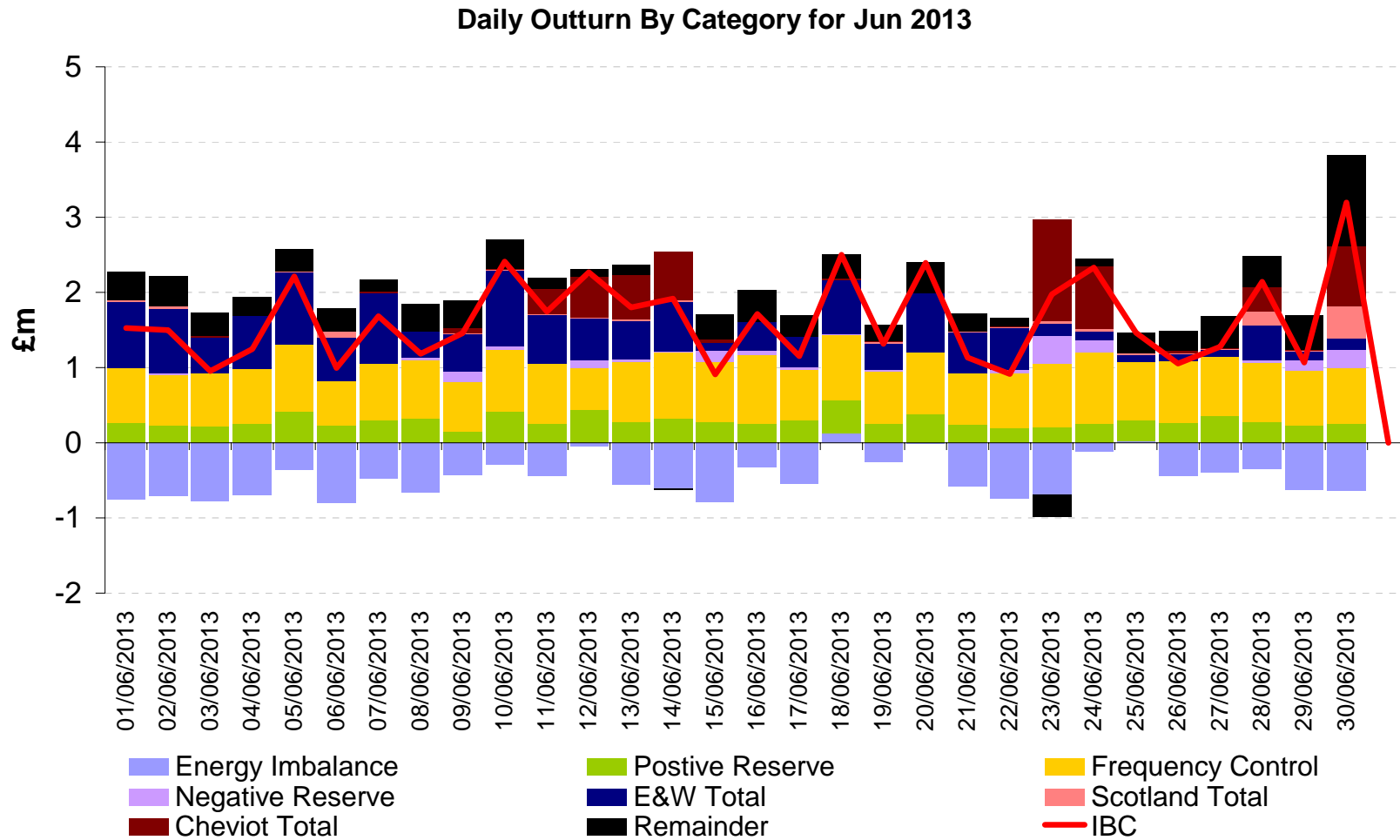


## Operational & System Operator Cost Update

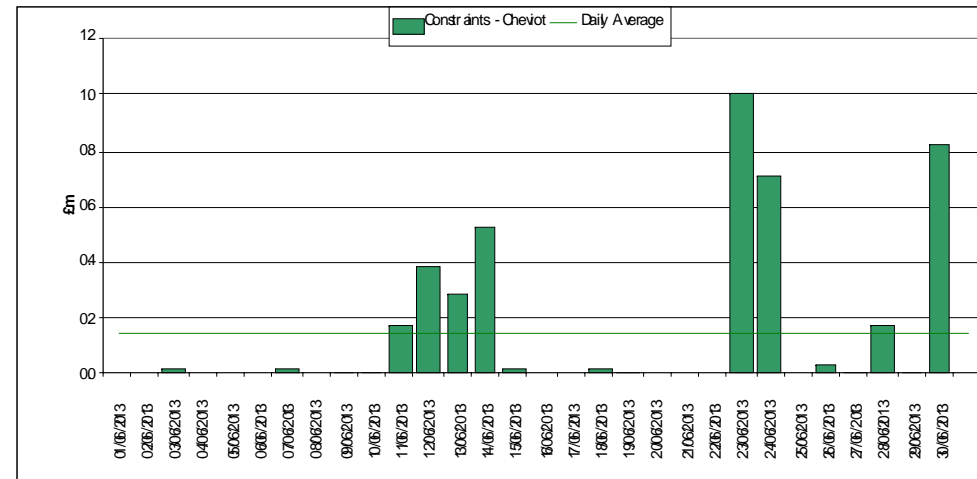
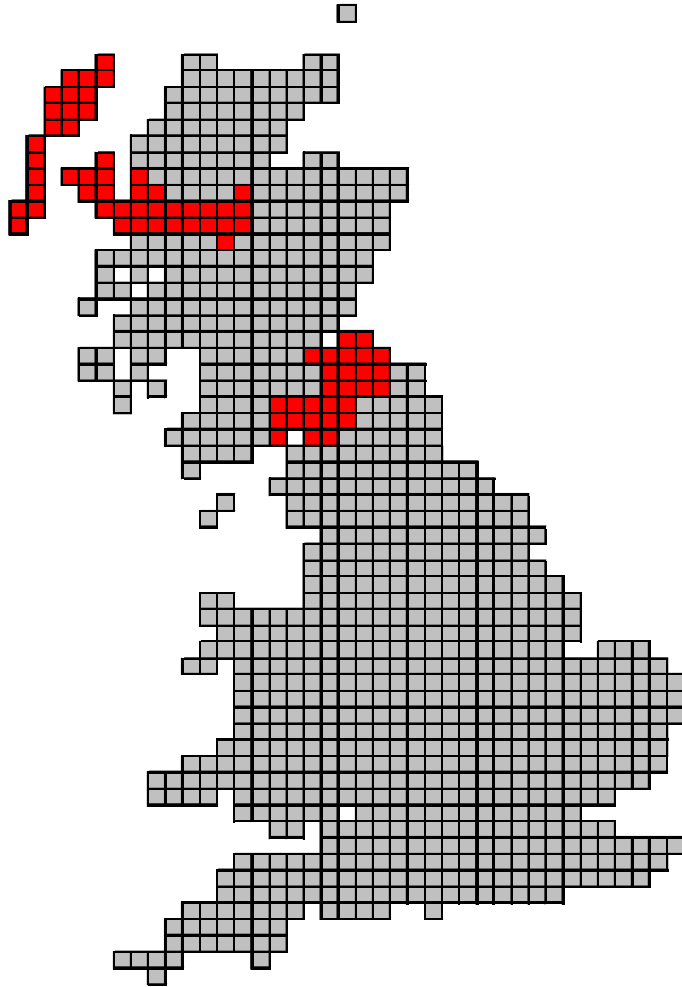


