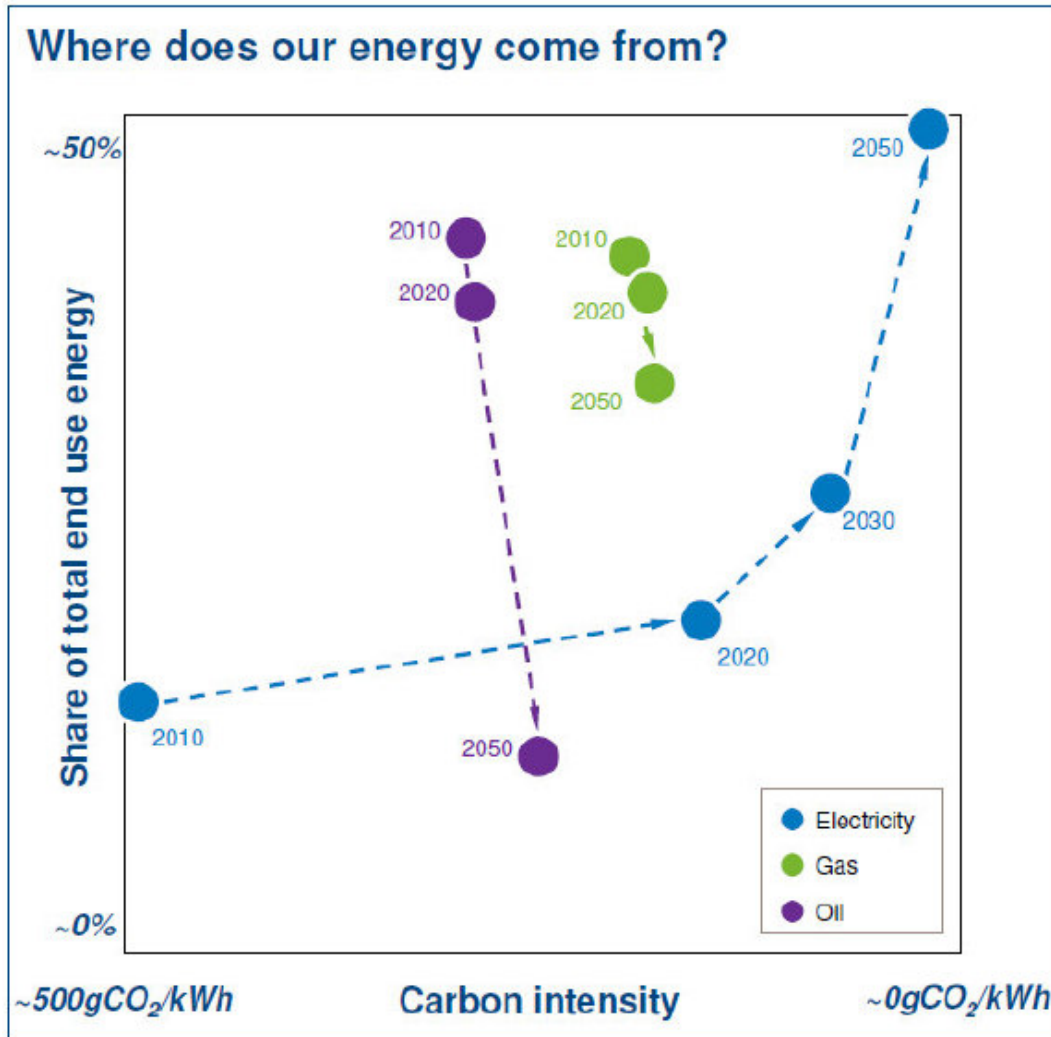


Electricity Market Reform



Mark Ripley
Project Director, EMR
National Grid

The changing energy landscape



Power station closures

~25%

of total capacity by 2020 vs 2010 levels

Decarbonise electricity

80%

CO₂ reduction by 2050

Energy from renewables

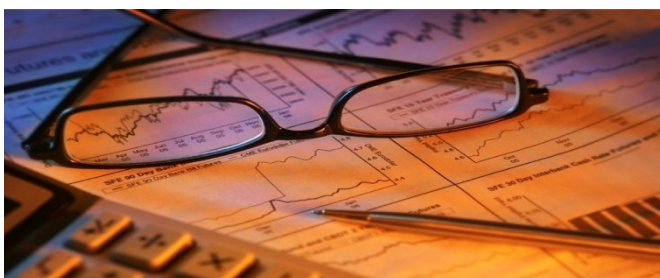
~15%

of total supplies by 2020

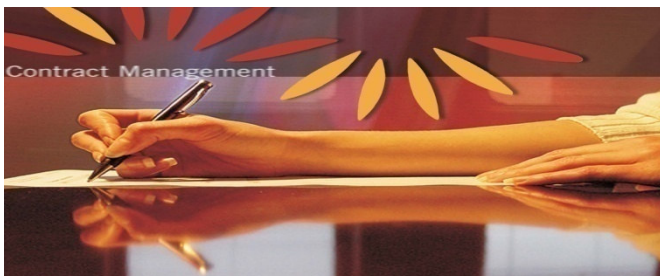
EMR Delivery Body

nationalgrid

What National Grid will do....



- Provide analysis and modelling information
- Develop scenarios



- Assess eligibility for contracts
- Allocate CfD contracts



- Run capacity auctions
- Administer capacity contracts

