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

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

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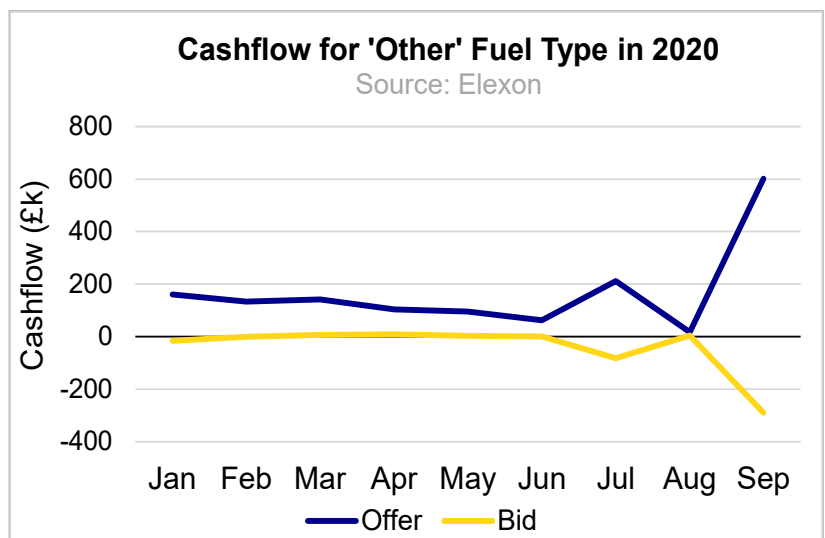
Trading Operations Report [Data](#). The graphs and backing data are available in Excel format on the Elexon website.

High Balancing Cashflow for 'Other' Fuel Types in September 2020

Positive cashflow means more money was paid to generators by the National Electricity Transmission System Operator (NETSO) to balance the system than money received by the NETSO from generators. Whilst Offer cashflow is almost always positive as more power is being produced which incurs cost, Bid cashflow can be positive or negative as generators decrease their output. Positive Bid cashflow comes from Bids with a negative price where the NETSO pay generators to reduce their output.

During September 2020, Bid and Offer cashflow for BMUs classed as the 'Other' Fuel Type reached record levels. Offer Cashflow reached £600k, over five times the average monthly total in 2020 (£116k). Bid cashflow was the lowest ever seen at -£290k and exceeded the 2020 monthly average (£9k) by over 31 times. September 2020 is responsible for 79% of Bid and 39% of Offer cashflow for 'Other' Fuel Types in 2020. Despite this, cashflows to 'Other' BMUs accounted for less than 1% of total Balancing Mechanism Cashflow in September 2020.

The 'Other' fuel type category relates to generation in Great Britain where we do not record the fuel type; usually because the fuel type used is not responsible for enough national generation to warrant categorisation. Prior to November 2018, 'Other' contained Biomass BMUs which were separated into their own fuel type as the generation attributed to Biomass grew to significant levels. Currently, the fuel type consists of mostly Battery Storage BMUs.



Balancing Mechanism Volumes in September 2020¹

The total volume of balancing actions taken in the Balancing Mechanism (BM) for September 2020 was 2TWh, a 16% increase from August 2020. The majority (81%) of balancing volume in September came from Gas BMUs.

Accepted **Bid** volume in September increased by 36% from the previous month. 71% of total Bid volume came from Gas BMUs, with 17% coming from Wind and 7% from Pumped Storage BMUs. Bid volume from all fuel types increased in compared to August apart from Biomass BMUs, which decreased by 51%.

Accepted **Offer** volume in September increased by 3% compared to the previous month. Gas accounted for 91% of all Offer volume, with Coal and Pumped Storage BMUs responsible for a further 4% and 3% respectively.

Both Bid and Offer volume from 'Other' BMUs reached 17GWh in September 2020; the highest volumes since the fuel type was first categorised in January 2019. The previous highest volumes, 7GWh of Bid and 6GWh of Offer volume, were set in July 2020.

Fuel Type	Bid Volume (MWh)		Offer Volume (MWh)	
	Aug-20	Jul-20	Aug-20	Jul-20
Biomass	-2,093	-4,299	4,782	21,861
Coal	-10044	-3283	37188	18637
Hydro	-17,904	-5,424	8,309	8,363
OCGT	-2171	-1341	2,809	3,434
Other	-17115	-472	16612	330
Pumped Storage	-66,414	-42,017	29,820	34,844
Wind	-158,163	-95,356	1011	504
Gas	-655,527	-531,671	958,815	940,628
Grand Total	-929,432	-683,863	1,059,346	1,028,602

¹ Balancing volumes and trading charges appear as per the latest month with Initial Settlement (SF) run data available.

System Prices in October 2020²

Monthly average System Prices for October 2020 were higher when the market was both short (4%) but lower when the market was long (1%), compared to September 2020. The average System Price regardless of length was **£42.96/MWh**; £0.94/MWh lower than September 2020.

System Prices exceeded £100/MWh on 12 occasions during October 2020.

