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The Statement of the Constraint Cost Target Modelling Methodology

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About this Document

This document contains one of three methodologies that National Grid Electricity Transmission plc (NGET) employs to calculate the Modelled Target Costs, against which its actual balancing costs will be compared, on a month-by-month basis, under the Balancing Services Incentive Scheme (the 'Scheme').

The remaining methodologies are as follows:

- The Statement of the Energy Balancing Cost Target Modelling Methodology 2015-17
- The Statement of the Ex-Ante or Ex-Post Treatment of Modelling Inputs Methodology 2015-17

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Chapter 1: Modelled Target Costs

- 1.1 The Modelled Target Cost (in £ million) is defined in Special Condition 4C as “...the target cost to the licensee of procuring and using balancing services (being the external costs of the Balancing Services Activity)...” derived in accordance with the methodologies referred to Part K of Special Condition 4C ...”
- 1.2 This document sets out the constraints methodology referred to in paragraph 4C.35 of Special Condition 4C. It should be read in conjunction with the other methodologies:
- The Statement of the Energy Balancing Cost Target Modelling Methodology; and
 - The Statement of the Ex-Ante or Ex-Post Treatment of Modelling Inputs Methodology.
- 1.3 The target constraint cost is made up of the costs associated with actions taken in the balancing mechanism to manage constraints and additionally, the costs associated with the replacement of constrained headroom.

$$\begin{aligned} \text{CONSTRAINT_COST_TARGET}_t = & \\ & \text{DF} \times \text{TARGET_BM_COSTS}_t \\ & + \text{TARGET_HEADROOM_REPLACEMENT_COST}_t \\ & + \text{TARGET_ROCOF_COST}_t \end{aligned}$$

Where:

DF

A discount factor of 0.62 (to promote efficient cost management)

TARGET_BM_COSTS_t

Defined in Paragraph 2.4

TARGET_HEADROOM_REPLACEMENT_COST_t

Defined in Paragraph 6.2 as CONS_HR

TARGET_ROCOF_COST_t

Defined in Paragraph 7.14

- 1.4 For the avoidance of doubt, costs relating to Supplemental Balancing Reserve (SBR) are excluded from the Scheme. These are recovered separately under the SBR framework. The treatment of these units is described in 5.21 to 5.25.
- 1.5 The incentive on constraint management encourages NGET to develop innovative configurations for operating its substations, explore contractual or service solutions to reduce constraint costs and agree mechanisms for Users to provide post-fault actions to manage the impact of faults.

Principles

- 1.6 The principles applied when modelling constraints costs are as shown in
- 1.7 Figure 1 below:

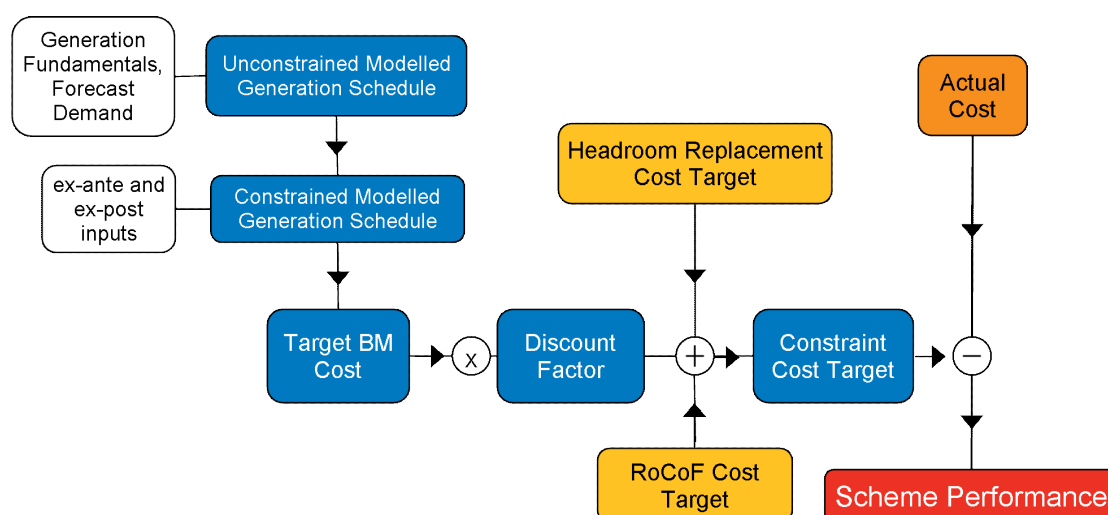


Figure 1: Overview of constraint modelling process

- 1.8 Plexos is power market modelling and simulation software from Energy Exemplar. This tool is used by NGET to model constraint costs.
- 1.9 The ‘generation fundamentals’ capabilities of Plexos are used to generate a schedule of plant to meet demand. The output of this schedule is ‘unconstrained’ – i.e. it assumes infinite transmission capacity. The model is then re-run introducing GB transmission network layout and associated boundary limits. The boundary limits are derived to represent flow limits across groups of transmission lines on an intact system as well as taking account of outages anticipated up to year ahead timescales, i.e. cut off for financial year 2015-16 would be 31 March 2015. Where a boundary limit is exceeded, the resulting constraint is resolved by Plexos through the re-scheduling of plant dispatch. This new plant dispatch solution is achieved through providing Plexos with a representation of offer and bid prices¹ submitted by participants into the balancing mechanism. This provides an overall ‘constrained’ schedule of plant dispatch that satisfies transmission system constraints and also meets demand.
- 1.10 The cost arising from moving the system from the unconstrained run to the constrained one gives a modelled target direct cost, which is then reduced by a discount factor. This is designed to recognise that resolution of constraints through the balancing mechanism is not the only or most efficient means to manage costs. It is therefore also intended to provide an incentive to derive efficiencies through the application of both existing and new balancing services and tools. The sum of this discounted modelled direct cost, plus the ROCOF Cost² and the Headroom Replacement Cost³ gives the incentive target against which NGET’s out-turn will be compared to determine its performance under the SO incentive.
- 1.11 In accordance with licence paragraph [4C.38] of licence Special Condition 4C, if NGET considers that an error(s) has occurred which prevents any model from reflecting the intent of modelling constraint costs, NGET shall notify the Authority of the error(s) and its materiality and promptly seek to correct the

¹ The derivation of the bid and offer price representations are described in more detail in sections 4.9 through 4.21

² See Chapter 7 for explanation of ROCOF costs

³ See Chapter 6 for explanation of headroom replacement costs

error(s). Examples of such errors can be found in **2.27**, **2.30** and **2.32**. these examples are illustrative and not an exhaustive list.

Chapter 2: Plexos Model

Overview

- 2.1 The software application used to model constraint costs on the network is Plexos (from Energy Exemplar), as per BSIS 2011-13 and BSIS 2013-15. NGET has updated the model in Plexos for BSIS 2015-17. The use of the Plexos software model for constraints modelling is based on the application of optimisation techniques aimed at minimising total BM costs.
- 2.2 The key output of the model is the anticipated total cost of constraints incurred by NGET in adjusting the self-dispatch position of generators in order to maintain a security standard on the network.
- 2.3 The first run of the model derives a simulation of market behaviour and applies the principal of an efficient market, self-dispatching to satisfy a forecast demand. The optimisation uses individual BMU heat rates or efficiency factors to derive a plant dispatch that minimises the short run marginal cost. The solution takes account of a number of additional plant dynamics including maximum export limit, stable export limit, minimum zero and non zero times, run up and run down rates, etc.
- 2.4 The Modelled Target Cost for constraints results from the second run of the model. This looks to obtain a minimum cost to delivering a feasible plant dispatch solution for a given set of transmission system restrictions. The resultant plant dispatch solution away from the initial plant dispatch condition (as derived from the first run) is achieved through bid and offer acceptances in the balancing mechanism.

$$\text{TARGET_BM_COSTS}_t = \text{Min} \sum_m \text{Balancing Mechanism Costs}_m$$

Subject to:

- (i) Power flows being within limits of constrained boundary model
- (ii) Supply equals demand
- (iii) Generator dynamic ratings are not exceeded

Where: t is the Relevant Year within the scheme period (of 2 years)
m is a particular month in the period under consideration.

