



national**grid**

power responsive

Energyst DSR Event

Asheya Patten

7th September 2017



Building on the Foundations and Route Map for the Future



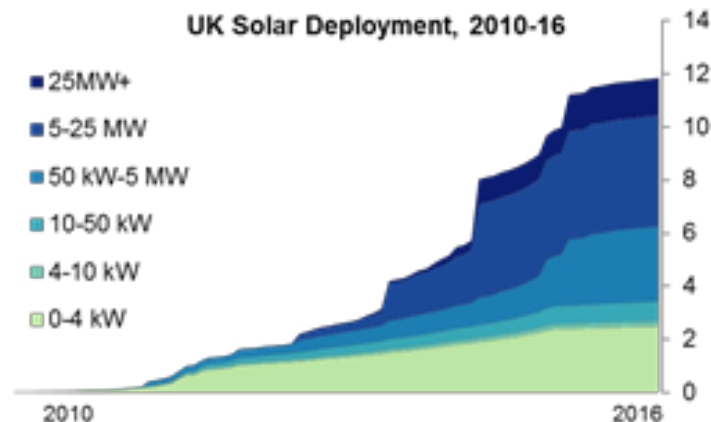
We are operating the future electricity system today

As an industry we have achieved much in the last year

There is still much to do and it is important to keep momentum

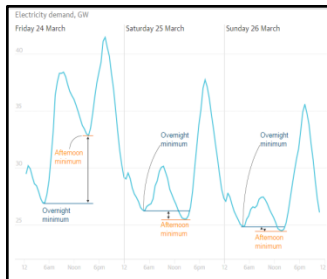
The system has evolved more quickly than expected

	2012 prediction for 2020	Actual 2017
Solar	1 GW	12 GW
Wind	12GW	15 GW
% Embedded	12%	23%

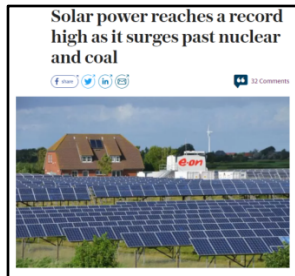


We have had a summer of 'firsts'

25-26 Mar



26 May



11 June



21 Apr



7 June

We have achieved much as an industry in the last year

60%
Increase in
active BMUs
since 2014

200 participants
in storage
working group

System Needs
and Product
Strategy
published

Enquiries from
250 new
potential
providers in 2016

>500 MW increase
in NG flexibility from
non-traditional
sources in 2016

BEIS and Ofgem
call for evidence

There is still much to do and it is important to keep momentum

Awareness

- Awareness to date has focused on opportunities and case studies
- You have told us that regulatory uncertainty is a barrier to entry
- Through Power Responsive we can support you in navigating the changes

Confidence

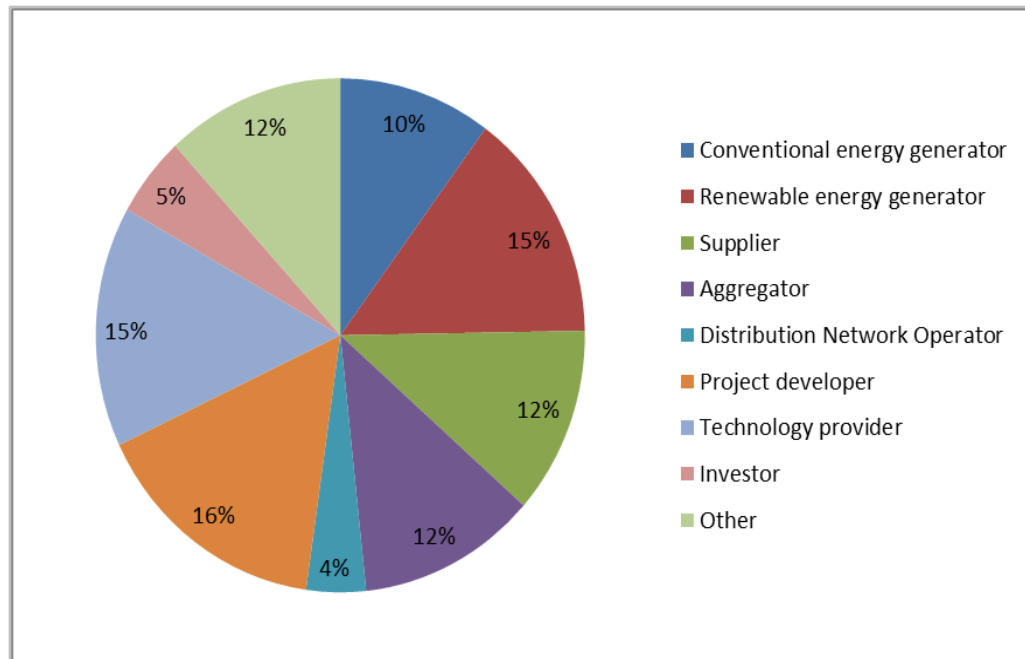
- Our Product Roadmap will be published in the Autumn – set clear timescales and ambition for future product design
- Facilitating conversation on wider access to Balancing Mechanisms

