

# power responsive

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National Grid Electricity System Operator

13<sup>th</sup> September 2018  
The DSR Event, The Energyst



This time last year.....

# System Needs and Product Strategy



# What you told us?



believe **standardising** products will have a positive effect on **transparency**



favour a mix of **short and long term** contracts

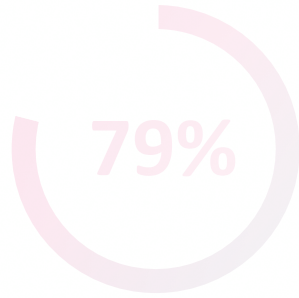


think positively towards the potential for **secondary trading** in balancing services



positive or very positive about **trialling alternative procurement approaches**

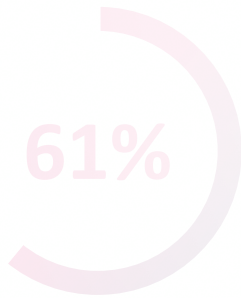
# What you told us?



believe standard products will have a positive effect on transparency



favour a mix of short and long term contracts



think positively toward the potential for second hand trading in balancing services



positive or very positive about trialling alternative procurement approaches

# The conclusions we drew



## Key Themes:

### 1. Transparency:

Greater transparency of the System Operators day to day activity.

### 2. Barriers:

A reduction in barriers to entry.

### 3. Simplification:

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

A brown bear is lying on its side on a large, weathered log. The bear's head is resting on the log, and its eyes are closed. The log is covered in moss and lichen, suggesting a forest environment. The background is dark and out of focus.

**But we haven't been hibernating!!!!**

# Product Roadmaps





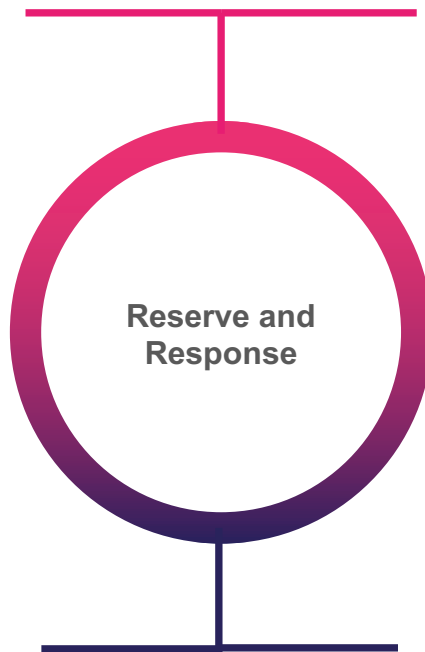
# You said, we did / doing

## Removing Barriers:

- Trialling new procurement methods – FFR auction trial
  - Creating longer term contracting opportunities
- Consulting on a revised approach to exclusivity clauses

## Transparency:

- More information to be provided in our post tender and market information reports, incl specific window volume requirements and future forecasts



## Simplification:

- Rationalisation of products, including the removal of FFR Bridging, FCDM, EFR, STOR Runway, and Enhanced Optional STOR.
- Reducing the variability of contracts and daily windows
- Separation of fast and slow response STOR
- Simplification of Contracts

## Additional Actions

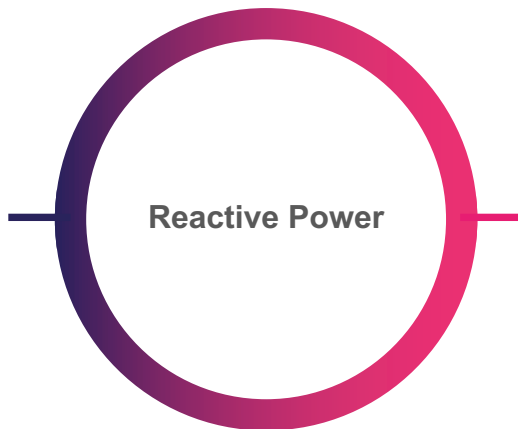
- Designing a faster-acting response service



# You said, we did / doing

## Transparency:

- Separating out costs within MBSS making it clear when we're procuring active power to access Reactive Power
- Improve the information presented regarding BSUoS charges
- Publish an invitation for expressions of interest to meet Reactive Power requirement in South Wales.



