



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.

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

3

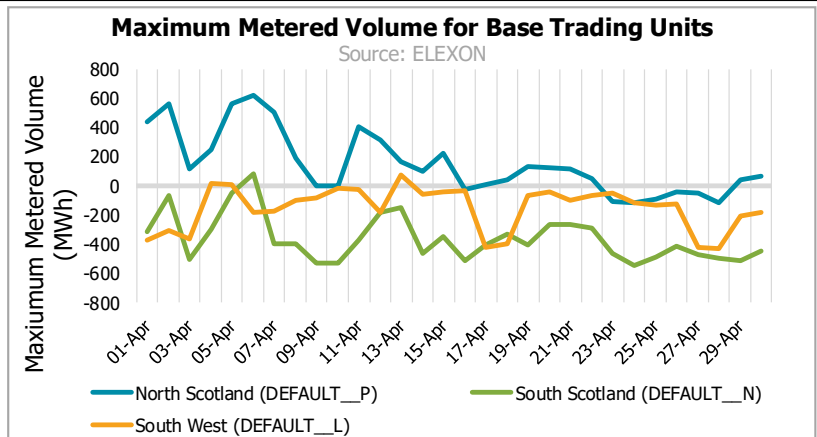
Trading Operations Report [Data](#). The graphs and backing data are available in Excel format on the ELEXON website.

SOUTH WEST BASE TRADING UNIT EXPORTING IN APRIL 2020

ELEXON tracks the metered volume¹ for each Base Trading Unit, and graphs the maximum volume for each day and region. The graph to the right shows the maximum volume for three GSP Groups that have been exporting during some Settlement Periods this month: South West, North Scotland and South Scotland.

On the 4, 5 and 13 April we saw the South West GSP Group showing positive values in some Settlement Periods, meaning they were exporting electricity. This is likely to have been caused by low demand, due to the Coronavirus, coupled with higher than expected Solar generation due to the recent warm weather.

It is the first time this has occurred in any regions outside of North and South Scotland GSP Groups, although North Scotland regularly exports electricity due to the high generation and low demand within it's GSP Group.

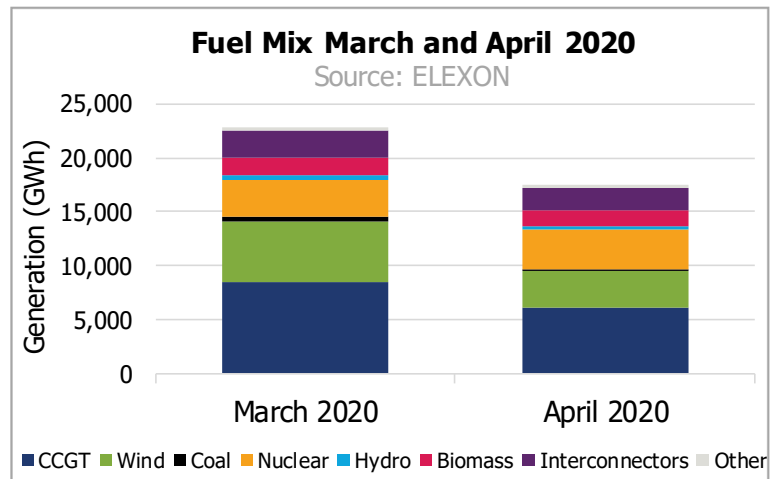


FUEL MIX CHANGES IN APRIL 2020

Total generation in April 2020 was 17,428GWh, the lowest monthly generation since our records began in November 2008. This was 9% lower than the previous lowest monthly generation in June 2019 (19,181GWh), and 18% lower than April last year.

The chart on the right compares the fuel mix for March and April 2020. The largest reduction in generation was from CCGT and Wind BMUs; a decrease of 2,343GWh (28%) and 2,187GWh (39%) respectively. Reductions were seen across all fuel types except Interconnectors, where it's total generation (imports and exports combined) increased by 388GWh (11%) compared to last month.

This month saw new record for consecutive Settlement Periods without Coal generation. The Coal-free period began on the first Settlement Period of 10 April 2020 and has yet to end; as at midnight on 12 May 2020, no coal fired power stations have run for over 32 full days.



CAP REDUCED TO £30/MWh ON 16 APRIL 2020

On Thursday 16 April 2020, the Credit Assessment Price (CAP) decreased from £36/MWh to £30/MWh (the trigger level also fell to +/- £3/MWh). However the decision process was amended to allow for this reduction to be implemented quicker than usual.

The CAP review process began on 25 March 2020, with a consultation paper proposing to decrease the CAP from £36/MWh to £32/MWh. It also recommended the new CAP be implemented within 10 rather than the usual 15 working days. The consultation window was shortened to allow any change to be implemented sooner, and closed at 17:00 on Friday 27 March 2020.

No responses disagreed with the proposed value, but by Monday 30 March the wholesale electricity market had fallen further. The Reference Price on which the CAP is set had dropped to £29.68/MWh, so the Credit Committee decided a new CAP value of £30/MWh would be implemented.

Details of the changes ELEXON have made to help Parties over the last few weeks are available on the [ELEXON website](#).

¹ Base Trading Unit data based on latest available, and includes SF data up to 16 April 2020 and II data for remainder of the month.
² Generation data is taken from the ELEXON Portal from the Historic [Fuel HH webpage](#).

BALANCING MECHANISM VOLUMES IN MARCH 2020⁴

The total volume of balancing actions taken in the Balancing Mechanism (BM) for March 2020 was 2,445GWh, a 13% decrease from February 2020. The majority (81%) of balancing volume in March came from Gas BMUs. The total volume of balancing actions was 3% lower than the same month in 2019.

