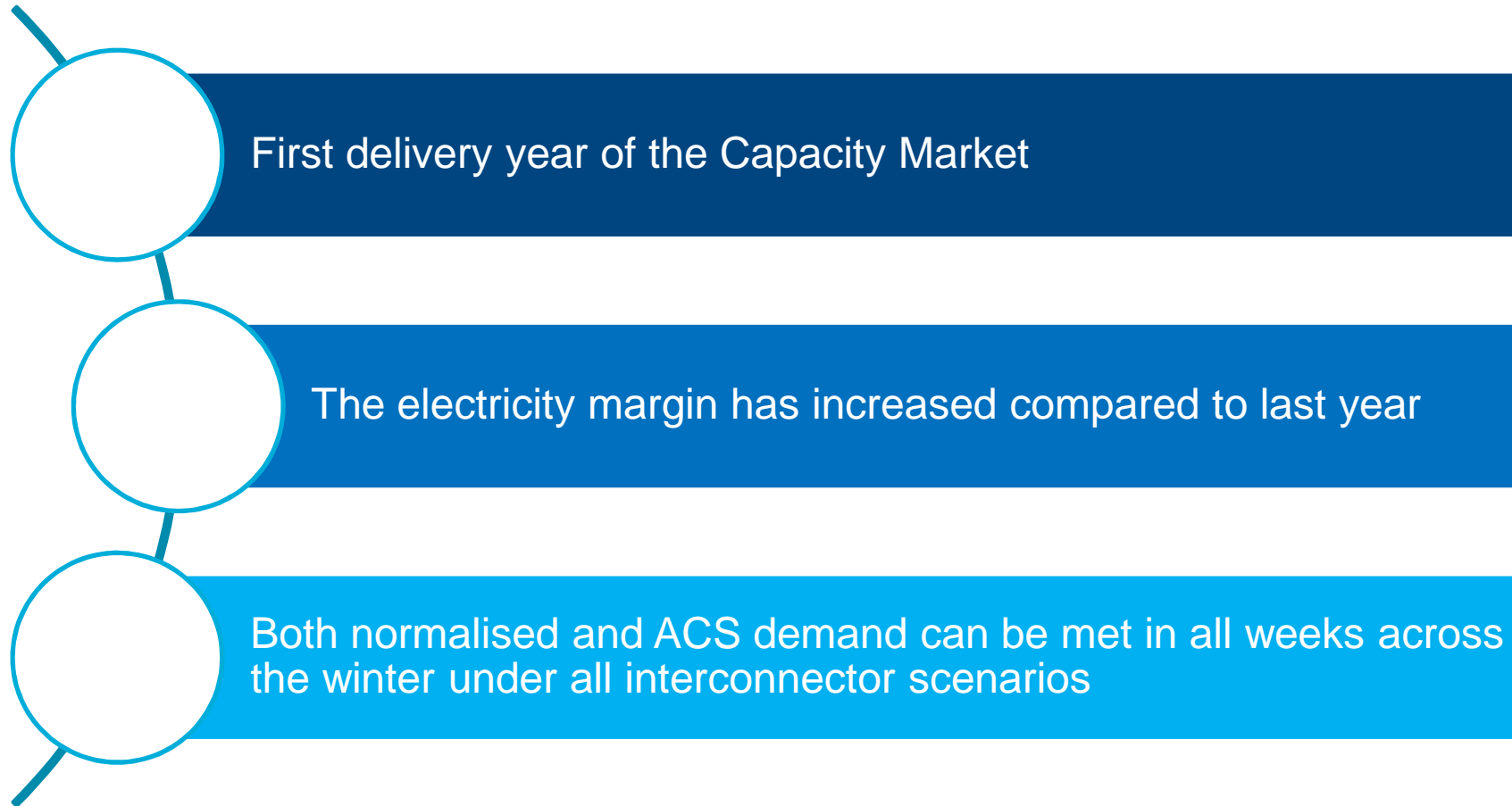


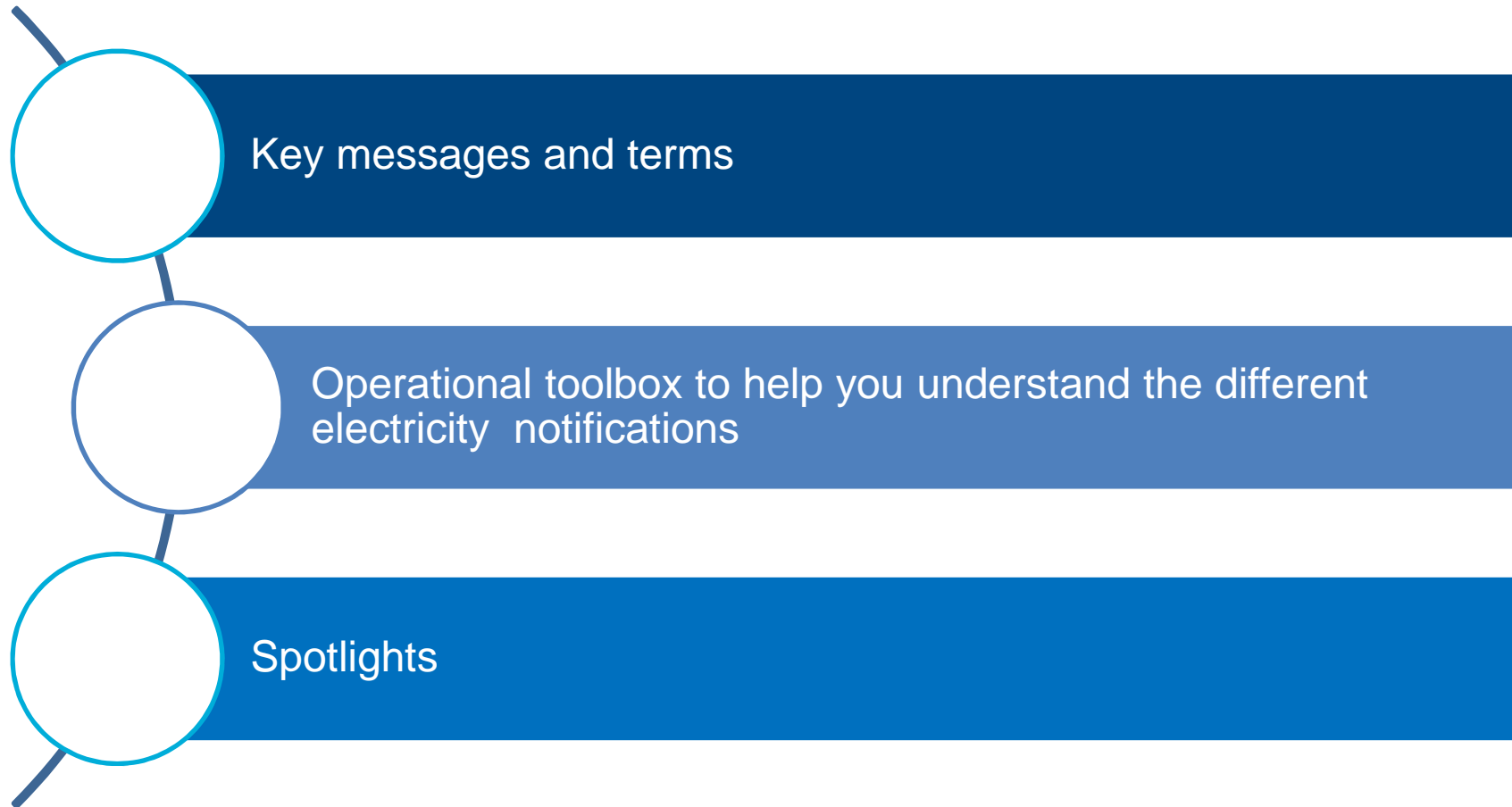
Winter Outlook

Cathy McClay
Head of Commercial Operations

Winter Outlook report 2017/18



Your feedback has improved the Winter Outlook report



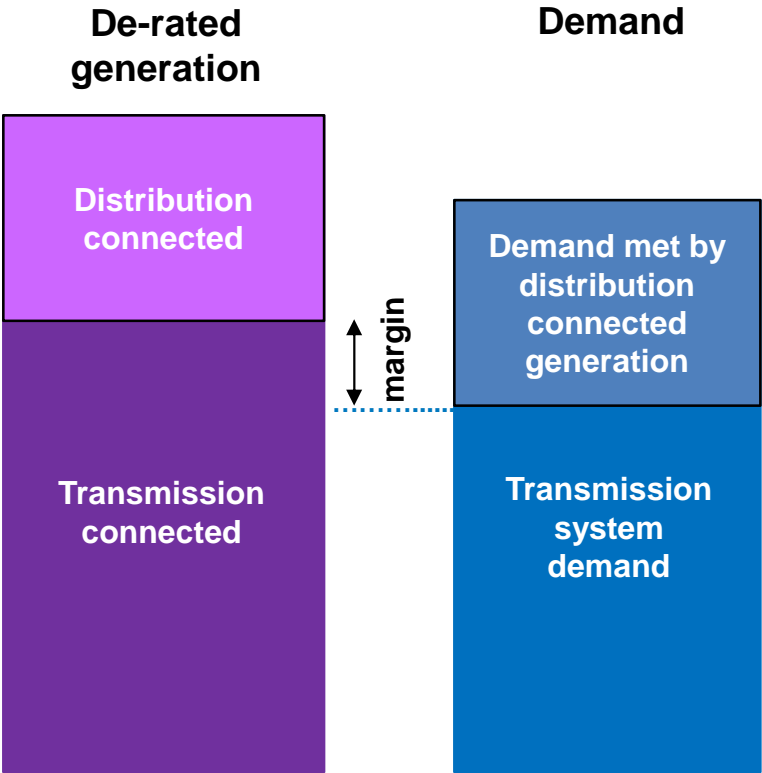
Electricity Outlook



Electricity key messages

- First main delivery year of the Capacity Market