## Simplification:

- Setting out proposals to remove ERPS
- Establish issues with current arrangements and improve Reactive Power market arrangements

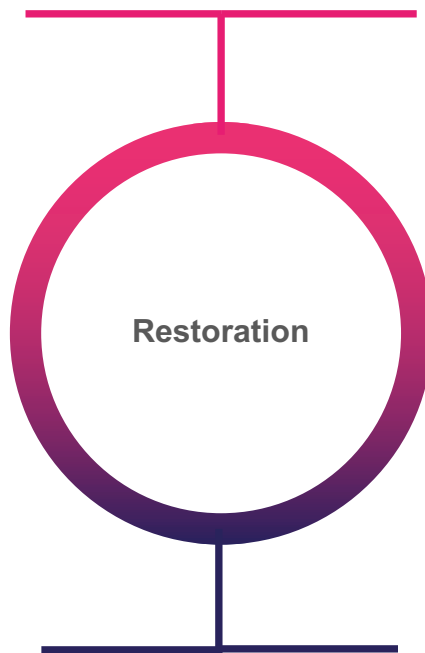
# You said, we did / doing

## Removing Barriers:

- Improve market access to wider range of participants
- Develop combined services approach to overcome existing barriers to entry

## Transparency:

- Improve details on restoration costs and capacity requirements
- Publish our value statement of competitive approaches



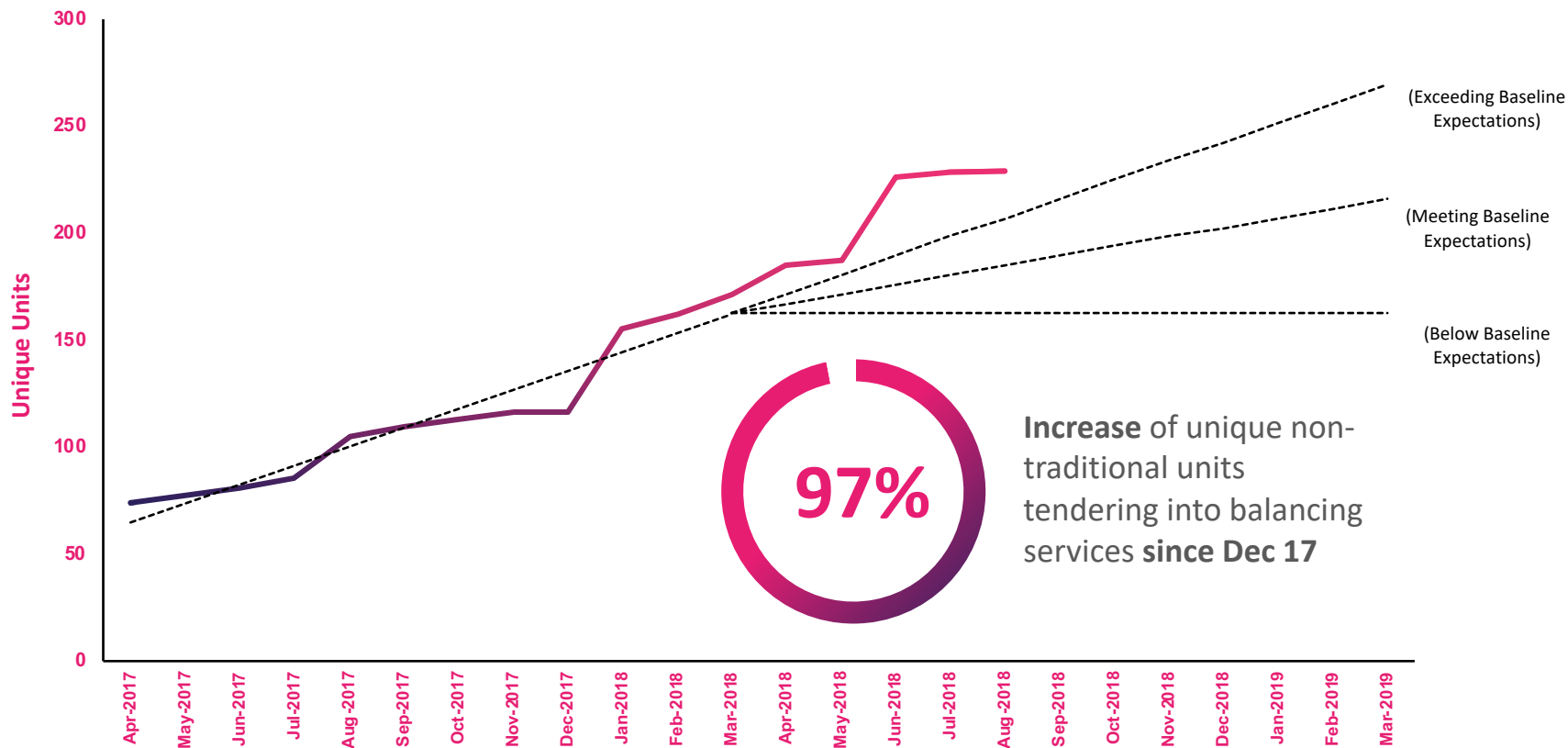
## Simplification:

