

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.

## System Prices in September 2020<sup>1</sup>

Monthly average System Prices for September 2020 were higher when the market was both short (16%) and long (25%), compared to July 2020. The average System Price regardless of length was **£42.15/MWh**; £7.48/MWh higher than August 2020 and the highest monthly average System Price since November 2019 (£43.90/MWh).

There were 2 negative System Prices in September 2020, after none in August and the lowest amount of negative prices since January 2020 (2).

The lowest System Price, **-£5.00/MWh**, occurred in Settlement Periods 12 and 13 on 12 September. The price in both Settlement Periods was set by balancing actions from Pumped Storage BMUs all priced at £5.00/MWh

System Prices exceeded £100/MWh on 31 occasions during September 2020; the first month with prices over £100/MWh since March 2020 (15).

The highest System Price this month, **£540.22/MWh**, occurred in Settlement Period 37 on 15 September 2020. The price was set by one Balancing Services Adjustment Action (BSAA) priced at £540.22/MWh.

On the 15 September 2020, the daily average System Price was £112.65/MWh; the second highest daily average system price this year and the tenth highest since the implementation of BSC Modification P305 on 1 November 2015. On this day, the price exceeded £100/MWh for 14 Settlement Periods and the highest System Price of the month, £540.22/MWh, occurred during Settlement Period 37. From Settlement Period 35 to 40, the average System Price was £414.69/MWh.

The Loss of Load Probability (LoLP) is a measure of the probability that system demand will exceed capacity during a Settlement Period. During Settlement Period 37 on 15 September this reached 0.369; the highest LoLP since Settlement Period 37 on 4 March 2020 where the LoLP was 0.371 and the System Price was £2,242.31/MWh.

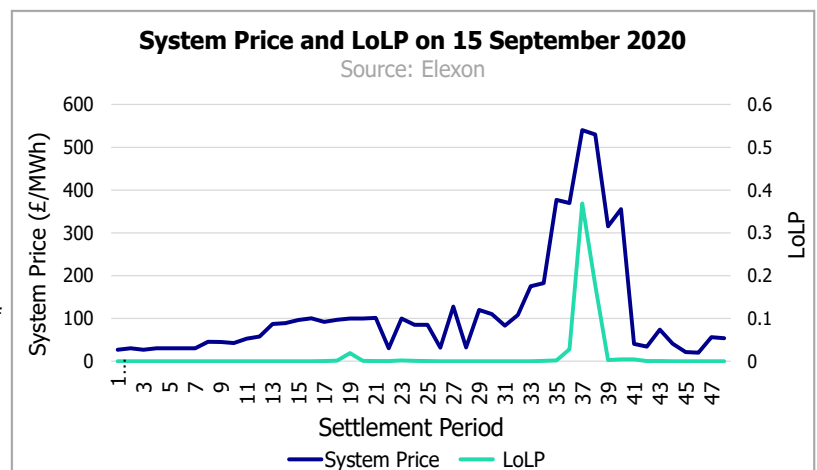
79% of Buy balancing actions on 15 September 2020 came from BSAA's. These BSAA Buy actions had an average cost of £187.55/MWh.

## Supplier of Last Resort

On 4 September 2020, Ofgem revoked Effortless Energy Limited's (Party ID EENERGY) Supplier license. The supplier, with 2,500 customers, confirmed to ELEXON they had "suspended payment of its debts due to its inability to pay amounts as they fall due", and so entered BSC Section H default on 30 July 2020. Elexon has been monitoring the situation concerning Effortless Energy Limited since 30 July (Elexon Circular [EL03180](#)).

Ofgem confirmed on 4 September that Octopus Energy Limited (Party ID MERCURY), had been chosen as the Supplier of Last Resort (SoLR) for Effortless Energy's customers. Octopus Energy Limited took over the supply of these customers on 5 September 2020 (Elexon Circular [EL03191](#)).

Period	Average (£/MWh)		Average (£/MWh) Peak 07:00-19:00	
	Short System	Long System	Short System	Long System
Sep-20	59.32	20.64	63.38	22.53
Aug-20	47.35	17.83	49.16	18.62
Jul-20	40.32	13.13	42.82	13.72
Autumn 20	59.32	20.64	63.38	22.53
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	14.85
Autumn 19	55.66	19.04	58.81	21.2
Sep-19	53.33	16.38	55.64	17.52



<sup>1</sup> System prices are based on the previous month's latest Initial Settlement (SF) & Interim Information (II) run data available. Please note, the 29 and 30 September 2020 are taken from BMRS for this report.

