



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.

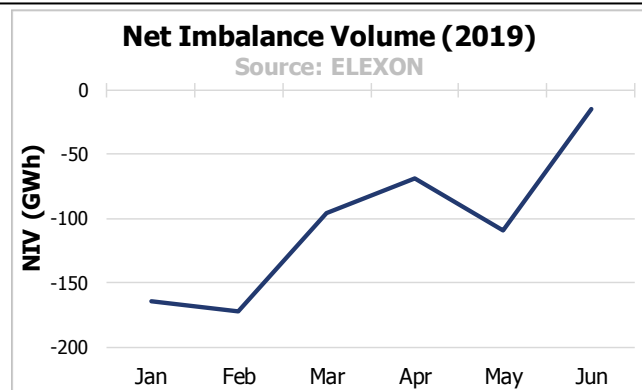
2 The [Trading Operations Report](#) publishes key market data graphically, giving a performance indicator for the Balancing and Settlement arrangements.

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

NIV AT SECOND LOWEST LEVEL SINCE NOVEMBER 2015

The Net Imbalance Volume (NIV) is the volume of the overall System energy imbalance, as a net of all System and energy balancing actions. The total Net Imbalance Volume (NIV) during June 2019 was -15GWh. This is the second most balanced month for the GB System since the implementation of [BSC Modification P305](#) on 5 November 2015.

In June, a large proportion of balancing actions were Balancing Service Adjustment Actions (BSAAs). BSAAs are actions, including non-BM Short Term Operating Reserve (STOR) actions, taken outside the Balancing Mechanism. These actions accounted for 28% of Buy volume and 46% of Sell volume. In contrast, this year prior to June, BSAAs contributed an average of 15% of Buy volume and 24% of Sell volume. This month, CCGT BMUs had a below average contribution to Buy and Sell volume; 66% of Buy volume and 38% of Sell volume. The average contribution by CCGT before June in 2019 was 76% of Buy volume and 48% of Sell volume.

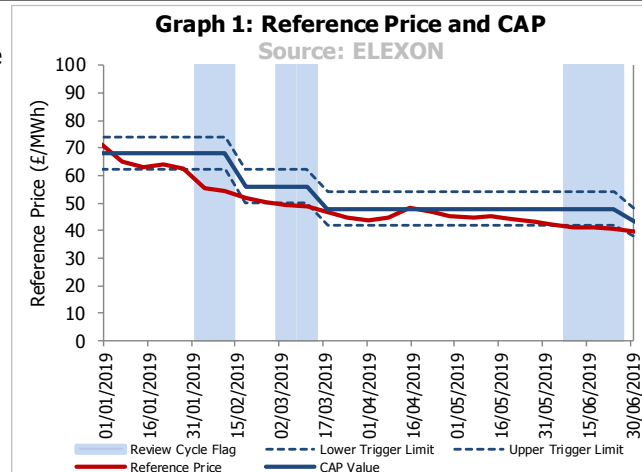


CREDIT COMMITTEE AGREE NEW CAP VALUE

A review of the Credit Assessment Price (CAP) was triggered on 10 June, as the calculated reference price was more than £6/MWh (the trigger level) below the current CAP of £48/MWh. A consultation was issued on 11 June, recommending a new CAP of £41/MWh.

As not all respondents and Credit Committee members were in agreement with the recommended new CAP value, the Credit Committee met on the 24 June. After considering the latest forward prices used in the reference price calculation, the Credit Committee agreed to decrease the CAP to £43/MWh, effective 16 July 2019. They also agreed a new CAP review trigger level of +/-£5/MWh.

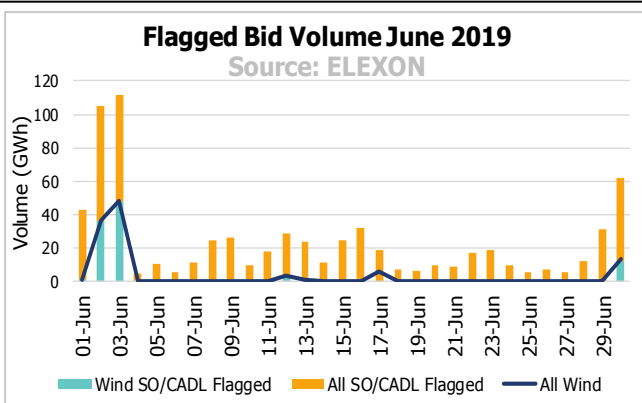
To help keep BSC Parties informed of the latest CAP information, [interactive CAP graphs](#) have been published to allow customers to explore this data.



WIND BID VOLUMES FLUCTUATE IN JUNE 2019

Wind bid volumes fluctuated throughout June, with the maximum bid volume from Wind BMUs, 58GWh, occurring on 3 June 2019. From the 4 to 29 June, the total contribution of Wind bid volume was just 11GWh, with 58% of days having no Wind bids accepted.