The highest System Price this month, **£200.00/MWh**, occurred in Settlement Period 39 on 8 October 2020. The price was set by Offers from four Embedded OCGT BM Units and one Transmission System connected OCGT BM Unit all priced at £200.00/MWh. This is the ninth highest System Price of 2020. This Settlement Period had a Net Imbalance Volume (NIV) of 1,484MWh, the third highest NIV in October 2020 and the ninth highest of 2020.

There were 25 negative System Prices in October 2020, after two in September. This is the highest amount of negative prices since June 2020.

The lowest System Price, **-£63.93/MWh**, occurred in Settlement Period 44 on 29 October. The price was set by Bids from five different Wind BMUs all priced at -£63.93/MWh.

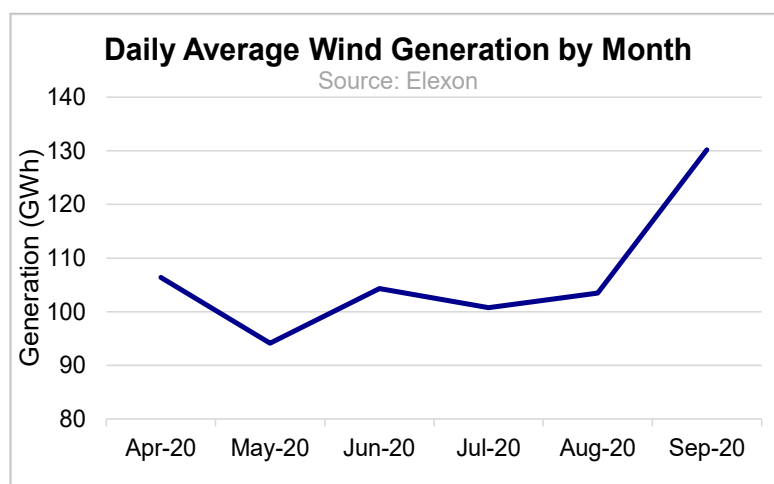
Period	Average (£/MWh)		Average (£/MWh)	
	Short System	Long System	Short System	Long System
Oct-20	62.01	21.57	63.70	24.48
Sep-20	60.08	21.17	64.59	23.28
Aug-20	47.35	17.83	49.16	18.62
Autumn 20	60.92	21.36	64.17	23.81
Summer 20	42.92	13.61	44.79	14.03
Spring 20	41.47	8.06	44.68	6.87
Winter 19-20	51.85	13.25	55.00	14.85
Autumn 19	55.66	19.04	58.81	21.20
Oct-19	52.93	17.33	54.88	19.80

Wind Generation in September

Wind generation accounted for 130GWh (21%) of total transmission system connected generation in September 2020, the largest output from the fuel type in six months. In comparison to July and August 2020, daily average wind generation rose by 29% and 26% respectively.

The only other fuel type that contributed greater generation was CCGT, which contributed 8812GWh (46%) of total transmission system connected generation. This is second consecutive month where Wind generation contributed the second highest level of total Transmission System generation. Although wind generation reached a 6-month high in September, so did CCGT generation. In September 2020, daily average CCGT generation was 294GWh, which was the highest it has been since November 2019 (358GWh).

Total generation from all fuel types increased in September compared to August by 2.8%. September is the first month of Autumn and followed a Summer with lower demand due to the COVID-19 pandemic. Total generation was 6% higher than the average generation in a Summer month in 2020.



Trading Charges in September 2020¹

Gross Party Imbalance cashflows were £106m in September 2020, an increase of 27% from August 2020. Debits for being short increased by £13.3m, and credits for being long rose by £9.1m, between August and September 2020.

Gross Party Imbalance Volumes increased by 2% from July to August 2020. Energy Imbalance Volumes for Parties that were long increased by 11% in September, compared to the previous month. Energy Imbalance Volumes for Parties that were short decreased by 5%.

September **Offer** volume increased by 3% and cashflow increased by 20% respectively, compared to August. The average price of Offers increased by £8.62/MWh to £59.95/MWh.

Net **Bid** cashflow in September 2020 was £7.2m, £0.8m lower than last month (£8.0m in August 2020). This means payment received by Parties for negative Bids were higher than payments from Parties for positive Bids.

Total Cashflow (£m)	Aug-20	Jul-20	Jun-20	May-20
Long Imbalance Charge (Credit)	-38.15	-30.35	-29.71	-26.67
Short Imbalance Charge (Debit)	45.63	36.82	36.08	33.92
RCRC Credit	9.64	8.26	8.49	8.98
RCRC Debit	-2.16	-1.79	-2.12	-1.73
Offer Cashflow	52.83	48.9	64.74	76.55
Bid Cashflow (Positive Bids)	-2.61	-4.59	-1.22	-0.81
Bid Cashflow (Negative Bids)	10.62	21.12	25.91	25.31

¹ Balancing volumes and trading charges appear as per the latest month with Initial Settlement (SF) run data available.
² System prices are based on the previous month's latest Initial Settlement (SF) & Interim Information (II) run data available.