Iain McIntosh - Electricity Incentives Development Manager

# Actual Cost for June 2013

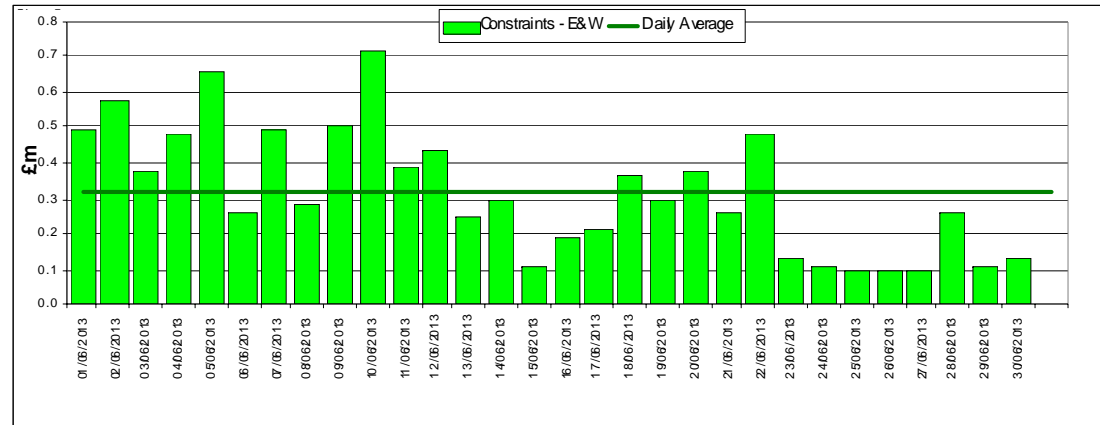
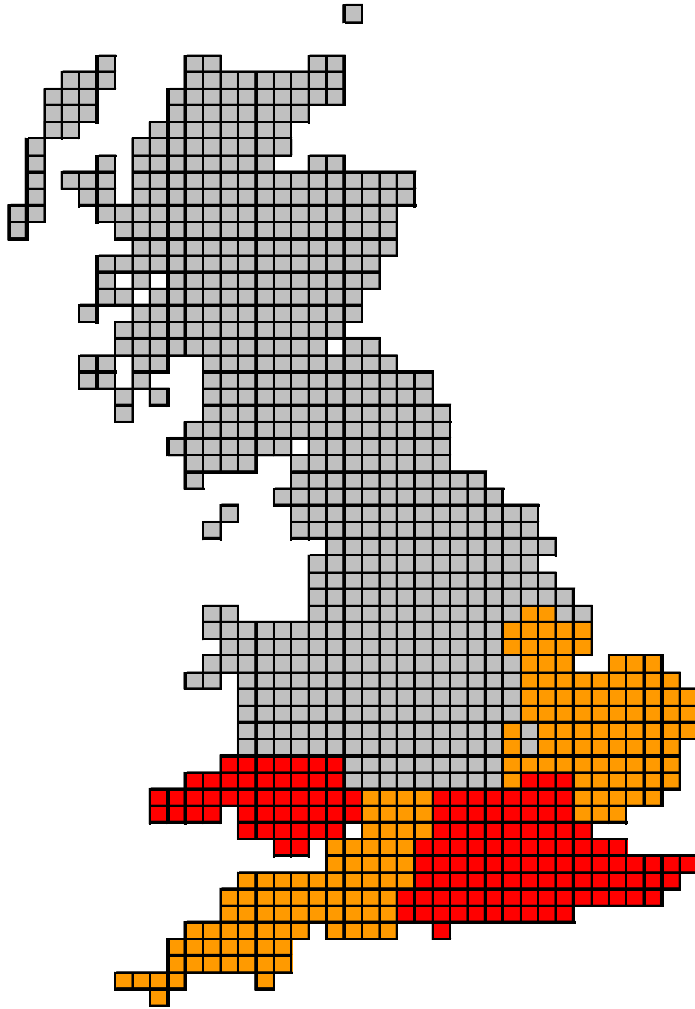


