



## 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.

## CAP FALLS TO £41/MWh; WILL REDUCE FURTHER IN MARCH

A Credit Assessment Price (CAP) change went live on 12 February 2020, when the CAP reduced from £47/MWh to £41/MWh. Note that we use the new CAP level in calculating the CAP Reference Price as soon as the new CAP level is approved, not when it becomes live.

As such, on 10 February 2020 a CAP Breach as the calculated reference price was more than £4/MWh below the lower trigger level of £37/MWh. A consultation was issued, recommending the CAP reduce further to £36/MWh.

The consultation closed on Tuesday 18 February. As no responses disagreed with the proposed value, the suggested CAP value was approved. This new CAP level of £36/MWh will go live on 11 March 2020 (trigger levels remain at +/- £4/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.

CAP (£/MWh)	47	41
<b>CAP breached/Consultation begins</b>	13-Jan-20	10-Feb-20
<b>Consultation ends</b>	21-Jan-20	18-Feb-20
<b>New CAP (£/MWh)</b>	<b>41</b>	<b>36</b>
<b>CAP effective from</b>	12-Feb-20	11-Mar-20

## SYSTEM PRICES IN FEBRUARY 2020<sup>1</sup>

Monthly average System Prices for February 2020 were lower when the market was both short (11%) and long (23%), compared to January 2020. The average System Price regardless of length was **£32.52/MWh**; 7% lower than last month and the fourth lowest monthly average System Price since [BSC Modification P305](#) was implemented on 5 November 2015.

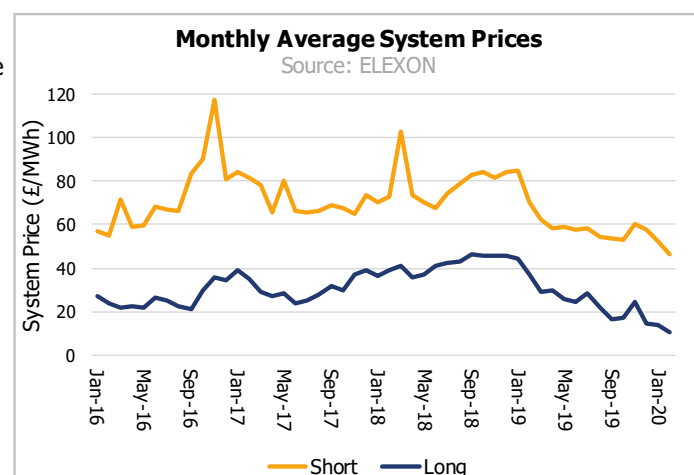
System Prices exceeded £100.00/MWh on four occasions in February, compared to eight occasions in January. The highest System Price of the month, **£120.00/MWh**, occurred in Settlement Period 38 on 26 February. The price was set by two actions from a Hydro BM Unit, both priced at £120.00/MWh.

There were 14 negative System Prices in February 2020, compared to 2 in January 2020. The lowest System Price, **-£66.25/MWh**, occurred in Settlement Period 22 on 1 February 2020. The price was set by two Bids from a Wind BM Unit, both priced at -£66.25/MWh.

The average short and long System Prices in February 2020 were at their lowest since the implementation of [BSC Modification P305](#); the average short and long System Prices in February 2020 were £46.06/MWh and £10.84/MWh, compared to £70.21/MWh and £37.09/MWh in February 2019.

The lowest monthly System Prices were a stark contrast to the System Prices of £2,242/MWh and £1,708/MWh seen during Settlement Periods 37 and 38 on 4 March 2020. The prices were set by the Reserve Scarcity Price (RSVP), which represents what the price of Short Term Operating Reserve (STOR) actions would have been if they could have changed their pricing to match the market scarcity. Read more about how these prices were calculated in the [ELEXON Insight Article - Highest System Prices in 19 years](#).

Period	Average (£/MWh)		Average (£/MWh) Peak 07:00-19:00	
	Short System	Long System	Short System	Long System
<b>Feb-20</b>	46.06	10.84	47.96	11.71
<b>Jan-20</b>	51.94	14.11	55.57	15.05
<b>Dec-19</b>	57.74	14.33	62.29	16.91
<b>Winter 19/20</b>	51.91	13.09	55.27	14.56
<b>Autumn 19</b>	55.53	19.30	58.64	21.65
<b>Summer 19</b>	56.72	24.94	59.81	25.06
<b>Spring 19</b>	59.77	28.26	62.85	28.22
<b>Winter 18/19</b>	79.64	42.31	85.94	44.31
<b>Feb-19</b>	70.21	37.09	76.89	37.31