Modelled network

- 2.5 The modelled network has been developed in line with the network used in operating timescales and the transmission system restrictions that are anticipated for each year within the scheme period.
- 2.6 The BSIS constraints model has been designed to be able to accommodate almost all potential transmission constraints which can occur on the GB system, in order to make the constraint cost forecast more accurate. These constraints can be thermal, voltage, or stability. The network model is defined at GB substation level, down to 275kV in England and Wales, and 132kV in Scotland: in other words, assets under the control of the System Operator, (SO) are explicitly modelled in the network topography. This represents the assets comprising the main interconnected system (MIS).
- 2.7 The modelled network is made up of nodes, lines and interfaces. Each individual substation which is part of the main interconnected system (MIS) is represented by a single node. There are a few nodes which purely represent

points where lines join together for example a T-point. The properties of a node are its load participation factor (LPF), the generation connected at that node and the lines to which it connects. The sum of the load participation factors of all the nodes must be equal to 1.

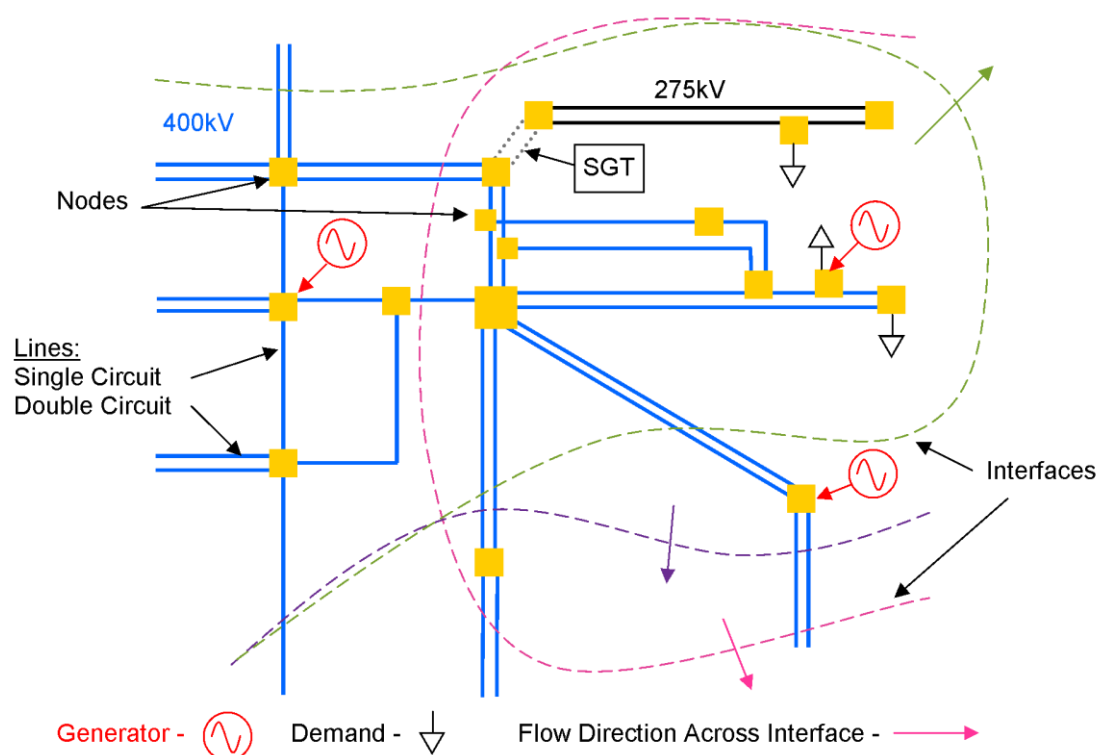
- 2.8 The nature of network system operation means that substation configurations are frequently switched by the SO. As practically it is only possible to manage one static network topology in the Plexos model, a snapshot of the GB system is used, showing all substations, in a 'solid' electrical configuration (i.e. all points within the substation that are at the same nominal voltage are connected together) and all substations are connected with one to one representations of the real transmission circuits.
- 2.9 A line is used to join nodes and although named with the actual asset code it represents a virtual connection between them (not the physical network). Therefore, the min and max flows are ± 99999 MW as Plexos is not used to perform electrical load calculations, the physical characteristics of the transmission lines are not relevant (e.g. resistance and impedance values) as we are modelling transmission constraints using a boundary methodology.

Interfaces and Boundaries

- 2.10 An interface is a collection of lines and serves as the Plexos representation of a boundary in NGET terminology, but to all intents and purposes they are the same thing. The interface is used to limit the flow across the boundary. The limit can be in a single direction across the interface or in both directions and can be time-varying. Each line that crosses an interface is a member of that interface. It is important to note that a line may be a member of more than one interface.
- 2.11 All substations and lines are present in the model. Any boundary which cuts any lines can be incorporated into the model. Any limitation of flow which cannot be represented by a group of lines, for example, a boundary which cuts through a split substation, can be accommodated by defining a rule from which Plexos creates a 'Constraint Object.' These can be applied to the model in the same way as interfaces.
- 2.12 The final property to be defined for an interface is the flow coefficient. This is a 'secondary property' as it is a property of a specific line and interface. If the reference line flow is defined in the same direction as the interface, the flow coefficient is 1. If the reference line flow is opposite to the interface, the flow coefficient is -1.
- 2.13 The location and number of boundaries and rules have been selected by NGET based on year ahead outages and the resultant bottlenecks on the transmission system. This is derived from historic data alongside operational experience of its power system engineers. Offline power systems studies are carried out where historic data is not available due to new outage combinations or changes to transmission system topology.
- 2.14 Some boundary limits will vary as a result of the underlying generation mix. Where a boundary limit does vary as a function of a generation type that uses an ex-post input to the model, for example, interconnectors, the most appropriate boundary limit will be applied. It is important to note that the different potential boundary limits will still be identified on an ex-ante basis.

Demand and generation

- 2.15 Nodal demand has been derived based on the historical percentage of each node's demand in relation to the total GB system demand, derived from December 2014 data.
- 2.16 Demand is forecast based on historic demand take-off from Grid Supply Points (GSPs), and care has been taken to adjust it to reflect the contribution from embedded wind and solar PV, that is modelled separately as generation in the Plexos model.
- 2.17 Transmission connected generation is connected to the GSP in the model to reflect its actual connection in reality. Embedded generation is connected to the most appropriate node which has been defined by the physical location of plant on the system.
- 2.18 The diagram below represents how Plexos 'sees' the GB electricity network with nodes being connected by lines across interfaces



- 2.19 Transformers on the GB system are represented by a line connecting two nodes at the same location but at different voltages (shown by grey dotted lines SGT).