- The calculation of the percentage electricity margin has changed to be aligned with the Capacity Market approach
- Volume of generation available to the market has increased
- Expect imports from Continental Europe during peak times

Percentage margin historically calculated based on transmission demand



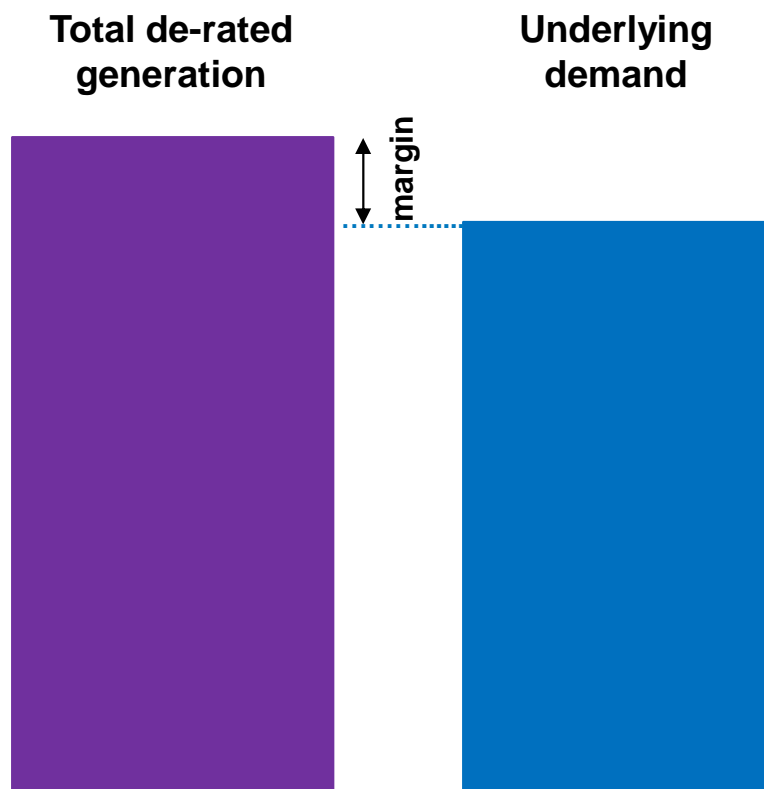
$$\% \text{ margin} = \frac{\text{Tx generation} - \text{Tx demand}}{\text{Tx demand}}$$

Tx = transmission Dx = distribution

Underlying demand (GW)	Tx connected generation (GW)	Dx connected generation (GW)	Tx demand (GW)	Margin (GW)	Margin %
60	56	10	50	6	12%
60	66	0	60	6	10%
60	50	16	44	6	14%

Percentage margin depends on the generation split between the transmission and distribution systems. This makes it difficult to compare years on a consistent basis.

