

# Firm Frequency Response (FFR) Market Information Report for July 2020

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## Key Points

This Market Information Report is relevant for tenders submitted in June 2020 for delivery in July 2020.

Tenders from eligible service providers for Firm Frequency Response should be submitted on **Mon 1<sup>st</sup> June 2020** (1<sup>st</sup> business day) for all tenders.

National Grid will notify service providers of the outcome of the tender assessment, and preliminary nominations, by **Tue 16<sup>th</sup> June 2020** (12<sup>th</sup> business day).

**From January 2018, non-compliant tenders will be rejected prior to assessment.**

Providers must use the template provided in the Ariba system to tender in for FFR. Use of any other template or submissions via e-mail will not be accepted.

In line with the standardisation outlined in the Product Road Map, procurement of FFR will only take place across the standard 6 EFA blocks. Tenders must therefore only start, and end, at the following times: 2300, 0300 0700 1100 1500 1900. Submitted tenders must have a minimum window availability of 4 hours in line with EFA blocks.

Please note that this is a month ahead only tender. Tenders should therefore be submitted for **July 2020** delivery.

The details regarding the dates, times and dial in details for the upcoming FFR Result WebEx can be found [here](#).

Real-time data i.e. demand and frequency data, over the last 60 minutes can now be found on the [Realtime Extranet](#) section on the National Grid website. [Historic frequency data](#) as far back as 2014 can also be accessed for GB data at 1 second resolution.

This Market Information Report provides information to FFR providers on the requirement for the tender (TR 126) for delivery in July 2020.

## Requirements for July 2020 (TR 126)

### Primary Response:

A dynamic primary requirement exists in all EFA blocks.

### Secondary Response:

A dynamic primary requirement exists in all EFA blocks.

Non-dynamic secondary requirement exists in all EFA blocks.

### High Response:

A dynamic primary requirement exists in all EFA blocks.

A breakdown of the outstanding requirement for this tender round can be found in Appendix 1. A full breakdown of the long-term requirements can be found in Appendix 1 in the Excel file.

## Market Updates

### *New Suite of Products*

Please refer to [new Dynamic Containment page](#) for details related to the new suite of products.

As informed in our newsletter of 29th April 2020, due to current global uncertainty created by COVID-19 and the need to re-prioritise system needs, we are no longer aiming for procurement of the Dynamic Containment in summer. We will keep you posted on latest development in the nearest future.

Please look out for updates on the [Future of Balancing Services](#) webpage.

In order to implement the new product suite, and avoid overholding of response volumes, it will be necessary to gradually reduce our long-term procurement of the existing P S H products. We will continue to hold monthly FFR tenders for month ahead volume.

### *FFR Auction Trial*

In November last year we went live with the Auction Trial project. This trial runs up to Q3 2021 and we have committed to share our learnings with you along the way. We have been recording our learning and observations thus far and we would like to hear from you to understand your observations and to take your feedback. We are interested to hear from those who actively participate in the auction, and those who have interest in the auction but have not yet taken part. We would be grateful if you could spare 5-10 minutes to complete the short online survey via the link provided below. Your feedback is crucial to help us understand which aspects of the trial are going well and which areas need improving to make it work better for you. Also, we are keen to understand what we can do differently to mitigate any barriers to entry if you are not taking part in the weekly auction at the moment.

Please click [here](#) to take the survey.

**The survey will close at 5pm on Friday 29 May.**

### *Response BOA and Holding Volume and Cost*

This information is in Appendix 7 of the adjoining excel file.

For further information please contact your account manager or:

**Andrew Rice**

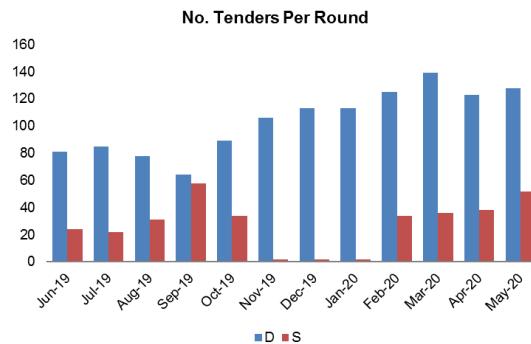
[Andrew.Rice@nationalgrideso.com](mailto:Andrew.Rice@nationalgrideso.com)

### June 2020 FFR Delivery

166 active FFR contracts are due to provide FFR in June 2020. These contracts are made up of:

- 130 dynamic contracts
- 36 non-dynamic contracts
- 0 contracts by BMU providers
- 166 contracts by NBMU providers

The chart below displays the number of tenders submitted in the FFR market for the last 12 months by service type.



### Key messages

#### Testing

Providers are required to have successfully passed FFR testing of their asset by the National Grid Generator Compliance Team prior to tendering in for month ahead delivery. E.g. If tendering to provide a FFR service starting on 1<sup>st</sup> July 2020, the unit must have passed testing prior to the tender submission window closing on the 1<sup>st</sup> business day in April 2020. Tenders that do not meet this requirement will be deemed non-compliant and automatically rejected.

