



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.

CORONAVIRUS UPDATE: MAY 2020 DEMAND

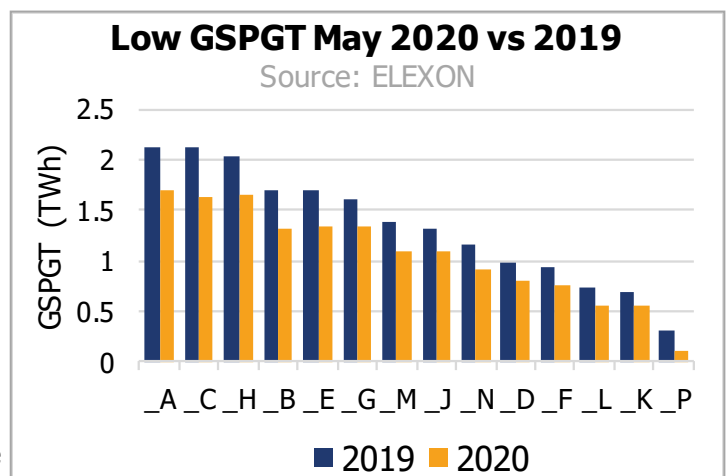
Lower demand continued throughout May 2020. Grid Supply Point Group Take (GSPGT) is a measure of the net demand across the 14 distributional zones in the GB electricity market. It is calculated by taking the metered volume of an area, adding imported electricity and subtracting the exported electricity¹. National lockdown was declared on 23 March 2020 due to the COVID-19 pandemic, causing demand reductions across all areas (as reported in the April 2020 Headline Report. Lockdown has continued to impact GSPGT across the GB electricity market.

Throughout May the GSPGT for all areas dropped by an average of 21%, when compared to 2019; the same percentage reduction as seen across all areas in April 2020.

During May 2020, the largest GSPGT volume decrease was seen in London (_C), which saw a 0.48TWh (23%) reduction in demand when compared with 2019. This was closely followed by the Eastern (_A) region, which saw a 0.43TWh (20%) reduction compared to May last year. Note these are the two highest consuming regions in the country.

The largest proportional difference was seen in North Scotland (_P), which saw 69% less demand in May 2020 compared to May 2019. However, the reduction was only 0.21TWh. In North Scotland, high generation and low demand result in a small GSPGT. As a result, a small differences in North Scotland demand volume can impact the GSPGT by a significant percentage.

ELEXON's latest [Insight Article: Update on Demand Reduction during COVID-19](#) provides more detailed analysis on the impact of the pandemic on the GB electricity market, and included the latest data available when it was published (Initial Demand Out-turn data up to 23 June, and Grid Supply Point data up to 31 May).



CHANGE IN TLMs FOR SUMMER 2020

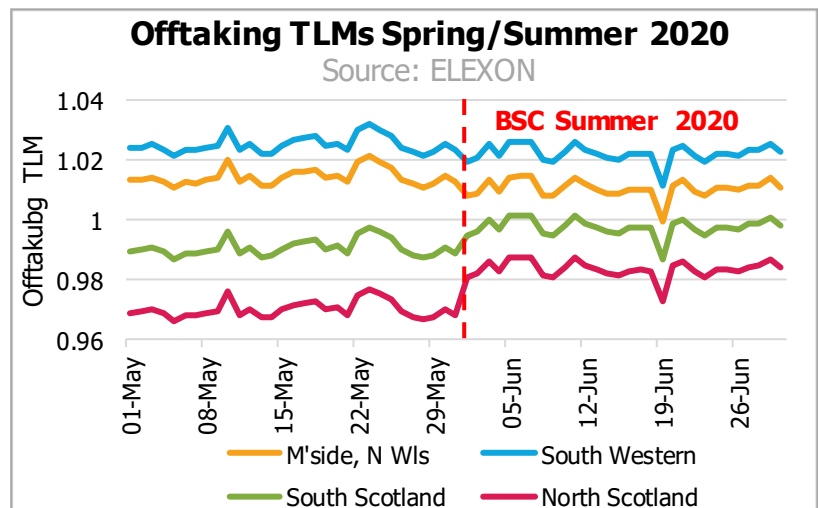
This graph is an adaptation of "Daily Average Offtaking Transmission Loss Multiplier (TLM)" from the Trading Operations Report, with a number of GSP Groups removed. Following implementation of [Modification P350: Introduction of a seasonal Zonal Transmission Losses scheme](#) on 1 April 2018, TLMs vary by region and season. The change in Transmission Loss Factors (TLF) on 1 June, due to the change in season from Spring to Summer, has impacted TLMs in some regions more than others.

North Scotland Offtaking saw the largest change. Average Offtaking TLMs were 0.968 at the end of May, but increased to 0.981 on 1 June. South Scotland average Offtaking TLMs also increased following the inclusion of the new seasonal TLFs, from 0.989 to 0.995.