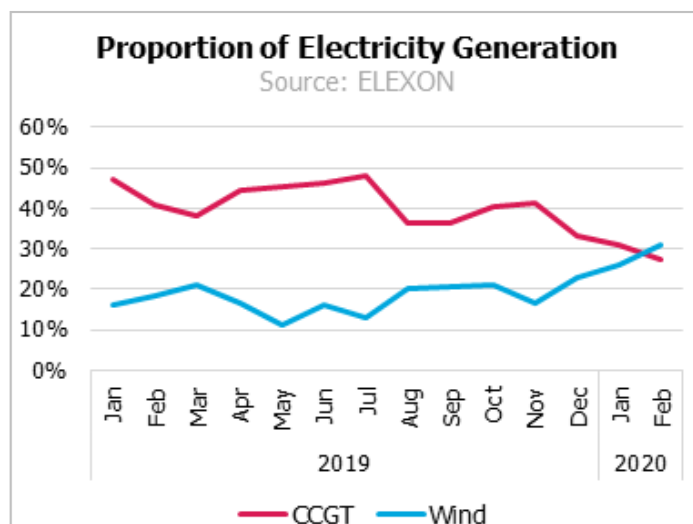
<sup>1</sup> System prices are based on the previous month's latest Initial Settlement (SF) & Interim Information (II) run data available.

## WIND TOP CONTRIBUTOR OF GB ELECTRICITY IN FEBRUARY<sup>2</sup>

During February, Wind generated 6.9TWh of GB electricity; the first time Wind has produced more electricity than CCGTs in a month (CCGTs produced 6.6TWh over the same period). At the end of February, Wind has contributed 13.2TWh of GB electricity in 2020; 60% higher than the same point in 2019 (8.2TWh).

During ten Settlement Periods on 8, 17 and 22 February, Wind generation contributed over 50% of GB electricity, with five of these Settlement Periods occurring on 22 February. During these Settlement Periods, CCGTs averaged only 14% of total generation. 2020 is the first year on record where wind has contributed over half of GB electricity during any single Settlement Period.

In total, renewable generation (Wind, Pumped Storage, Hydro and Biomass) accounted for 39% of total output this month. Renewable fuels have generated 50% more electricity in January and February this year than in the same two months last year. The growth of renewable generation, especially Wind, shows progress towards the target of 'Net Zero' electricity generation by 2050.



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

The total volume of balancing actions taken in the Balancing Mechanism (BM) for January 2020 was 2,812GWh, a 20% increase from December 2019. The majority (72%) of balancing volume in January came from Gas BMUs. The total volume of balancing actions was 127% higher than the same month in 2019.

Accepted **Bid** volume in January increased by 21% from last month. 52% of total Bid volume came from Gas BMUs, with 34% coming from Wind, 5% from Pumped Storage BMUs and 3% from Coal BMUs. This is the highest contribution of Wind to monthly Bid volume since March 2019 (when it account for 38%).

Accepted **Offer** volume in January increased by 20% compared to last month. Gas accounted for 90% of all Offer volume, with Coal responsible for 6%. Coal Offer volume increased by 40GWh (85%) compared to last month.

Fuel Type	Bid Volume (MWh)		Offer Volume (MWh)	
	Jan-20	Dec-19	Jan-20	Dec-19
Coal	-43,252	-47,391	86,581	46,913
Gas	-669,078	-678,935	1,357,594	1,178,837
Hydro	-63,845	-34,037	2,859	3,128
OCGT	-158	-155	5,116	4,392
Pumped Storage	-59,179	-38,280	20,572	20,132
Wind	-444,167	-253,476	1,930	1,219
Biomass	-16,804	-19,220	36,646	8,482
Other	-1,968	-2,276	1,815	1,884
<b>Grand Total</b>	<b>-1,298,450</b>	<b>-1,073,770</b>	<b>1,513,112</b>	<b>1,264,986</b>

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

Gross Party Imbalance cashflows were £87m in January 2019, a decrease of 9.55 from December. Debits for being short decreased by £5.3m, and credits for being long decreased by £3.9m, between December 2019 and January 2020.

Gross Party Imbalance Volumes decreased by 2% from December 2019 to January 2020. Energy Imbalance Volumes for Parties that were long decreased by 4% this month, compared to last month. Energy Imbalance Volumes for Parties that were short decreased by 1%.

January **Offer** volume and cashflow increased by 20% and 2% respectively compared to the previous month. The average price of Offers decreased by £9.47/MWh to £53.69/MWh this month.

Net **Bid** cashflow in January 2020 was £29.65m, Compared to £12.65m in December 2019. This means payment received by Parties for negative Bids were higher than payments from Parties for positive Bids.

Total Cashflow (£m)	Jan-20	Dec-19	Nov-19	Oct-19
<b>Long Imbalance Charge (Credit)</b>	-38.34	-42.23	-47.80	-38.45
<b>Short Imbalance Charge (Debit)</b>	48.95	54.22	54.90	47.10
<b>RCRC Credit</b>	12.61	14.62	10.16	11.55
<b>RCRC Debit</b>	-2.00	-2.63	-3.05	-2.89
<b>Offer Cashflow</b>	81.24	79.90	51.57	71.78
<b>Bid Cashflow (Positive Bids)</b>	-5.50	-9.14	-13.59	-10.15
<b>Bid Cashflow (Negative Bids)</b>	35.15	21.79	5.55	21.82

<sup>2</sup> Generation data is taken from the ELEXON Portal from the [Historic Fuel HH](#) webpage.

<sup>3</sup> Balancing volumes and trading charges appear as per the latest month with Initial Settlement (SF) run data available.