- Standardise and publish value assessment in competitive approaches to Black Start
- Assess merits of different procurement models and agree standardised timeframes

## Additional Actions

- Work with DER providers to design an appropriate commercial service for Black Start
- Test the potential for wind and storage to meet Black Start requirements

# What's the impact and are we achieving?

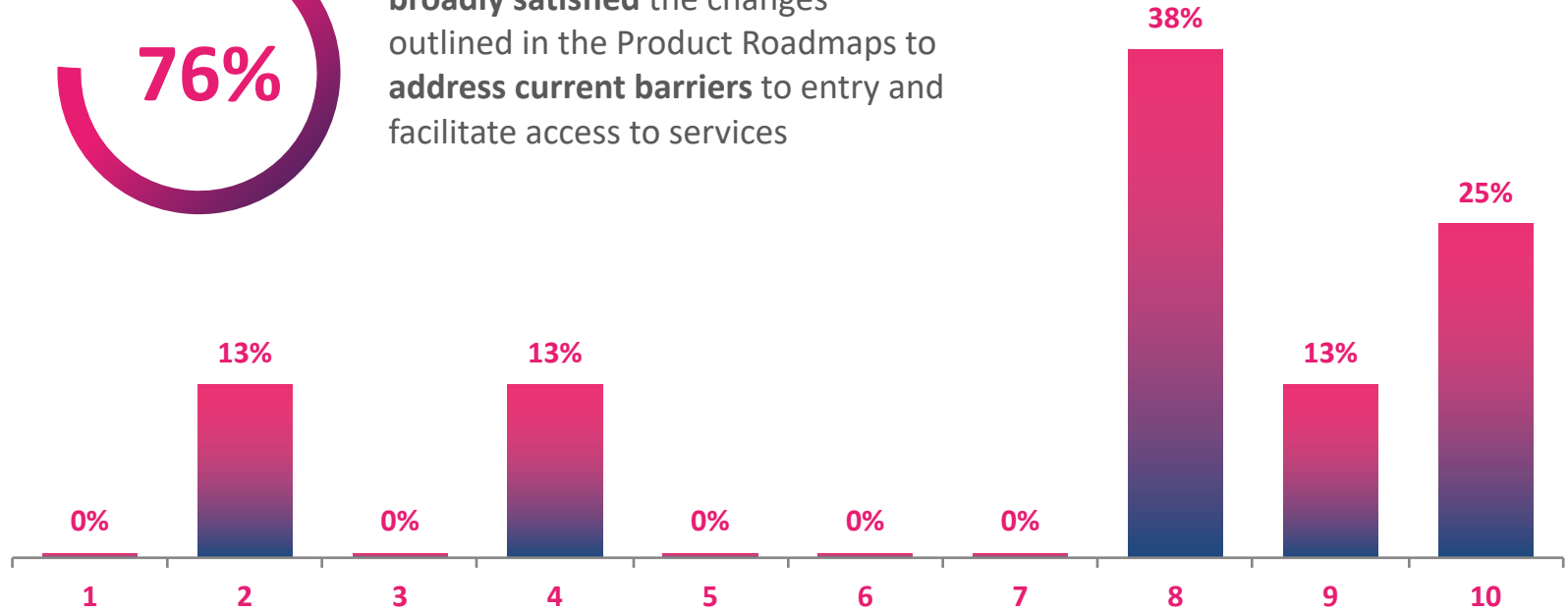


# Are you satisfied with our approach?

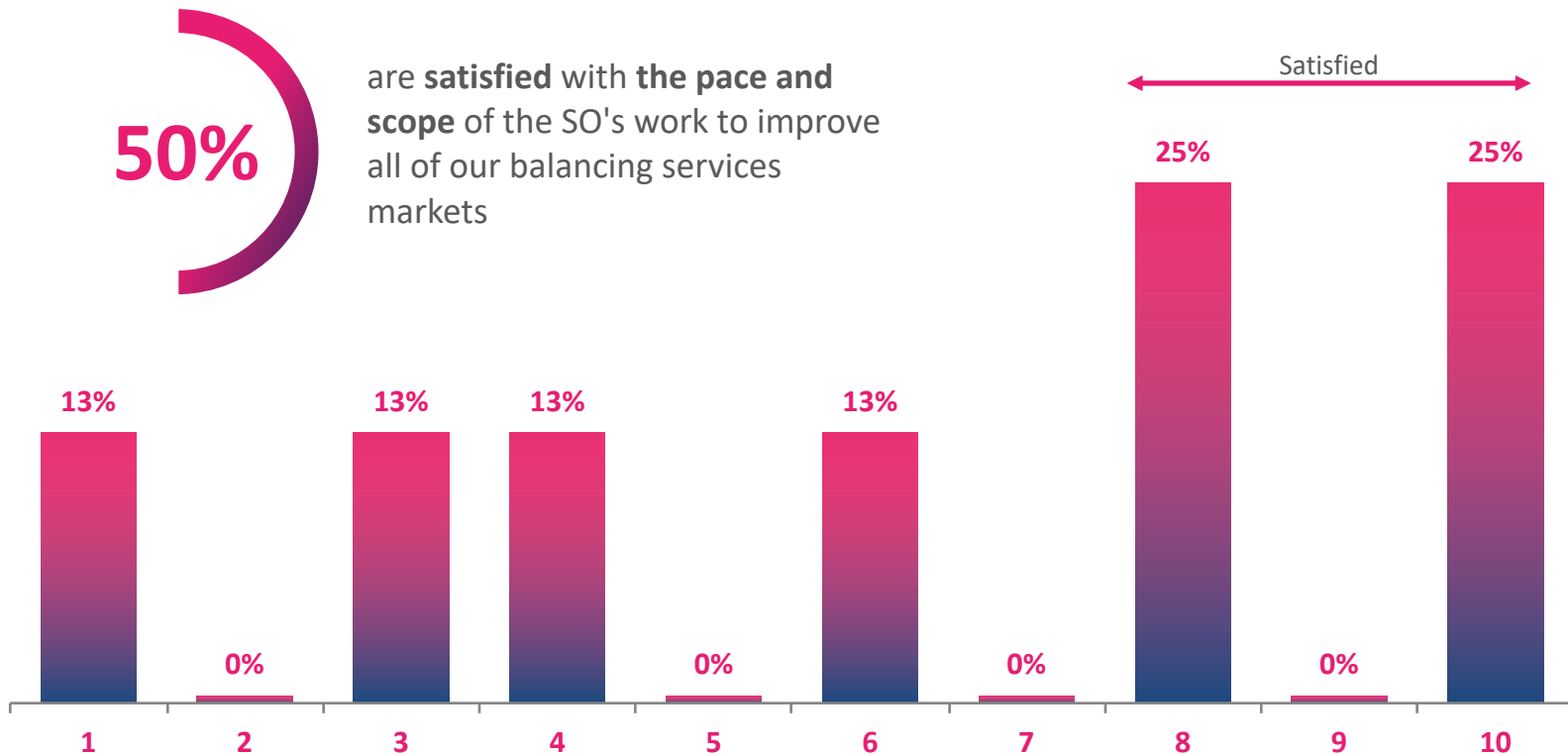


**broadly satisfied** the changes outlined in the Product Roadmaps to **address current barriers** to entry and facilitate access to services

← Satisfied →



# Are you satisfied with our approach?



# Please continue to engage with us



Continued input from across the industry is essential to our work as we look to create balancing service markets and products that work for all parties.



**Contact us at.....**

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