Some GSP Groups saw a decrease in Offtaking TLMs. The greatest decrease was in the Merseyside and North Wales region, which saw a decrease of 0.005 from May to June (1.013 to 1.008). A decrease of 0.004 was also seen in the South Western region (1.024 to 1.020), the second largest decrease.

The change in average Offtaking TLMs between May and June 2020 was less than 0.004 for all other GSP Groups not featured in the graph.

[Historic TLM](#) and [Seasonal TLF data](#) is available on the ELEXON Portal.



¹ GSPGT = GMV + I - E

BALANCING MECHANISM VOLUMES IN MAY 2020²

The total volume of balancing actions taken in the Balancing Mechanism (BM) for May 2020 was 2,512GWh, an 8% increase from April 2020. The majority (82%) of balancing volume in May came from Gas BMUs.

Accepted **Bid** volume in May increased by 10% from last month. 57% of total Bid volume came from Gas BMUs, with 33% coming from Wind, 8% from Pumped Storage BMUs. Bid volume from Wind BMUs increased by 87% from the previous month, whilst Hydroelectric and Biomass Bid volume decreased by 54% and 48% respectively.

Accepted **Offer** volume in May increased by 7% compared to last month. Gas accounted for 94% of all Offer volume, with Biomass BMUs responsible for a further 3%. OCGT and Biomass BMU Offer volume rose by 122% and 97% respectively, compared to last month.

No Bid or Offer volume was accepted from Coal BMUs during May 2020.

Fuel Type	Bid Volume (MWh)		Offer Volume (MWh)	
	May-20	Apr-20	May-20	Apr-20
Biomass	-11,273	-21,827	58,509	29,737
Coal	0	-4,653	0	6,157
Hydro	-4,700	-10,140	3,852	6,256
OCGT	-46	0	3,529	1,591
Other	-2,019	-1,693	1,944	1,675
Pumped Storage	-66,895	-75,349	26,300	21,422
Wind	-273,701	-146,094	849	858
Gas	-468,797	-489,791	1,589,901	1,501,597
Grand Total	-827,430	-749,547	1,684,885	1,569,292

SYSTEM PRICES IN JUNE 2020³

Monthly average System Prices for June 2020 were higher when the market was both short (9%) and long (56%), compared to May 2020. The average System Price regardless of length was **£26.26/MWh**; £3.05/MWh higher than May 2020, which was the lowest monthly average System Price since [BSC Modification P305](#) was implemented in November 2015.

System Prices did not exceed £100/MWh during June 2020; the third consecutive month where prices have remained below £100/MWh. The highest System Price this month, **£64.50/MWh**, occurred in Settlement Period 36 on 17 June 2020. The price was set by 10 balancing actions from two CCGT BMUs, all priced at £64.50/MWh.

There were 59 negative System Prices in June 2020, compared to 75 in May. 27 of these negative System Prices occurred on 28 June; the second highest number of negative System Prices in a single day following 28 negative prices on 22 May 2020.

The lowest System Price, **-£65.94/MWh**, occurred in Settlement Period 17 on 28 June 2020 and was set by Bids from five Wind BMUs, all priced at -£65.94/MWh. One Wind BMU was embedded generation. All these balancing actions received a System Operator Flag, but were not repriced as they were cheaper than the most expensive unflagged balancing action.

Period	Average (£/MWh)		Average (£/MWh) Peak 07:00-19:00	
	Short System	Long System	Short System	Long System
Jun-20	40.48	10.44	41.83	10.02
May-20	37.10	6.70	37.06	5.78
Apr-20	37.18	5.20	38.61	3.64
Summer 20	40.48	10.44	41.83	10.02
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	21.2
Summer 19	56.81	25.05	60.03	25.2
Jun-19	57.96	24.69	62.85	24.53

TRADING CHARGES IN MAY 2020²

Gross Party Imbalance cashflows were £59m in May 2020, a decrease of 16% from April 2020. Debits for being short decreased by £6.9m, and credits for being long fell by £4.0m, between April and May 2020.

Gross Party Imbalance Volumes decreased by 5% from April to May 2020. Energy Imbalance Volumes for Parties that were long decreased by 8% this month, compared to last month. Energy Imbalance Volumes for Parties that were short decreased by 4%.

May **Offer** volume and cashflow both increased compared to April, by 7% and 17% respectively. The average price of Offers also increased, rising by £3.61/MWh to £45.44/MWh this month.

Net **Bid** cashflow in May 2020 was £24.5m, £9.7m higher than last month (£14.8m in April 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)	May-20	Apr-20	Mar-20	Feb-20
Long Imbalance Charge (Credit)	-26.05	-30.08	-37.94	-33.02
Short Imbalance Charge (Debit)	33.30	40.24	45.06	45.77
RCRC Credit	8.97	11.57	9.55	14.33
RCRC Debit	-1.72	-1.41	-2.43	-1.58
Offer Cashflow	76.57	65.64	72.87	77.14
Bid Cashflow (Positive Bids)	-0.81	-1.18	-3.83	-3.45
Bid Cashflow (Negative Bids)	25.31	16.03	21.10	41.06

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.