#### Limiting tenders

Providers are limited to submitting 3 tenders per unit, per tender period. A tender period is considered to be; month ahead, quarter ahead and per season. All-or-nothing bids will be considered as 1 tender submission.

#### EFA Block Procurement

**For providers wishing to start a tender on the last day of the previous month, these tenders cannot start earlier than 2300 or they will be deemed as non-compliant.**

The minimum requirement across each specific EFA block will determine how much volume will be procured for each of the 6 daily 4-hour blocks.

Any outstanding shape will be satisfied, where necessary, closer to real time by the Electricity National Control Centre.

#### Enhanced Frequency Response (EFR)

100% of EFR is included in the requirements from July 2018.

#### Procured Volume

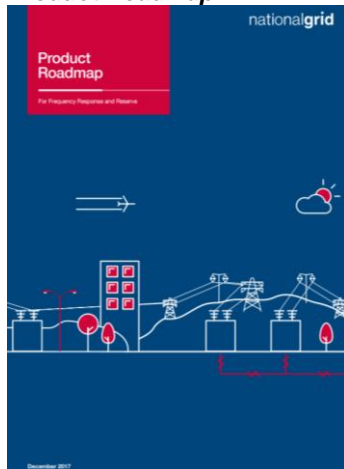
As system conditions are changing, we have increased the requirement of dynamic frequency response to manage our pre-fault frequency. Our total response requirement remains unchanged. We have monitored the use of MFR to meet the increased requirement for several months and we are confident this requirement should be released to the FFR market. This was released in TR118 moving procurement to the open tendered market.

### FFR service Overview



Interactive guidance document

### Product Roadmap



This document sets out the actions to be taken forward for frequency response and reserve.

real time that can reduce barriers to entry, we will procure part of this FFR dynamic volume through the weekly auction. We have moved 100MW of dynamic primary, secondary and high response from FFR monthly into the FFR weekly auction.

When determining which tenders to accept, NGENSO will take account of its planned procurement strategy. In general, a measured approach is taken to determine the appropriate volume to procure throughout the duration of the tender.

#### Tender rejection codes

The table below provides guidance as to the reasons why a tender has been

No.	FFR Reason Code	Comment
1	Beneficial	While the price submitted was considered beneficial, on this occasion this tender was not accepted for one of the following reasons:  <b>1.1.</b> The outstanding or desired procurement requirement has already been satisfied by more beneficial tenders <b>1.2.</b> There was no outstanding requirement <b>1.3.</b> The desired volume against the National Grid procurement strategy for future tender months had already been satisfied <b>1.4.</b> This tender formed part of an all-or-nothing group which did not collectively deliver enough benefit to be considered
2	Price not beneficial across tendered period	The price submitted was too high and did not provide any contract benefit against alternative actions including the mandatory and optional market.
3	Does not meet tender prerequisites	Please refer to the 'Technical Parameters' section using the following link to determine the criteria necessary to participate in the FFR market <a href="https://www.nationalgrid.com/uk/electricity/balancing-services/frequency-response-services/firm-frequency-response">https://www.nationalgrid.com/uk/electricity/balancing-services/frequency-response-services/firm-frequency-response</a>
4	Multiple tenders received for the same unit	Only the most valuable tender(s) of the total group of submitted tenders was considered.
5	Beyond desired procurement volume	Tenders submitted contained volume in a period where no procurement volume existed

The weekly auction trial started on 28<sup>th</sup> November 2019. In order to bring the procurement closer to

rejected. They can be matched against the numbers in the 'Reason Code' section of the Post Tender Report.

**Appendix 1:**

A breakdown of the outstanding month ahead requirement for this tender round.

*Dynamic FFR requirements for TR 126*

EFA Block	Dynamic Response Required (MW)		
	Primary	Secondary	High
1	364	364	364
2	364	364	364
3	356	356	356
4	356	356	356
5	356	356	356
6	356	356	356

*Non-Dynamic FFR requirements for TR 126*

EFA Block	Dynamic or Non-Dynamic Response Required (MW)		
	Primary	Secondary	High
1	0	15	0
2	0	35	0
3	0	183	0
4	0	187	0
5	0	160	0
6	0	160	0

## Appendix 2: July 2020 Requirements

The three charts below display the volume of frequency response left to contract at month ahead against the total response requirements.

**For month ahead only, except for circumstances where there is a specific dynamic requirement, the requirement will be taken from either dynamic or non-dynamic providers where deemed economic to do so. This means that any requirement found in the non-dynamic market may be procured in the dynamic market if considered more beneficial. With no primary non-dynamic market in existence, procurement of this volume across any EFA block will instead be taken from the dynamic market.**

The breakdown of the requirement against dynamic and non-dynamic response can be seen in the tables in appendix 1.

In the move to standard EFA block window durations, the minimum of the total requirement across each EFA block outlines the level to be procured. In light of this transition, the minimum dynamic requirement remains a key component to be satisfied and outstanding volume against this will continue to be procured for operational purposes. For July-19, this is highlighted in the table in Appendix 1.