Simplicity

- Simplicity in National Grid Balancing Products – rationalise, standardise, improve
- Extend conversation to other markets such as BM and wholesale
- Working closely with DNOs to tackle whole system – learning by doing

System Needs and Product Strategy

Product Simplification: Summation of Consultation Views



128 responses

10+ industries
consulted

98% Agree with
approach

System Needs and Product Strategy

Product Simplification: Standardisation vs Single Products

Key Themes

1

Greater transparency of the System Operators day to day activity

2

A reduction in barriers to entry

3

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

System Needs and Product Strategy

Insights – Standardisation: The Path for Future Products

Standardisation should :

- simplify services and make procurement more transparent.
- initiate a small number of simple products with a few parameters within a service area.

57%

believe standardising products will
have a positive effect on Competition

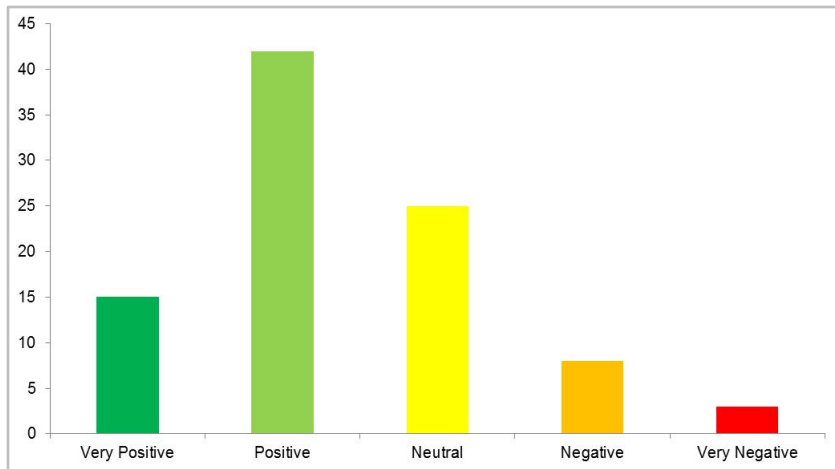
79%

believe standardising products will
have a positive effect on Transparency

System Needs and Product Strategy

Insights – Standardisation: Prospect of Secondary Trading and Service Stacking

The potential to allow secondary trading was generally seen as a positive step.