- 2.20 In order for Plexos to distinguish between lines, NGET nomenclature codes are used (unique code given to each transmission asset on the GB system) preceded by one of the following:

Letter	Meaning
A	400kV line
B	275kV line
C	132kV line
F / S / T	Transformer

Table 1 showing Plexos line references

Boundary limits during outage conditions

- 2.21 For each boundary, a subset of the outages planned to take place throughout the outage year are selected. The selection process is based on historic data and the operational experience of power system engineers, and represents the most significant outages in relation to their impact on boundary transfer capabilities.
- 2.22 The offline power system studies are used to calculate an appropriate power flow that can be accommodated across a particular boundary, namely the 20 minute short term rating. For each boundary, multiple contingencies (circuit trips) are run to establish the most onerous fault conditions. For the most onerous fault conditions, the maximum appropriate power flow that can be achieved across the boundary is calculated according to NETS SQSS requirements.
- 2.23 In the case of a thermal constraint, the boundary limits have been calculated using the 20 minute short term rating of the worst overloaded circuits. This means that the maximum power flow across a boundary will be calculated to ensure that the power flows on these overloaded circuits can be reduced to their post fault continuous rating within 20 minutes. It's important to realise that this limit is achieved by selecting the most effective generation available in reducing those overloaded circuits. The post fault generator effectiveness is considered in a similar way for other types of constraint that can occur.
- 2.24 In addition, NGET will apply logical rules to generators to model constraints which are not able to be modelled via boundaries. For example, if a specific number of generators are required for voltage support, then the model will ensure that they are running. If there is an outage at a substation that is local to a generator, then this can be modelled by a logical rule which restricts the output of the generator accordingly. These voltage rules will be reviewed prior to the second year of the scheme for implementation in the model from 1st April 2016.
- 2.25 Limits are also a function of generation and demand backgrounds and can for example change between night and day or weekday and weekend.
- 2.26 The boundary limits are applied to the interfaces between the interconnected nodes.

- 2.27 In accordance with licence paragraph [4C.38] of licence Special Condition 4C, if NGET considers that an error(s) has occurred in the Constraint model in relation to the calculation of boundary flows; NGET shall notify the Authority of the error(s) and its materiality and promptly seek to correct the error(s).
- 2.28 Constraint boundary limits will be recalculated based on the latest view of the year ahead outage plan prior to the second year of the scheme for implementation in the model from 1st April 2016.

Model Settings and Erroneous data management

- 2.29 The optimising software is a commercially available tool. There are multiple settings within the software and there may be occasions where these need to be changed.
- 2.30 NGET will analyse model optimisation to ensure the unconstrained / constrained model settings are appropriate. In accordance with licence paragraph 4C.38 of Special Condition 4C, where NGET finds an error(s) in model settings which prevents the model from appropriately reflecting this methodology statement, NGET shall notify the Authority of the error(s) and its materiality and promptly seek to correct the error(s).
- 2.31 If NGET detects data that it believes is erroneous (i.e. bad data), NGET will verify with the generator in question that the BM data was submitted in error.
- 2.32 In accordance with licence paragraph [4C.38] of Special Condition 4C, if NGET considers that an input error(s) has occurred as a result of information submitted by a third party, NGET shall notify the Authority of the error(s) and its materiality and promptly seek to correct the error(s).

Out of scope

- 2.33 Transmission system losses and net imbalance volume (NIV) are ignored in order to ensure that total demand equals total supply.

Chapter 3: Unconstrained model

Overview

- 3.1 The objective function of the unconstrained model is to minimise the sum of the short run marginal cost of generation dispatch when no boundary limits are present.

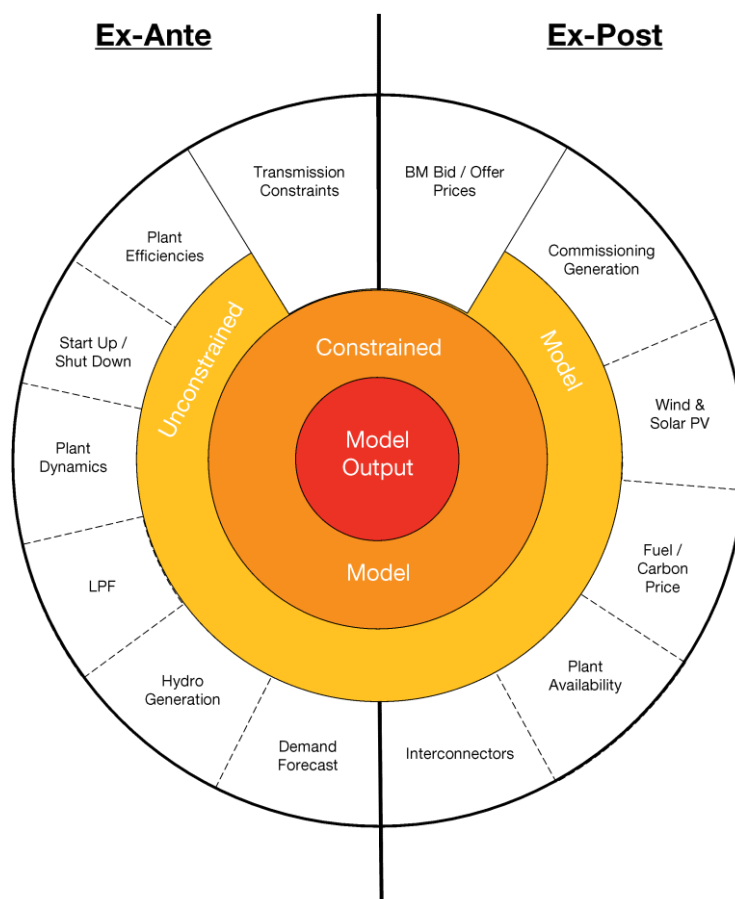


Figure 3: Output Model

- 3.2 The diagram above illustrates the full run of the model; starting with the inputs around the outer circle, going through the unconstrained model, where the output is joined by Transmission Constraints and BM bid / offer prices before the constrained model is run giving the final output at the centre circle. The diagram shows which inputs are ex-ante and which are ex-post, this is explained in further detail below.

Generation dispatch

- 3.3 Using demand forecast, fuel and carbon prices, plant efficiencies, start-up costs, generator availability, wind and hydro generation data and interconnector flows, a generator running schedule is derived that minimises the short run marginal cost of generation. This is done without regard to the transmission system as the market dispatch under BETTA disregards location.

Inputs for deriving target cost

- 3.4 The first crucial data required is the demand forecast which is to be met by generation in the model. Demand forecast, an ex-ante input, is obtained through the well-established processes within NGET. Demand is forecast at a

GB level and apportioned to grid supply points based on observed and understood relationships. The demand forecast is based on average weather (over a 30 year period) and uses underlying historical data from the previous three years. Based on the recent trend in demand profile for weather corrected and seasonal adjusted demand, the future trend has been forecast.

- 3.5 Demand is forecast based on historic demand take-off from Grid Supply Points (GSPs) and care has been taken to adjust it to reflect the contribution from embedded wind and solar PV that is modelled separately as generation in the Plexos model.
- 3.6 To achieve the initial run (the unconstrained dispatch), a number of inputs are provided for each generation unit, including:
 - Fuel price
 - Carbon prices
 - Plant efficiencies
 - Start-up / Shut-down costs
 - Plant dynamic parameters
 - Availability
 - Commissioning generation output (if applicable)
- 3.7 In addition to these inputs and demand as previously detailed, interconnector flows, solar PV output and wind generation output files are also fed in to the unconstrained run of the model to enable a dispatch of unconstrained generation to be produced.

Fuel and carbon prices

3.8 In order to input large amounts of time varying data, input data files are used. The fuel prices are measured in £/GJ, and the carbon price is measured in £/kg. Emissions costs are included in dispatch decisions. For the unconstrained model, they are as follows:

Data file name	Description	Source ⁴
Gas Price	Daily gas price in £/GJ	Bloomberg- Day Ahead Spot price at NBP
Coal price	Daily coal price in £/GJ	Bloomberg – Generic CIF ARA Steam Coal forward price
Carbon price	Annual carbon price in £/kg plus any relevant Government imposed additional Carbon Support Price (details see 3.9)	Bloomberg – European Futures Contract for Carbon
Oil	Monthly price in £/GJ	Bloomberg – Crude Oil, Brent Futures Price

Table 2 describing the input data files

Carbon Support Price

3.9 The carbon support price is a charge levied on generators of electricity using fossil fuels. This impacts the overall costs of generating electricity and consequently the merit order which the model uses to determine the order of dispatch.

