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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

The [System Price Analysis Report](#) provides data and analysis specific to System Prices and the Balancing Mechanism.

## Elexon Reporting Updates

Elexon have been improving their monthly reports from static pdf documents to interactive webpages with Elexons commentary and analysis. The [System Price Analysis Report](#) was turned into a digital only report in November 2019 and, more recently in April 2021, the [Trading Operations Report](#) was converted to a digital only report.

We have now made the decision to retire this BSC Operations Headline Report, and this report will be the last BSC Operations Headline report. Our analysis will still be available and accessible from the source reports and in our longer ad-hoc [insight articles](#). We invite readers of this report to object to the retirement of the BSC Operations Report or provide feedback on Elexon reporting by emailing the [Analysis.Insight@elexon.co.uk](mailto:Analysis.Insight@elexon.co.uk) inbox.

## System Prices in April 2021<sup>1</sup>

Monthly average System Prices for April 2021 were 26% higher when the market was short and 29% higher when long compared to March. The average System Price regardless of length was **£71.74/MWh**; £17.69/MWh higher than March 2021. This was the second highest monthly average System Price in the past year behind January 2021 (£77.47/MWh).

System Prices exceeded £100/MWh on 122 occasions during April compared to 47 the previous month. This is the second highest monthly count of prices exceeding £100/MWh in the past year behind January 2021 (149).

The highest System Price this month, **£1,971.59/MWh**, occurred in Settlement Periods 40, 41 and 42 on 12 April 2021. The price in all three Settlement Periods was set by actions from one Gas BMU all priced at £1,950/MWh with a £21.59/MWh Buy Price Price Adjuster (BPA) applied.

There were three negative System Prices in April 2021, after 17 in March. The lowest System Price, **-£45/MWh**, occurred in Settlement Period 31 on 5 April 2021. The price was set by one action from a Pumped Storage BMU priced at -£45/MWh.

April 2021 marked the fourth consecutive month with System Prices exceeding £500/MWh. Elexon's [BSC Insight: Unprecedented Price Spikes in 2021](#) looks at the market conditions when these price spikes occur.

Period	Average (£/MWh)		Average (£/MWh) Peak 07:00-19:00	
	Short System	Long System	Short System	Long System
Apr-21	100.57	34.14	96.27	32.47
Mar-21	79.85	26.56	88.70	24.56
Feb-21	76.56	27.16	81.56	29.00
Spring 21	90.17	30.42	92.05	28.58
Winter 20-21	90.62	27.99	100.89	31.28
Autumn 20	61.33	19.21	65.13	21.46
Summer 20	42.92	13.61	44.79	14.03
Spring 20	41.47	8.06	44.68	6.87
Apr-20	37.18	5.20	38.61	3.64

## CAP breaches Upper Trigger Level

The Credit Assessment Price (CAP) is a parameter defined in Section M1.4 of the BSC as 'the price it would be appropriate to use to determine the equivalent financial amount of BSC Parties' Energy Indebtedness'. The CAP is changed when forward market prices<sup>2</sup>, used to calculate a reference price, move outside a specified trigger level (currently +/- £5/MWh).

The reference price breached the upper trigger level of £59/MWh on 12 April 2021 (CAP value of £54/MWh). Following a consultation, in which no responses disagreed with the new CAP value, the CAP is set to increase to £60/MWh on Wednesday 12 May 2021. With this increase, the new trigger level (which is set at 10% of the CAP) will be +/- £6/MWh. Once a new CAP has been notified to industry, the CAP review process resumes using the last notified CAP value.

On 4 May 2021, the CAP breached the upper trigger level £66/MWh. Elexon issued a consultation paper notifying industry of the new proposed CAP value of £68/MWh. The consultation has now ended with no responses. If the Credit Committee does not meet, the proposed CAP value of £68/MWh will be implemented on Thursday 3 June 2021.

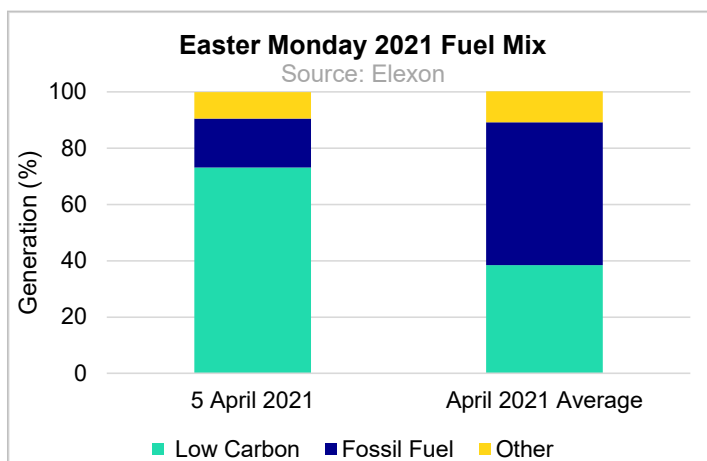
A rise in the CAP is unusual during Spring as forward prices usually drop as demand decreases and warmer temperatures set in. ICIS Heren who provide the forward prices for calculating the CAP have stated colder temperatures have caused higher electricity demand increasing prices.

