBT)	2.79	0.00	2.79
Total	13.04	0.67	13.71

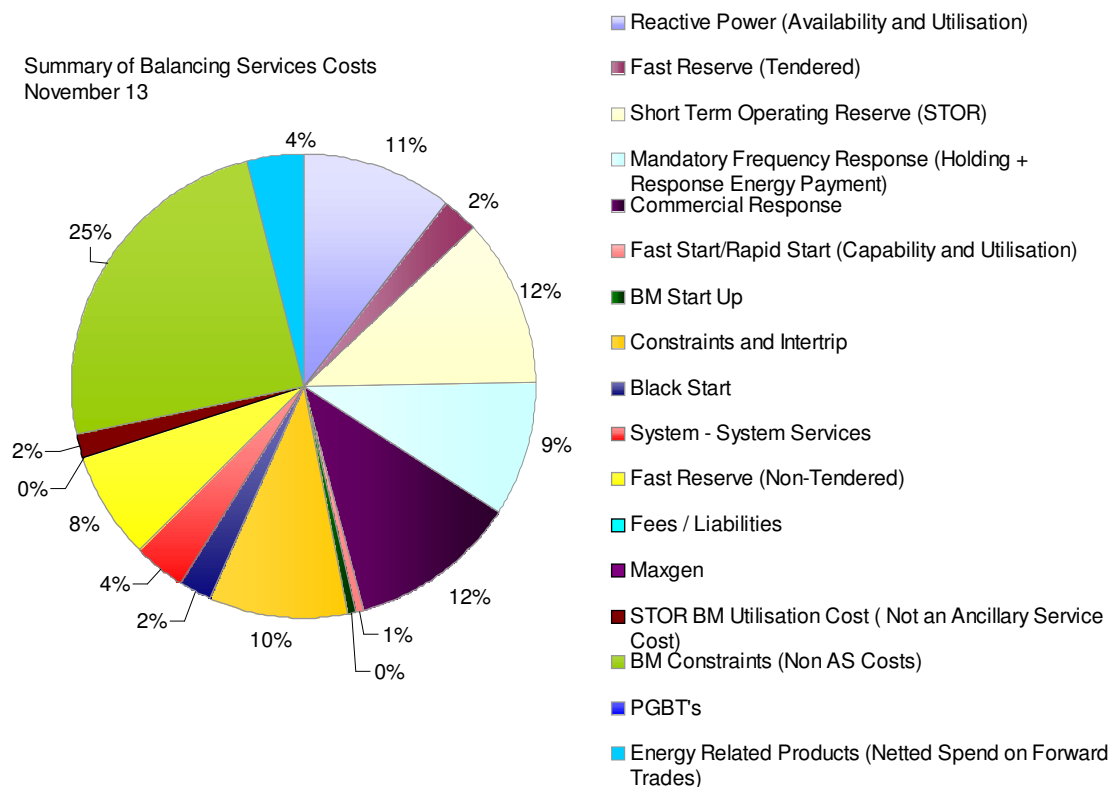
5.3 Explanatory Notes

Row	Description
Constrained Volume (GWh)	Total volume of bids/offers accepted for BM Units within a constrained zone
Average Price of Action (£/MWh)	Volume weighted average prices of bids / offers
Average Energy Replacement Price (£/MWh)	Volume weighted average of the energy reference price(*)
Total Direct Cost (£m)	Constrained Volume x (Average Price of Action - Average Energy Replacement Price)
Reserve Replaced (GWh)	Additional reserve created to replace reserve sterilised behind constraints e.g. capacity of additional units synchronised to the system
Volume of Actions Required for Reserve Replacement (GWh)	Volume of actions required by National Grid to create replacement reserve e.g. offers in the BM to run a unit at SEL thus gaining access to capacity of unit.
Average Reserve Replacement Price (£/MWh)	Volume weighted average of prices of the reserve actions
Average Energy Reference Price for Reserve Replacement (£/MWh)	Volume weighted average of the energy reference price(*) for periods when reserve is replaced
Total Reserve Cost (£m)	Reserve replaced x (Average Reserve Replacement Price - Average Energy Reference Price for Reserve Replacement)
Total Cost (£m)	Total Direct Cost + Total Reserve Cost
Additional (Transferred) Costs (£m)	For some import constraints, actions taken in BM units within the constrained zone may end up being the cheapest option for creating system reserve - in this case all or part of the cost is transferred to the relevant account. In all other circumstances,
Total constraint net cost (£m)	Total Cost + Additional (Transferred) Costs
(*) Energy reference price (£/MWh)	For each settlement period, it is the volume weighted average of the submitted bids/offers available for National Grid to resolve NIV, i.e. the lowest (highest) available price of offers (bids) stacked up to NIV when the market is short (long)

6. Summary

This report has provided information on the Balancing Services procured (or acquired) during this month.