3.10 The current CSP rates are as follows: (Source: <https://www.gov.uk/climate-change-levy-application-rates-and-exemptions#carbon-price-support-rates>)

Fuel	Rates 1 April 2015 to 31 March 2016	Rates 1 April 2016 to 31 March 2017
Gas (£ per kilowatt hour)	0.00334	0.00331
LPG (£ per kilogram)	0.05307	0.05280
Coal and other solid fossil fuels (£ per gigajoule on gross calorific value)	1.56860	1.54790

Table 3 Carbon Support Rates

Plant dynamic parameters, efficiencies and start up costs

3.11 Plant dynamic parameters are detailed below.

3.12 Data sources used by generation plants are given in the table below:

Input	Source
BMU Heat rates	Ex-ante, based on historic generation.
VO&M cost	Ex-ante, based on market intelligence.
Start Up & Shut Down	Ex-ante, based on market intelligence/

⁴ The Bloomberg indices used as source data are NBPDAHD, API21MON, ICEDEUA and EUCRBRDT. The Bloomberg exchange rates used to convert the prices into GBP are GBPUSDGN and GBPEURGN with the addition of an appropriate unit conversion formula. If any of these sources become discontinued or unavailable, a decision will be sought from Ofgem regarding a suitable alternative and whether it should be applied retrospectively.

cost	analysis.
Technical plant parameters	Ex-ante, based on market intelligence.

Table 4 describing data sources for generation plants

- 3.13 BMU heat rates are the energy input required for 1MWh of output.
- Heat rate = Potential Energy [GJ]/Electrical Energy output [MWh]
- Efficiency = Electrical Energy Output [GJ]/Potential Energy Input [GJ]
- Since, 1MWh = 3.6 GJ,
- BMU heat rates= 3.6/Efficiency
- 3.14 VO&M (Variable Operation and Maintenance) charge is a component of the incremental cost of generation per megawatt hour. It is used to recover maintenance costs which are a direct function of generation such as wear and tear and other servicing costs. It is factored into units' short-run marginal costs.
- 3.15 Start up / shut down costs for existing units are estimated in a similar way as that of efficiencies, i.e. through simulating historic market conditions and adjusting the costs until a reasonable match is reached. A full recalibration of the unconstrained dispatch against historic running patterns was undertaken. As it is not possible to verify individual start up / shut down costs we use these parameters to improve the calibration only.
- 3.16 The inputs BMU heat rates, VO&M and Start up/Shut down costs will be all reviewed prior to the second year of the scheme for implementation in the model from 1st April 2016.
- 3.17 Selected CHP generators will be treated as "must run". These generators supply process steam to industrial plants with electricity as a by-product. As such they will always run when available to do so.
- 3.18 Some other generators will be treated as a "must run at SEL, (stable export limit) or above" with the model free to dispatch the economically optimal level at or above SEL for each of these units.
- 3.19 Supplemental Balancing Reserve (SBR) units will be treated as ex-post and "must run"; essentially meaning that they contribute to meeting demand but not to the modelled BM cost. Further explanation is provided in Chapter 5 (5.21 – 5.25).
- 3.20 Generation availability is treated as an ex-post input to the unconstrained run of the model where outturn MEL / SEL data, at 6 hours ahead, is employed as the source data. This will be taken for each BM unit for each settlement period and input to the model on a monthly basis in line with other ex-post inputs. The source of this data will be the National Grid Economic Data warehouse (NED), a system that stores and aggregates operational and half-hourly settlement data. On the rare occasions when this data is not available but the generator is available, one of the following alternatives will be used (in order of preference)

- (i) MEL / SEL at gate closure (1 hour ahead)
- (ii) MEL / SEL at real time
- (iii) The last submitted value by that unit
- (iv) An average of submitted values from other units of the same type at the same power station.

3.21 Commissioning generation is treated as an ex-post input to the model for the first 6 months of operation. Its output will be modelled in the same way as all other generation thereafter. Generation which undergoes conversion to a new fuel type will be treated as a newly commissioning generator.

3.22 Interconnector flows (HVDC) will be modelled at the intraday gate closure position i.e. will be input to the model on an ex-post basis. This input data will be derived using Elexon settlement final physical notification (FPN) for interconnector BMUs, excluding system/error admin accounts, minus trade volumes from NGET's Energy Trade Management System (ETMS). Any further interconnectors would be added to the model at the point of commissioning and handled in the same way as existing interconnection.

3.23 In addition to the above, further inputs are required to fully represent generation levels on the system. These are described in further detail in **Chapter 5: Generation:**

- Hydro generation running assumptions, see **5.12 - 5.18**
- Interconnector assumptions, see **5.19 - 5.20**

Outputs

3.24 The unconstrained model delivers a number of outputs which are written to a file as shown in the table below. These are then used as inputs for the constrained model.

Data file name	Description
FPN	Generation, used as Base Generation profile input
MEL	Available capacity
FPN to SEL	The difference in volume between generation and generator's stable export limit. This is calculated as $\text{Min}(0, \text{SEL} - \text{FPN})$
SRMC	Short run marginal cost
Pump Load	Pumping, used as Base pumping profile input
IsOperating	Will have a value of True if the unit is generating and False at all other times (only applies to generation side)

Table 5 showing unconstrained model outputs

Chapter 4: Constrained Model

Overview

- 4.1 The forecast of constraint costs is done by running a simulation of the system unconstrained followed by a run with boundary limits included, using the result from the first run as the starting position of the generating units. Each unit is assigned a set of prices as part of the balancing mechanism explained below and the optimisation engine identifies the minimum cost to move the system from the original position to a feasible position, given the transmission constraints. The diagram below illustrates the second run of the model which will determine the generation output of the constrained system. The inputs are BM bid/offer prices as well as transmission constraint boundary limits (explained in paragraph 4.23).

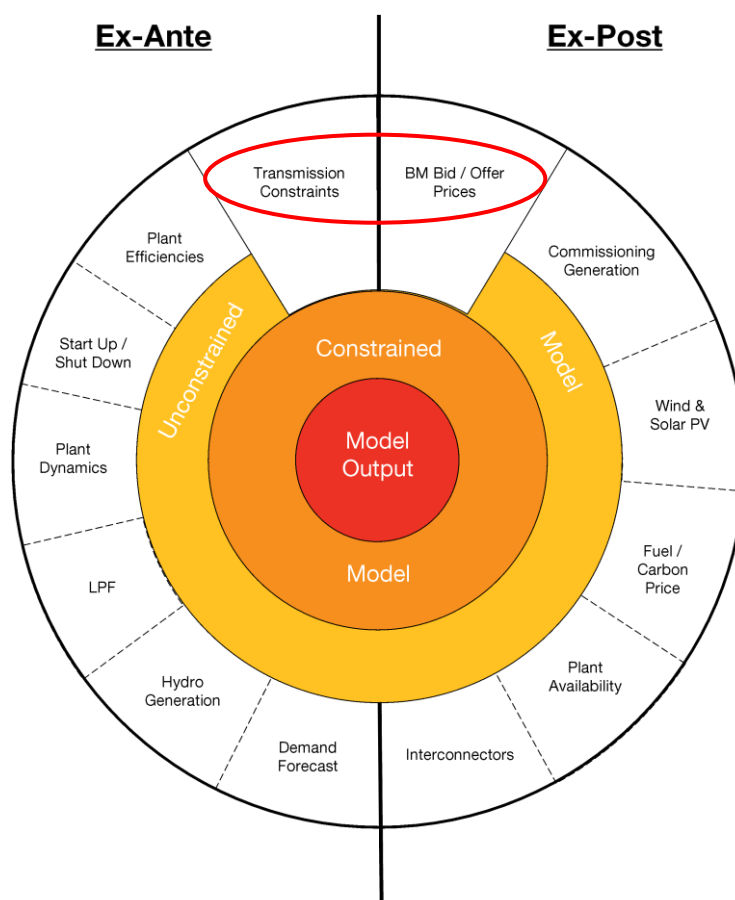


Figure 4 Output Model

- 4.2 This second run of the model factors in the limitations of the transmission network. The difference between the constrained and unconstrained runs represents the model's assessment of the required volume and associated cost of constraint management activities. The generation output levels from the unconstrained model are used as inputs to the constrained model where Plexos re-dispatches generation to meet demand, whilst considerations to the boundary constraints and the submitted prices for re-scheduling plant are applied.
- 4.3 Where a boundary's capability is exceeded, the resulting constraint is resolved through re-scheduling plant. This is achieved using a representation of offer and bid prices submitted into the balancing mechanism as described

in 4.9 through 4.21. This provides a 'constrained' schedule of plant that satisfies transmission system constraints whilst meeting demand.

