

# System Needs and Product Strategy

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# Recap - SNAPS

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- Published in June 2017
- Provided an overview of SO system needs
- Consulted on potential future changes to balancing services products

## Product Simplification: consultation insights

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### Key Themes from consultation responses

**128** responses

1

Greater transparency of the System Operator day to day activities

**10+** industries consulted

2

A reduction in barriers to entry

**98%** agree with approach

3

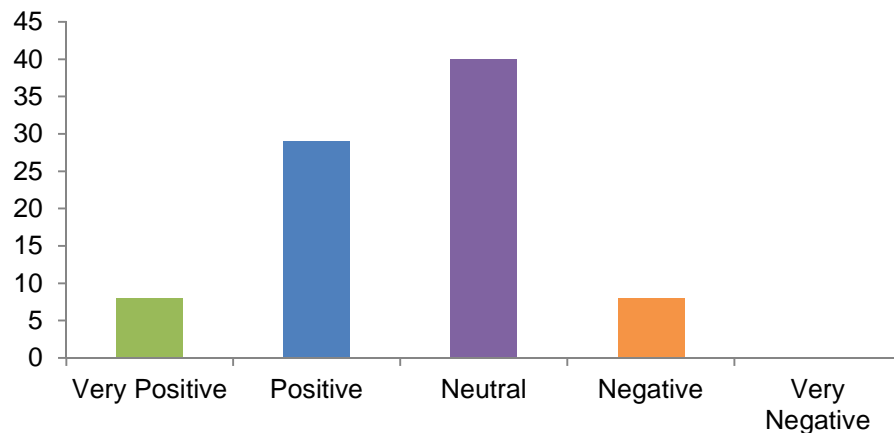
The System Operator to provide more details on its simplification of products

## Product simplification: consultation insights

### Insights – Service Stacking: Impact of Single Market and Standardisation

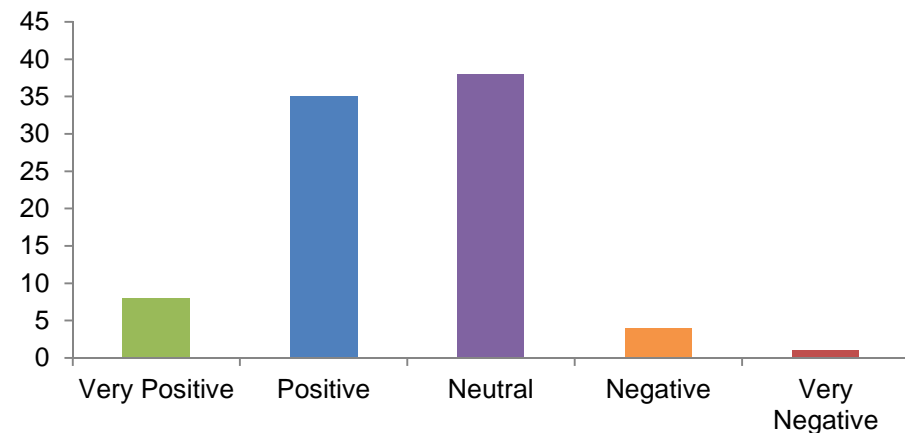
Consultation demonstrates the broad view that standardised products, rather than single markets, would better enable stacking of services.

