

Tender Procurement Update



Ivan Kileff – Commercial Strategy Manager

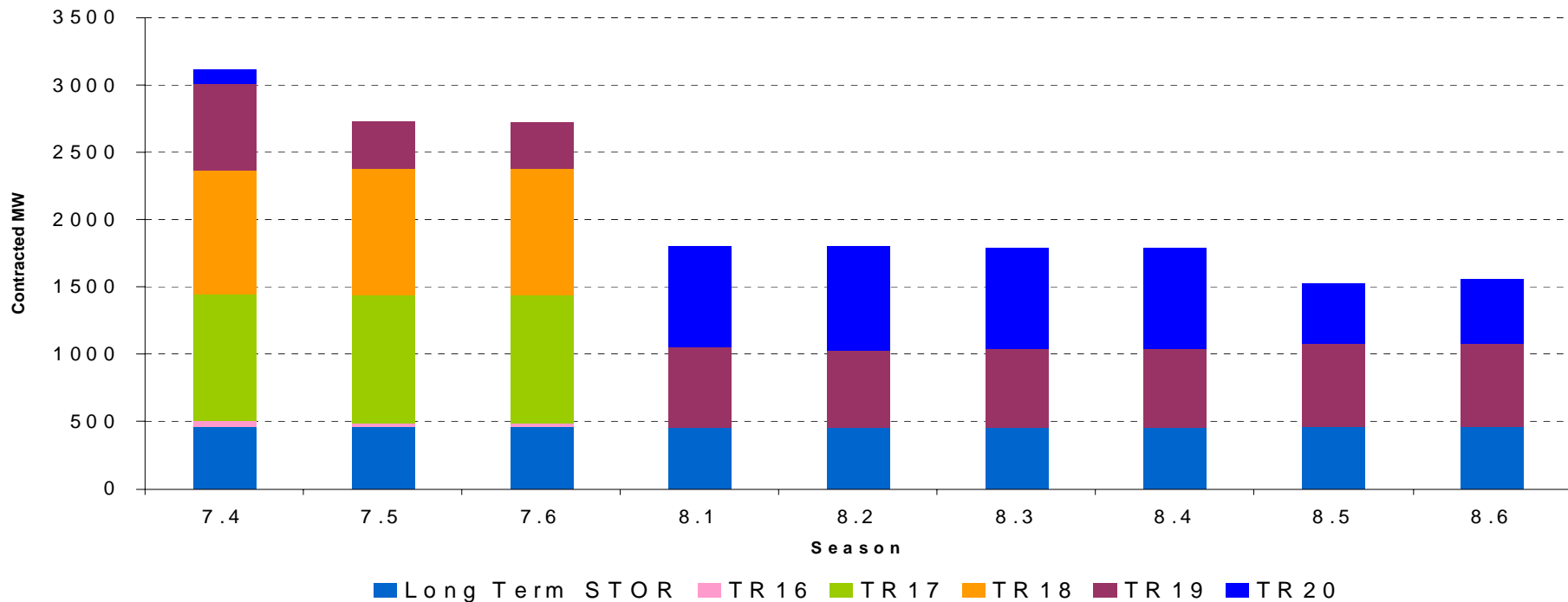
Constraint Management Tenders

- South Wales Export Constraints
 - Capped output requirements identified during three periods over summer
 - High level of engagement from effective generators
 - **July** - no contract required due to change in generation outage background
 - **August** - weekend contract agreed with Baglan Bay
 - **September** - cancelled due to changes in transmission outage schedule

Constraint Management Tenders

- Voltage Management and Inertia Tenders
 - Summer overnight requirement for low load running
 - Requirement to support national inertia and reactive in the south
 - Eleven parties participated over two tenders
 - **May to July** - Contracts agreed at Grain and Marchwood
 - **July to September** - Contracts agreed at Grain and Coryton
- Bilateral contract with Damhead Creek for frequency response and voltage management recently agreed for October and November

Contracted STOR Position (prior to Tender Round 21)

