



# 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.

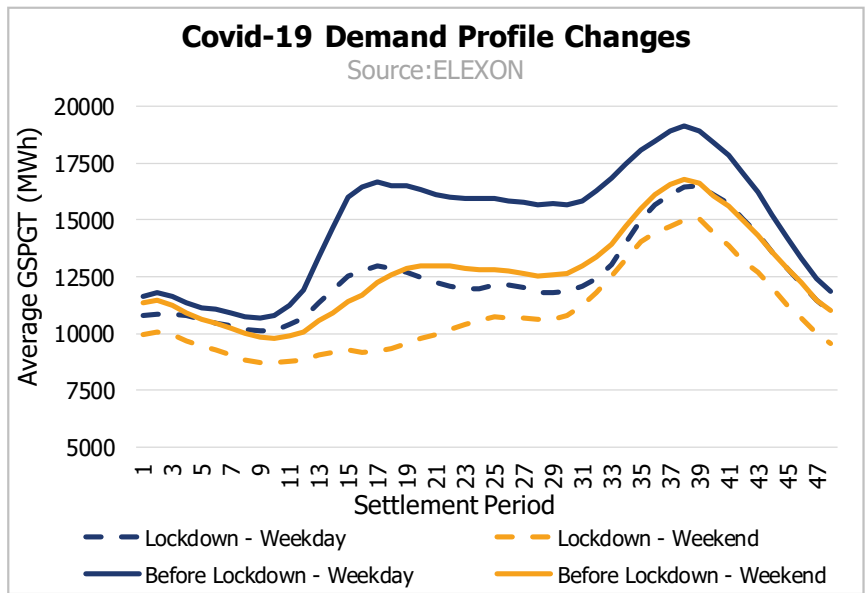
## COVID-19: LOCKDOWN AFFECTS DEMAND IN MARCH

The COVID-19 outbreak began to significantly impact the GB Electricity Market in March 2020. There were a number of policy decisions leading to noticeable lifestyle changes throughout the country:

- 16 March: UK Government advises people to work from home
- 18 March: the UK Government closed schools
- **23 March: UK Government invokes national lockdown**

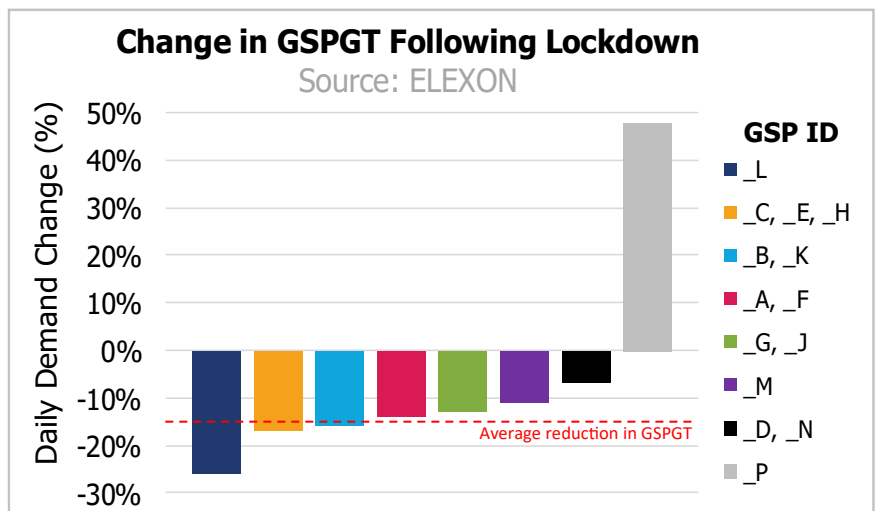
The social distancing measures have clearly impacted the way the market is consuming electricity.