Summary of Balancing Services Costs
November 13



7. Further information

For further information on the types of Balancing Services that National Grid intends to procure, please refer to the prevailing **Procurement Guidelines**. Information on bid and offer acceptances in the Balancing Mechanism is contained within the **Balancing Principles Statement Report**. These documents, along with the **Procurement Guidelines Report**, are published in accordance with Standard Condition C16 of the Transmission Licence and are available on the National Grid Industry Information website.

The Procurement Guidelines and Balancing Principles Statement Reports can be accessed via:

<http://www.nationalgrid.com/uk/Electricity/Balancing/transmissionlicencestatements/>

Electricity Balancing Services

Email: BSIS@uk.ngrid.com

Monthly Balancing Services Summary November 2013

8. Information Summary Page

Balancing Services	Info Provision	Total costs £m	Total Value
Reactive Power Market	Utilisation Volume (MA) Utilisation Volume (DefaultPM) Total Spend (MA) Total Spend (Default PM)	0.00 5.89	0GVArh 2,118GVArh
Short Term Operating Reserve(STOR) Including BM and NBM Availability & Utilisation	Average Contracted Availability Payment Average Contracted Utilisation Payment Total Spend Total Utilisation Volume (MWh)	7.53	£5.69 /MW/h £192.42 /MWh 25,426MWh
Mandatory Frequency Response	Holding Volumes & Prices: Average Volume held MW Average price £/MW/h Total Holding Spend Total Response Energy Payment Spend	5.13 0.16	Primary / Sec / High 520 346 855 3.69 1.04 5.68
Commercial Frequency Response	No. Of Contracts Total Spend	6.50	
Fast Start	Total Spend	0.36	
Black Start	Total Spend	1.27	22
BM Start Up	Total Cost of BM Start Up Number of instructions	0.26	2
Fast Reserve-Tendered	Total Spend on Availability & Utilisation	1.34	370MW
Fast Reserve Non-Tendered	Total Spend on Availability	4.18	
SO to SO	Volume Imported Volume Exported Total Spend	1.97	26GWh -1GWh
System to Generator operational inter-trips	Capability Payments Utilisation Payments	0.06 0.00	
Commercial Intertrip Service	Total Spend	0.54	
Balancing Services Constraint Contracts	Total Spend	4.77	
BM Constraints only	Total Spend	13.71	
Maximum Generation Service	Total Spend	0.00	
Demand Turndown, Fees and Liabilities	Total Spend	0.00	
Forward Trading	Traded gross volume Net cost of forward trading OTC - Power Exchange & Energy Buy Volume Sell Volume OTC - BMU Specific Buy Volume Sell Volume	-2.12	117,086MWh 2400MWh 0MWh 8760MWh -105926MWh
PGBT	No. of PGBT entered into: Sourced Agreed Average PGBT Prices £/MWh: Buy Sell Volume MWh: Buy Sell Total Cost of PGBT	0.00	0 0 0.00 0.00 0MWh 0MWh
Summary	Total	£51.53m	

9. Summary of BSIS Costs

MBSS costs report absolute costs (volume x price) on services. Costs differences in the table below compared to summary on page 24 are directly related to the estimate of the additional costs of obtaining that service above the costs of balancing the system.