#### Single market



**57%** believe standardising products will have a positive effect on competition

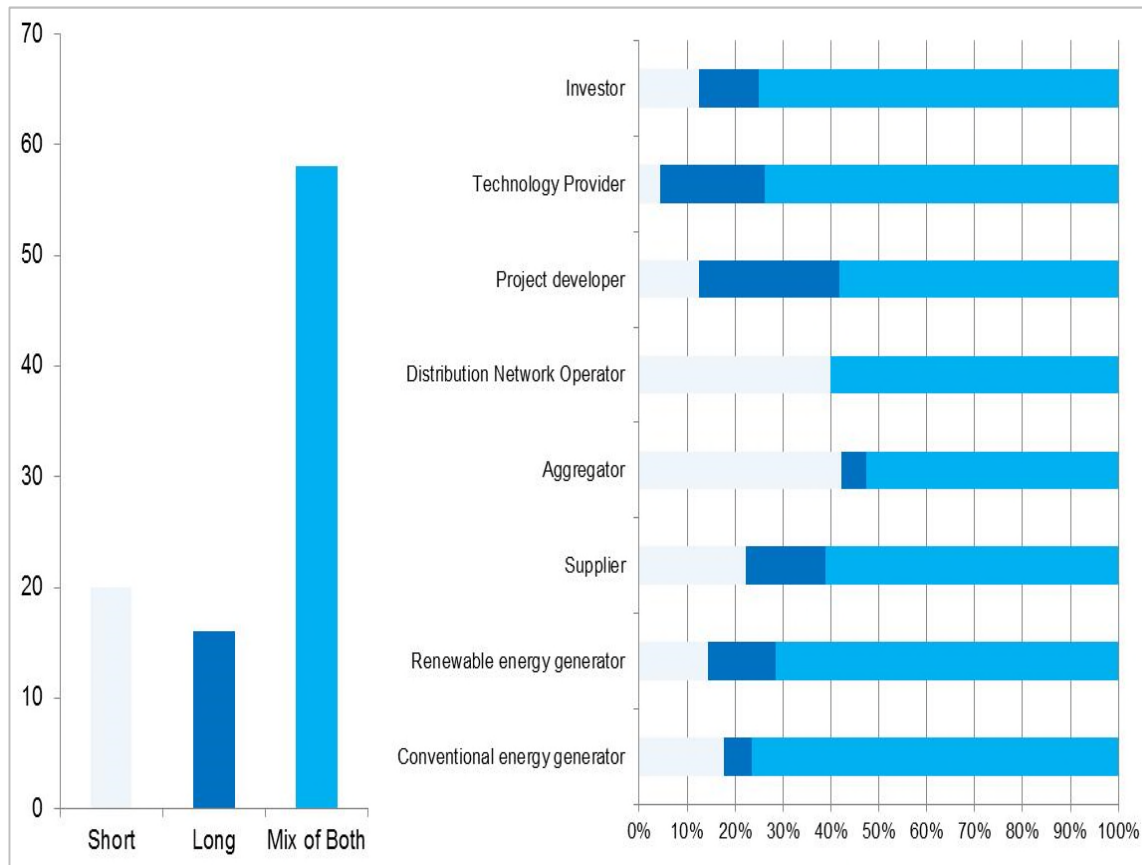
#### Standardisation



**79%** believe standardising products will have a positive effect on transparency

# System Needs and Product Strategy

Insights – Short term markets v long term contracts: A balance preferred



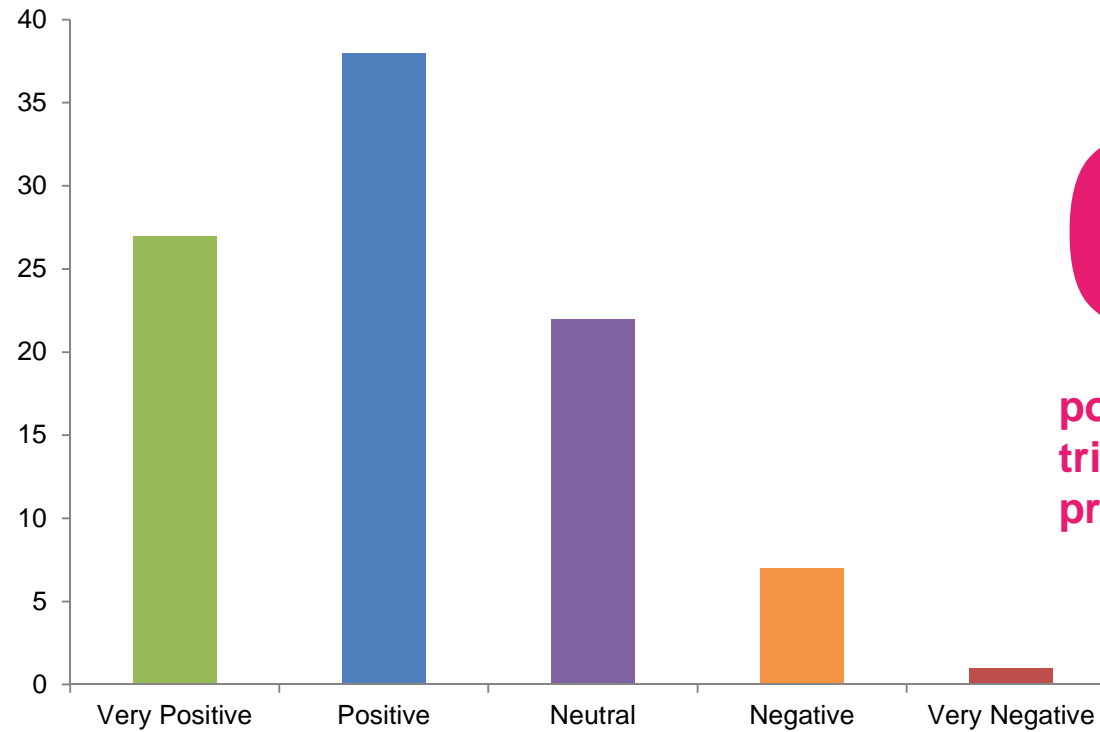
62%

favour a mix of short and long term contracts

# System Needs and Product Strategy

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## Insights – Procurement Trials: Positive response



