

23<sup>rd</sup> September 2014

## DEMAND SIDE BALANCING RESERVE INDUSTRY UPDATE FOLLOWING 2014/15 TENDER

Dear Colleague,

Following conclusion of the recent Demand Side Balancing Reserve (DSBR) tender, this Industry Update summarises the tender outcome with regards to the DSBR pilot for the winter of 2014/15 and also highlights the upcoming DSBR tender opportunities for the winter of 2015/16.

### Outcome of 2014/15 Tender

National Grid is currently in the process of finalising contracts with DSBR participants; in total representing 319MW across 431 individual sites / Meter Point Administration Numbers (MPANs). Pending conclusion of this process, it is our intention to publish a Market Report which will provide additional detail on the contracts awarded. We are pleased with the results of the tender; this represents an encouraging start for the new service, broadly meeting the headline volume requirement we set out to achieve.

### Future Tender Opportunities

As detailed in an Open Letter dated 10<sup>th</sup> June 2014, the volume requirement for DSBR and Supplemental Balancing Reserve (SBR) was established by assessing the security of supply outlook over the next four years and by applying the approved Volume Requirement Methodology<sup>1</sup>. The volume required for the winter of 2015/16 was indicated as 1,800MW. This represents the maximum de-rated volumes required from both DSBR and Supplemental Balancing Reserve (SBR), with the actual volume being that which delivers best value to consumers, taking into consideration prices submitted across both products.

It remains our intention to promote and stimulate the growing demand-side services sector and with this in mind, we will be tendering for the 2015/16 winter requirement across two tender events opening in October 2014 and spring 2015.

More information on the timetable associated with the procurement of 2015/16 volume will be published in due course.

If you have any questions please contact the DSBR support team using the following details (please note: support will typically be available each weekday on a 9am to 5pm basis):-

- E-mail – [DSBR.SBR@nationalgrid.com](mailto:DSBR.SBR@nationalgrid.com)
- Phone – 01926 655258

For more information pertaining to the DSBR product please refer to the following web page:-

[www.nationalgrid.com/uk/Electricity/AdditionalMeasures](http://www.nationalgrid.com/uk/Electricity/AdditionalMeasures)

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<sup>1</sup> Both the Industry Open Letter & Volume Requirements Methodology are available on the following webpage:  
<http://www.nationalgrid.com/uk/Electricity/AdditionalMeasures/>

Yours sincerely

Peter Bingham