<sup>1</sup> System prices are based on the previous month's latest Initial Settlement (SF) & Interim Information (II) run data available.  
<sup>2</sup> Forward Market prices taken from ICIS Heren.

## High Wind Generation on Easter Monday

On Easter Monday, 47% of Central Volume Allocation (CVA) electricity was generated by wind powered BMUs, the highest percentage contribution from wind on record. 73% of electricity came from Low Carbon sources (Wind, Hydro, Nuclear and Biomass). This is the fourth highest Low Carbon contribution recorded; the highest contribution occurred on 5 July 2020 (76%). On Easter Monday, only 19% of CVA generation was from fossil fuel sources, which is the second lowest percentage recorded. The lowest fossil fuel percent contribution to the fuel mix occurred on 26 December 2020 (17%).

As well as the high contribution of Wind generation, low Bank Holiday demand meant less generation was required from fossil fuel sources. Total Grid Supply Point Group Take (GSPGT) is a measure of demand across all GSP Groups. GSPGT on Easter Monday was 38% (191GWh) lower than Monday 12 April.



## Balancing Volumes in March 2021<sup>3</sup>

The total volume of balancing actions taken in March 2021 was 2.26TWh, a 21% increase from February. The majority (62%) of balancing volume in March 2021 came from Gas BMUs.

Accepted **Bid** volume in March decreased by 21% from the previous month. 43% of total Bid volume came from Gas BMUs, with 25% coming from Wind and 24% from Balancing Services Adjustment Actions (BSAAs).

Decreases in Bid volume were seen across all Fuel Types except Biomass and Battery Storage which increased by 29% and 19% respectively. The greatest percentage decrease was from Pumped Storage BMUs, which decreased by 59% from February.

Accepted **Offer** volume in March decreased by 21% compared to the previous month. Gas accounted for 81% of all Offer volume, with BSAAs responsible for a further 9%.

Offer volume March from Gas BMUs decreased by 26% compared to the previous month. Battery Storage and Hydroelectric BMUs both saw large percentage increases compared to February, rising by 853% and 609% respectively.

Fuel Type	Bid Volume (MWh)		Offer Volume (MWh)	
	Feb-21	Jan-21	Feb-21	Jan-21
Battery Storage	-457	-385	42	4
Bio-mass	-13,680	-10,624	18,521	33,258
Coal	-14,472	-16,915	20,566	24,708
Gas	-489,554	-528,906	913,771	1,227,141
Hydro	-31,661	-34,268	14,083	1,987
Other	-14,269	-17,020	23,041	19,836
Pumped Storage	-27,284	-66,527	33,146	32,453
Wind	-283,604	-434,725	1,678	2,183
BSAA	-261,467	-323,192	103,677	93,700
<b>Grand Total</b>	<b>-1,136,447</b>	<b>-1,432,561</b>	<b>1,128,525</b>	<b>1,435,269</b>

## Trading Charges in March 2021<sup>3</sup>

Gross Party Imbalance Cashflows were £145m in March 2021, an increase of 10% from February 2021. Debits for being short increased by £5m, and credits for being long increased by £7m, between February and March.

Gross Party Imbalance Volumes increased by 4% from the previous month. Energy Imbalance Volumes for Parties that were long increased by 8% and 1% for Parties that were short in March.

March **Offer** volume and cashflow decreased by 24% and 3% respectively, compared to February. The average price of Offers increased by £23.32/MWh to £106.23/MWh from February to March.

Net **Bid** cashflow in March was £12.6m, £12.7m less than the previous month (£25.3m in February 2021). A positive net Bid cashflow means payment received by Parties for negative Bids were higher than payments from Parties for positive Bids.

Total Cashflow (£m)	Mar-21	Feb-21	Jan-21	Dec-20
Long Imbalance Charge (Credit)	-68.48	-61.15	-107.84	-74.83
Short Imbalance Charge (Debit)	76.74	71.39	125.21	95.44
RCRC Credit	13.31	14.86	22.81	23.51
RCRC Debit	-5.05	-4.63	-5.44	-2.9
Offer Cashflow	106.43	109.59	111.74	95.49
Bid Cashflow (Positive Bids)	-9.73	-8.77	-14.43	-8.38
Bid Cashflow (Negative Bids)	22.32	34.04	4.15	23.68

<sup>3</sup> System prices are based on the previous month's latest Initial Settlement (SF) & Interim Information (II) run data available.