Report progress against expected outcomes

What National Grid will not do...



- Set energy policy
- Set the Security of Supply Standard
- Set CfD Strike prices
- Be the contractual counterparty to the CfD contracts
- Use information gained as a result of the EMR role for any purpose other than EMR

Where are we today?



- 27th June Draft Strike prices
- Capacity auction initiation 2014



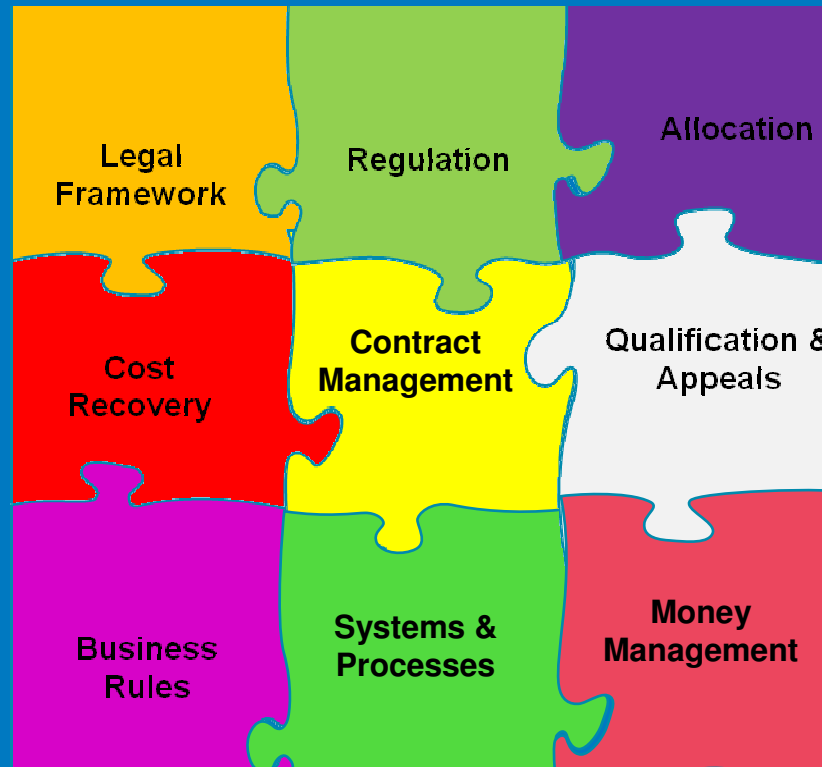
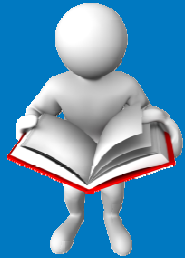
- **17th July Delivery Plan consultation**
 - Further details on strike prices
- **Core Scenarios**
 - Renewable targets 30%, 32%, 35%
 - Carbon Intensity trajectory to 100g Co2 by 2030



