



BSC OPERATIONS HEADLINE REPORT

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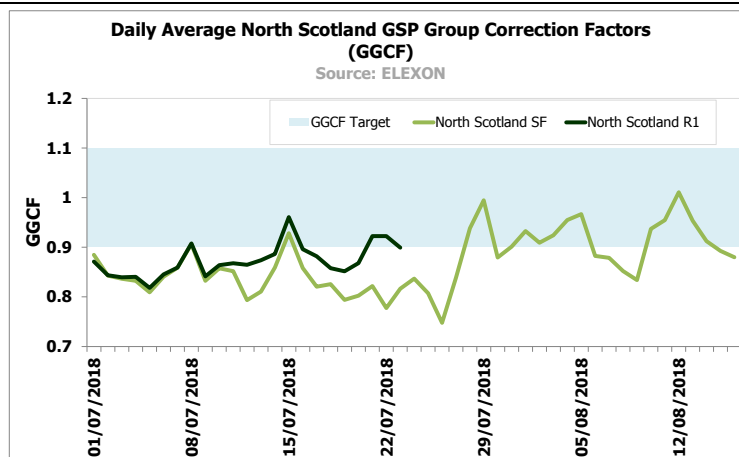
Trading Operations Report [Data](#). The graphs and backing data are available in Excel format on the ELEXON website.

GSP GROUP CORRECTION FACTORS IN NORTH SCOTLAND

The graph displays an adaptation of "Daily Average GSP Group Correction Factor (GGCF)" from the [Trading Operations Report](#), with GGCFs by latest Settlement Runs (SF versus R1).

GGCF values usually range between 0.9 and 1.1, with values outside this potentially indicating metering issues.

GGCF values have been low in North Scotland at the SF Settlement Run. Meter dialling issues at a Grid Supply Point (GSP) have affected the GGCFs in the North Scotland region. The issue occurred between 11 July and 8 August 2018. Corrections in the GGCFs are being seen at the R1 Settlement Run.



TRADING CHARGES IN JULY¹

Gross Party Imbalance cashflows were £103m in July 2018, a 16% increase from £89m in June. Credits for being long, and debits for being short, increased by £6m and £8m respectively between June and July.

Energy Imbalance Volumes increased by 12% for Parties for that were short in July, whilst remaining similar for those that were long.

The **Offer** cashflow increased by 3% in July, with the volume of Offers remaining similar to June. The average price per MWh of Offer volume increased by 4% to £76.58/MWh.

Net **Bid** cashflow was -£5.8m in July, compared to -£7.3m in June. Bid cashflow decreased by 9% for positive Bids compared to last month.

Total Cashflow (£m)	Jul-18	Jun-18	May-18	Apr-18
Long Imbalance Charge (Credit)	-51.79	-45.55	-56.30	-58.97
Short Imbalance Charge (Debit)	51.65	43.67	51.67	55.78
RCRC Credit	9.02	6.64	6.72	8.65
RCRC Debit	-9.16	-8.51	-11.35	-11.84
Offer Cashflow	48.56	47.00	37.38	34.23
Bid Cashflow (Positive Bids)	-15.35	-16.78	-15.92	-16.69
Bid Cashflow (Negative Bids)	9.56	9.51	4.08	7.39

BALANCING MECHANISM VOLUMES IN JULY¹

The total volume of balancing actions taken in the Balancing Mechanism for July was 1,168GWh, a 10% decrease from June 2018. The majority (81%) of balancing volume came from Gas BMUs.

Accepted **Bid** volume decreased by 19% from last month. Wind volumes decreased by 16%, whilst Coal Bids increased by 265% to 5.2GWh. Gas Bid volume fell by 19%, accounting for 74% of total Bid volume. Wind accounted for 21% of total accepted Bid volume.

Accepted **Offer** volume decreased by less than 1% from June. Coal Offer volumes decreased by 58%, whilst Pumped Storage and Hydro Offer volumes both increased by 41%. Gas Offer volumes rose by 3%. In July, Coal and Pumped Storage accounted for a combined 11% of total Offers, with Gas Offers accounting for 87%.

Fuel Type	Bid Volume (MWh)		Offer Volume (MWh)	
	Jul-18	Jun-18	Jul-18	Jun-18
Coal	-5,207	-1,425	17,742	42,140
Gas	-394,354	-486,308	550,604	532,791
Hydro	-1,495	-3,920	4,182	7,097
OCGT	0	0	490	0
Pumped Storage	-17,171	-24,232	51,293	36,438
Wind	-110,994	-132,353	323	730
Biomass	-4,827	-7,777	9,467	17,315
Grand Total	-534,048	-656,014	634,101	636,510

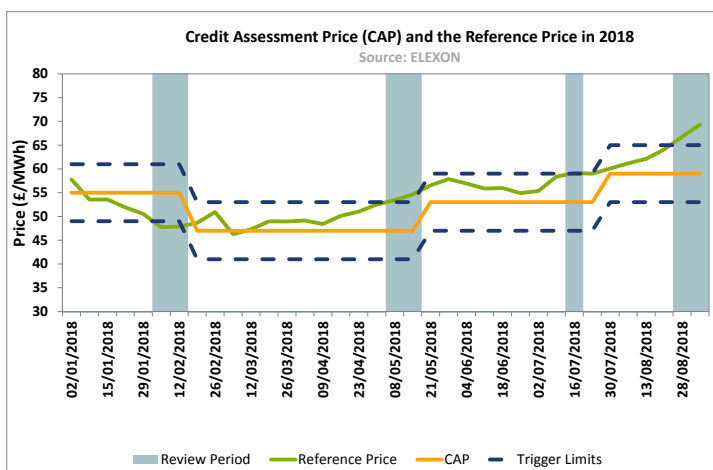
¹ Balancing volumes and trading charges appear as per the latest month with Initial Settlement (SF) run data available.

