CIRCULAR

TYPE & NUMBER	ELEXON Circular – EL02436
Date	27 May 2016
To	BSC Parties
From	ELEXON
Purpose	For information

Update: High System Price when the System was long on 26 May 2016

Further to Circular EL02435 National Grid has confirmed that the Balancing Service Adjustment Action (BSAA) which set the price at Settlement Period 20 on 26 May 2016 was accurate. The BSAA reflected an SO-SO trade on the French interconnector whereby 230.21MWh of balancing energy was sold to the French TSO at a price of £266.03/MWh. This action was sent to the BMRA and included in the indicative BM System Price.

The action had an SO Flag, why wasn't it re-priced?

The action had a SO Flag, indicating that it was taken for system balancing reasons. Some actions with an SO-flag are re-priced so they do not impact the System Price, but these are typically the more expensive balancing actions taken in a Settlement Period. If a flagged action is less expensive than the most expensive un-flagged action, it is deemed to be 'in merit' and therefore keeps its price.

Although the BSAA action was highly priced, it was not expensive, because National Grid was receiving £266.03/MWh for that energy. The two other Bids accepted in this half-hour (1.95MWh priced at £26/MWh, and 0.28MWh priced at £25.9/MWh) were more expensive than the interconnector trade. Because more expensive actions were taken in this Settlement Period, the interconnector trade kept its price.

Other SO-SO trades on the Settlement Day

National Grid has confirmed that there were SO-SO trades taken in Settlement Periods 17-22 inclusive. However, only some of these have been reflected in the indicative BM System Price.

We have now received the D+1 Balancing Service Adjustment Data (BSAD) file from National Grid, and data for Settlement Periods 17-22 is presented below for your information, with an indication of whether or not they've been included in the indicative BM System Price.

Any volumes and prices of actions that weren't included in the Indicative BM Run will be included in the II price run.

Settlement Period	ID	Volume (MWh)	£/MWh	SO-Flag	STOR-Flag	Included in the BM Run?
17	1	-230.211	263.73	TRUE	FALSE	N
18	1	-230.211	263.73	TRUE	FALSE	N
18	2	-41.522	0.00	TRUE	FALSE	N
19	1	-230.211	266.03	TRUE	FALSE	N
19	2	-41.509	0.00	TRUE	FALSE	N
20	1	-230.211	266.03	TRUE	FALSE	Y
20	2	-41.522	0.00	TRUE	FALSE	N
21	1	-230.211	264.00	TRUE	FALSE	N
21	2	-41.522	0.00	TRUE	FALSE	N
22	1	-230.211	264.00	TRUE	FALSE	Y

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