- 4.4 The sum of accepted bid and offer costs will be processed as required in Appendix A, then multiplied by the discount factor to determine the modelled target costs, and will be used to determine NGET's performance under the incentive.
- 4.5 The following section describes the way in which the model is constructed, including simulation of the balancing mechanism.

Balancing Mechanism

- 4.6 The objective function used for the constrained model is to minimise total amount of money spent on the balancing mechanism subject to the boundary limits (and other constraints) set in the model above.
- 4.7 The balancing mechanism is exclusively used in the constrained model. It is simulated through four bid/offer price-quantity pairs, as described in 4.11, and using the unconstrained dispatch model as an initial condition.
- 4.8 The unconstrained dispatch shall be changed to respect interface limits, and where arbitrage opportunities exist between generators, they shall be taken.

Generation

- 4.9 Offer Base is the unconstrained generation (FPN). This is the generator self-dispatch level and therefore the base level for each generator in the balancing mechanism.
- 4.10 Offer Prices are read in three bands and are conditional on whether the generator is operating. When generating, the three bands are to move between FPN and off (De-sync Bid), FPN and SEL (Energy Bid) and FPN and Max availability (Energy Offer). When not generating, the first two bands are zero, and the third band is to take the generator up to SEL (Sync Offer).
- 4.11 Four prices are used because there are broadly four categories of actions in the BM that have different price drivers; they, and their drivers, are as follows:
- De-sync Bids - the submitted bids on a unit to reduce its output from SEL to zero. One would expect the price to reflect the value of the fuel saved, and also the cost of increased maintenance due to the extra synchronisation that will occur at a future time.
 - Energy Bids - the submitted bids on a unit to reduce its output from FPN towards SEL. One would expect the price to reflect the value of the fuel saved.
 - Energy Offers - the offers on a synchronised unit above SEL. One would expect the price to reflect the cost of fuel used plus an opportunity element.
 - Sync Offers - the submitted offers on a unit to switch the unit on and increase its output to SEL. One would expect the price to reflect the cost of fuel used, and the maintenance cost due to the synchronisation event.
- 4.12 To derive the prices for the four operating modes described above, the volume weighted average offer and bid prices are calculated on a half hourly basis for each BMU, using an ex-post input of actual submitted prices. These are calculated from the capped physical notification (CPN) which is defined as the minimum value of the final physical notification and the maximum export

level. Using the CPN, the offer prices can be calculated for their corresponding offer quantities. From these, the weighted average per half hour per BMU for each operating mode can be found. These are the prices used in the constrained model.

- 4.13 The tables below give the relationship between the three Plexos bands and the corresponding offer prices and quantities.

Offer Price		
Band	When Operating	When Off
1	De-sync Bid	0
2	Energy Bid	0
3	Energy Offer	Sync Offer

Table 6 showing offer price bands

Offer Quantity		
Band	When Operating	When Off
1	-99999MW	0
2	Min(0, SEL – FPN)	0
3	99999MW	99999MW

Table 7 showing offer quantity bands

- 4.14 Offer and bid quantities are calculated based on an unconstrained dispatch. Negative quantities are used for bands 1 and 2 to denote bids for reducing output below FPN. Note that although bands 1 and 3 are set values, Plexos caps the value based on the generator parameters. The three offer quantity bands for an operating generator are illustrated in **Figure 5**.

Pumping Load

- 4.15 For pump storage units, prices and volumes for actions affecting the amount of pumping are required.
- 4.16 Pumping Bid Base is the unconstrained pumping (FPN). This is the generator self-dispatch level and therefore the base level for each generator in the balancing mechanism
- 4.17 Pumping Bid prices are read in two bands; to move between a negative FPN and zero (Pump Offer), or max availability between zero and MIL (Pump Bid).
- 4.18 Two prices are used because there are two categories of actions in the BM that have different price drivers; they, and their drivers, are as follows:
- Pump Bids - the submitted bids on a unit to increase its pumping load. One would expect the price to broadly reflect the cost of energy used.
 - Pump Offers - the offers on a unit to reduce its load from a negative FPN towards zero. One would expect the price to broadly reflect the value of energy saved.
- 4.19 To derive the prices for the two Plexos bands described above, the volume weighted average of the submitted offer price for each BMU, is calculated for

each half-hour period. These are calculated from the capped physical notification (CPN) which is defined as the minimum value of the final physical notification and the maximum export level. Using the CPN, the bid prices can be calculated for their corresponding bid quantities. From these, the weighted average per half hour per BMU for each band can be found. These are the prices used in the constrained model.

- 4.20 The tables below give the relationship between the two Plexos bands and the corresponding bid prices and quantities.

Pumping Bid Price	
Band	Pumping
1	Pump Offer
2	Pump Bid

Table 8 showing pumping bid price bands

Pumping Bid Quantity	
Band	Pumping
1	-99999MW
2	99999MW

Table 9 showing pumping bid quantity bands

- 4.21 Offer and bid quantities are calculated based on unconstrained dispatch. Negative quantities are used for band 1 to denote offers for reducing load below FPN. Note that although bands 1 and 2 are set values, Plexos caps the value based on the pumped storage generator parameters. The two pumping bid quantity bands for an operating generator are illustrated in **Figure 5**.

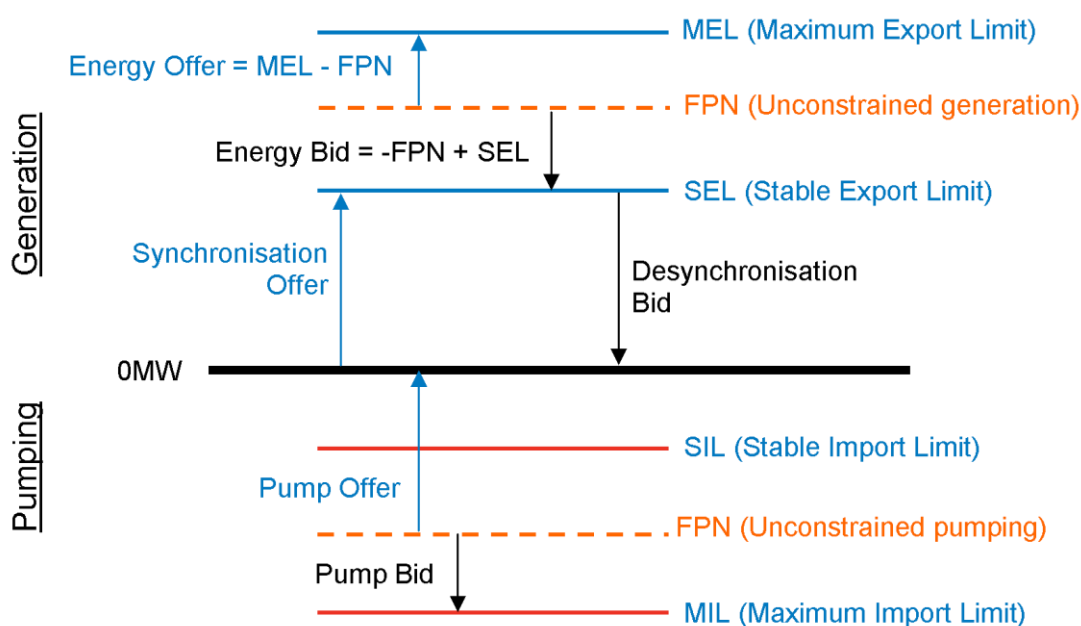


Figure 5 showing the balancing mechanism price-quantity relationships

- 4.22 The model will take any number of the above actions in whatever combination is most economic on a particular unit, given its dynamic parameters.

