**Winter Consultation 2016/17 questions**

Your responses to the consultation questions will underpin the development of our 2016/17 *Winter* Outlook Report and help us to make sure we provide a well-informed and accurate outlook to the industry.

To guide you to the sections where we feel you could add the most value, we’ve divided the consultation questions into sections. Below is a summary of what each of these sections covers and a guide to who might want to respond. We welcome feedback from all of our stakeholders so this should only be considered as a guide.

Please email your response to [marketoutlook@nationalgrid.com](mailto:marketoutlook@nationalgrid.com) or complete the survey [online](https://www.surveymonkey.co.uk/r/consultation16). Please make sure that you share your views before the consultation closes on 5 August.

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|  | **Section** | **What this section covers** | **Who might respond** |
|  | General | How we can improve the 2016/17 *Winter Outlook Report* | All of our stakeholders |
| Electricity | Demand | How our analysis is used and participation in demand management | Industrial and commercial customers, and demand aggregators |
| Electricity | Operational view | Generation capacity and operating strategy | Generators and industry commentators |
| Electricity | Interconnected markets | Interconnector flows and European markets | Electricity interconnectors and industry commentators |
| Gas | Fuel prices | Trends in fuel prices | Industry commentators |
| Gas | Demand | Expected trends in gas demand | Industrial and commercial  customers, generators and suppliers |
| Gas | Supply | Our gas supply projections | Gas shippers, producers  and infrastructure  operators |
| Gas | System operability | Operability of the gas transmission network | Industrial and commercial  customers, gas  shippers, producers and infrastructure operators |

**General**

* 1. What aspects of the *Winter Outlook Report* are important to you? What do you use this information for?
  2. What further analysis, detail or scenario work do you think would be useful in the *Winter Outlook Report*? Why is this information important to you?
  3. The energy landscape is evolving at a rapid rate. To help you understand the implications for your company or the wider market, are there any changes you would like us to cover in an educational piece within the Winter Outlook Report?
  4. In our 2015/16 *Winter Outlook Report*, we simplified the presentation of our demand analysis in response to your feedback. Is there anything we have removed that you still require?
  5. What would you change about the *Winter Outlook Report* if you could?

**Electricity**

**Demand**

2.1 Do you use the demand analysis in the *Winter Outlook Report*? What do you use this analysis for?

Demand management refers to industrial or commercial users changing their pattern of energy consumption. This may be to avoid using energy during peak times, in order to reduce charges for using the system. It may also be because they are providing contracted services, such as demand turn up or frequency control demand management. Providers of these services can earn a revenue by shifting their demand. In winter 2015/16, the level of demand management we saw ranged from 0.7 to 1.5 GW, and on the highest demand days reached up to 2 GW.

2.2 Did your organisation, either directly or as part of an aggregator group, participate in demand management in winter 2015/16? What factors influenced your decision to do this?

2.3 If you participated in demand management during winter 2015/16, did you do this by generating onsite or by shifting your demand?

2.4 If you participated in demand management during winter 2015/16, over what periods did you do this? What was the maximum amount that you reduced your demand by?

2.5 If you participated in demand management during winter 2015/16, did you shift your demand by more or less than in previous years?

2.6 Do you expect your organisation, either directly or as part of an aggregator group, to participate in demand management during winter 2016/17? What factors will influence your decision?

2.7 If you expect to participate in demand management during winter 2016/17, will you do this by generating onsite or by shifting your demand?

2.8 In comparison to winter 2015/16, do you think that the peak level of demand management in winter 2016/17 will increase or decrease? What makes you believe this?

The Power Responsive programme brings together key stakeholders to address the challenges of, and drive growth in, demand side response on behalf of the whole energy industry.

2.9 Has the Power Responsive programme influenced your participation in demand management?

2.10 Have you been made aware of demand management opportunities via other information sources? If so, please tell us which ones.

**Operational view**

Our operational view analysis shows the difference between demand and the generation expected to be available, modelled for each week of winter. This information helps to identify the level of operational surplus available for each week.