## June – Scotland Constraints



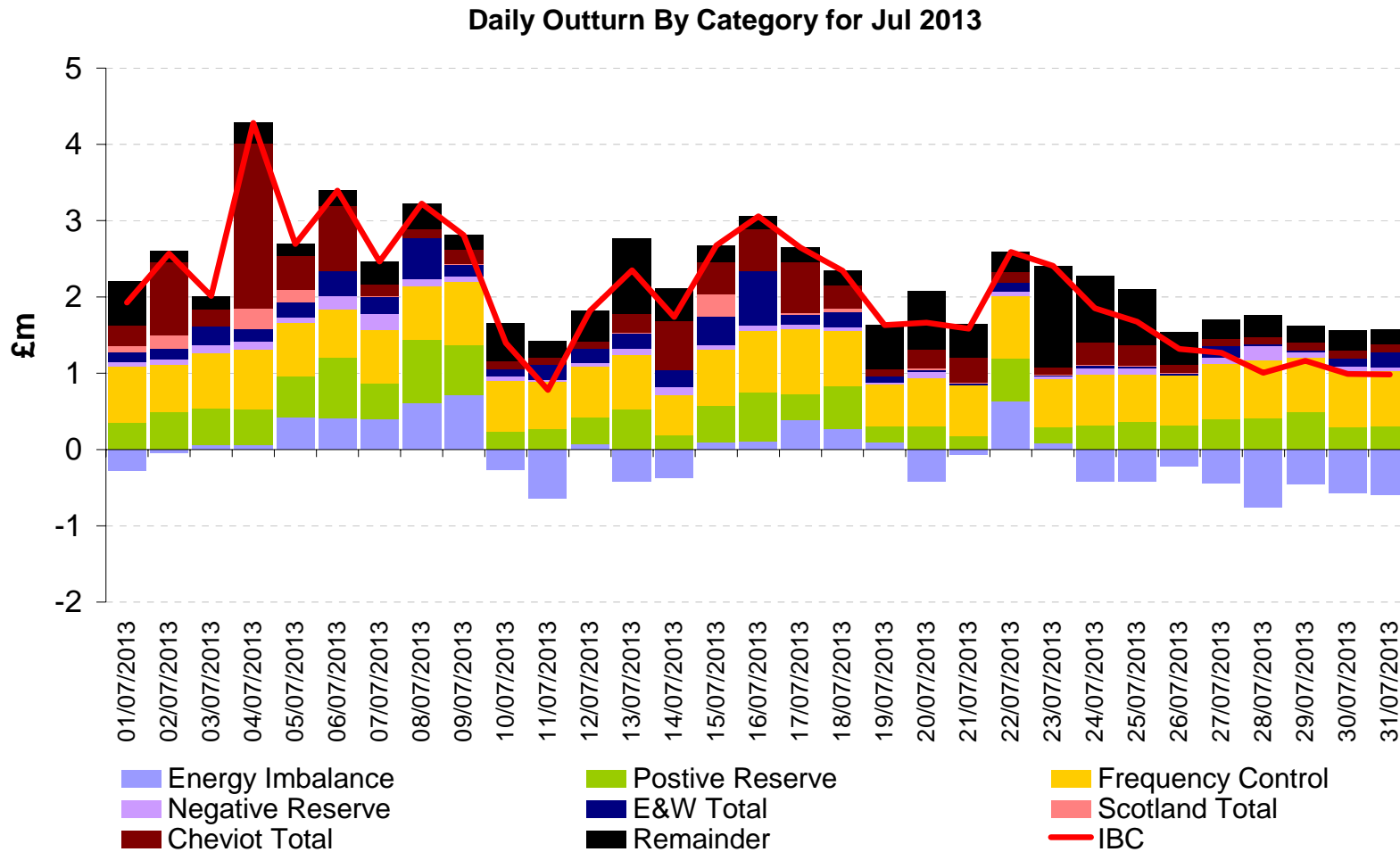
- Big reduction in constraint cost from May, led by lower Scottish constraints
- Active constraints in FAUGEX and Cheviot
- Lower wind output led to almost 50% reduction in Cheviot