The presence of Wind bids had a significant impact on the volume of Flagged actions in the System Price calculation. On average, 86% of Wind bid volume received an System Operator (SO) or Continuous Acceptance Duration Limit (CADL) Flag during June. This resulted in an average of 10% more volume being SO/CADL Flagged when Wind bids occurred. On the 3 June 2019, when the Wind bid volume was at its highest, we saw the most Flagged bid volume in the month, with 94% of volume SO or CADL Flagged.



SYSTEM PRICES IN JUNE 2019¹

Monthly average System Prices for June 2019 were lower when the market was both short (-2.5%) and long (-4.3%), compared to May 2019. The average System Price regardless of length was **£41.55/MWh**; 5.4% higher than last month.

System Prices exceeded £100/MWh 14 times this month, compared to 11 times in May. The highest System Price of the month, **£375.00/MWh**, occurred in Settlement Periods 23, 24 and 25 on 24 June 2019. This price was set by Buy Actions from a Coal BMU priced at £375.00/MWh. The market conditions leading to this high price, the highest System Price since 1 March 2018, will be analysed in the [ELEXON System Price Analysis Report](#) (SPAR) published later this month.

The lowest System Price, **-£60.00/MWh**, occurred in Settlement Period 22 on 3 June 2019. This was set by a Sell action from a Biomass BMU.

Period	Average (£/MWh)		Average (£/MWh) Peak 07:00-19:00	
	Short System	Long System	Short System	Long System
Jun-19	57.66	24.67	62.51	26.71
May-19	59.16	25.77	63.49	25.56
Apr-19	57.87	29.92	60.94	30.07
Summer 19	59.77	28.26	62.85	28.22
Spring 19	59.77	28.26	62.85	28.22
Winter 18/19	79.64	42.31	85.94	44.31
Autumn 18	82.75	45.80	86.62	48.39
Summer 18	73.46	42.02	76.60	42.52
Jun-18	67.41	41.00	68.64	42.14

BALANCING MECHANISM VOLUMES IN MAY²

The total volume of balancing actions taken in the Balancing Mechanism (BM) for May 2019 was 1,098GWh, a 28% decrease from April 2019. The majority (87%) of balancing volume in May came from Gas BMUs.

Accepted **Bid** volume decreased by 27% from April. Gas Bid volume accounted for 81%, and Wind 11%, of all Bid volume. There was no Coal Bid volume throughout May, whilst Bid volume from Biomass increased by 234%.

Accepted **Offer** volume in May increased by 29% from April 2019. Gas accounted for 92% of Offer volume and Pumped Storage 6%. There were only 26MWh of Offer volume from Biomass during May, compared to 28,898MWh the month before. Wind Offer volume also decreased (by 97%) from April.

Volume from **Other** fuel types (mainly Battery Storage) decreased for the first time since May 2017. Total BM volume from this fuel type decreased by 96% from April 2019.

Fuel Type	Bid Volume (MWh)		Offer Volume (MWh)	
	May-19	Apr-19	May-19	Apr-19
Coal	0	-1,092	3,322	12,054
Gas	-422,725	-493,864	530,718	723,841
Hydro	-1,638	-8,754	8,468	7,195
OCGT	0	0	89	1,662
Pumped Storage	-25,283	-51,407	32,938	33,025
Wind	-57,766	-154,640	46	1,417
Biomass	-14,918	-4,461	26	28,898
Other	-13	-544	44	780
Grand Total	-522,343	-714,762	575,651	808,873

TRADING CHARGES IN MAY²

Gross Party Imbalance cashflows were £85m in May 2019, a decrease of 12% from April. Credits for being short decreased by £5.2m, and debits for being long decreased by £6.3m, between April and May 2019.

Gross Party Imbalance Volumes decreased by 3%. Energy Imbalance Volumes decreased by 1% for Parties for that were long compared to May, and decreased by 4% for those that were short.

May **Offer** cashflow decreased by 30% and the volume of Offers decreased by 29%, compared to the month before. The average price per MWh of Offer volume decreased by 1% to £61.19/MWh.

Net **Bid** cashflow was in -£6.31m May, compared to -£2.46m in April. May Bid cashflow decreased by 15% for positive Bids and by 53% for negative Bids, compared to the month before.

Total Cashflow (£m)	May-19	Apr-19	Mar-19	Feb-19
Long Imbalance Charge (Credit)	-41.62	-47.97	-47.23	-54.34
Short Imbalance Charge (Debit)	43.66	48.87	50.50	51.19
RCRC Credit	7.90	7.17	10.86	6.95
RCRC Debit	-5.85	-6.26	-7.60	-10.11
Offer Cashflow	35.23	50.04	86.26	52.79
Bid Cashflow (Positive Bids)	-11.59	-13.70	-16.45	-20.29
Bid Cashflow (Negative Bids)	5.27	11.23	33.47	10.44

¹ System prices are based on the previous month's Interim Information (II) run data.

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