Grid Supply Point Group Take<sup>1</sup> (GSPGT) is a measure of net demand for a GSP. The graph on the right compares, at a Settlement Period level, the average GSPGT for all 14 GSP Groups in Great Britain from before the lockdown (1 March to 22 March 2020) to after the lockdown (23 March to 31 March). The lockdown has dampened the weekday morning peak, reducing the increase between Settlement Periods 14 (07:00) and 18 (09:00) from 1,875MWh to 962MWh on a weekday. Weekends also saw a dampening of the morning peak, the increase shrinking from 1,721MWh to 171MWh. The largest weekday difference for a Settlement Period was from 11:30am to 12:00pm (Settlement Period 24), which saw a 3,977MWh decrease after the lockdown was invoked.



The graph shows weekday demand profiles after the lockdown were similar to weekend profiles before the lockdown. Following the evening peak in Settlement Period 38, there was an average of just 3MWh between the two day types.

The average drop in daily GSPGT for each GSP after the lockdown was 15%. The South Western (\_L) region saw the largest drop of 26%, followed by London (\_C), Southern (\_H) and Midlands (\_E) all dropping by 17%. North Scotland (\_P), which usually sees low net demand due to the large amount of generation in the area, actually saw a rise in average daily demand of 48%. Wind generation, the main source of generation in North Scotland, dropped 17% after lockdown was introduced, which may have influenced the net demand.



The average System Price in March 2020<sup>2</sup> was £29.33/MWh; the lowest since [BSC Modification P305](#) was implemented (see overleaf). The two lowest average daily System Prices of 11.73/MWh and £14.27/MWh fell on the 24 and 25 March respectively; the two days following the national lockdown.

ELEXON has been working to support customers in the unprecedented conditions caused by the COVID-19 pandemic. You can read more about the issues ELEXON is addressing on the ['Coronavirus \(COVID-19\) latest information'](#) webpage.

<sup>1</sup> GSP Group Take = Group Metered Volume + Import – Export  
<sup>2</sup> System prices are based on the previous month's latest Initial Settlement (SF) & Interim Information (II) run data available.

## BALANCING MECHANISM VOLUMES IN FEBRUARY 2020<sup>3</sup>

The total volume of balancing actions taken in the Balancing Mechanism (BM) for February 2020 was 2,797GWh, a 0.5% decrease from January 2020. The majority (72%) of balancing volume in February came from Gas BMUs. The total volume of balancing actions was 78% higher than the same month in 2019.

Accepted **Bid** volume in February decreased by 8% from last month. 46% of total Bid volume came from Gas BMUs, with 44% coming from Wind, 5% from Hydroelectric BMUs and 2% from Coal BMUs. This is the highest contribution of Wind to monthly Bid volume on record.

Accepted **Offer** volume in February increased by 6% compared to last month. Gas accounted for 92% of all Offer volume, with Coal responsible for 4%. Biomass and Pumped Storage BMUs contributed a further 3% and 1% respectively.

| Fuel Type          | Bid Volume (MWh)  |                   | Offer Volume (MWh) |                  |
|--------------------|-------------------|-------------------|--------------------|------------------|
|                    | Feb-20            | Jan-20            | Feb-20             | Jan-20           |
| Coal               | -24,659           | -43,252           | 61,852             | 86,581           |
| Gas                | -544,111          | -669,078          | 1,467,809          | 1,357,594        |
| Hydro              | -55,854           | -63,845           | 2,871              | 2,859            |
| OCGT               | -40               | -158              | 5,259              | 5,116            |
| Pumped Storage     | -28,774           | -59,179           | 21,694             | 20,572           |
| Wind               | -526,168          | -444,167          | 553                | 1,930            |
| Biomass            | -12,088           | -16,804           | 41,935             | 36,646           |
| Other              | -1,569            | -1,968            | 1,600              | 1,815            |
| <b>Grand Total</b> | <b>-1,193,263</b> | <b>-1,298,450</b> | <b>1,603,573</b>   | <b>1,513,112</b> |

## SYSTEM PRICES IN MARCH 2020<sup>2</sup>

Monthly average System Prices for March 2020 were higher when the market was both short (13%) and long (4%), compared to February 2020. The average System Price regardless of length was **£29.33/MWh**; 10% lower than last month and the lowest monthly average System Price since [BSC Modification P305](#) was implemented on 5 November 2015.