Data Inputs

4.23 In addition to the inputs to the unconstrained model, the constrained model has additional data file inputs for the balancing mechanism and the boundary limits. These are as follows:

Input name	Description	Source
Generation		
FPN	Used as Offer Base input for generation; Half-hourly generation level of each asset.	Unconstrained model
MEL	Energy offer volume, also used for the Synch Offer volume	Unconstrained model
FPN to SEL	Energy Bid volume, only applied when unit is generating	Unconstrained model
IsOperating	Flag to indicate what state the generator was in when unconstrained.	Unconstrained model
De-sync Bid	Bid price to turn off	Volume weighted average of bid prices submitted in the BM between SEL and 0, subject to the condition $FPN > 0$
Sync Offer	Offer price to turn on. Only used when plant is off in the unconstrained solution	Volume weighted average of offer prices submitted in the BM between 0 and SEL, subject to the condition $FPN = 0$
Energy Bid	Price to turn down from present level to SEL (minimum stable level)	Volume weighted average of bid prices submitted in the BM between FPN and SEL, subject to the condition $FPN > SEL$
Energy Offer	Price to turn up from present level to max capacity.	Volume weighted average of offer prices submitted in the BM between FPN and MEL, subject to the condition $SEL \leq FPN < MEL$
Pumping		
-FPN	Used as Pumping Bid Base input for pumping; Half-hourly generation level of each asset.	Unconstrained model
Pump Offer	Price to reduce pumping from present level towards 0	Volume weighted average of bid prices submitted in the BM between FPN and 0, subject to the condition $FPN < 0$
Pump Bid	Price to increase pumping from present level towards MIL	Volume weighted average of bid prices submitted in the BM between FPN and MIL, subject to the condition $0 > FPN > MIL$

Input name	Description	Source
Transmission Constraints		
Import Limit	Limit on flow across an interface in the direction away from a central system reference point, at weekly detail	Determined by NGET (explained in chapter 2)
Export Limit	Limit on flow across an interface in the direction towards a central system reference point, at weekly detail	Determined by NGET (explained in chapter 2)

Table 10 showing input sources for the constrained model

4.24 On the rare occasion that the relevant prices are not available, then a number of options exist. These are listed below in order of preference and, subject to data availability, capped (or collared) to avoid the possibility for self arbitrage⁵:

- (i) The last relevant price can be used
- (ii) Else, the average of all units of the same fuel type at the node can be used
- (iii) If none of the above is possible, then the average of the same fuel type at neighbouring Plexos nodes.
- (iv) Alternatively, the average price of the same fuel type within the country can be used.
- (v) Finally, the average price of the same fuel type within GB can be used.

Out of scope

4.25 Intertrips are not modelled as this model assumes that all constraints are resolved by the BM and that any efficiency gained through intertrips and other contracts will be captured through the application of the discount factor.

Outputs

4.26 The outputs from the constrained model are the actions taken and the extent of congestion, giving the constraint volumes (cleared offer quantities) in total and per generator along with the cleared constraint costs. The sum of all the units cleared offer costs and cleared pump bid costs makes the total BM cost of resolving the constraints. This is to be used to produce the target for the incentive scheme.

4.27 Processing of Plexos output data (cleared offer costs and volumes) from the constrained run may be required to create the Constraint Cost Modelled Target where there exists 'High cost-low volume actions' as defined in **5.27** and Appendix A.

4.28 When NGET become aware of significant issues in the Constraint model related to target costs, NGET will report these to Ofgem and propose amendments to the model as appropriate. No changes will be undertaken without prior written approval from Ofgem.

⁵ Self-arbitrage is accepting bids and offers at the same unit to generate a net income to the SO. The BSC requires that the prices submitted to the BM do not allow for self arbitrage.

Chapter 5: Generation

Overview

5.1 This section describes how non-conventional forms of generation are treated within the model.

Transmission Connected Wind Generators

5.2 Wind is an intermittent generator which currently has little capability to respond to price signals or instruction from National Grid (it can turn down/off, but cannot turn up).

5.3 Settlement meter data will be used as an ex-post model input for wind where available. Settlement meter data is the half-hourly time series of power output for each wind generator in MW. Where this data is not available we will use the MERRA (<https://gmao.gsfc.nasa.gov/merra/>) dataset in the same manner as set out for the treatment of embedded wind generation.

5.4 Wind is modelled using the percentage of available capacity and ex-post wind output data. This will be half hourly metered wind output data.

Input	Description	Source
Variable wind	Ex-post half hourly wind generation	Settlement metering, adjusted for any BM actions and/or trades taken on the unit

Table 11 showing the wind data input to the model

Embedded Wind and Non Settlement Metered Wind Generators

5.5 Embedded wind is modelled on a regional basis: that is to say the network model is divided into approximately fifty regions for the purpose of forecasting wind generation.

5.6 Hourly historical weather data will be extracted from the MERRA dataset for each of the fifty regions, and used to generate hourly load factors. Each embedded wind generator which is included in the constraints model is assigned to one of the fifty regions and allocated the respective hourly load factor. Each of the embedded wind generators is electrically connected to the transmission network model at the relevant Grid Supply Point (GSP) / TO substation, or where that information is not available, to the closest appropriate TO substation.

5.7 Embedded wind is assigned a default high price to reflect their non-participation in the BM and therefore inability to control their output. Plexos then deems actions at these units uneconomic. Any action taken at these units is repriced according to Appendix A.

Monitoring of New Wind Farm Connections

5.8 It is important to ensure that as new wind farms are connected to the electricity network, the model is kept up to date to ensure that the metered output of the wind farms ex-post can be input and their contribution to meeting demand more accurately modelled. Hence, a list of all wind farms along with the nodes at which they are connected, their connection dates and capacity will be maintained on a monthly basis. This will replicate NGETs Energy Forecasting System (EFS). Updates to new generation connections for which

Elxon data is unavailable, such as for embedded wind farms, will be made using an appropriate auditable source (currently Ofgems data record).

Solar PV

- 5.9 Solar PV is handled in much the same way as embedded wind generation. Utilising actual outturn weather data from the Met Office, an estimate of Solar PV generation is calculated at a number of regions across the country based on the generation capacity within each region. This aligns with National Grid's current solar PV forecasting capability.
- 5.10 Solar PV regions may be updated on a monthly basis throughout the scheme, reflecting changes to number of regions, their definition, generation capacity and other related properties.
- 5.11 Solar PV units are set as 'must run' and will therefore generate in the model at the level estimated by the above description.

Hydro

- 5.12 Hydro is modelled in two ways – pumped storage and run of river.
- 5.13 Run of river is modelled by assuming a monthly water inflow into a head pond. Plexos then optimises the release of this water to generate electricity. The observed monthly hydro generation is used to calculate the average value.
- 5.14 Pumped storage is dispatched based on price differential within a day. If there is sufficient price differential during the day, Plexos will schedule pumping at times of low price and generation at times of high price.
- 5.15 Pumped storage plants are modelled as a closed system comprising a head storage and a tail storage, shared between the multiple BM units at each plant. There are no energy flows into or out of the head or tail storages other than from generating or pumping. A pump efficiency is also defined for each pumped storage generator.
- 5.16 Pumped storage utilisation is optimised on a daily basis. In the unconstrained model, pumped storage will arbitrage between peak and off-peak periods in order to lower system-wide generation costs in the objective function.
- 5.17 The treatment of pumped storage units with respect to unconstrained model outputs is as follows.
- The unconstrained period-level output of each generator, including pumped storage units, is passed to the constrained model run.
 - When pumped storage units are pumping rather than generating, this is reported by Plexos as pump load rather than negative generation.
 - However, across the system as a whole, the unconstrained generation output will increase in order to meet pumping load.
- 5.18 In the constrained model, deviations in pumped storage generation (due to transmission constraints for example) from the initial FPN position are optimised in the same manner as for other generators.