2013/14 £m	A. Year to Date Total Cost	B. Year To Date Target	C. Year to Date Latest Cost Forecast	D. Year to Date Initial Target Forecast	E. Projected Total Cost for Year (Cost Outturn + Latest Cost Forecast)	F. Projected Scheme Target Total (Year 1)	G. Initial Forecast for Year
Energy Imbalance	-£36.6	£0.0	-£36.5	-£75.0	-£47.6	£0.0	-£94.2
Operating Reserve	£47.9	£0.0	£38.3	£94.5	£80.3	£0.0	£151.3
BM Startup	£0.2	£0.0	£1.2	£3.7	£0.8	£0.0	£4.8
STOR	£59.4	£0.0	£63.1	£62.8	£92.7	£0.0	£95.5
Constraints - E&W	£67.2						
Constraints - Cheviot	£97.3	£0.0	£262.5	£1,235.3	£256.1	£0.0	£1,384.4
Constraints - Scotland	£40.3						
Footroom	£10.1	£0.0	£12.4	£12.8	£14.9	£0.0	£16.3
Fast Reserve	£83.8	£0.0	£80.7	£88.2	£113.5	£0.0	£137.0
Response	£121.6	£0.0	£129.6	£142.3	£188.5	£0.0	£211.3
Reactive	£46.4	£0.0	£46.8	£52.2	£64.4	£0.0	£78.7
Minor Components	£22.3	£0.0	£20.3	£31.7	£33.9	£0.0	£49.6
TOTAL	£559.9	£0.0	£618.3	£1,648.5	£797.6	£0.0	£2,034.8

Note - Individual cost forecasts of 'England & Wales, Cheviot and Scotland' are not available. Outturn costs remain split by area.

Monthly Balancing Services Summary November 2013

Latest Projection of Scheme Outturn Cost	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Total 13/14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Total 14/15	Total
Energy Imbalance	-5.1	-15.5	-14.4	-0.2	-5.2	5.2	1.0	-2.5	3.0	0.9	-1.8	-13.0	-47.6	4.7	2.0	-5.6	-2.3	-4.1	-10.1	3.2	-0.3	-4.3	-1.2	2.9	14.1	-1.1	-48.7
Operating Reserve	4.6	1.7	2.2	6.3	4.7	7.7	10.0	10.7	8.1	8.1	8.1	8.1	80.3	8.0	7.4	6.3	6.3	6.8	6.5	11.6	9.3	13.5	5.6	11.6	11.7	104.5	184.8
BM Startup	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.3	0.1	0.2	0.2	0.1	0.8	0.0	0.0	0.0	0.0	0.1	0.0	0.3	0.5	0.2	0.2	0.1	0.1	1.6	2.4
STOR	7.3	7.4	6.8	9.0	7.2	8.0	6.6	7.0	8.4	8.4	8.2	8.4	92.7	4.7	6.2	6.3	5.8	5.8	6.3	8.1	8.2	9.4	8.3	10.0	9.2	90.3	183.0
Constraints - E&W	2.0	9.2	16.0	8.5	10.1	7.6	7.1	6.7																			
Constraints - Cheviot	17.6	14.9	5.7	10.8	15.9	8.8	13.3	10.2	11.9	13.7	12.1	13.6	256.1	13.4	14.2	9.7	3.4	15.3	29.4	17.8	33.2	18.0	10.6	9.9	5.3	180.1	436.2
Constraints - Scotland	7.6	10.0	1.1	0.8	10.3	5.5	2.8	2.2																			
Footroom	0.6	1.1	1.6	1.9	2.1	1.3	1.1	0.4	1.7	1.0	1.0	1.1	14.9	0.2	0.6	6.2	2.2	2.1	4.9	1.3	0.2	0.9	1.1	0.0	0.0	19.9	34.8
Fast Reserve	11.6	11.9	10.7	9.5	11.2	11.2	7.6	10.1	7.2	7.2	5.9	9.5	113.5	6.5	9.5	10.5	10.1	11.7	11.4	10.7	11.7	13.1	13.0	12.4	9.3	129.9	243.4
Response	15.4	13.1	12.4	15.2	16.1	17.4	18.0	14.0	16.8	17.7	14.7	17.7	188.5	11.6	15.6	16.8	14.6	15.9	20.0	16.2	16.3	19.4	20.3	19.8	17.3	203.8	392.3
Reactive	4.9	7.0	6.7	5.4	5.7	5.4	5.5	5.9	4.6	4.7	3.7	5.1	64.4	4.0	6.2	6.7	6.3	6.3	6.7	5.5	5.5	6.3	6.8	5.9	4.9	71.1	135.5
Minor Components	3.2	3.1	2.9	2.4	2.7	2.8	2.7	2.4	2.7	2.8	2.7	3.4	33.9	2.8	3.3	3.7	2.9	2.8	4.0	4.0	3.9	6.2	5.4	3.1	2.7	44.9	78.8
TOTAL	69.6	64.0	51.6	69.7	80.9	81.0	75.7	67.4	64.5	64.6	54.7	53.9	797.6	55.9	65.1	60.6	49.4	62.7	81.0	78.8	88.4	82.6	70.1	75.8	74.6	845.0	1642.6
Estimated BSUoS Vol (TWh)	50.9	47.3	43.8	48.2	44.9	46.1	49.8	54.0	60.4	62.1	56.5	57.3	619.3	50.2	49.4	48.8	47.7	47.2	47.8	53.2	56.1	60.4	62.1	56.5	57.3	634.6	1253.9
Forecast NGET Profit/(Loss)	0.0																										
Estimated Internal BSUoS (£m)	10.9	11.3	10.9	11.3	11.3	10.9	11.3	10.9	11.3	11.3	10.2	11.3	132.6	11.2	11.5	11.2	11.5	11.5	11.2	11.5	11.2	11.5	11.5	10.4	11.5	135.67	268.2
Estimated BSUoS Charge (£/MWh)	1.58	1.59	1.43	1.75	2.05	1.99	1.75	1.45	1.25	1.22	1.15	1.14	1.50	1.33	1.55	1.53	1.28	1.57	1.93	1.70	1.78	1.56	1.31	1.52	1.50	1.55	1.52

