



## Newscast



Issue 703, 21 May 2018



## Coming up this week

**22 May**[Imbalance Settlement Group](#) at **10:00****24 May**[P361 Working Group](#) at **10:00**

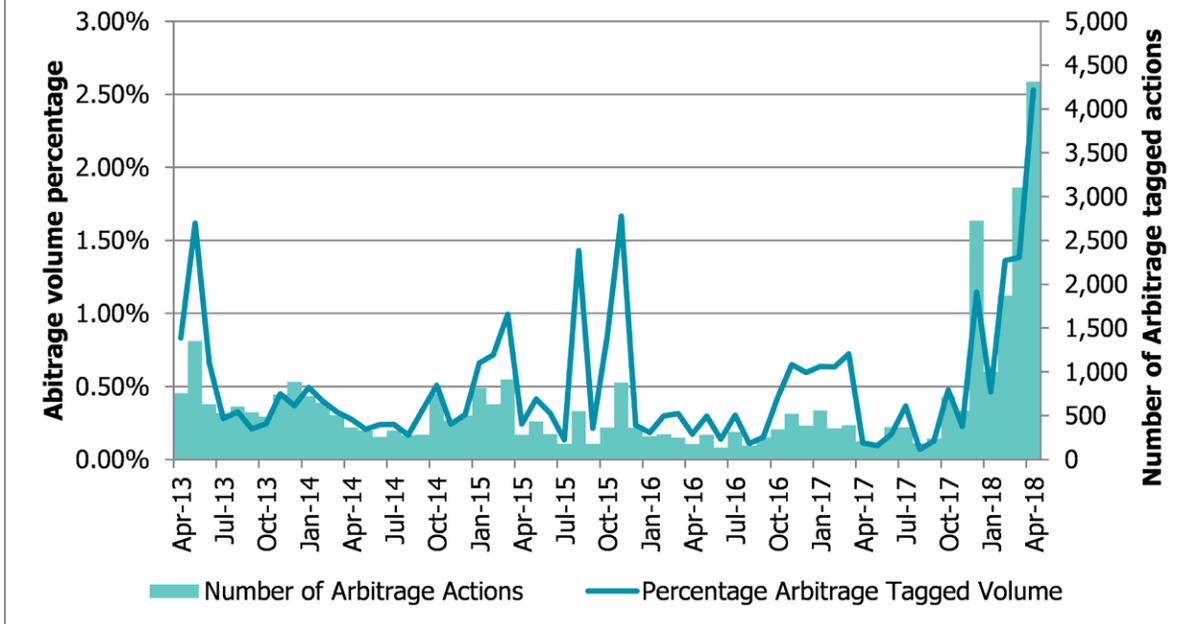
## April System Price Analysis Report (SPAR) published

The System Price Analysis Report (SPAR) is our monthly report on Imbalance Pricing, and includes an overview and analysis of the previous month's prices and pricing parameters. The SPAR aims to increase industry understanding of pricing, in light of the changes made as part of BSC Modifications [P305 'Electricity Balancing Significant Code Review developments'](#) implemented in November 2015.

The [latest SPAR](#), reporting on April 2018, is now available on the [System Price Analysis Report](#) page of our website. This month's SPAR includes an appendix on Arbitrage as used in the System Price calculation.

## A.1 Number and percentage of actions that are Arbitrage Tagged

Source: ELEXON



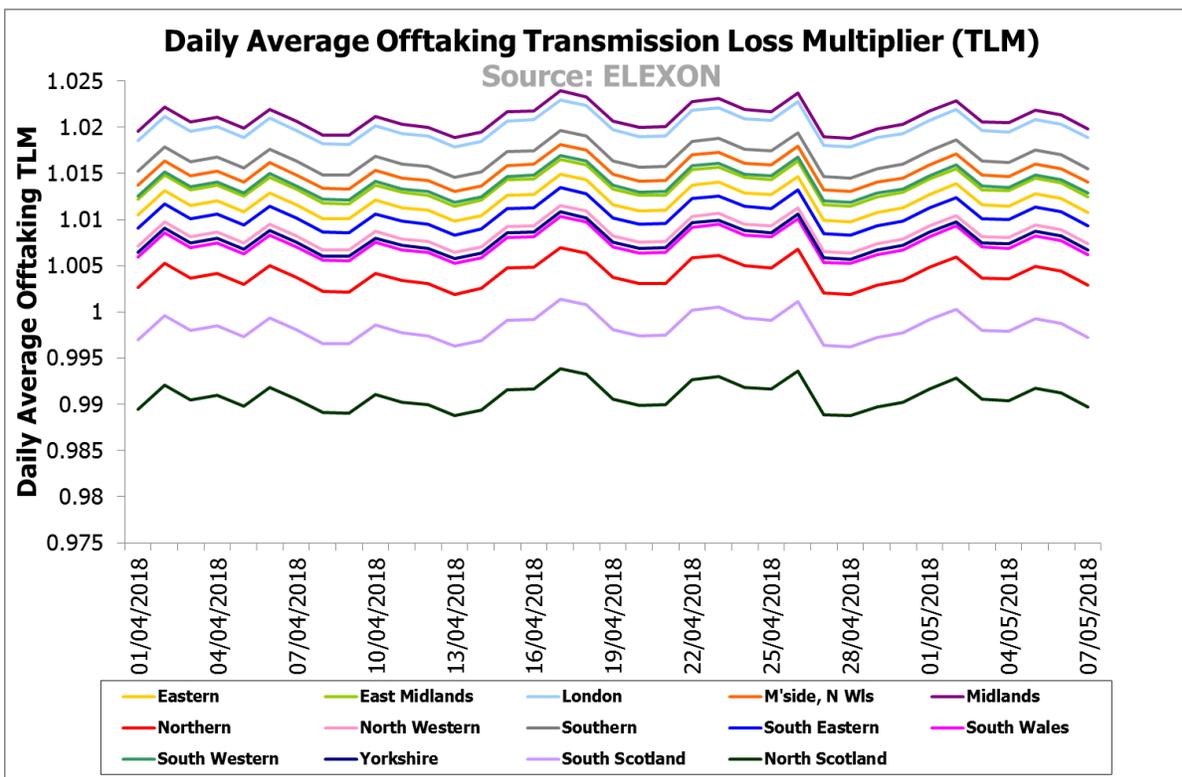
During April 2018, Arbitrage Tagging removed 2.53% of energy balancing volume from the System Price calculation. This was the highest percentage of Arbitrage Tagging over the last five years. A volume of 32GWh was tagged from 4,311 balancing actions. In April, 46% of Arbitrage Tagged volume was from Balancing Services Adjustment Actions (BSAAs).

