



BSC OPERATIONS HEADLINE REPORT

1

In this report you will find commentary on BSC market operation, identification of key events and reporting of key data.

2

The [Trading Operations Report](#) publishes key market data graphically, giving a performance indicator for the Balancing and Settlement arrangements.

3

Trading Operations Report [Data](#). The graphs and backing data are available in Excel format on the ELEXON website.

GENERATION IN JUNE AND JULY NEARING USUAL OUTPUT¹

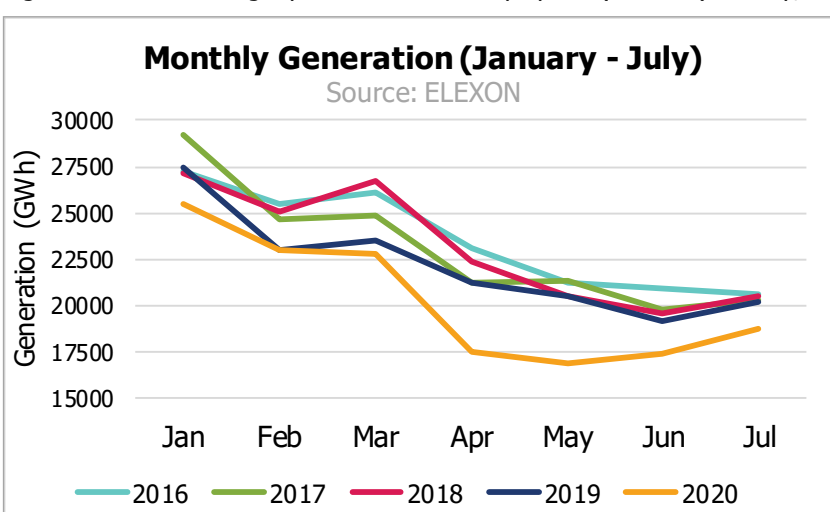
Monthly generation connected to the Transmission System has been lower than the past five years in every month so far in 2020. The greatest differences from previous years were in April and May, where 18% lower generation occurred than 2019. During April and May 2020, the UK Government issued national lockdown instructions due to the impact of COVID-19.

In June and July 2020, the UK Government began to ease the national lockdown with retailers opening from 9 June 2020 and pubs and restaurants opening on 4 July 2020. Total generation in June slightly increased from May by 3% (448GWh). In July, generation continued to increase by 8% (1,390GWh) from June.

Despite recent increases in monthly generation, generation in June and July were lower than 2019 by 10% and 7% respectively. Total generation in June and July has been lower in 2020 than in the last ten years.

In July, 44% of generation came from CCGT plants followed by Nuclear (21%) and Wind (18%) sources. All renewable sources accounted for 28% of generation with electricity from Biomass sources responsible for 9% of the monthly generation.

Elexon has covered the impact of COVID-19 on System Prices and electricity demand in their latest Insight Articles: '[Negative System Prices during COVID-19](#)' and '[Electricity demand down by 17% during COVID-19 lockdown](#)'.

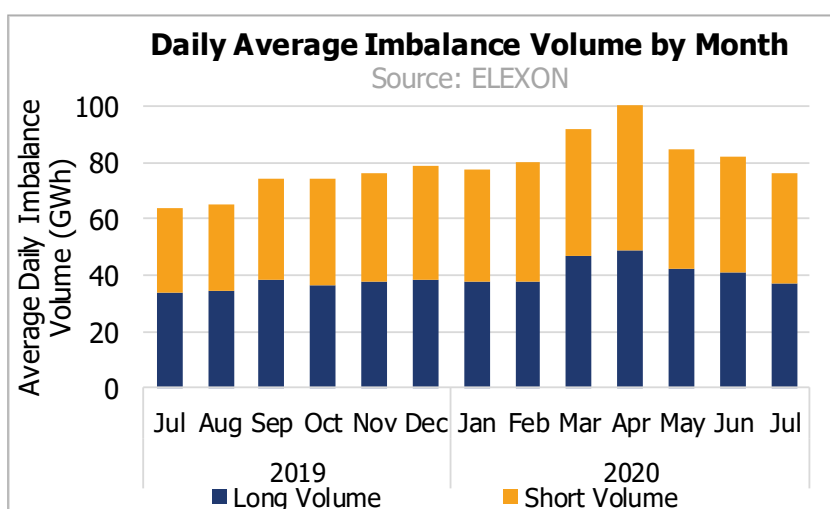


IMBALANCE VOLUMES REDUCE IN JULY 2020

The national lockdown due to COVID-19, which began on 23 March 2020, has affected electricity demand throughout Great Britain. This may have made it difficult for BSC Parties to forecast their electricity consumption, resulting in higher Imbalance Volumes. The average of daily Imbalance Volume in July 2020 (76GWh) has increased by 19% from the July 2019 (64GWh). In comparison to July 2019, the daily Imbalance Volume was greater on 26 days (84%) in July 2020.

The average of daily Imbalance Volumes in July 2020 (76GWh) were the highest for July in the past five years. The average Imbalance Volumes in July 2016, 2017 and 2018 were 43GWh, 51GWh and 58GWh respectively.

However, in comparison to previous months, such as March and April 2020, the total Imbalance Volume have dropped significantly. Compared to April 2020, the average daily Imbalance Volume has dropped by 21%. For BSC Parties to reduce their Imbalance Volumes they need to understand the energy demand of their customers. At the start of lockdown there was very little data on the effect it had on customer demand. Since April there has been more data available on customer demand under lockdown, making it more predictable, enabling BSC Parties to reduce Imbalance Volumes.