# June – England & Wales Constraints

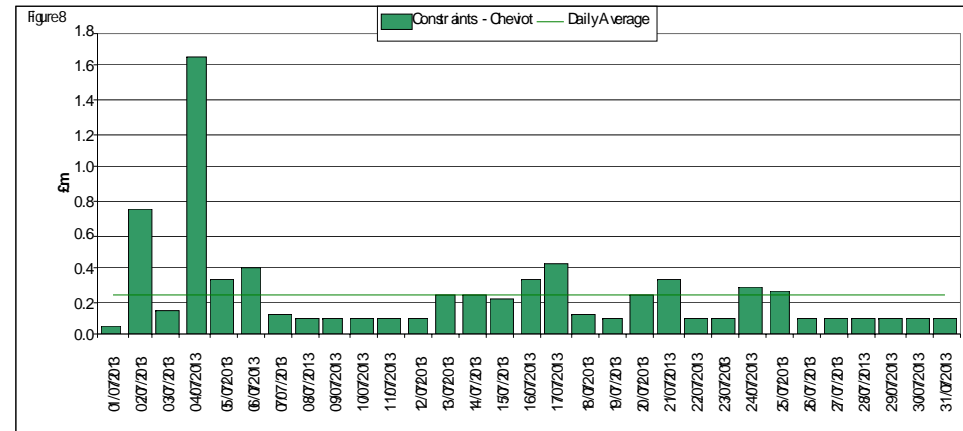
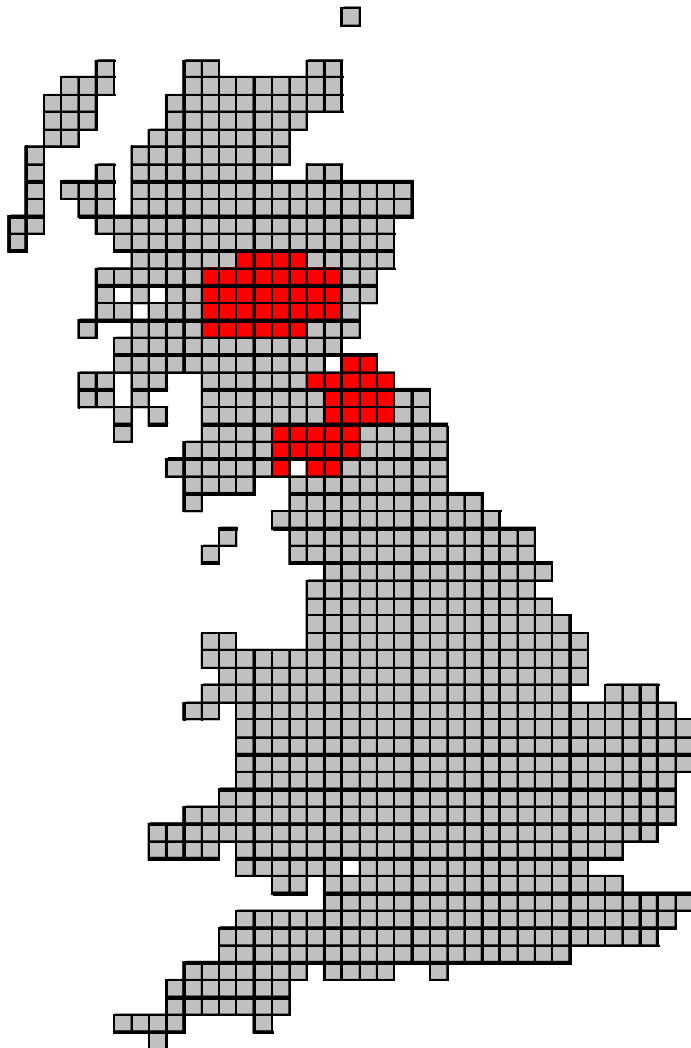


- England & Wales accounted for a majority of constraint costs in June – but overall costs lower
- SWALEX main thermal constraint, voltage issues across south of England. DRIVE contracts in place

# Actual Cost for July 2013

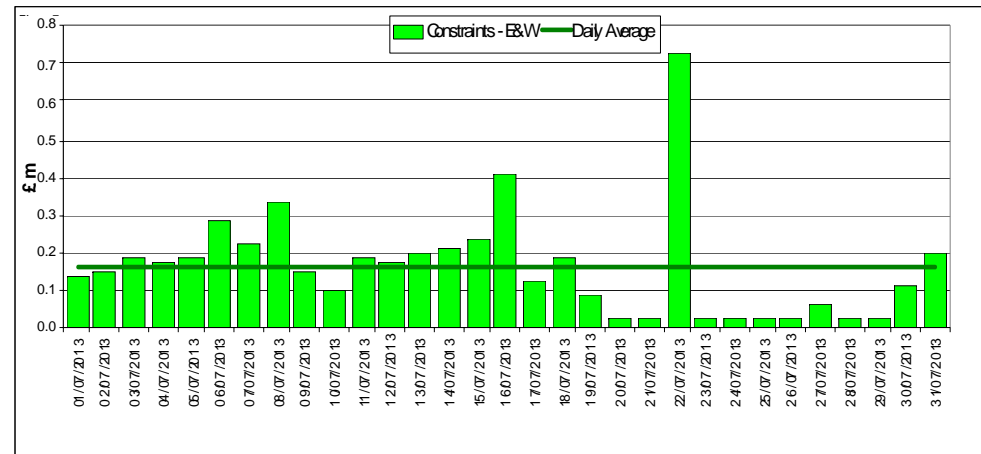
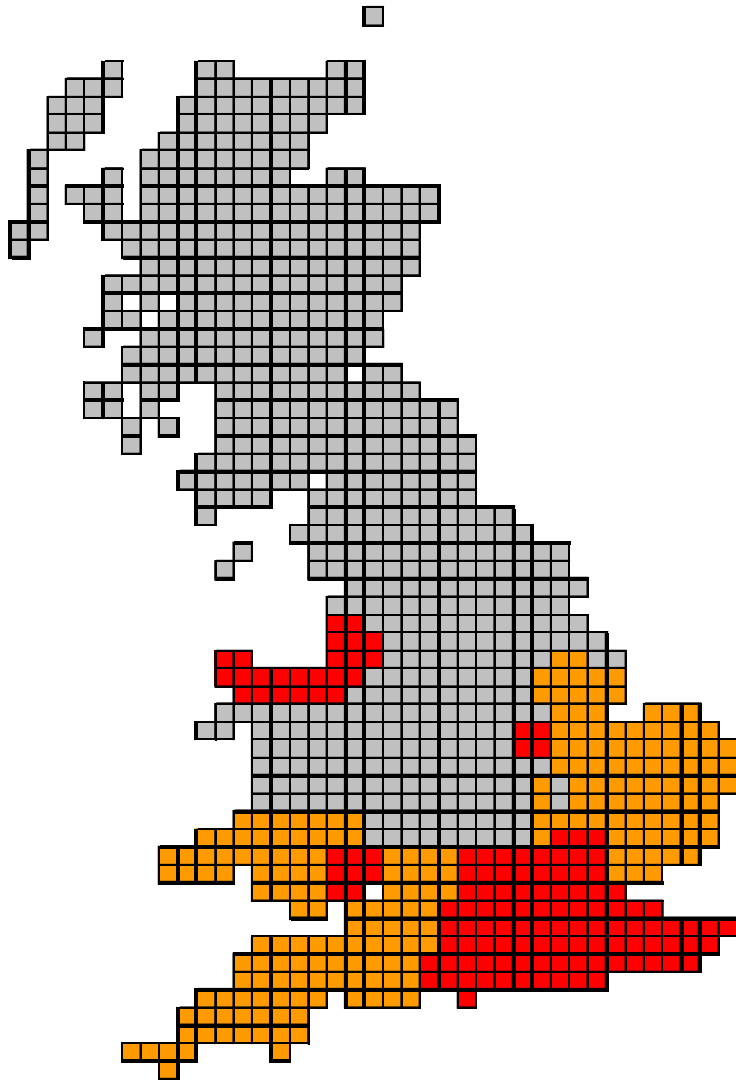