Interconnected Markets

- 5.19 Interconnected markets can drive constraint levels across certain key boundaries, either as sink (export) or source (import). The GB system

presently has four interconnectors (GB-France), Moyle (GB-NI), BritNed (GB-Netherlands) and the East-West (GB-Eire).

- 5.20 In order to accurately reflect the impact of interconnector flows on constraints within the model, Interconnectors flows (HVDC) will be modelled at the intraday gate closure position i.e. will be input to the model on an ex-post basis. This input data will be derived using Elexon settlement Final Physical Notifications (FPNs) for interconnector BMUs, excluding system/error admin accounts and minus trade volumes from NGET's Energy Trade Management System (ETMS).

Supplemental Balancing Reserve

- 5.21 National Grid exercised its option to tender for Supplemental Balancing Reserve (SBR) for winter 2014/15 in September 2014, and has since tendered for winter 2015/16. This option makes plant available to National Grid which would otherwise have been unavailable in the market.
- 5.22 Generating units which are contracted for delivering SBR need to be suitably reflected in the constrained model as the costs for these units are recovered outside of the incentive scheme.
- 5.23 Under generating conditions, SBR units will still contribute to power system fundamentals e.g. voltage support and inertia. For this reason SBR units will be treated as ex-post throughout the period of the SBR contract (generally October-September); therefore removing them from the modelled market and forcing them to generate, reflecting reality. SBR units may undergo testing regimes, both self-dispatch (non-proving) and NGET instructed (proving), outside of the November-February availability period, hence the requirement to treat SBR units ex-post for the full contract period. For the avoidance of doubt all generation from SBR units will be treated as ex-post.
- 5.24 SBR units will be dispatched in the unconstrained model using a given generation profile which reflects reality.
- 5.25 For the constrained run the only action available to the model is to desynchronise the unit i.e. FPN to 0 (zero). A default price of -£111,111/MWh is applied to SBR units to make it the least economical action. In the highly unlikely event that an action is taken at an SBR unit, the action will be repriced to £0/MWh to reflect the fact that recovery of SBR costs are outside of the Scheme.

High Cost-Low Volume Actions

- 5.26 Very high prices are attached to offer acceptance actions which the control room are unlikely or unable to take, e.g. on non BM-wind or nuclear generators. For non-BM wind (where National Grid has no way to commercially instruct them), a very high default price of -£99999/MWh is set to discourage Plexos from selecting this bid to resolve constraints. Nuclear units do submit BM prices at typically very high levels (+/- £10000/MWh) to indicate their inflexibility to alter their output.
- 5.27 In situations where Plexos has no other option than to take a very high cost action to resolve a constraint, this potentially leads to an unrealistically high constraints target. In order to more accurately reflect the costs of actions available to the control room, a method of re-pricing will be employed.

- 5.28 Appendix A details the criteria used to determine the High Cost-Low Volume actions to be removed, and the representative replacement costs.
- 5.29 Any actions which meet the listed criteria will be deducted from the monthly modelled Plexos constraints target cost. The volume of bids/offers extracted from the cost target then need to be replaced by representative cost bids/offers to allow additional target to cover these actions. The resolution of system constraints required the total volume of bids/offers in certain locations to be exercised. In order that the cost target is reflective of this volume of actions a realistic price substitute should be added back into the target.

Chapter 6: Headroom Replacement Costs

Overview

- 6.1 Headroom represents spare capacity on operating generating units which NGET can potentially access to meet its reserve requirements. Headroom may become inaccessible due to transmission constraints in the case of generators located behind an export constraint boundary. The cost of replacing this 'sterilised headroom' can contribute materially to overall constraint costs. If an action is taken to completely replace sterilised operational margin, then the costs are assigned to constraint costs.
- 6.2 The headroom replacement costs for each month will be calculated as follows:

$$\begin{aligned}\text{CONS_HR} = & \\ & -2108240 \\ & + 72750.110 * \text{VWA_Op_Reserve_P} \\ & + 42.96879 * \text{CMM_V}\end{aligned}$$

Where

CMM_V is Constrained Margin Management Volume which is dependent on the Plexos output Constraint_Bid_V.
VWA_Op_Reserve_P is monthly operational reserve price.

These are defined in the statement of the Energy Cost Target Modelling Methodology.

Chapter 7: Inertia Modelling

Rate of Change of Frequency

7.1 A large generation or demand loss on the system can cause the frequency to change at a fast rate. The Rate of Change of Frequency (ROCOF), is dependent on two factors:

- Size of generation/demand loss
- System Inertia – A synchronous generating unit (mainly large steam or gas turbine generating plant) operating in the electrical power system will deliver its stored energy (in the rotating mass of the shaft of the turbine) to the system on falling system frequency. This inertia response will help to slow down the initial fast drop of the system frequency and hence help reduce the ROCOF and is measured in Hertz per second (Hz/s). Interconnectors and converter interfaced generating plant are unable to deliver any further inertia response.

7.2 Some generators are equipped with protection relays to prevent them generating as part of a non-viable isolated system. This Loss of Mains (LOM) protection is normally set to 0.125Hz/s.

7.3 The ROCOF of the NGET system needs to be limited to 0.125Hz/s at all times. If the frequency changes faster than this rate then potentially around 3GW of further generation susceptible to ROCOF could be tripped. This could cause an even more rapid frequency drop which might be unrecoverable and thus lead to a system shutdown.

7.4 System inertia will reduce as a result of increasing the penetration of asynchronous generators, which have no or very little natural inertia compared to large synchronous generators (due to the absence of a large rotating mass in the generator). The degree of reduction is dependent on how much asynchronous plant is connected, and the generation output of this plant, which in turn determines how much synchronous plant is left running at any time. Over the 2013-15 period, the costs of managing potential ROCOF events have increased significantly compared to the previous years, especially overnight when demand is low and non-synchronous generation is high.

7.5 The rate of change of frequency (ROCOF) can be managed by either instructing more machines on to the system, or reducing the size of the largest instantaneous loss on the system.

7.6 If, for the largest generator at risk on the system, we forecast a change in frequency greater than 0.125Hz/s, then the actions we would consider (in cost order) are firstly to reduce the size of the risk by reducing the output of the relevant generator, and secondly to synchronise additional machines to provide the required level of total system inertia.

Modelling the Cost of System Inertia

7.7 Practically, it is not possible to model ROCOF costs in Plexos so a model has been developed to separately calculate a ROCOF cost target using outputs from the Plexos constrained run.

- 7.8 Rate of Change of Frequency (ROCOF) costs are those costs associated with maintaining enough system inertia to respond to the largest credible loss. This model resolves ROCOF through reducing the largest loss on the system, assumed to be the IFA and/or BritNed interconnectors, rather than increasing system inertia.
- 7.9 This model has been developed using NGETs historical (2013 – 2015) behaviour to manage ROCOF via trades on the interconnectors. Due to the minimal amount of historic data, and the models reliance on one method of managing ROCOF, if modelled costs do not follow trends seen by actual spend NGET will submit a solution to the Authority for approval.
- 7.10 Model validity is dependent on the option of trading on the interconnectors being available. If this becomes unavailable due to operational reasons or changes in legislation (European or other), NGET will revise the current methodology and submit to the Authority for approval.