Note - Individual cost forecasts of 'England & Wales, Cheviot and Scotland' are not available. Outturn costs remain split by area.

The BSUoS forecast makes use of our current constraints model which was developed for use in BSIS 2013-2015. This allows for SO cost and incentives to flow through to a more accurate BSUoS cost estimate. Our forecast takes into account our best view given the current outage plan and reflects trends in costs.

Please note that the internal costs for 2013/14 and 2014/15 align with the amount recoverable under RIIO T1. These values are fixed upfront under the RIIO terms and as such the amount now quoted will be recovered via BSUoS during 2013/14, subject to the annual iteration process described in NGET's Transmission Licence.

Dividing this by our latest forecast of demand, including station demand after reductions for embedded wind generation and PV, multiplied by 2 gives an estimate central BSUoS forecast of **£1.50/MWh**.

The new BSUoS forecast of **£1.50/MWh** represents a **2p** change from that of last month (**£1.52/MWh**). The change is due to an outturn costs being lower for the month of November in comparison to the forecast cost reported for the relevant month in the previous MBSS submission.

9.1 New Wind Generation

Wind generation reported in Elexon Settlement Data as having generated more than 2MW in any half hour for the first time during this month is as follows:

BMU ID	Date	Connection Area	Max Metered MW
BRYBW-1	01/11/2013	SCOTLAND	13.506
LCLTW-1	01/11/2013	SCOTLAND	8.884
GYMRW-2	01/11/2013	ENGLAND_WALES	27.1

9.2 How we manage Wind generation

Energy generated by Windfarms varies according to how windy it is. Sometimes there is very little wind, and on other days wind generation could be too strong such that the turbines shut down automatically for their own protection.

In order to balance the system we require backup generation everyday. This covers for power station breakdowns, forecasting errors and for unexpected events. In the past we have seen periods when the level of electricity generated from wind within the UK, Ireland and parts of Northern Europe has been very low. This can coincide with days of peak electricity demand when it's cold and still. The cost of using backup generation is part of the total cost of balancing the system.

Sometimes we ask some wind farms to stop generating because very high wind may affect the transmission network, causing constraints.

