

System Operator (SO) Incentives



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Challenges and drivers 2013-2015

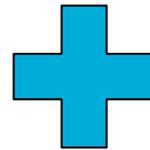
- Increasing challenge in cost management driven by;
 - Delivering a challenging transmission investment programme
 - Voltage profiles – impacted by changing demand and by generation mix/plant economics
 - Lower demands – driven by embedded generation which also impact on charging volume.
 - Energy balancing increasingly challenging with changing generation mix

Value delivered by NGET vs models

- Despite these challenges, we have delivered significant BSUoS savings across the 2 year scheme;

2013-2014

£90.6m



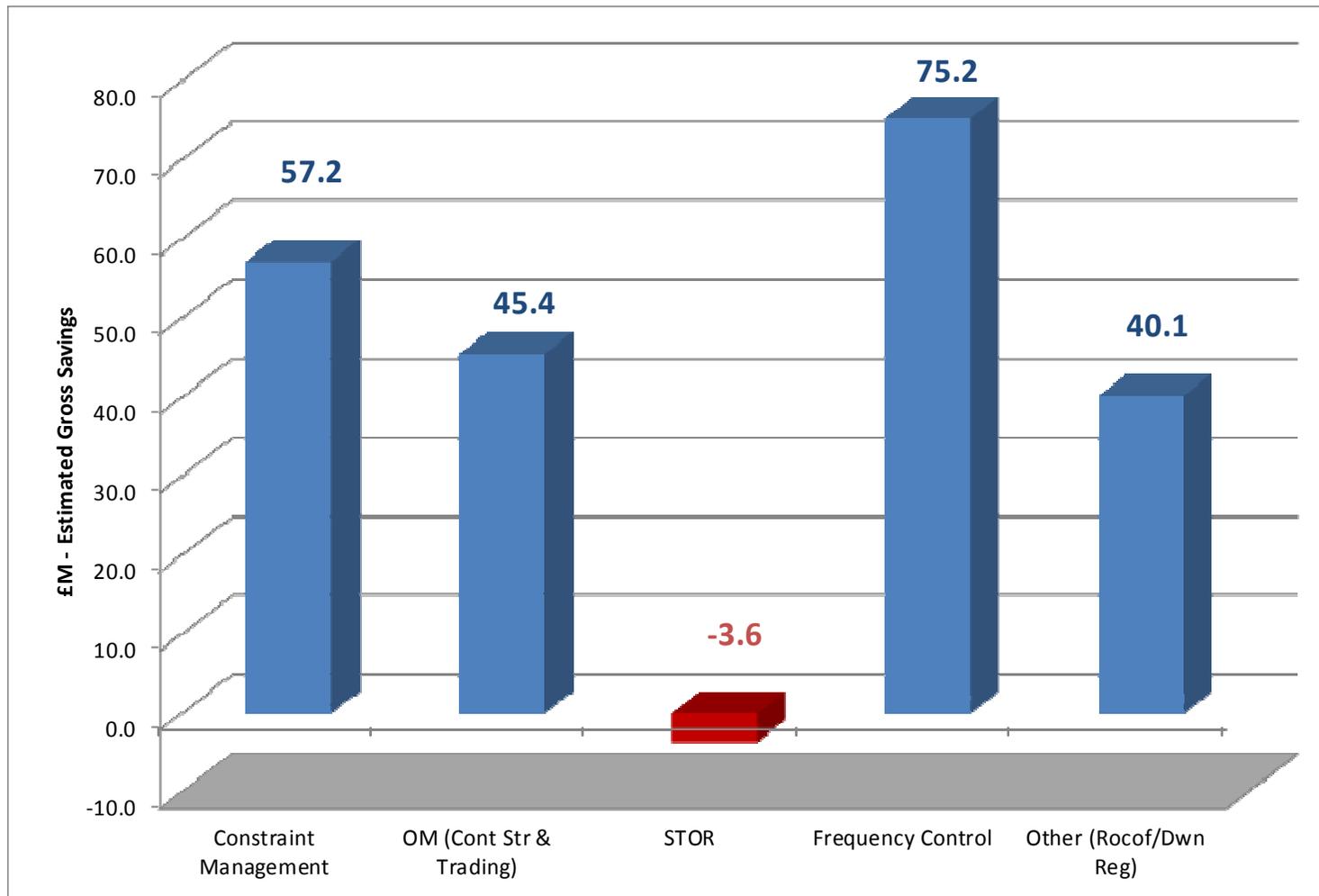
2014-2015

(actual to end Jan 2015)