2.11 Does our operational view analysis influence when you schedule outages?

2.12 If your company has transmission-connected generation that is currently unavailable to the market, what might lead you to return it to service and how long would it take you to do so? What generation type is this?

2.13 Long notice refers to generator units that have taken the commercial decision not to generate every day. These units may have a notice period of up to 48 hours before they can begin to generate. If your generator has a proportion of its capacity at long notice, do you expect to change this in the future? What factors would influence your decision?

2.14 What response from the market do you expect to occur in winter 2016/17 as a result of recent plant closures? What makes you believe this?

2.15 Do you think that there is any generation that may be at risk of being put into a mothballed state or decommissioned before the end of winter 2016/17? How significant do you believe this risk to be?

**Interconnected markets**

2.16 How do you expect weather conditions in Continental Europe to impact on interconnector flows to GB in winter 2016/17?

2.17 How would you expect further changes to the generation mix in Continental Europe to affect the flow on the interconnectors to GB?

2.18 In its 2017 finance bill, France outlined plans to set a carbon price floor of approximately €30 per tonne. What impact do you think this might have on interconnector flows?

2.19 Our analysis typically assumes full interconnector exports to Ireland. However, during peak periods or windy conditions in Ireland, interconnector flows may switch to imports to GB. Do you expect this trend to continue in winter 2016/17?

2.20 Do you have any market intelligence on the expected market conditions in other European countries that may affect interconnector flows to or from GB for winter 2016/17?

**Gas**

**Fuel prices**

3.1 How do you expect gas prices will trend over winter 2016/17? How do you think this will compare to coal prices?

**Demand**

3.2 Do you expect gas demand for power generation to increase or decrease in winter 2016/17, compared to winter 2015/16? What makes you believe this?

3.3 Do you expect there to be any significant changes in industrial and commercial gas demand for winter 2016/17, compared to winter 2015/16? What makes you believe this?

3.4 Discounting for weather, do you think there will be any significant changes in gas demand over winter 2016/17, compared to winter 2015/16? Why do you believe this?

**Supply**

Our preliminary gas supply projections for winter 2016/17 are provided on page 11 of the report. Here we show the ranges within which we expect all of the supply types to flow, as well as the forecast for a cold day.

3.5 What are your thoughts on our gas supply projections for winter 2016/17?

3.6 Production at the Groningen gas field was capped at 27 bcm last winter. For winter 2016/17 the cap has been reduced to 24 bcm. How do you expect this production cap to impact on the volumes of gas available to GB during periods of high demand?

3.7 Are there any issues related to European supply and demand that you feel could have an impact on gas flows to and from the GB market over winter 2016/17?

3.8 Do you expect GB to attract similar levels of LNG this winter, compared to levels in 2015/16? What makes you believe this?

3.9 How are you factoring the restrictions at Rough storage site into your strategy for winter 2016/17?

3.10 Do you expect UK storage behaviour this winter to be driven purely by short-term price signals or might some volumes be held back, for instance to cover high demands towards the end of winter? What makes you believe this?

3.11 Are there any security of supply scenarios that you would like us to explore further in the *Winter Outlook Report*?

**System operability**

The way the transmission network is being used within day continues to change and presents new challenges in how we operate the system.

Profiling refers to the rate at which gas is put into or taken off the transmission system during the gas day. A flat profile corresponds to a consistent rate across the day.

3.12 As discussed in our *Winter Review*, during winter 2015/16 we saw a reduction in supply and demand flow profiling, when compared to recent winters. What factors do you believe contributed to this reduction?

3.13 Do you expect the level of within day profiling for winter 2016/17 to increase or decrease in comparison to last year? What makes you believe this?

Gas-fired power generation, particularly combined cycle gas turbines (CCGTs), is one of the tools used by market participants and the System Operator to manage day-to-day and within-day variation of demand and renewable output.

3.14 Do you expect the predictability of gas-fired power generation to increase or decrease this winter, compared to winter 2015/16? What factors do you think will influence this?

3.15 How do you expect CCGTs to behave in winter 2016/17 in response plant closures and increased wind generation capacity?

3.16 How do you expect this to impact on your demand profiles for gas for winter 2016/17?