# July – Scotland Constraints



- **NLOANSSE and Cheviot were the active constraints**
- **High costs associated with high wind output – 1000MW of wind bids on 4<sup>th</sup> July**
- **Contracts in place to manage NLOANSSE**

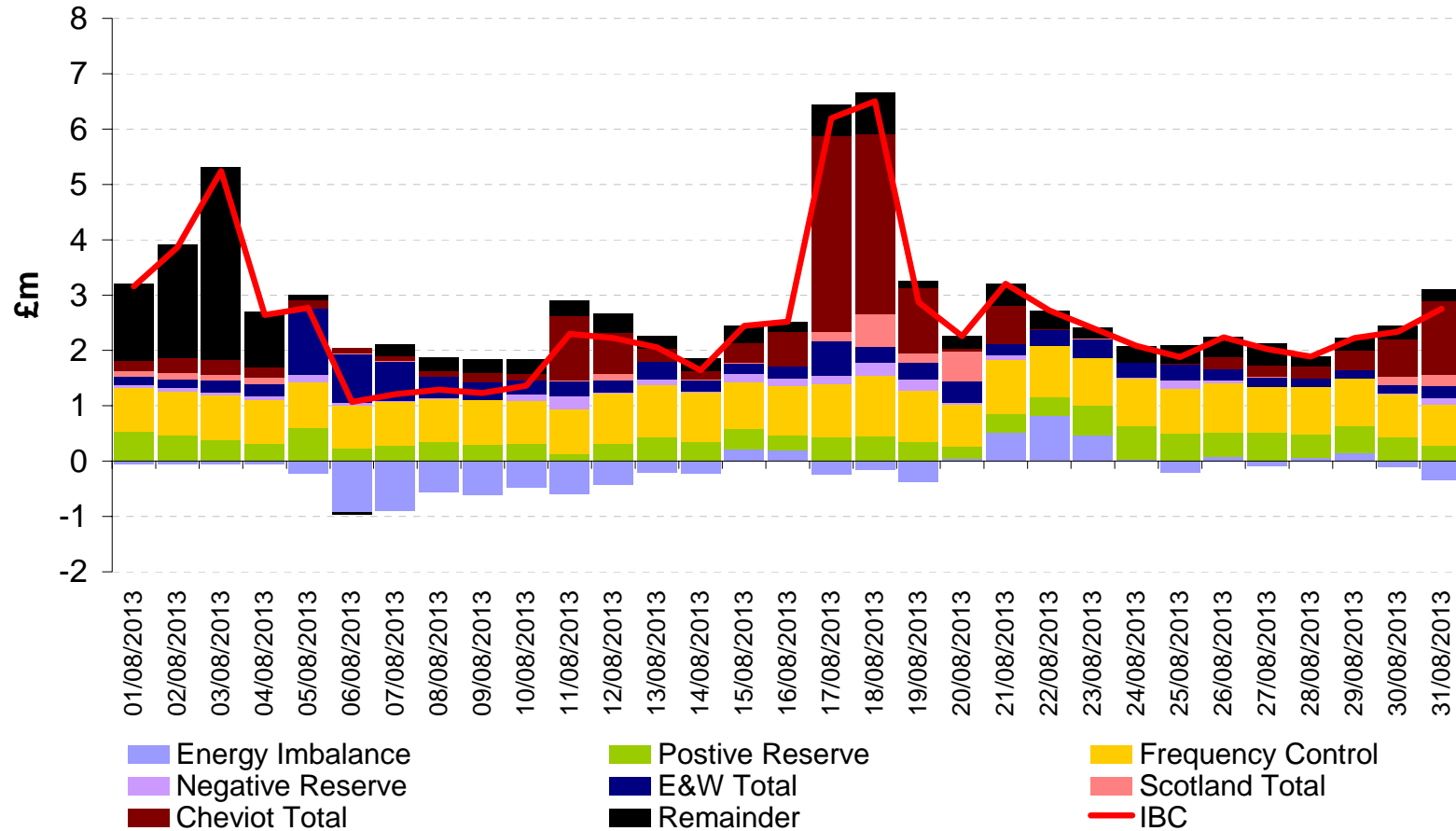
# July – England & Wales Constraints



- Voltage management main issue – managed through DRIVE contracts to end Sept
- High costs on 22<sup>nd</sup> driven by import constraint requiring generation support
- SWALEX/USKEX main thermal constraint