Accepted **Bid** volume in March decreased by 16% from last month. 66% of total Bid volume came from Gas BMUs, with 25% coming from Wind, 4% from Hydroelectric BMUs and 3% from Pumped Storage BMUs.

Accepted **Offer** volume in March decreased by 10% compared to last month. Gas accounted for 92% of all Offer volume, with Pumped Storage responsible for 5%. Pumped Storage BMU Offer volume rose 208% compared to last month whilst Coal BMU Offer volume decreased by 78%.

| Fuel Type | Bid Volume (MWh) | | Offer Volume (MWh) | |
|--------------------|-------------------|-------------------|--------------------|------------------|
| | Mar-20 | Feb-20 | Mar-20 | Feb-20 |
| Coal | -13,211 | -24,659 | 13,349 | 61,852 |
| Gas | -656,164 | -544,111 | 1,327,898 | 1,467,809 |
| Hydro | -39,545 | -55,854 | 4,489 | 2,871 |
| OCGT | -310 | -40 | 2,188 | 5,259 |
| Pumped Storage | -29,885 | -28,774 | 66,740 | 21,694 |
| Wind | -254,208 | -526,168 | 1,266 | 553 |
| Biomass | -6,237 | -12,088 | 26,207 | 41,935 |
| Other | -1,581 | -1,569 | 1,710 | 1,600 |
| Grand Total | -1,001,141 | -1,193,263 | 1,443,848 | 1,603,573 |

SYSTEM PRICES IN APRIL 2020³

In April 2020, a number of issues have occurred where BSAD information has not been received by ELEXON. This issue is being investigated by National Grid ESO and they are working on a solution. Please refer to [ELEXON Circular EL03149](#) for more details. As such, some Imbalance Prices used in this analysis may change significantly in future Settlement Runs.

Monthly average System Prices for April 2020 were lower when the market was both short (28%) and long (55%), compared to March 2020. The average System Price regardless of length was **£23.71/MWh**; the lowest monthly average System Price since [BSC Modification P305](#) was implemented in November 2015.

System Prices did not exceed £100/MWh during April 2020, compared to 15 occasions in March. The highest System Price this month, **£100/MWh**, occurred in Settlement Period 43 on 19 April.

There were 70 negative System Prices in April 2020, compared to 14 in March. This is the highest number of negative prices in a month since [BSC Modification P305](#) was implemented, with the previous highest count (34 negative System Prices) seen in March 2016. The lowest System Price, **-£65.00/MWh**, occurred in Settlement Periods 32 and 33 on 20 April 2020 and was set by three Bids from six Pumped Storage BM Units, and a Balancing Services Adjustment Action (BSAA), all priced at -£65.00/MWh.

| Period | Average (£/MWh) | | Average (£/MWh) Peak 07:00-19:00 | |
|--------------|-----------------|-------------|-------------------------------------|-------------|
| | Short System | Long System | Short System | Long System |
| Apr-20 | 37.33 | 5.11 | 38.68 | 3.64 |
| Mar-20 | 52.17 | 11.28 | 59.54 | 10.59 |
| Feb-20 | 46.06 | 10.84 | 47.96 | 11.71 |
| Spring 20 | 43.88 | 8.67 | 48.48 | 7.44 |
| Winter 19-20 | 51.85 | 13.25 | 55.00 | 14.85 |
| Autumn 19 | 55.66 | 19.04 | 58.81 | 21.20 |
| Summer 19 | 56.81 | 25.05 | 60.03 | 25.20 |
| Spring 19 | 59.69 | 28.21 | 62.63 | 28.17 |
| Apr-19 | 57.97 | 30.01 | 60.94 | 30.26 |

TRADING CHARGES IN MARCH 2020⁴

Gross Party Imbalance cashflows were £82m in March 2020, an increase of 2% from February 2020. Debits for being short decreased by £2.1m, and credits for being long rose by £3.6m, between February 2020 and March 2020.

Gross Party Imbalance Volumes increased by 24% from February to March 2020. Energy Imbalance Volumes for Parties that were long increased by 27% this month, compared to last month. Energy Imbalance Volumes for Parties that were short increased by 22%.

March **Offer** volume decreased by 10% and Offer cashflow decreased by 6% compared to the previous month. The average price of Offers increased by £2.27/MWh to £50.47/MWh this month.

Net **Bid** cashflow in March 2020 was £17.3m, compared to £37.6m in February 2020 - a decrease of £20.3m. The majority of this decrease was Bid cashflow for negative Bids, with payment to these Parties falling by £20m, compared to last month.

| Total Cashflow (£m) | Mar-20 | Feb-20 | Jan-20 | Dec-19 |
|---------------------------------------|--------|--------|--------|--------|
| Long Imbalance Charge (Credit) | -37.36 | -33.75 | -38.34 | -42.23 |
| Short Imbalance Charge (Debit) | 44.43 | 46.57 | 48.95 | 54.22 |
| RCRC Credit | 9.55 | 14.40 | 12.61 | 14.62 |
| RCRC Debit | -2.47 | -1.58 | -2.00 | -2.63 |
| Offer Cashflow | 72.87 | 77.29 | 81.24 | 79.90 |
| Bid Cashflow (Positive Bids) | -3.83 | -3.45 | -5.50 | -9.14 |
| Bid Cashflow (Negative Bids) | 21.10 | 41.07 | 35.15 | 21.79 |

³ System prices are based on the previous month's latest Initial Settlement (SF) & Interim Information (II) run data available.
⁴ Balancing volumes and trading charges appear as per the latest month with Initial Settlement (SF) run data available.