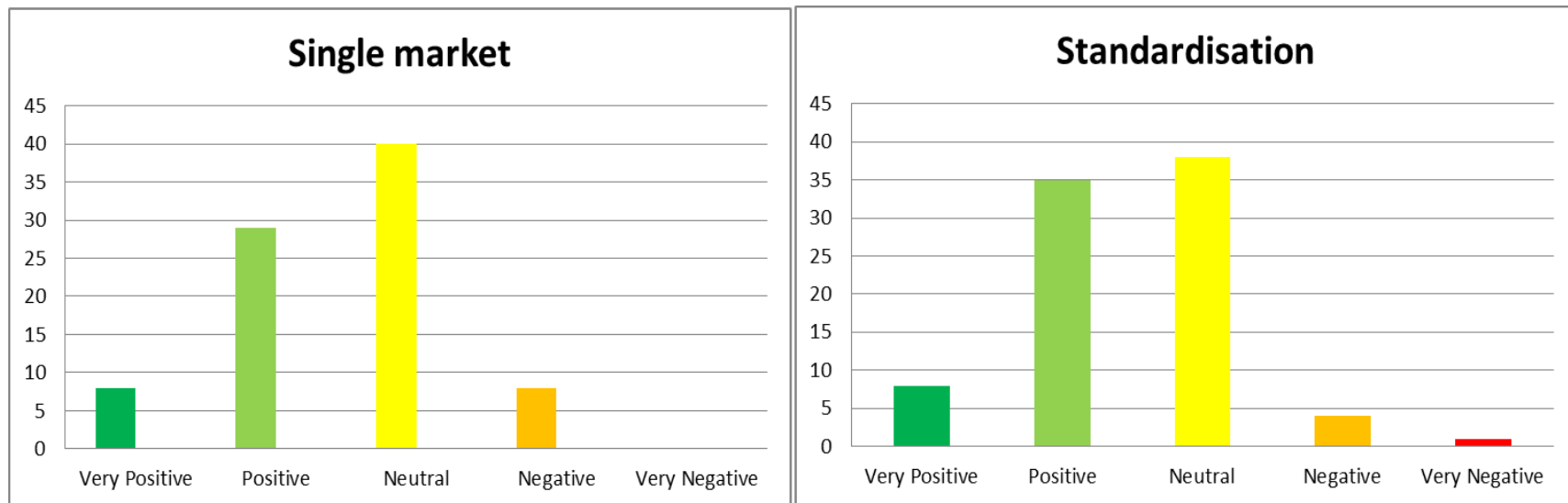
61%

think positively towards the
potential for secondary
trading in balancing services

System Needs and Product Strategy

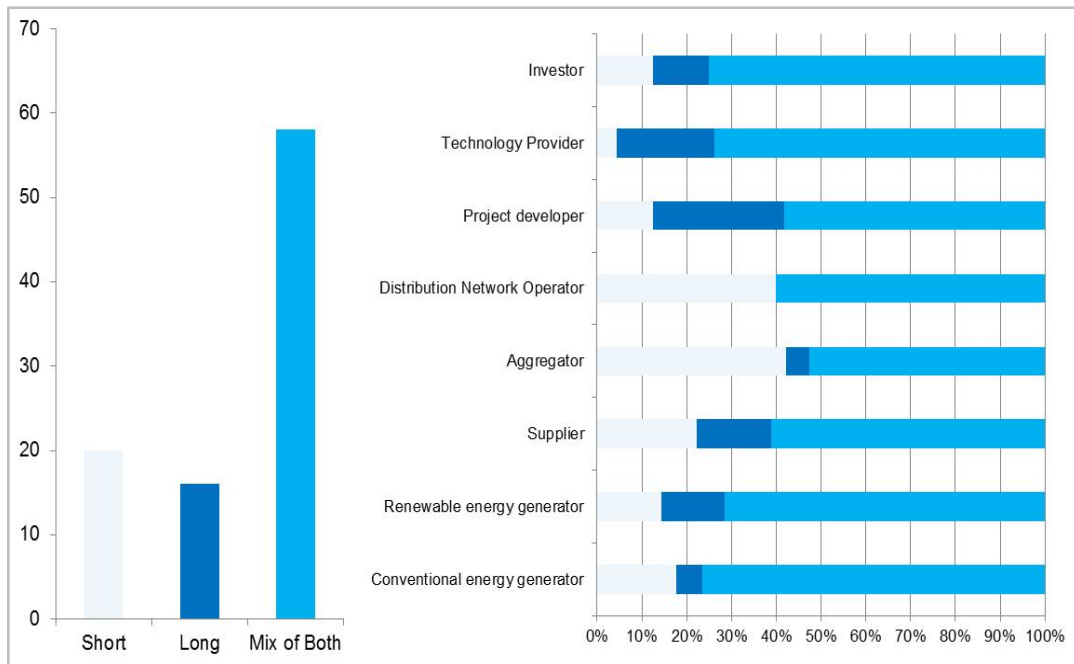
Insights – Service Stacking: Impact of Single Market and Standardisation