Model Overview

- 7.11 The ROCOF model is the sum of the costs of reducing the largest loss and the cost of replacing that volume in the Balancing Mechanism.
- 7.12 A number of assumptions for the ROCOF model are detailed in Appendix B.
- 7.13 In the following model descriptions, ex-post inputs are coloured blue and ex-ante inputs are coloured red.
- 7.14 The ROCOF costs for each month will be calculated as follows:

$$\text{ROCOF_C} = \text{Reduce_Max_Loss_C} + \text{Replacement_Cost}$$

Where

Reduce_Max_Loss_C is the cost of reducing the largest loss
Replacement_Cost is the cost of replacing that volume

Largest Loss Cost

- 7.15 The cost of reducing the largest loss is the monthly ROCOF volume multiplied by the price to reduce that volume.

$$\text{Reduce_Max_Loss_C} = \text{ROCOF_V} * \text{Sell_Price}$$

ROCOF Volume

- 7.16 The ROCOF Volume model uses the difference between half hourly inertia requirement and modelled Plexos system inertia to define the inertia shortfall. The half hourly shortfall is summed by calendar month to a monthly shortfall, represented by the msum function defined in the Energy Balancing Cost methodology.
- 7.17 A ratio of inertia requirement to largest loss, and volume multiplier are then applied to calculate the monthly reduction volume.

$$\begin{aligned} \text{ROCOF_V} &= \text{msum}(\text{max}(0, \\ &\quad \text{Inertia_Req_HH} - \text{Demand_Inertia_HH} - \text{Plexos_Inertia_HH})) \\ &\quad / 200 * 2.51 \end{aligned}$$

Where

Inertia_Req_HH is the required system inertia based on an average overnight 1000MW largest loss.

Demand_Inertia_HH is an average inertia provided by demand.

Plexos_Inertia_HH is the sum of inertia provided by each generator, when operating, in Plexos.

200 is the ratio of inertia requirement to largest loss.

2.51 represents the average number of interconnector bipoles which each pose a potential 1000MW largest loss.

Sell Price

- 7.18 The sell price model uses an average overnight power price multiplied by a discount factor.

$$\begin{aligned} \text{Sell_Price} &= \text{Avg_Overnight_P} * 0.62 \end{aligned}$$

Where

Avg_Overnight_P is the average overnight power price at day ahead for the overnight period between 23:00 and 05:00

0.62 is a discount factor to reflect the overnight traded sell price on the interconnectors achieved by NGET

Replacement Cost

- 7.19 The Replacement cost target is the monthly volume required to reduce the largest loss multiplied by the average energy reference price for the month, reflecting the replacement price in the BM.

$$\begin{aligned} \text{Replacement_Cost} &= \text{ROCOF_V} * \text{Avg_ER_P} \end{aligned}$$

Where

ROCOF_V is defined in **7.17**

Avg_ER_P is the average energy reference price as defined in **10.18** of the Statement of the Energy Balancing Cost Target Modelling Methodology.

Appendix A

High Cost-Low Volume Actions

A.1 The criteria below will be used to extract High Cost-Low Volume actions from monthly BOA files produced from the Plexos results files which identify the volume of Bid/Offer, the total costs as well as the price per MWh for every period the actions were taken on each generator:

- i. All modelled bids accepted at price/MWh \leq -£99995 from category Wind
- ii. All modelled bids accepted at price/MWh \leq -£99995 from Lynemouth (Alcan) & Stevens Croft
- iii. All modelled offers accepted at price/MWh \geq +£99995 from Lynemouth (Alcan) & Stevens Croft
- iv. All modelled bids accepted on nuclear generators with price/MWh in the region of -£10000/MWh
- v. All modelled offers accepted on nuclear generators with price/MWh in the region of +£10000/MWh
- vi. All modelled bids accepted at a generator submitted⁶ price \leq -£9995 from any category excluding Nuclear
- vii. All modelled offers accepted at a generator submitted⁷ price \geq +£9995 from any category excluding Nuclear

A.2 The criteria below sets out the replacement price for each of the above criteria:

Price Origin	Generator	Category	Substitute Bid Price	Substitute Offer Price
Defaulted	All	Non BM Wind	Volume weighted average bid price accepted on BM wind in the calendar month	N/A
Defaulted	Lynemouth	Coal	Price- as indicated by 4.24	Price- as indicated by 4.24
Defaulted	Stevens Croft	Biomass	No other Biomass category plant are modelled therefore defaulting rule not applicable. Instead link to Wind as both have a ROC subsidy	No other Biomass category plant are modelled therefore defaulting rule not applicable. Instead link to Wind as both have a ROC subsidy, however absolute price required
Generator Submitted	All	Nuclear	-£500/MWh	+£500/MWh

⁶ Generator submitted price includes those directly submitted as well as those determined from a price defaulting rule (as per the methodology) which incorporates this submitted price data

⁷ Generator submitted price includes those directly submitted as well as those determined from a price defaulting rule (as per the methodology) which incorporates this submitted price data.

<p>Generator Submitted</p>	<p>All</p>	<p>All categories except Nuclear</p>	<p>150% of the lowest, negative, non-zero, Bid price accepted for that period, irrespective of fuel type of generator. Note- if no bid accepted in that period then default to the preceding period which offers the relevant data to create a substitute price</p>	<p>150% of the highest, positive, non-zero, Offer price accepted for that period, irrespective of fuel type of generator. Note- if no offer accepted in that period then default to the preceding period which offers the relevant data to create a substitute price</p>
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Appendix B

ROCOF Model Assumptions

- B.1 Due to the monthly resolution of the model, a number of assumptions have been made regarding some of the inputs. These are described below:
- i. From historic data and operational experience prior to April 2015, ROCOF was observed to be an issue overnight (23:00 – 05:00), therefore the model is based on this time period.
 - ii. Based on historic data, the average largest loss during the overnight period is 1000MW (single interconnector bipole).
 - iii. The inertia requirement is calculated from the largest loss. Based on empirical data and power system equations, this is 200 times the largest loss. Therefore, for the assumed 1000MW loss, the inertia requirement is 200,000MVA (**Inertia_Req_HH**).
 - iv. The inertia shortfall is defined as the inertia requirement minus the inertia supplied by demand (**Demand_Inertia_HH**), which is assumed to be 40,000MVA, based on average overnight demand of ~22,000MW.
 - v. The inertia shortfall has to be converted into a MW volume of actions to which we apply the sell price.
 - a. First convert from MVA to MW using the value of 200 from **iii**.
 - b. Second, calculate Bid_Volume by multiplying by 2.51. As there are potentially three largest losses on the system (two bipoles on IFA and one on BritNed), a multiplier of 2.51 is used to reflect historic availability at less than 100% on all three bipoles.
 - vi. To calculate the replacement cost a discount factor is applied to the average overnight power sell price to incentivise NGETs trading strategy. This is set at 0.62.

Glossary

The following definitions are intended to assist the reader's understanding of this document. In the event of conflict with definitions given elsewhere, those used in the Transmission Licence, Grid Code, Balancing and Settlement Code and Connection and Use of System Code take precedence.

Term	Definition
BMU	Balancing mechanism units
CPN	Capped Physical Notification
Classes	Groups of Object types – e.g. Production class contains the Object types Generator, Storage, the Transmission class contains Lines and Nodes etc.
Ex-ante	Ex-ante data is data reflecting events that have yet to happen by the time of the beginning of the Scheme. By implication, such data has to be estimated or predicted.
Ex-post	Ex-post data is outturn data, i.e. data reflecting events that have happened by the time of the beginning of the Scheme.
FPN	Final Physical Notification
Memberships	A method to link two objects together. For example, a generator will have a membership to a fuel and a node.
MEL	Maximum Export Limit
MIL	Maximum Import Limit
Objects	Physical and financial features of electricity market – for example, Generator, Line and Company. They are defined by Properties, and their relationship to other objects is defined by memberships
Properties	They define an object. For example, a generator can be defined by a Max Capacity and a Heat Rate. It is typical for more properties to be used to define an object.
SBR	Supplemental Balancing Reserve
SRMC	Short Run Marginal Cost
SEL	Stable Export Limit
SIL	Stable Import Limit
VO&M	Variable Operation & Maintenance

Revisions

Issue	Modifications	Changes to Pages
1.0		