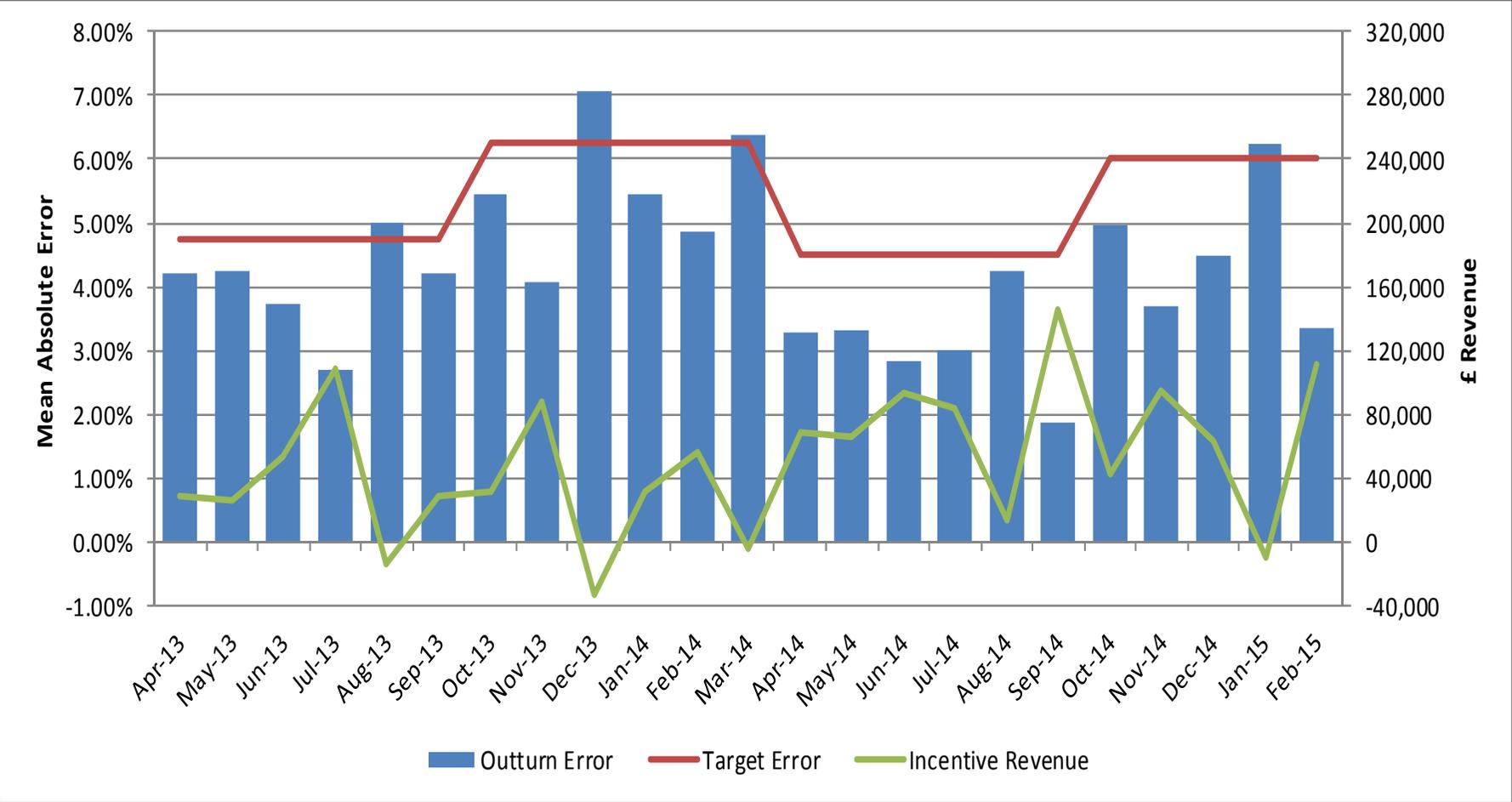
**£90m -
£100m**

- Significant value delivered through optimisation across multiple energy contracts whilst constraint costs have been minimised through contract innovation and placement strategies

Estimated Two year savings - gross



Wind Forecasting Performance





Q&A

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