CREDIT ASSESSMENT PRICE (CAP) TO INCREASE TO £75/MWh

Following industry consultation, the Credit Committee met on 7 September 2018 to discuss an increase in the CAP. They agree that the CAP would increase from £59/MWh to £75/MWh, effective from 28 September 2018. The trigger level will remain at +/-£6/MWh.

The Credit Assessment Price (CAP) is changed when forward prices², used to calculate a reference price, move outside a specified trigger level. The reference price breached the upper trigger level of £65/MWh on 28 August 2018.

As a result, Parties may notice a change in their Credit Cover Percentage, and should review the amount of Credit Cover lodged. CAP is considered a proxy for out-turn System Prices.



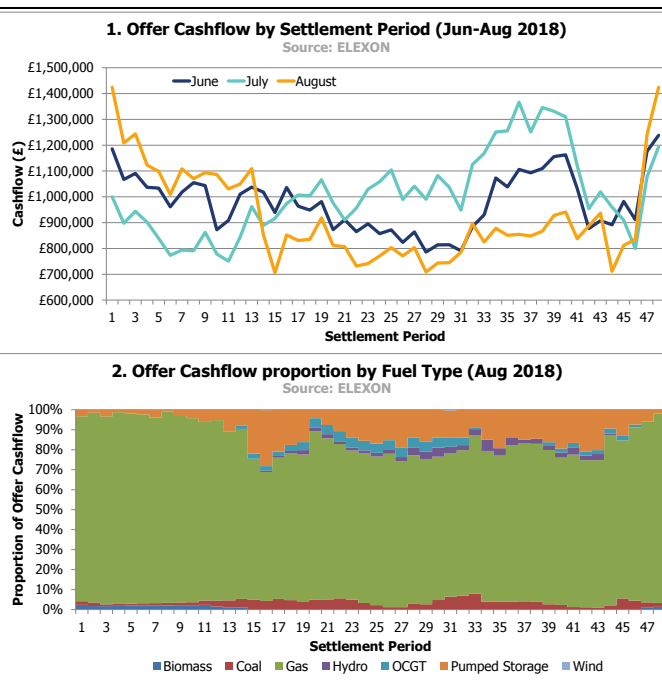
OFFER CASHFLOW BY SETTLEMENT PERIOD IN AUGUST

Offer Cashflow totalled £44.5m in August³, with the highest Offer Cashflow by Settlement Period (SP) in 2018 seen in 10 Settlement Periods. Settlement Periods 1, 4-5, 7-11, and 47-48 all had higher total cashflows than the equivalent SPs in June and July 2018.

Graph 1 plots Offer cashflow by Settlement Period for August 2018, compared to the previous two months. Compared to June and July, August Offer Cashflow can be seen to be higher in overnight SPs, but lower in peak evening SPs when demand is typically higher.

Graph 2 breaks down the proportion of Offer Cashflow by Settlement Period and Fuel Type. 83% of Offer Cashflow is related to Gas BMUs. Gas Offer Cashflow as a proportion in each SP varies from 96% in Settlement Period 4, to 65% in Settlement Period 16.

For Gas Offers in August, the lowest average price was £72.04/MWh in SP 10, and the highest average price was £90.61/MWh in SP 41.



SYSTEM PRICES IN AUGUST⁴

Monthly average System Prices for August were higher when short (6.3%) and long (1.5%), compared to July 2018. The average System Price regardless of length was **£57.83/MWh**, which was 1% higher than last month. In August 2018, the market was long in 58%, and short in 42% of Settlement Periods.

System Prices exceeded £100/MWh a total of 40 times in August 2018, compared to 36 times in July. The highest System Price of the month, **£180/MWh**, occurred in Settlement Period 36 on 20 August 2018. The price in this Settlement Periods were set by Offers from a Gas BMU priced at £180/MWh.

There were eight Settlement Periods where the System Price was £0/MWh, and 17 negative System Prices, in August. The 17 negative System Prices occurred across five different days.

The lowest System Price, **-£50/MWh**, occurred during Settlement Period 15 on 18 August. This was set by a Bid from a Biomass BMU, priced at -£50/MWh, which set the Replacement Price in this Settlement Period.

Period	Average (£/MWh)		Average (£/MWh) Peak 07:00-19:00	
	Short System	Long System	Short System	Long System
Aug-18	78.68	42.85	83.14	43.46
Jul-18	74.00	42.20	77.77	41.81
Jun-18	67.41	41.00	68.64	42.14
Summer 18	73.46	42.02	76.60	42.52
Spring 18	83.53	37.68	92.59	37.97
Winter 17/18	71.99	38.08	77.94	39.31
Autumn 17	67.00	32.68	72.19	34.44
Summer 17	65.87	25.10	72.67	25.42
Aug-17	66.11	27.43	72.60	27.88

² Forward Market prices taken from ICIS Heren.

³ Based on latest Interim Information (II) and Initial Settlement (SF) run data

⁴ System prices are based on the previous month's Interim Information (II) run data.