**68%**

positive or very positive about trialling alternative procurement approaches

## Product simplification: proposed principles

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1

Our procurement decisions will be transparent and our methodology and needs will be clear to the market ahead of time

2

The design of our products, the way we procure, and the contractual arrangements will increase competition in provision of services to SO

3

Our products will be designed to meet both operational requirements and the technical ability of provider assets while meeting system security

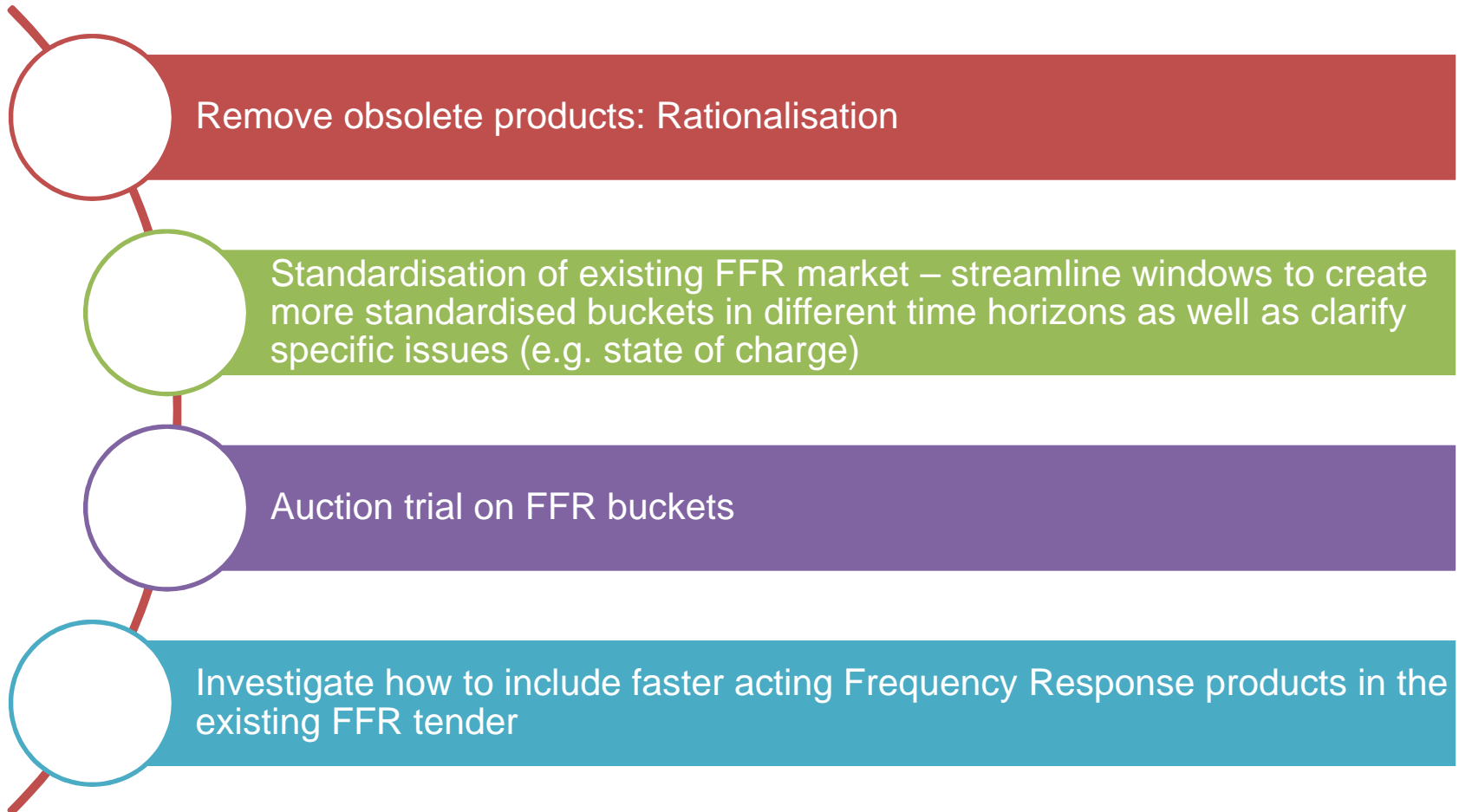
4

The procurement of balancing services shall comply with European guidelines, insofar as this represents the most economic approach for GB consumers

# What product evolution actions are we taking in the next 12 months?

nationalgrid

## Frequency Response





# Potential other actions we are contributing to which deliver access to markets

nationalgrid

## Reserve, Publications, constraint management, reactive power and black start