Move to calculating percentage margin based on underlying demand, in line with CM



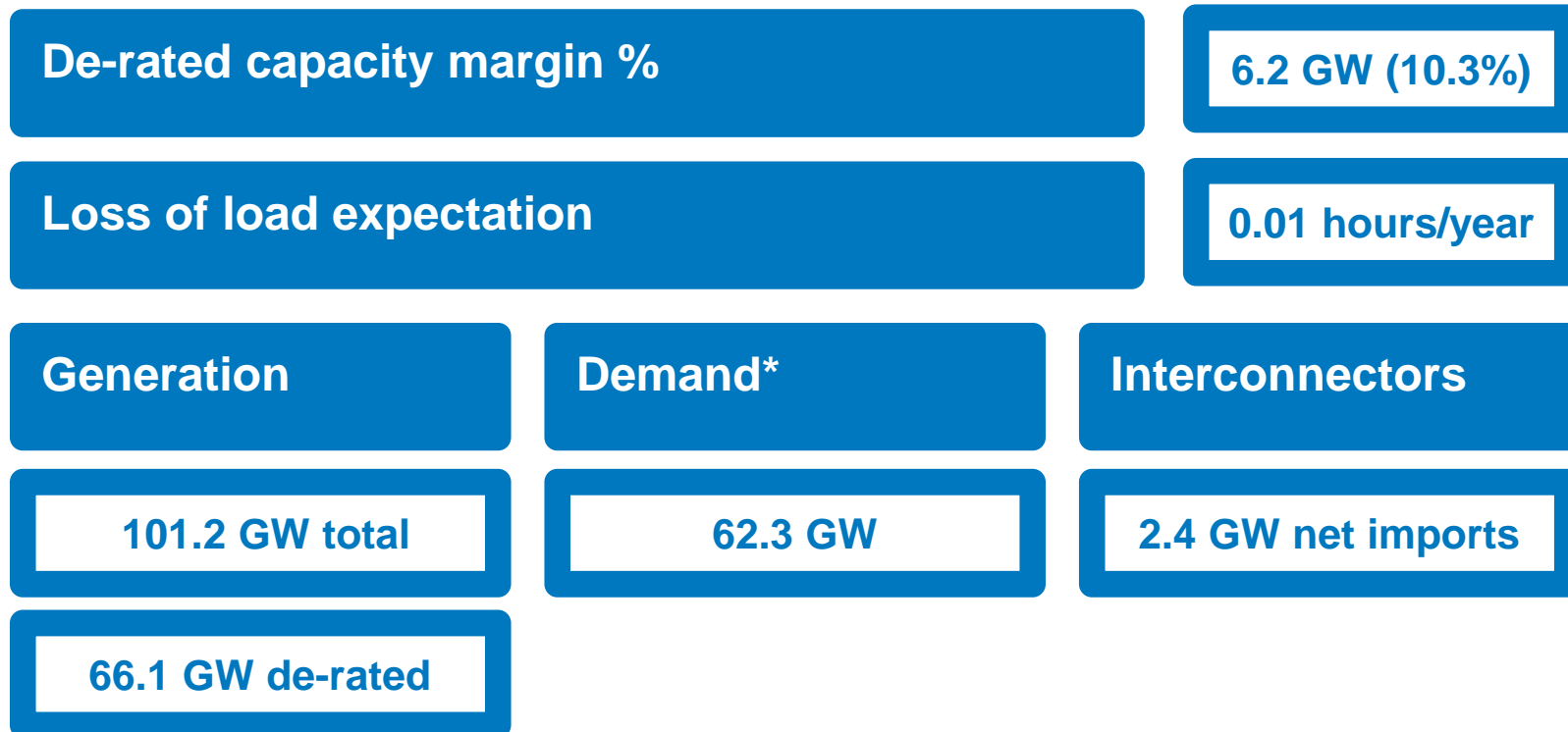
$$\% \text{ margin} = \frac{\text{total generation} - \text{underlying demand}}{\text{underlying demand}}$$

Underlying demand (GW)	Tx connected generation (GW)	Dx connected generation (GW)	Tx demand (GW)	Margin (GW)	Margin %
60	56	10	50	6	10%
60	66	0	60	6	10%
60	50	16	44	6	10%

The percentage margin does not vary with the split between transmission and distribution connected as all generation is treated consistently in the calculation.