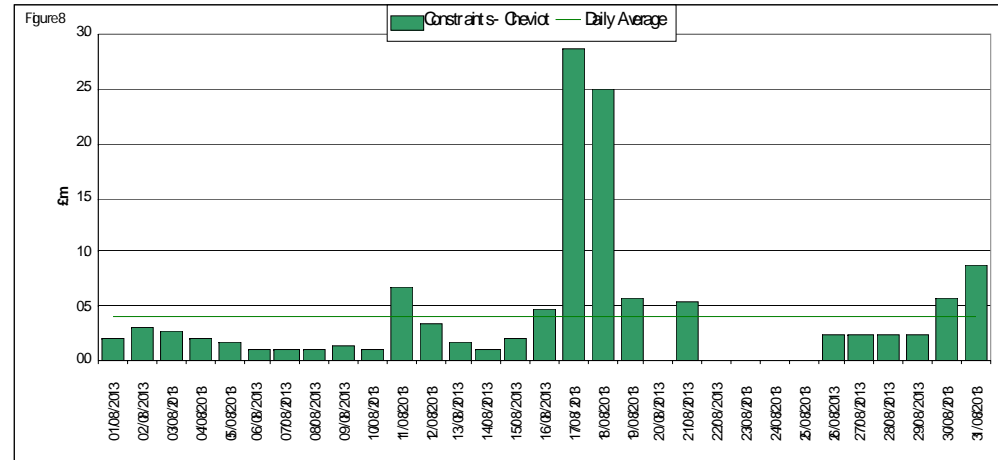
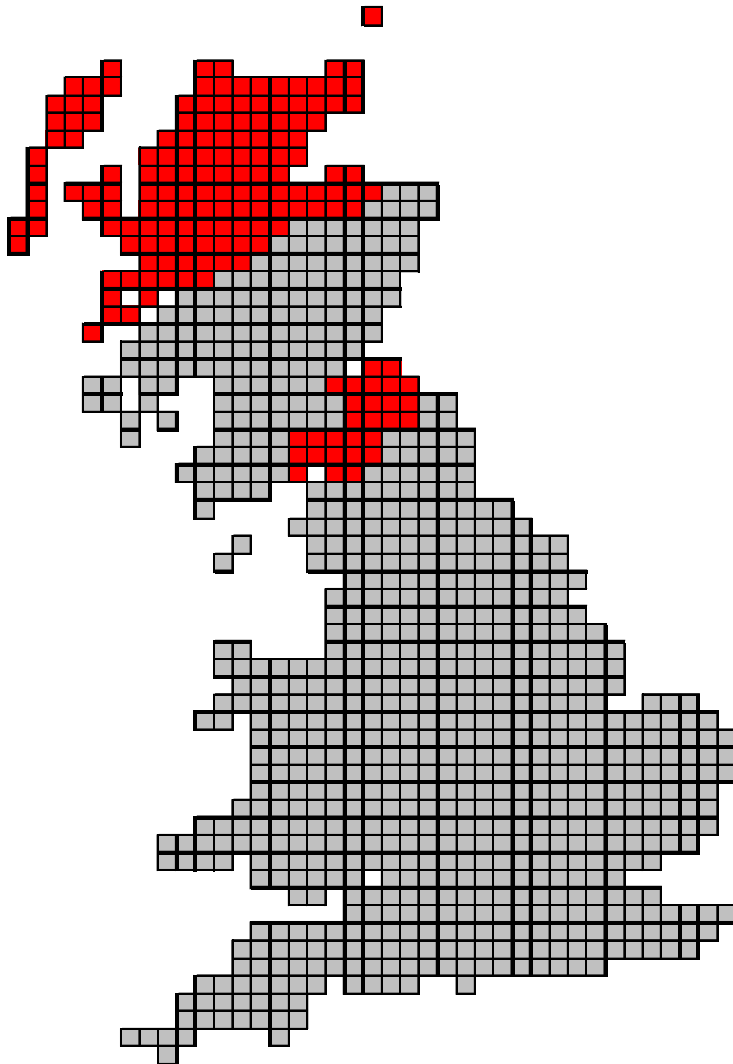
# Actual Cost for August 2013

Daily Outturn By Category for Aug 2013



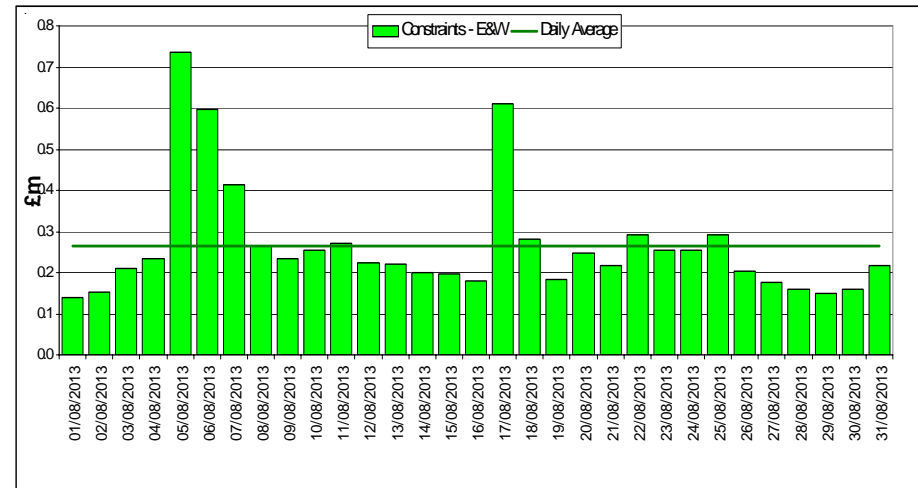
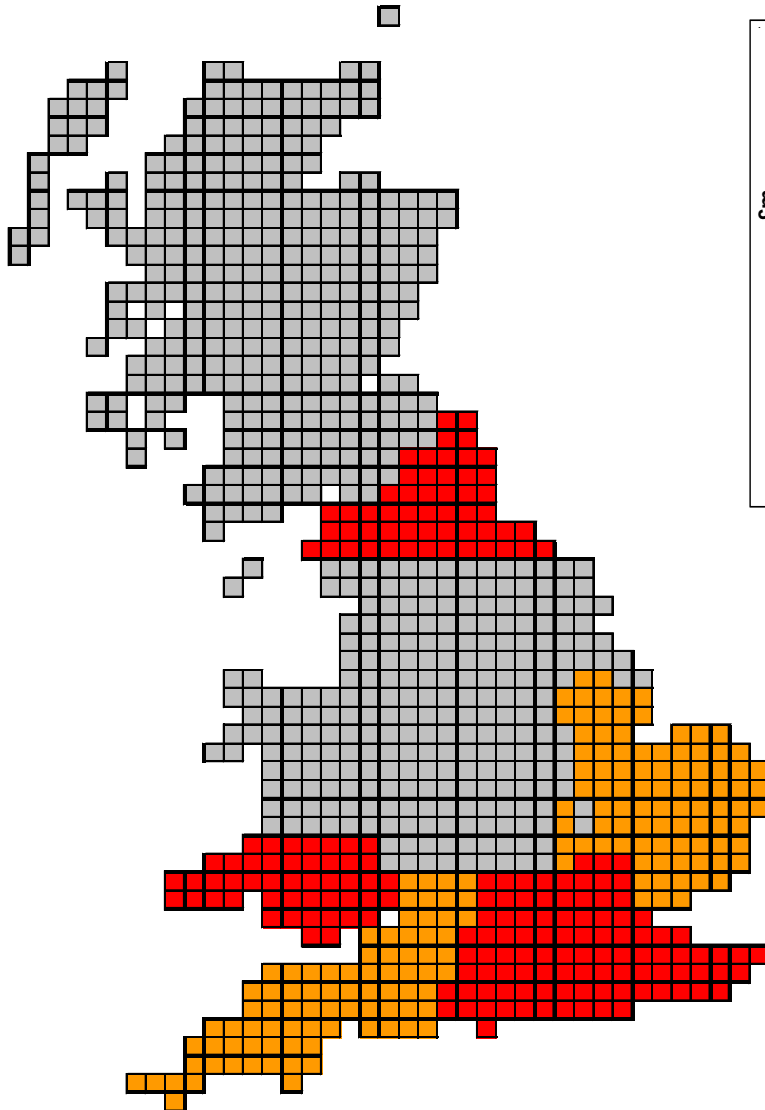