The average daily Imbalance Volumes in March 2020 (92GWh) and April 2020 (101GWh) were the highest total monthly Imbalance Volumes seen in the past five years.

¹ Generation data is taken from the ELEXON Portal from the [Historic Fuel HH](#) webpage.

BALANCING MECHANISM VOLUMES IN JUNE 2020²

The total volume of balancing actions taken in the Balancing Mechanism (BM) for June 2020 was 2.3TWh, an 8% decrease from May 2020. The majority (80%) of balancing volume in June came from Gas BMUs.

Accepted **Bid** volume in June increased by 6% from last month. 57% of total Bid volume came from Gas BMUs, with 29% coming from Wind and 10% from Pumped Storage BMUs. Bid volume from Biomass BMUs increased by 84% from the previous month contributing 2% of June Bid volume. Coal BMUs contributed a small amount (220MWh) of Bid volume in June, after seeing no Bid or Offer volume in May 2020.

Accepted **Offer** volume in June decreased by 15% compared to last month. Gas accounted for 94% of all Offer volume, with Pumped Storage BMUs responsible for a further 4%. Pumped Storage Offer volume increased by 94% whilst Biomass Offer volume decreased by 74% from the previous month.

No Offer volume has been accepted from Coal BMUs since 5 April 2020.

Fuel Type	Bid Volume (MWh)		Offer Volume (MWh)	
	Jun-20	May-20	Jun-20	May-20
Biomass	-20,708	-11,273	15,119	58,509
Coal	-220	0	0	0
Hydro	-9,029	-4,700	9,277	3,852
OCGT	0	-46	3,762	3,529
Other	-1,560	-2,019	1,202	1,944
Pumped Storage	-85,010	-66,895	51,119	26,300
Wind	-258,011	-273,701	551	849
Gas	-505,512	-468,797	1,346,084	1,589,901
Grand Total	-880,049	-827,430	1,427,114	1,684,885

SYSTEM PRICES IN JULY 2020³

Monthly average System Prices for July 2020 were slightly lower when the market was short (-0.4%) but higher when the market was long (26%), compared to June 2020. The average System Price regardless of length was **£28.11/MWh**; £1.86/MWh higher than June 2020 and the highest monthly average System Price since March 2020 (£29.40/MWh).

System Prices did not exceed £100/MWh during July 2020; the fourth consecutive month where prices have remained below £100/MWh. The highest System Price this month, **£92.14/MWh**, occurred in Settlement Period 35 on 31 July 2020. The price was set by on Balancing Services Adjustment Action (BSAA) priced at £51.40/MWh with the addition of a Buy Price Price Adjuster (BPA) of £40.74/MWh. The BPA is calculated by the System Operator (SO) and is a reflection of the costs to the SO of regulating reserve and BM start-up.

There were 15 negative System Prices in July 2020, compared to 59 in June. Eight of these negative System Prices occurred on 5 July which had the lowest and only negative daily average System Price of the month (-£3.75/MWh).

The lowest System Price, **-£60.00/MWh**, occurred in Settlement Period 4 on 6 July 2020 and was set by eight Bids one Biomass BMU and two Bids from a Pumped Storage BMU, all priced at -£60.00/MWh.

Period	Average (£/MWh)		Average (£/MWh) Peak 07:00-19:00	
	Short System	Long System	Short System	Long System
Jul-20	40.32	13.12	42.82	13.72
Jun-20	40.48	10.44	41.83	10.02
May-20	37.1	6.7	37.06	5.78
Summer 20	40.41	12.01	42.27	12.27
Spring 20	41.47	8.06	44.68	6.87
Winter 19-20	51.85	13.25	55	14.85
Autumn 19	55.66	19.04	58.81	21.2
Summer 19	56.81	25.05	60.03	25.2
Jul-19	58.3	28.06	61.43	28.43

TRADING CHARGES IN JUNE 2020²

Gross Party Imbalance cashflows were £66m in June 2020, an increase of 10% from May 2020. Debits for being short increased by £2.5m, and credits for being long rose by £3.4m, between May and June 2020.

Gross Party Imbalance Volumes decreased by 11% from May to June 2020. Energy Imbalance Volumes for Parties that were long decreased by 4% this month, compared to last month. Energy Imbalance Volumes for Parties that were short decreased by 16%.

June **Offer** volume and cashflow both decreased by 15% compared to May. The average price of Offers slightly decreased, dropping by £0.07/MWh to £45.36/MWh this month.

Net **Bid** cashflow in June 2020 was £24.7m, £0.2m higher than last month (£24.5m in May 2020). This means payment received by Parties for negative Bids were once again significantly higher than payments from Parties for positive Bids.

Total Cashflow (£m)	Jun-20	May-20	Apr-20	Mar-20
Long Imbalance Charge (Credit)	-29.64	-26.27	-30.34	-38.43
Short Imbalance Charge (Debit)	36.02	33.52	40.5	45.55
RCRC Credit	8.49	8.97	11.58	9.55
RCRC Debit	-2.12	-1.73	-1.42	-2.43
Offer Cashflow	64.74	76.55	65.64	72.87
Bid Cashflow (Positive Bids)	-1.22	-0.81	-1.18	-3.83
Bid Cashflow (Negative Bids)	25.91	25.31	16.03	21.1

² Balancing volumes and trading charges appear as per the latest month with Initial Settlement (SF) run data available.

³ System prices are based on the previous month's latest Initial Settlement (SF) & Interim Information (II) run data available.