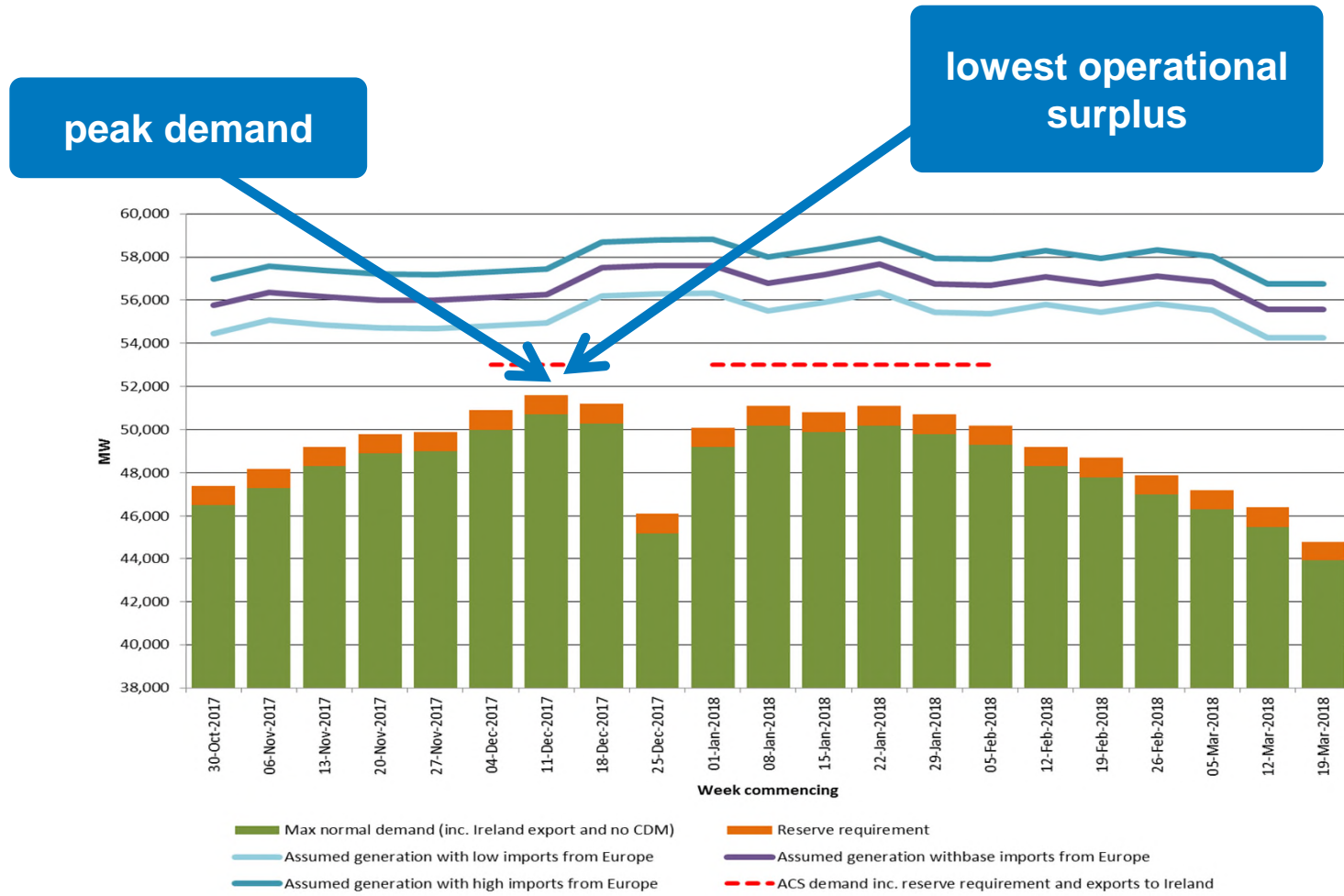
Winter view

The margin and LOLE figures have improved since we published our *Winter review and consultation* in June 2017



* ACS peak underlying system demand

Operational view



Based on demand data from 30 September and OC2 data on 5 October 2017

Operational and market notifications

Electricity margin notice (EMN) – an operational notice issue by National Grid at times of system stress.

Capacity market notice (CMN) – an automated notice generated four hours ahead of real time, triggered by a forecast margin of 500 MW or less.

- Forecast system margin is higher than last year
- Margin is calculated at 'average' weather and actual weather may be colder or warmer
- Notifications could still occur this winter, particularly if short notice events occur such as within day plant losses
 - Coal is the marginal plant and may be cold

Beyond the Winter Outlook report



We want to help you to keep up to date

View the full interactive report online

Review the latest operational data

Subscribe to receive notifications

Register for our operational forums