# August – Scotland Constraints



- Most costs accrued over two days associated with high wind output
- Number of circuits out of service
- Emergency instructions issued across 3 wind farms

# August – England & Wales Constraints



- A majority of active thermal constraints are in Wales
- Voltage constraints active across southern England and South Wales

## BSUoS Forecast Update



## BSUoS Forecast 2013-14

---

- External BSUoS costs estimated to be: ~£856m
- Total BSUoS costs estimated to be: ~£988.55m
- Total Charging Volume: 626.4TWh
- Est. BSUoS Charge: £1.58/MWh (Range of £1.27/MWh to £1.72/MWh)

## IAE Update



## IAE Submissions and Cost Impact

Event	Description	Cost Impact	Revenue Impact
<b>Transmission Losses</b>	Increased north-south energy transfers due to swing from gas to coal, increased wind generation and delays to commissioning plant	£107.9m	£21m
<b>FMJL Replacement</b>	Unforeseen and subsequently extended outages to replace assets with safety exclusion zones	£28.9m	£7.2m
<b>Closure of Alcan</b>	Large reserve/response provider closed during scheme which was unforeseen and resulted in more expensive actions being taken	£38.3m	£9.6m
<b>Moyle Outage</b>	Fault of Moyle I/C in 2011/12 resulted in higher Scottish constraint costs by effectively lowering demand in Scotland	£29.2m	£7.3m

## Details of IAE decision

---

Event	Cost Impact	Revenue Impact	OFGEM Decision	Revenue Impact
<b>Transmission Losses</b>	£107.9m	£21m	<b>£0m</b>	£21m
<b>FMJL Replacement</b>	£28.9m	£7.2m	<b>£8.4m</b>	£2.1m
<b>Closure of Alcan</b>	£38.3m	£9.6m	<b>£0m</b>	£9.6m
<b>Moyle Outage</b>	£29.2m	£7.3m	<b>£20.3m</b>	£5.1m

## Impact on BSUoS 2012/13

---

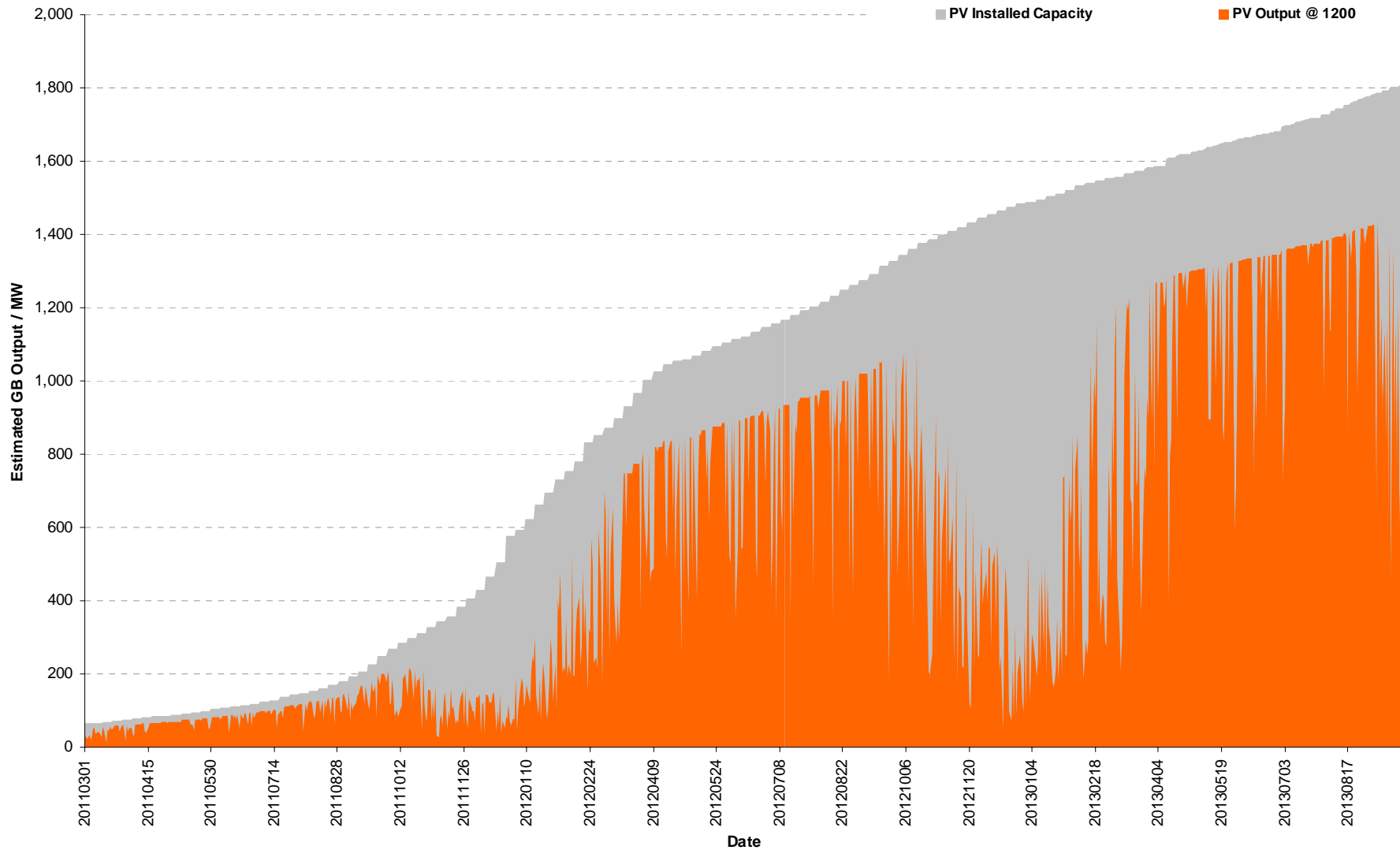
- Income adjustment of £7.3M after sharing factors
- Impact on BSUoS is 1.17p/MWh (£0.017/MWh)
- Impact of charges will be reflected through the final reconciliation runs



