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To All Non-BM Service Providers

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New Service Trial – Aggregated Non-BM Fast Reserve

Dear Service Provider

Invitation to register your interest

Following a number of approaches from potential providers, National Grid is considering introducing an aggregated Fast Reserve service from non-BM providers. To allow potential providers to trial the provision of such services, we would like to invite non-Balancing Mechanism Service Providers to register their interest in providing Fast Reserve Service.

Benefits of the service

The introduction of this service has the potential to increase competition in the market allowing for a more efficient and economic procurement of the service requirement and provide significant new opportunities to provide a service that is likely to be well suited to demand side provision. For clarity, the introduction of this aggregated Fast Reserve Optional Service does not imply an increased Fast Reserve service requirement.

Details

The trial would be facilitated on an optional bilateral basis for a period of no more than three months, which is currently envisaged to run between now and April/May 2014.

The trial of a provider's service provision need only run until both parties agree that the provider is reliably meeting the service requirements. After this time, we anticipate providers will offer the service through our Firm Fast Reserve monthly tender round.

In order to participate in this service, a potential service provider needs to meet the requirements below:

- **Minimum Capacity of 50MWs**

A Minimum service provision of 50MWs delivered within 2 mins is required which can be delivered through demand reduction and/or generation. There is no limit on the number of sub-sites but the total capacity of the aggregated sites is at least 50MWs. National Grid will insist that only one phone call will be made to the relevant service provider in order to dispatch the total capacity across all the sub-sites.

- **Pre-qualification**

A pre-qualification questionnaire must be completed and returned to National Grid for assessment.

- **Framework Agreement**

Once the pre-qualification has been assessed and approved, National Grid and the service provider will start the negotiation of the Framework Agreement for the Aggregated Fast Reserve Optional Service. The Framework Agreement obliges both parties to comply with the Fast Reserve Tender Rules and Standard Contract Terms April 1st 2013.

- **Metering Requirement**

Service Providers are required to provide minute by minute metering data in a format pre-agreed with National Grid for settlement and performance monitoring purposes.

- **Payment Structure**

Service Providers should be aware that as an optional service, National Grid will only offer utilisation payment for each service delivered as per the Framework Agreement and instruction.

The intention is that National Grid and the Service Provider will enter into a bilateral agreement and the trial will last for three months from a time and date agreed between both parties as per the Framework Agreement.

Further Information

National Grid encourages any provider to review the Market Information Report to understand the requirement and utilisation of the Fast Reserve service.

<http://www2.nationalgrid.com/UK/Services/Balancing-services/Reserve-services/Fast-Reserve/Fast-Reserve-Information/>

To register your interest in this Aggregated Fast Reserve Optional Service, please complete and return the Pre-qualification form to myself as per the contact details above.

Pre-qualification form is available under Technical Requirements of the Fast Reserve service webpage. Please follow the link below.

<http://www2.nationalgrid.com/uk/services/balancing-services/reserve-services/fast-reserve/>

For more information and detail about this service, please contact your Balancing Services Account Manager or myself.

Yours faithfully

Steve Miller
Fast Reserve Lead