For further information, please email [market.analysis@elexon.co.uk](mailto:market.analysis@elexon.co.uk).

## Read the latest Trading Operations Report

Our Trading Operations Report (TOR) provides a market-level overview of key events, issues or incidents over the last month, a wide range of statistics on the energy industry and a suite of market graphs.

We have published the [latest TOR](#), reporting on April 2018, on the [Trading Operations Report](#) page of our website. This month's report includes a new graph on Daily Average Offtaking Transmission Loss Multipliers (TLMs).



During April 2018, the average offtaking Transmission Loss Multipliers (TLMs) were 0.998 and 0.991 for South Scotland and North Scotland respectively. Since the implementation of P350 on 1 April 2018, the Offtaking TLM has been less than one in 81% of Settlement Periods in South Scotland and all Settlement Periods in North Scotland. This is due to the two Scottish regions having negative Transmission Loss Factors (TLFs).

For further information, please email [SettlementOperations@elexon.co.uk](mailto:SettlementOperations@elexon.co.uk).

## ELEXON webinar: how customers could buy power from multiple providers

On **5 June 2018 at 12:00**, ELEXON is hosting an hour long webinar to discuss our recently [published white paper](#), which offers an ELEXON view of how BSC central services could be adapted to offer Settlement solutions in support of individual customers buying electricity from more than one supplier. We believe that relatively straightforward amendments to BSC central services (building upon the changes we will be delivering in 2019 to open the Balancing Mechanism to independent aggregators) could form the basis of new industry arrangements that allow customers the flexibility to buy electricity from multiple providers.

[Register now](#) as this webinar will:

- Explain our proposed solution in more detail
- Step through an example scenario
- Discuss the impact on Suppliers

If you have any questions, please email [communications@elexon.co.uk](mailto:communications@elexon.co.uk).

## Consequences of Credit Default: a quick reminder

ELEXON checks the Credit Cover Percentage (CCP) of each BSC Party every 30 minutes. BSC Parties need sufficient Credit Cover to secure against outstanding [Trading Charges](#). This is necessary as any unpaid charges are picked up by all other BSC Parties.

Where a Credit Default event occurs, triggered by the CCP exceeding 80%, a query period is allowed before the Level 1 and/or Level 2 consequences apply. The query period is a minimum of 24 hours in duration and must contain five consecutive business hours. These are **09:00 to 17:00** on a business day in England.

#### **Consequences of Level 1 Credit Default**

A cure period allows an extended resolution time **until 24:00** on the next business day. Following this, a notice that the Party is in Level 1 Credit Default will be published on BMRS until the CCP is less than 75%.

#### **Consequences of Level 2 Credit Default**

Where the CCP is above 90% at the end of the query period and until the CCP falls below 90% (note a Party can enter and exit Level 2 multiple times after the Query Period if the CCP rises and falls around 90%):

- A notice that the Party is in Level 2 Credit Default will be published on the BMRS until the CCP is less than 90%.
- New energy contracts that increase indebtedness will be refused.
- Existing energy contracts that increase indebtedness will be rejected.

For more information see our guidance notes on [Credit Cover](#), [Credit Default](#) and [Failing Supplier](#).

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## Closed: Consultation on increasing the Credit Assessment Price (CAP) to £53/MWh

The consultation on increasing the CAP closed on Tuesday 15 May 2018. All responses were in agreement with the proposed value and therefore, in accordance with the [CAP Review Guidance](#), a Credit Committee meeting was not held.