9.3 Payments to Wind Powered Generation

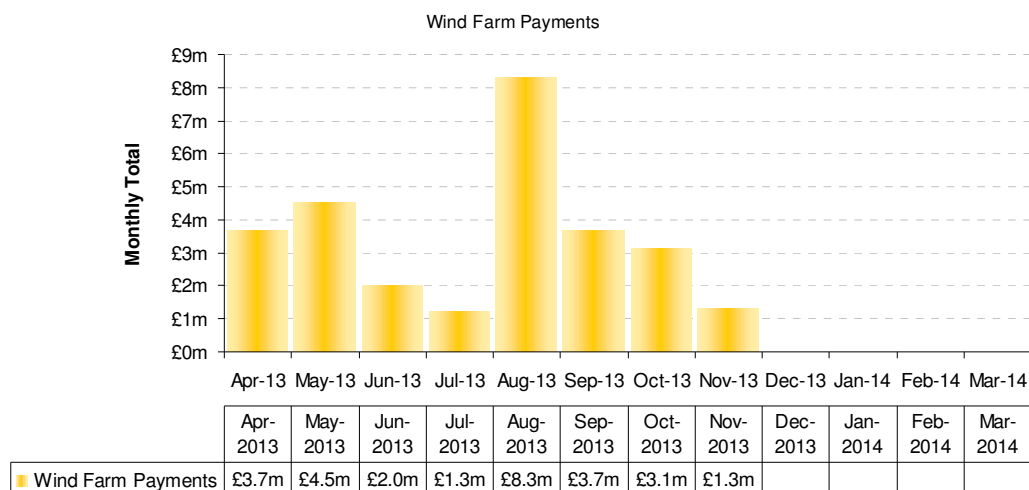
The table below shows the payments made to wind powered generation since the 2010/11 financial year. There were no payments to wind powered generation prior to this.

£m	2010/11	2011/12	2012/13	2013/14
Payments to Wind powered generation	0.2	34.1	7.6	27.9

Payments to wind farms in **November 2013** totalled **£1.3m**.

Monthly Balancing Services Summary November 2013

The graph below shows the monthly total payments to wind powered generation this financial year:



Monthly Balancing Services Summary November 2013

Detail BSIS Costs

2013-14		Outturn for Month	Target for Month	Latest Cost forecast for month	Initial Target forecast for month	Scheme to Date Total Cost	Scheme to Date Target Forecast	Scheme to Date Initial Target	Projected Total cost for Scheme (Cost Outturn + Latest Cost Forecast)	Projected Total Target for Scheme	Initial Target Forecast for Scheme
Energy Imbalance		-2.5	0.0	0.2	-6.2	-36.6	0.0	-75.0	-48.7	0.0	-94.2
	BM	-3.7	0.0	0.2	-6.2	-39.1	0.0	-75.0	-61.0	0.0	-94.2
	Forward Trade	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	SO-SO	1.2	0.0	0.0	0.0	2.5	0.0	0.0	12.3	0.0	0.0
Operating Reserve		10.7	0.0	7.0	11.1	47.9	0.0	94.5	184.8	0.0	151.3
	BM	8.0	0.0	6.3	10.8	35.2	0.0	90.1	147.1	0.0	141.2
	Constrained Margin	1.9	0.0	0.0	0.0	11.7	0.0	0.0	28.4	0.0	3.3
	Forward Trade	0.5	0.0	0.7	0.2	0.3	0.0	2.6	5.4	0.0	3.5
	UTUV (Forward Trade)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Forward Constrained Margin	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.1	0.0	0.2
	SO-SO	0.3	0.0	0.0	0.1	0.7	0.0	1.8	2.4	0.0	3.0
	SO-SO Constrained Margin	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.0	0.0
	AS Demand Downturn	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	AS Capacity Contracts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	AS - Supplemental Standing Reserve	0.0	0.0	0.0	0.0	-0.4	0.0	-0.8	-2.1	0.0	-1.5
BM Startup		0.3	0.0	0.4	0.4	0.2	0.0	3.7	2.4	0.0	4.8
STOR		7.0	0.0	8.3	8.0	59.4	0.0	62.8	183.0	0.0	95.5
	Standing Reserve	0.5	0.0	1.8	2.3	5.7	0.0	19.1	18.0	0.0	29.4
	AS - BM Reserve Option Fees	2.6	0.0	6.5	3.4	21.4	0.0	23.9	91.2	0.0	37.3
	AS - NBM Reserve Option Fees	2.0	0.0	0.0	0.9	18.1	0.0	13.0	45.1	0.0	17.2
	AS - NBM Reserve Utilisation	2.0	0.0	0.0	1.4	14.7	0.0	7.6	30.8	0.0	13.1
	AS - Supplemental Standing Reserve	0.0	0.0	0.0	0.0	-0.4	0.0	-0.8	-2.1	0.0	-1.5
Constraints		19.1				204.8					
	BM	10.9				137.2					
	Forward Trade	2.8	0.0	28.8	114.6	16.2	0.0	1235.3	436.2	0.0	1384.4
	SO-SO	0.0				0.0					
	AS - Intertip and Constraints	5.4				51.3					
Footroom		0.4	0.0	1.0	1.3	10.1	0.0	12.8	34.8	0.0	16.3
	BM	0.3	0.0	1.0	1.3	8.4	0.0	10.9	28.3	0.0	14.0
	Forward Trade	0.1	0.0	0.0	0.0	1.7	0.0	2.0	6.5	0.0	2.2
	SO-SO	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.2
Fast Reserve		10.1	0.0	6.9	12.4	83.8	0.0	88.2	243.4	0.0	137.0
	BM	2.3	0.0	0.8	2.7	17.2	0.0	19.7	43.6	0.0	29.8
	AS - Firm Fast Reserve	1.3	0.0	6.1	1.7	10.7	0.0	11.5	54.7	0.0	18.5
	AS - SpinGen	5.6	0.0	0.0	6.7	46.7	0.0	47.2	121.0	0.0	73.7
	AS - Other Fast Reserve	6.1	0.0	0.0	7.4	52.8	0.0	52.4	135.6	0.0	81.7
	AS - Fast Start	0.4	0.0	0.0	0.6	3.1	0.0	4.6	9.5	0.0	7.0
Response		14.0	0.0	20.5	16.9	121.6	0.0	142.3	392.3	0.0	211.3
	BM	4.1	0.0	4.8	4.4	33.8	0.0	42.8	111.6	0.0	61.2
	AS - Generator Response	5.1	0.0	15.7	5.6	39.9	0.0	45.1	159.9	0.0	68.2
	AS - Demand Side Response	0.2	0.0	0.0	0.5	1.5	0.0	3.8	3.2	0.0	4.5
	AS - Response Energy	0.2	0.0	0.0	0.3	1.0	0.0	2.9	4.3	0.0	3.8
	AS - Other Response	4.4	0.0	0.0	6.2	45.4	0.0	47.7	113.2	0.0	73.6
Reactive		5.9	0.0	5.7	6.9	46.4	0.0	52.2	135.5	0.0	78.7
	AS - Default Utilisation	5.9	0.0	5.7	6.9	46.4	0.0	51.5	134.0	0.0	78.0
	AS - Market Agreement Available Capabi	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	AS - Market Agreement Synchronised Ca	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	AS - Market Agreement Utilisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	AS - Sync Comp	0.0	0.0	0.0	0.0	0.0	0.0	0.7	1.5	0.0	0.8
Black Start		1.3	0.0	1.3	1.7	11.3	0.0	14.1	34.1	0.0	21.0
	BM+BMSU	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.2	0.0	0.0
	AS - Black Start Availability Contracts	1.3	0.0	1.3	1.7	10.5	0.0	14.1	33.3	0.0	21.0
	AS - Black Start Capital Contributions	0.0	0.0	0.0	0.0	0.3	0.0	0.0	0.3	0.0	0.0
	AS - Black Start Feasibility Studies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Other Blackstart costs	0.0	0.0	0.0	0.0	0.4	0.0	0.0	0.4	0.0	0.0
Unclassified BM		1.4	0.0	1.8	1.8	11.7	0.0	12.8	41.6	0.0	20.8
BM+AS General		-0.3	0.0	0.0	0.7	-1.6	0.0	4.8	2.2	0.0	7.8
	Non Delivery	-0.6	0.0	0.0	0.0	-4.6	0.0	0.0	-4.6	0.0	0.0
	Other Reserve (Unwinding)	0.3	0.0	0.0	0.5	3.1	0.0	3.0	6.4	0.0	4.1
	Ramping	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.2	0.0	0.3
	SO-SO invoked by external party	-0.1	0.0	0.0	-0.1	-0.9	0.0	-0.9	-2.7	0.0	-0.4
	AS - SO-SO BSUoS	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.1	0.0	0.5
	AS - SO-SO Interconnector	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.3	0.0	0.4
	AS - Trading Option Fees	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.1
	AS - Bank Charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	AS - Incidentals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	AS - Disputes Formally Raised	0.0	0.0	0.0	0.0	0.3	0.0	0.0	0.3	0.0	0.0
	AS - Queries/NGO Identified Issues	0.0	0.0	0.0	0.2	0.3	0.0	2.2	2.1	0.0	2.8
	Reconciliation	0.0	0.0	0.0	0.0	0.9	0.0	0.0	0.9	0.0	0.0
TOTAL		67.4	0.0	82.0	168.6	559.9	0.0	1648.5	1642.6	0.0	2034.8

Monthly Balancing Services Summary November 2013

Note- Individual constraint cost forecasts of 'BM, Forward Trades, SO-SO and AS-Intertrip and constraints' are not available. Outturn costs remain split by variable.