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



System Needs and Product Strategy

Insights – Short Term Markets v Long Term Contracts: A Balance Preferred

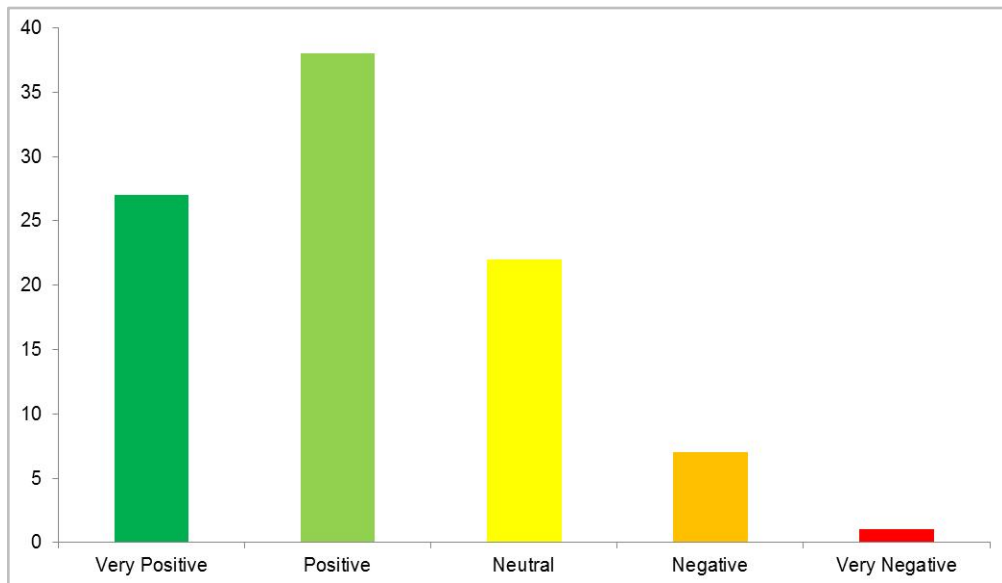


62%

favour a mix of short and long term contracts

System Needs and Product Strategy

Insights – Procurement Trials: Positive response

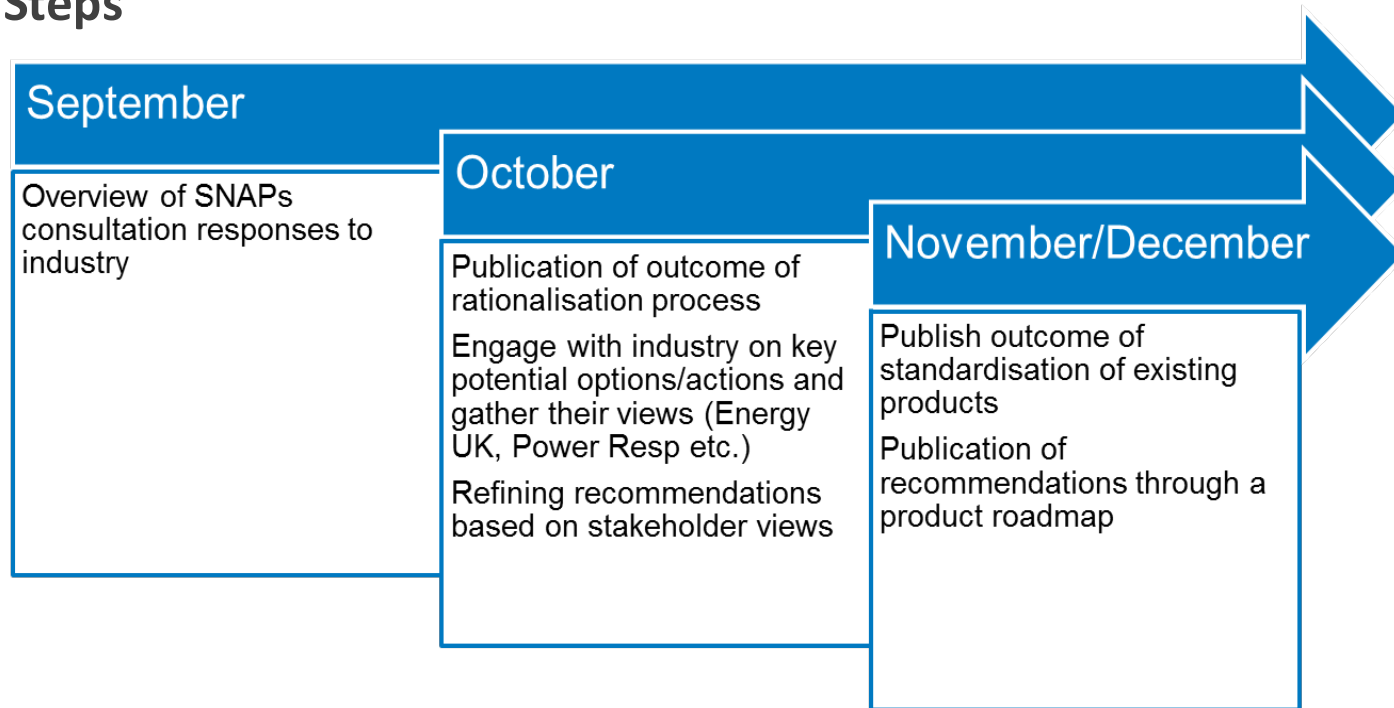


68%

positive or very positive about trialling
alternative procurement approaches

System Needs and Product Strategy

Next Steps





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Thank You

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