

Significant Code Review Opening Seminar

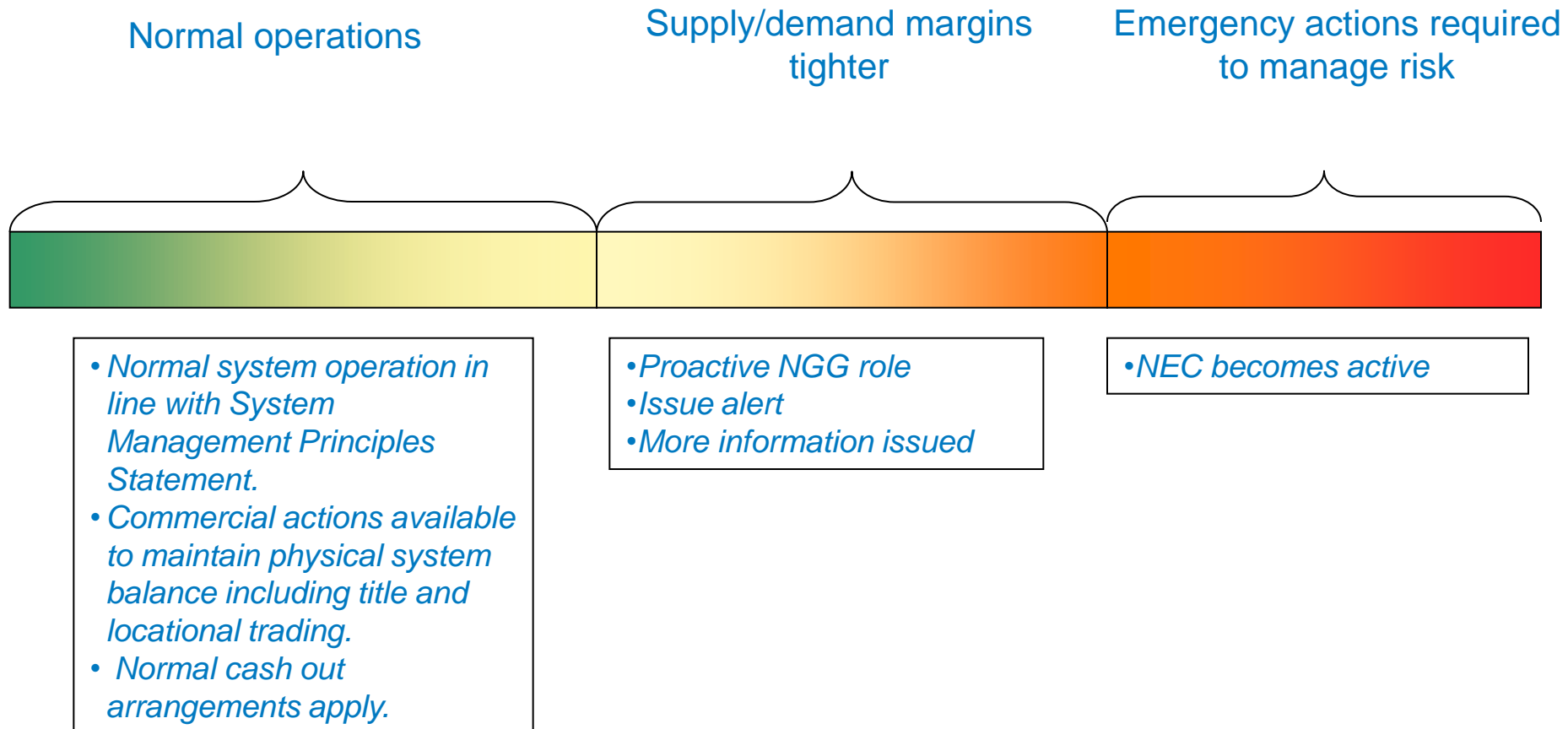


Andrew Malins
National Grid

Agenda

- Recap on the challenges we identified at the start of the process
- Does the SCR meet these challenges?
- Further interventions
- Summary