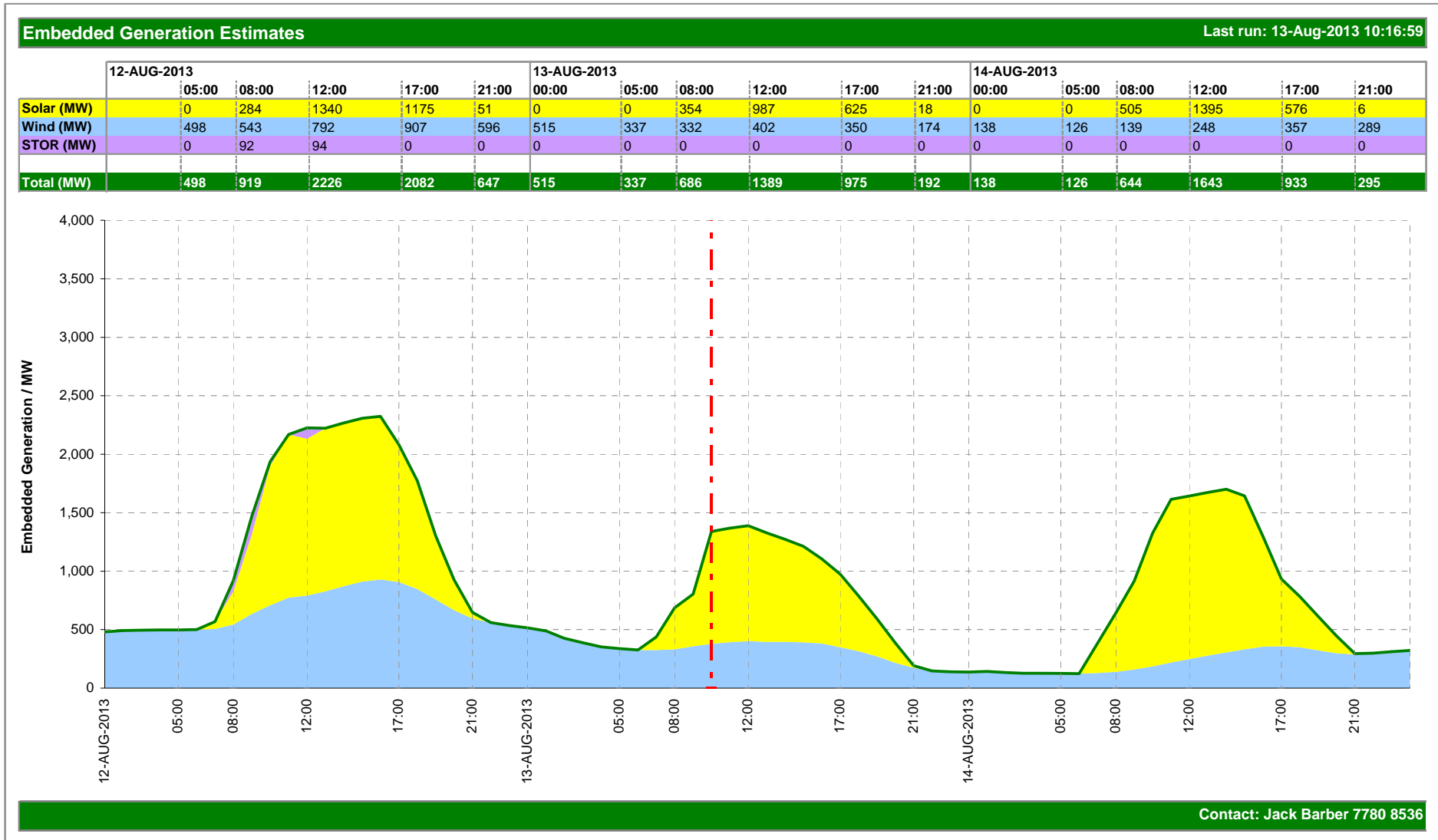
## PV Forecasting



# Forecasting Embedded Solar Generation



# Embedded Generation Forecast





# Q&A

[iain.mcintosh@nationalgrid.com](mailto:iain.mcintosh@nationalgrid.com)