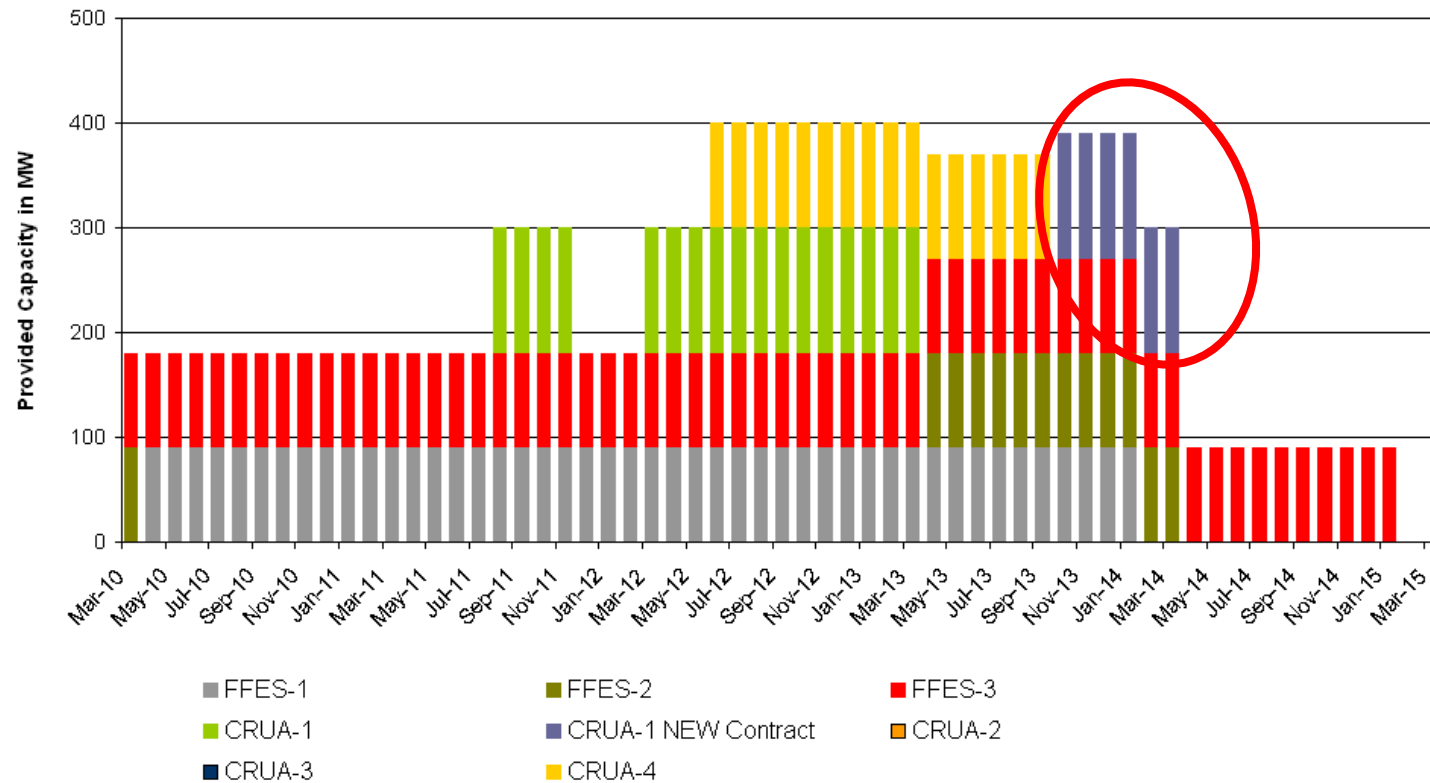


- Current requirements: 1,800MW to 2,300MW (depending on economics).
- Contracted STOR position post Tender Round 21 has been finalised. It will be published in the Market Information Report, on 8th November 2013.
- Competitive and oversubscribed market leading National Grid to procure competitively priced STOR tenders.

Former & Current Fast Reserve Contracts – day time

- New 6month Contract with CRUA-1 (120MW) from 01.10.2013;
- Looking to procure additional quantities from March 2014.