On **7 June 2018**, the CAP value will increase from £47/MWh to **£53/MWh**. As a result, Parties may notice a change in their Credit Cover Percentage, and should review the amount of Credit Cover lodged.

The CAP review trigger level value will remain at its current value of +/- £6/MWh.

For more information, please refer to ELEXON Circular [EL02819](#).

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## Transmission Loss Factor values for the Summer 2018 Season

The BM Unit Specific Transmission Loss Factor (TLF) values for the Summer 2018 Season are available on the TLFs Determination page under 'BM Unit Specific Transmission Loss Factors (TLFs)' on the [ELEXON Portal](#). This file provides the TLF for each BM Unit that is registered to be active during the period **1 June 2018 to 31 August 2018**. The file will be updated as a result of any subsequent BM Unit registrations and/or de-registrations that will be effective during this period. We will change the version number in the file name whenever the content changes in the file.

If you have any questions, please email [bm.unit@elexon.co.uk](mailto:bm.unit@elexon.co.uk).

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## Modifications, Change and Implementation

### **Live consultations**

#### **P367 Report Phase Consultation**

Deadline for responding: **30 May 2018, 17:00**

On 15 May 2018, ELEXON issued P367 '[Removal of obsolete SBR and DSBR arrangements](#)' for Report Phase

Consultation. P367 proposes to remove all Supplemental Balancing Reserve (SBR) and Demand Side Balancing Reserve (DSBR) requirements, definitions, and references from the BSC and subsidiary documents.

If you have any questions or would like to discuss this Modification further, please call **Sasha Townsend** on **020 7380 4107** or email [bsc.change@exelon.co.uk](mailto:bsc.change@exelon.co.uk).

### **P359 Report Phase Consultation**

Deadline for responding: **1 June 2018, 17:00**

[P359 Mechanised process for GC/DC declarations](#) was issued for Report Phase Consultation on 16 May 2018. P359 seeks to introduce a new mechanised process for Generation Capacity (GC) and Demand Capacity (DC) re-declarations following a 'GC/DC breach'.

If you have any questions or would like to discuss this Modification further, please call **Jemma Williams** on **020 7380 4308** or email [bsc.change@exelon.co.uk](mailto:bsc.change@exelon.co.uk).

### **CP1507 raised**

On 15 May 2018, [CP1507 'Updates to BSCP520 to align with working practices'](#) was raised by ELEXON. The Unmetered Supplies User Group (UMSUG) has identified various issues with BSCP520 'Unmetered Supplies Registered in SMRS'; this Change Proposal (CP) aims to align it with working practices of Meter Administrators (MAs).

If you have any questions or would like to discuss this Modification further, please contact **Edwin Foden** on 020 7380 4308 or email [bsc.change@exelon.co.uk](mailto:bsc.change@exelon.co.uk).

### **P360 withdrawn**

On 11 May 2018, ELEXON received a formal notification from the Proposer (National Grid) of Modification [P360 'Making the BSC's imbalance price compliant with the European Balancing Guideline'](#) to withdraw it from the BSC Change process.

In light of the [recent Ofgem decision](#) to reject ELEXON's request for a derogation from Article 55 of the EB GL due to insufficient evidence to determine non-compliance the Proposer feels it is not in the consumers' interest to pursue P360 to the point where Ofgem would be required to determine whether or not there is a defect in the current BSC that could be remedied by P360.

If you have any questions or would like to discuss this Modification further, please call **Lawrence Jones** on **020 7380 4118** or email [bsc.change@exelon.co.uk](mailto:bsc.change@exelon.co.uk).

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## **ELEXON Circulars published last week**

Since 14 May 2018, we have published seven ELEXON Circulars. These Circulars were for information and related to:

[EL02819](#): Increase in the Credit Assessment Price (CAP) to £53/MWh effective from Thursday 7 June 2018

[EL02818](#): Scheduled infrastructure maintenance for BSC Central Systems: 19 – 20 May 2018

[EL02817](#): ELEXON IT system outage from 10:00 to 14:00 on Saturday 19 May 2018

[EL02816](#): Update - Planned National Grid BM outage today, Thursday 10 May 2018

[EL02815](#): New Party Novation application – Heartlands Power Limited (Party Id: FDUN1)

[EL02814](#): Possible National Grid MODIS downtime tomorrow, 9 May 2018

[EL02813](#): Credit Assessment Price (CAP) review consultation issued

Circulars are published in the [News](#) section of the ELEXON website.

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## Upcoming meetings and events

- 29 May** - [Supplier Volume Allocation Group](#)
- 31 May** - [Performance Assurance Board](#)
- 5 June** - [ELEXON webinar: how customers could buy power from multiple providers](#)
- 7 June** - [Trading Disputes Committee](#)
- 7 June** - [Commissioning November Release Changes Education Day](#)
- 12 June** - [Joint European Stakeholder Group](#)
- 13 June** - [Design Working Group](#)
- 14 June** - [BSC Panel](#)
- 19 June** - [Imbalance Settlement Group](#)
- 20 June** - [Introducing ELEXON seminar](#)



We are hiring! [Check out our open roles and join the ELEXON team](#)

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