States of market operation

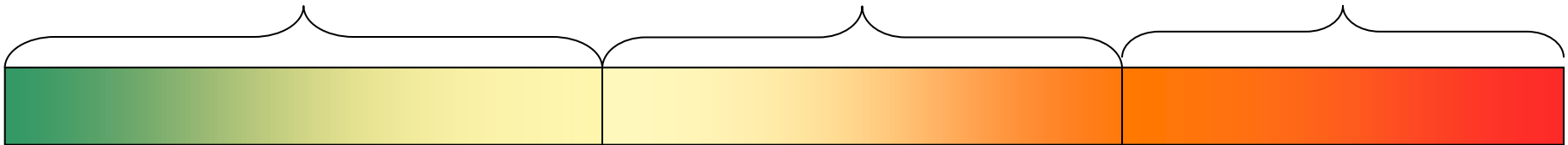


SCR Proposal

Normal operations

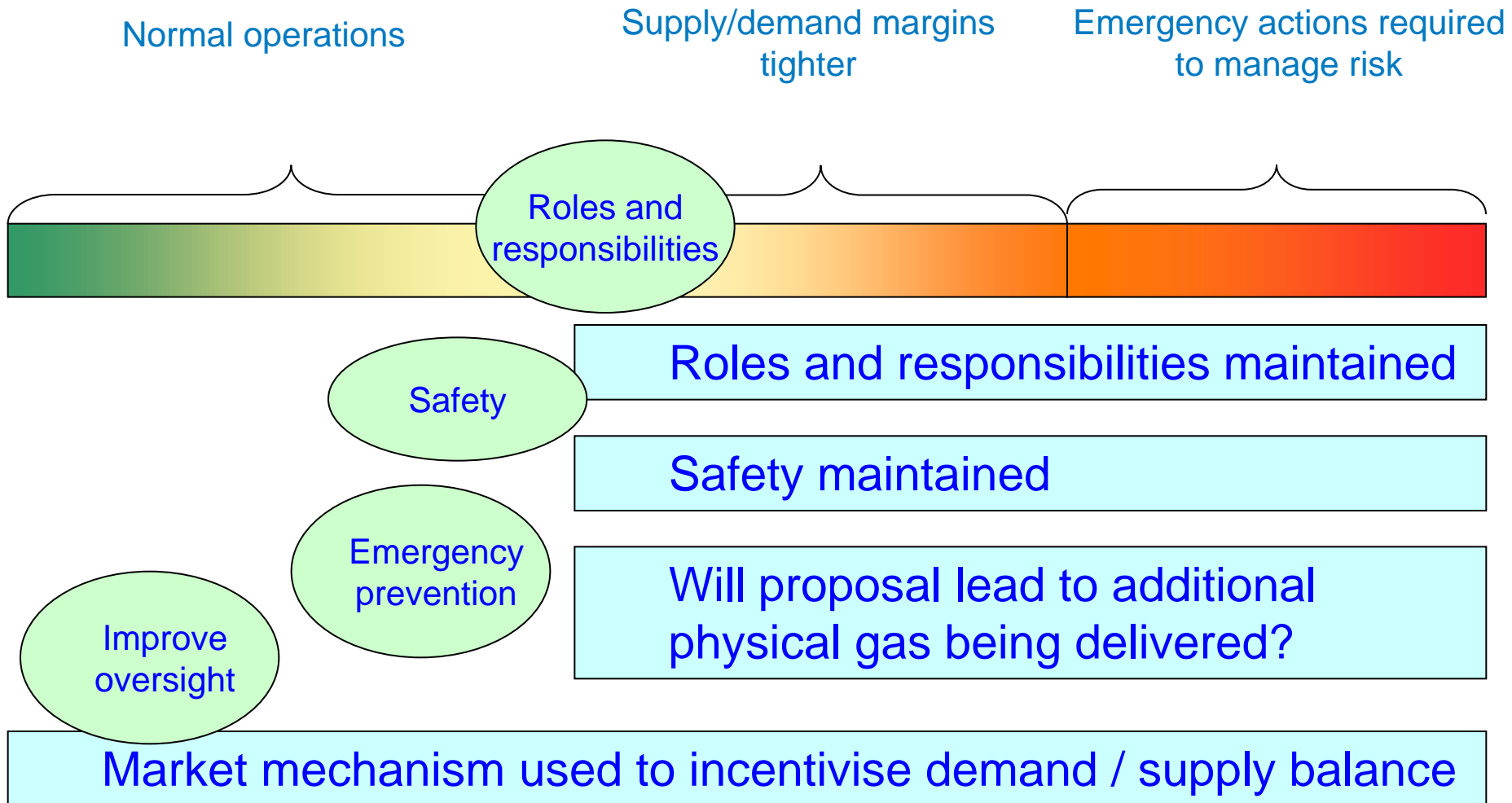
Supply/demand margins
tighter

Emergency actions required
to manage risk



- Cash out rises to VoLL
- Firm demand interruption payments

Does the SCR meet the identified challenges?

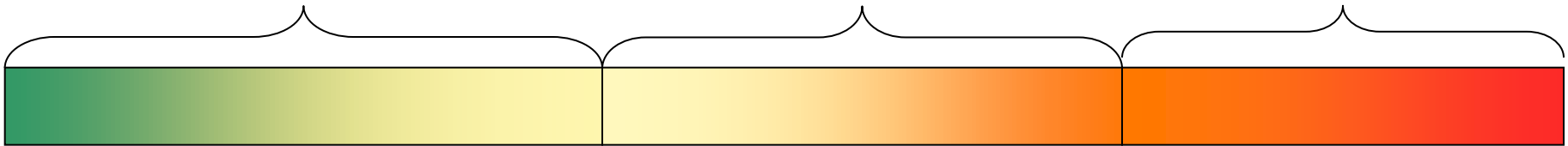


Further Interventions

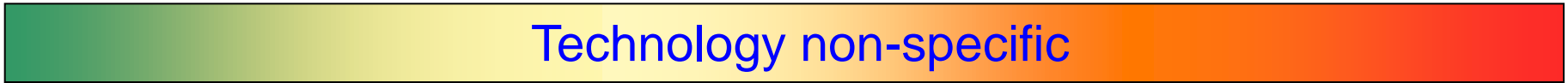
Normal operations

Supply/demand margins tighter

Emergency actions required to manage risk



Impact of Further Interventions



Summary

- SCR proposals maintain current levels of safety and sharpen incentives on participants
- Arrangements for operating the system are maintained
- Proposal could further improve security of supply if taken forward with the additional work identified under further interventions