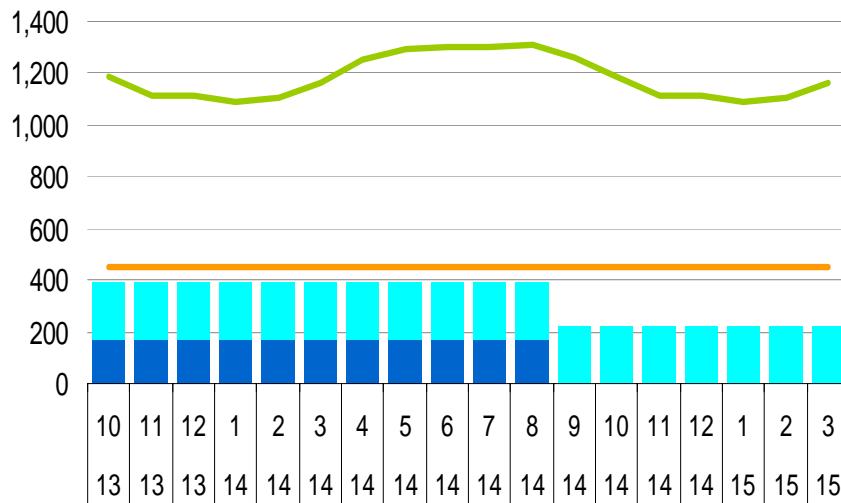
Fast Reserve Day Contracts



Firm Frequency Response-Daytime Position

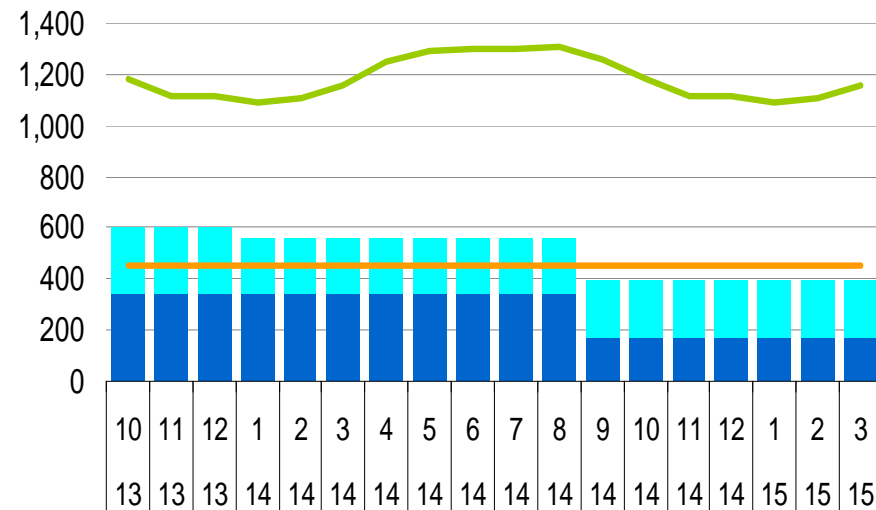
Contracts Oct-13 to Mar-15

Operational Forum Jun-13



Month-Year

Operational Forum Oct-13



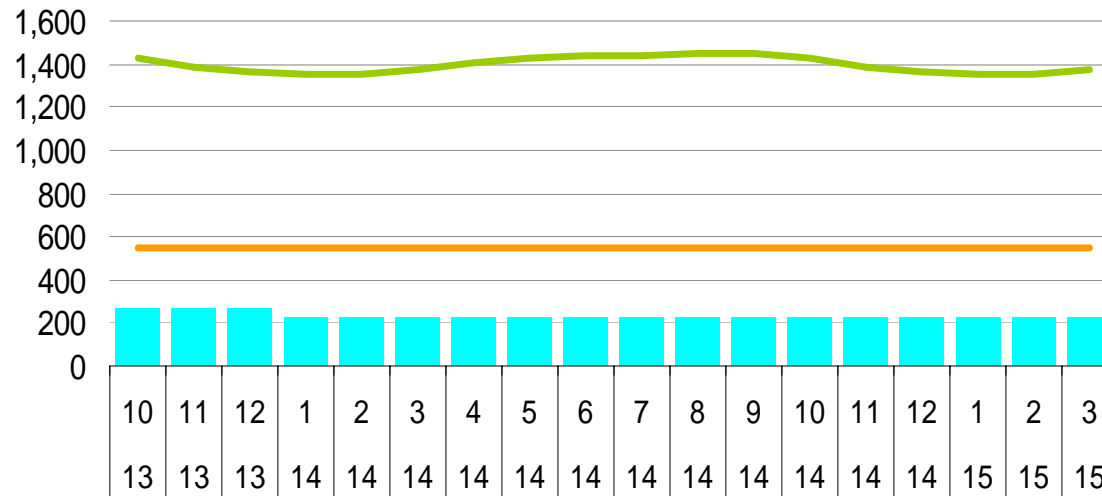
Month-Year

■ Secondary Response - Dynamic Firm Position (0.5Hz)
 ■ Secondary Response - Static Firm Position (0.5Hz)
 — Minimum Dynamic Requirement - Secondary (0.5Hz)
 — Secondary Requirement (1320MW loss to 0.5Hz)

- Additional 42MW of static contracted to December 2013
- Additional 170MW of dynamic contracted to March 2015

Firm Frequency Response-Overnight Position

Contracts Oct-13 to Mar-15



Month-Year

■ Secondary Response - Dynamic Firm Position (0.5Hz)
 ■ Secondary Response - Static Firm Position (0.5Hz)
— Minimum Dynamic Requirement - Secondary (0.5Hz)
 — Secondary Requirement (1320MW loss to 0.5Hz)

- Additional 42MW of static contracted to December 2013
- A review of minimum dynamic requirement to cope with increased system variability brought about by increased levels of renewable generation is currently in progress.
- Plan for weekly FFR tenders will help meet short-term requirements while monthly tenders will meet longer term requirement



Q&A

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