Building capability

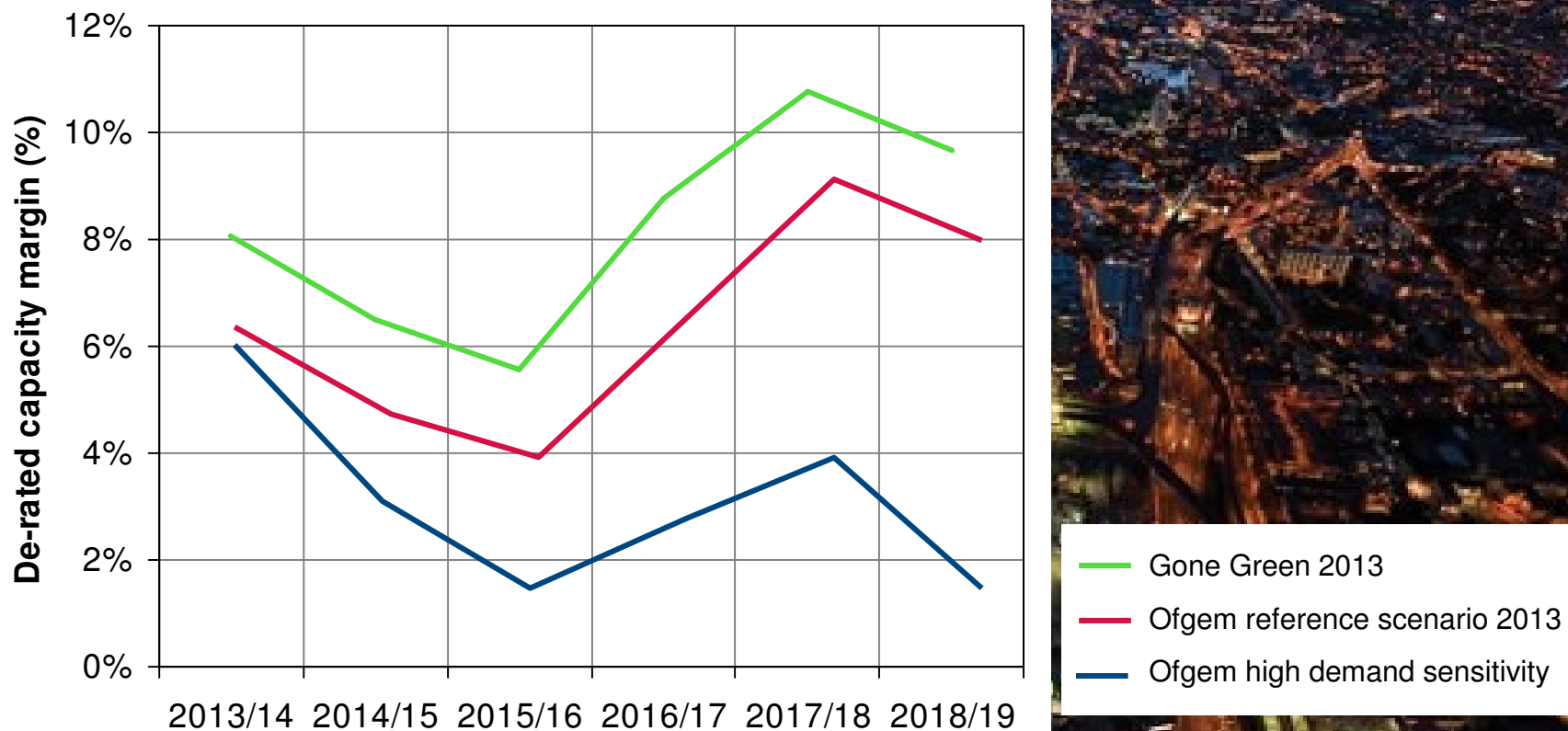


Collaborative Development



Capacity Margin Challenges in 14/15 and 15/16

- Ofgem Reference Scenario (Base Case) again results in 4% minimum for 15/16
- All scenarios exposed to a number of other sensitivities e.g. interconnection, wind



Contingency measures timeline