Volume of BM Actions by Category

Oct-13		Total for Month	Scheme forecast for Month	Year to Date Total	Year to Date Scheme Forecast	Projected total for year	Scheme Forecast for Year
Energy Imbalance		-146,271	0	-1,600,945	0	-1,600,945	0
	BM	-170,648	0	-1,650,459	0	-1,650,459	0
	Forward Trade	0	0	0	0	0	0
	SO-SO	24,377	0	49,513	0	49,513	0
Operating Reserve		597,054	0	4,023,857	0	4,023,857	0
	BM	254,490	0	1,454,281	0	1,454,281	0
	Constrained Margin	311,488	0	2,449,031	0	2,449,031	0
	Forward Trade	7,083	0	41,575	0	41,575	0
	UTEV (Forward Trade)	0	0	0	0	0	0
	Forward Constrained Margin	3,582	0	35,218	0	35,218	0
	SO-SO	10,730	0	26,063	0	26,063	0
	SO-SO Constrained Margin	9,681	0	17,690	0	17,690	0
Absolute STOR		5,535	0	60,300	0	60,300	0
	Standing Reserve	5,535	0	60,300	0	60,300	0
Constraints by Area		274,712	TBC	3,222,296	TBC	3,222,296	TBC
	E&W	274,712		3,222,296		3,222,296	
Constraint Margin Replacement		471,042	TBC	3,733,555	TBC	3,733,555	TBC
	E&W	471,042		3,733,555		3,733,555	
Footroom		-25,188	0	-489,042	0	-489,042	0
	BM	-19,808	0	-396,096	0	-396,096	0
	Forward Trade	-5,125	0	-89,799	0	-89,799	0
	SO-SO	-255	0	-3,146	0	-3,146	0
Fast Reserve		18,964	0	155,980	0	155,980	0
	BM	18,964	0	155,980	0	155,980	0
Absolute Response		364,131	0	2,639,502	0	2,639,502	0
	BM	364,131	0	2,639,502	0	2,639,502	0
Unclassified BM	Unclassified BM	-247,362	0	-1,247,519	0	-1,247,519	0
BM General		6,195	0	15,653	0	15,653	0
	Non Delivery	0	0	0	0	0	0
	Other Reserve (Unwinding)	3,049	0	8,233	0	8,233	0
	Ramping	0	0	0	0	0	0
	SO-SO invoked by external party	3,145	0	7,419	0	7,419	0
Transmission Losses	Transmission Losses	506,023	0	3,245,219	0	3,245,219	0
Theoretical Cost of Transmission Losses if purchased on wholesale market @ £49.60/MWh		£25.1m	£0.0m	£161.0m	£0.0m	£161.0m	£0.0m

Glossary of Terms used in BSIS Tables

NIA		The Net Imbalance Adjustment
Energy Imbalance		
	BM	Offers and bids taken in the BM to manage the difference between generation supplied to the BM and system demand
	Forward Trade	Trades undertaken ahead of gate closure to reduce the forecast difference between generation to be supplied to the BM and system demand
	SO-SO	Interconnector actions entered into between the system operators of the interconnected transmission systems following interconnector gate closure to reduce the forecast difference between generation to be supplied to the BM and system demand
Operating Reserve		
	BM	Offers and bids taken in the BM to establish headroom on BMUs
	Constrained Margin	Offers and bids taken in the BM which both create additional reserve and replace pre-existing headroom that is sterilised behind a constraint boundary
	Forward Trade	Trades undertaken ahead of gate closure to establish additional headroom on BMUs
	UTEV (Forward Trade)	UnTagged Energy Volume is non-locational energy trade volume traded to help meet the forecast energy imbalance.
	Forward Constrained Margin	Trades undertaken ahead of gate closure which both create additional reserve and replace pre-existing headroom that is sterilised behind a constraint boundary
	SO-SO	Interconnector actions entered into between the system operators of the interconnected transmission systems following interconnector gate closure to establish additional headroom on BMUs
	SO-SO Constrained Margin	Interconnector actions entered into between the system operators of the interconnected transmission systems following interconnector gate closure which both create additional reserve and replace pre-existing headroom that is sterilised behind a constraint boundary
	AS Demand Downturn	Ancillary services that enable demand to turndown relative to synchronised generation which, when pulled back to maintain energy balance, creates additional headroom
	AS Capacity Contracts	Ancillary services that provide additional generation capacity for headroom
BM Startup		Optional service that allows BMUs to be warmed ready to synchronise in BM timescales and held in a state of hot-