## Balancing Mechanism Volumes in August 2020<sup>3</sup>

The total volume of balancing actions taken in the Balancing Mechanism (BM) for August 2020 was 1.7TWh, a 20% decrease from July 2020. The majority (86%) of balancing volume in August came from Gas BMUs.

Accepted **Bid** volume in August decreased by 38% from the previous month. 78% of total Bid volume came from Gas BMUs, with 14% coming from Wind and 6% from Pumped Storage BMUs. Bid volume from all fuel types decreased in compared to July apart from OCGT BMUs, which increased by 71%.

Accepted **Offer** volume in August decreased by 2% compared to the previous month. Gas accounted for 91% of all Offer volume, with Pumped Storage BMUs responsible for a further 3%.

Bid and Offer volume from Other BMUs were at their highest in July 2020. In August, Bid and Offer volume from this fuel type decreased by 93% and 95% respectively.

Fuel Type	Bid Volume (MWh)		Offer Volume (MWh)	
	Aug-20	Jul-20	Aug-20	Jul-20
Biomass	-4,299	-9,219	21,861	9,317
Coal	-3283	0	18637	89
Hydro	-5,424	-25,472	8,363	11,438
OCGT	-1341	-783	3,434	1,754
Other	-472	-6,568	330	6,129
Pumped Storage	-42,017	-61,392	34,844	32,726
Wind	-95,356	-215,283	504	1019
Gas	-531,671	-782,287	940,628	990,108
<b>Grand Total</b>	<b>-683,863</b>	<b>-1,101,002</b>	<b>1,028,602</b>	<b>1,052,579</b>

## Trading Charges in August 2020<sup>3</sup>

Gross Party Imbalance cashflows were £84m in August 2020, an increase of 25% from July 2020. Debits for being short increased by £8.8m, and credits for being long rose by £7.8m, between July and August 2020.

Gross Party Imbalance Volumes decreased by 5% from July to August 2020. Energy Imbalance Volumes for Parties that were long decreased by 19% in August, compared to the previous month. Energy Imbalance Volumes for Parties that were short increased by 9%.

August **Offer** volume decreased by 2% whilst cashflow increased by 8% respectively, compared to July. The average price of Offers increased by £4.90/MWh to £51.36/MWh.

Net **Bid** cashflow in August 2020 was £8m, £8.5m lower than last month (£16.5m in July 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)	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

## Seasonal Change in Offtaking TLMs

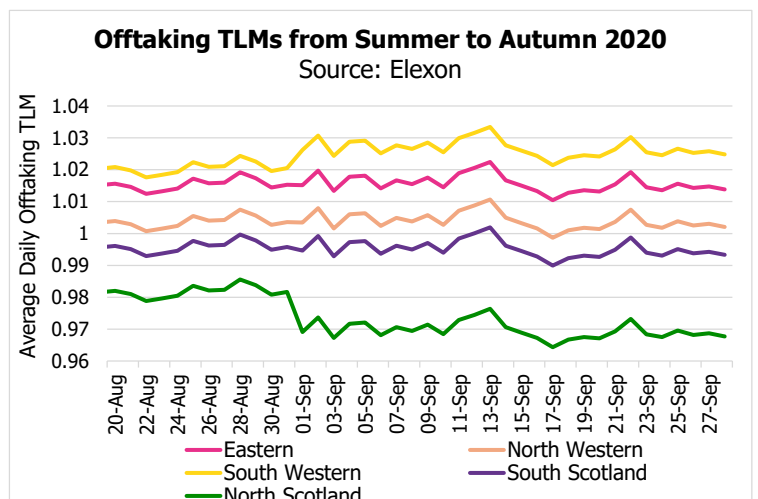
This graph is an adaptation of “Daily Average Offtaking Transmission Loss Multiplier (TLM)” from the Trading Operations Report, with a number of GSP Groups removed. Following implementation of [Modification P350: Introduction of a seasonal Zonal Transmission Losses scheme](#) on 1 April 2018, TLMs vary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

North Scotland Offtaking saw the largest change and was one of four GSPs to see a decrease in TLMs from 31 August to 1 September 2020. Daily Average Offtaking TLMs were 0.982 at the end of August, but decreased to 0.969 on 1 September. South Scotland, North Western and Eastern GSP Groups also saw a decrease in Daily Average Offtaking TLMs at the change of season.

All other GSP Groups saw a rise in Average Offtaking TLMs from 31 August to 1 September. The largest increase from 1.020 to 1.026 occurred in the South Western GSP Group.

The average change in all nine other GSP Groups was an increase of 0.003.

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



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