System Prices exceeded £100/MWh on 15 occasions in March, compared to four occasions in February. The highest System Price of the month, **£2,242.31MWh**, occurred in Settlement Period 37 on 4 March. The price was set by 24 Short Term Operating Reserve (STOR) actions all repriced at the Reserve Scarcity Price (RSVP) of £2,223.17, with a Buy Price Price Adjuster (BPA) of £19.14. The RSVP also set the System Price of £1,708.05 during Settlement Period 38 on 4 March 2020. You can read more about the price spike in '[ELEXON's Insight: Highest System Price in 19 years](#)'.

There were 14 negative System Prices in March 2020, the same as February 2020. The lowest System Price, **-£61.21/MWh**, occurred in Settlement Period 20 on 16 March 2020. The price was set by three Bids from three different Hydroelectric BM Units, all priced at -£61.21/MWh.

| Period       | Average (£/MWh) |             | Average (£/MWh) Peak 07:00-19:00 |             |
|--------------|-----------------|-------------|----------------------------------|-------------|
|              | Short System    | Long System | Short System                     | Long System |
| Mar-20       | 52.17           | 11.28       | 59.54                            | 10.59       |
| Feb-20       | 46.06           | 10.84       | 47.96                            | 11.71       |
| Jan-20       | 51.94           | 14.11       | 55.57                            | 15.05       |
| Spring 20    | 52.17           | 11.28       | 59.54                            | 10.59       |
| Winter 19/20 | 51.91           | 13.09       | 55.27                            | 14.56       |
| Autumn 19    | 55.53           | 19.30       | 58.64                            | 21.65       |
| Summer 19    | 56.72           | 24.94       | 59.81                            | 25.06       |
| Spring 19    | 59.77           | 28.26       | 62.85                            | 28.22       |
| Mar-19       | 62.28           | 29.08       | 64.11                            | 29.03       |

## TRADING CHARGES IN FEBRUARY 2020<sup>3</sup>

Gross Party Imbalance cashflows were £80m in February 2020, a decrease of 8% from January 2020. Debits for being short decreased by £2.4m, and credits for being long decreased by £4.6m, between January 2020 and February 2020.

Gross Party Imbalance Volumes decreased by 1% from January to February 2020. Energy Imbalance Volumes for Parties that were long decreased by 6% this month, compared to last month. Energy Imbalance Volumes for Parties that were short increased by 8%.

February **Offer** volume increased by 6%, whilst Offer cashflow decreased by 5% compared to the previous month. The average price of Offers decreased by £5.49/MWh to £48.20/MWh this month.

Net **Bid** cashflow in February 2020 was £37.62m, compared to £29.65m in January 2020 - an increase of £8m. This means payment received by Parties for negative Bids were higher than payments from Parties for positive Bids.

| Total Cashflow (£m)            | Feb-20 | Jan-20 | Dec-19 | Nov-19 |
|--------------------------------|--------|--------|--------|--------|
| Long Imbalance Charge (Credit) | -33.75 | -38.34 | -42.23 | -47.80 |
| Short Imbalance Charge (Debit) | 46.57  | 48.95  | 54.22  | 54.90  |
| RCRC Credit                    | 14.40  | 12.61  | 14.62  | 10.16  |
| RCRC Debit                     | -1.58  | -2.00  | -2.63  | -3.05  |
| Offer Cashflow                 | 77.29  | 81.24  | 79.90  | 51.57  |
| Bid Cashflow (Positive Bids)   | -3.45  | -5.50  | -9.14  | -13.59 |
| Bid Cashflow (Negative Bids)   | 41.07  | 35.15  | 21.79  | 5.55   |

<sup>2</sup> System prices are based on the previous month's latest Initial Settlement (SF) & Interim Information (II) run data available.  
<sup>3</sup> Balancing volumes and trading charges appear as per the latest month with Initial Settlement (SF) run data available.