Monthly Balancing Services Summary November 2013

		standby if required
STOR		
	Standing Reserve	Offers and bids taken in the BM to run STOR BMUs
	AS - BM Reserve Option Fees	Ancillary service availability fees for STOR BMUs
	AS - NBM Reserve Option Fees	Ancillary service availability fees for non-BM STOR providers
	AS - NBM Reserve Utilisation	Ancillary service utilisation fees for non-BM STOR providers
	AS - Supplemental Standing Reserve	Ancillary service fees associated with supplemental standing reserve
Constraints		
	BM	Offers and bids taken in the BM to resolve constraints
	Forward Trade	Trades undertaken ahead of gate closure to resolve constraints
	SO-SO	Interconnector actions entered into between the system operators of the interconnected transmission systems following interconnector gate closure to resolve constraints
	AS - Intertrip and constraints	Ancillary services which provide operational intertrips, commercial intertrips and bespoke contracts to manage constraints
Footroom		
	BM	Offers and bids taken in the BM to establish negative regulating reserve capability (for example by desynchronising a BMU operating at SEL and increasing output on another BMU)
	Forward Trade	Trades undertaken ahead of gate closure to establish footroom
	SO-SO	Interconnector actions entered into between the system operators of the interconnected transmission systems following interconnector gate closure to establish footroom
Fast Reserve		
	BM	Offers and bids taken in the BM to run fast reserve BMUs
	AS - Firm Fast Reserve	Ancillary service availability fees associated with fast reserve contracts
	AS - SpinGen	Ancillary service fees associated with spingen fast reserve
	AS - Other Fast Reserve	Ancillary service fees associated with non-BM fast reserve units
	AS - Fast Start	Ancillary service fees associated with OCGT fast start
Response		
	BM	Offers and bids taken in the BM to position BMUs to be able to provide frequency response
	AS - Generator Response	Ancillary service payments for frequency response capability on generation BMUs
	AS - Demand Side Response	Ancillary service payments for frequency response capability from demand side service providers
	AS - Response Energy	Ancillary service payments for the energy delivered when providing frequency response
	AS - Other Response	Ancillary service payments for firm response, and firm

Monthly Balancing Services Summary November 2013

		response energy, including part loaded response.
Reactive		
	AS - Default Utilisation	Ancillary service payments for metered reactive power provided under the Default Payment Arrangements
	AS - Market Agreement Available Capability	Ancillary service payments for the available capability to provide reactive power pursuant to a market agreement
	AS - Market Agreement Synchronised Capability	Ancillary service payments for the synchronised capability to provide reactive power pursuant to a market agreement
	AS - Market Agreement Utilisation	Ancillary service payments for metered reactive power provided pursuant to a market agreement
	AS - Sync Comp	Ancillary service payments for provision of synchronous compensation
Unclassified BM		Actions not satisfying the specific criteria of any other category
BM+AS General		
	Non Delivery	Correction for failure to delivery energy as contracted.
	Other Reserve (Unwinding)	Costs associated with reversing a previously agreed BOA.
	Ramping	Costs associated with managing changes on the interconnectors to limit rate of change of transfer to the technically achievable ramp rates
	SO-SO invoked by external party	SO-SO trades over an interconnector instigated at the request of the other system operator connected to the interconnector
	AS - SO-SO BSUoS	BSUoS charges associated with interconnector actions entered into between the system operators of the interconnected transmission systems following interconnector gate closure
	AS - SO-SO Interconnector	Interconnector fees associated with interconnector actions entered into between the system operators of the interconnected transmission systems following interconnector gate closure
	AS - Trading Option Fees	Energy trading broker fees
	AS - Bank Charges	Interest costs in respect of disputes
	AS - Incidentals	Exchange rate adjustments
	AS - Disputes Formally Raised	Disputes raised on AS payments
	AS - Queries/NGC Identified Issues	Forecast cost of unsigned contracts/disputes not yet formally raised