



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 Operation 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.

DEFAULTING OF TELESWITCH FILES IN SETTLEMENT

A communications issue with the Central Teleswitch Control Unit (CTCU) occurred on Monday 26 February. The CTCU enables Non Half Hourly metered customers to have their electricity load switched, primarily for the management of off-peak tariffs and the control of night storage heaters. This outage remains ongoing at the time of publication, with no timescale for a fix.

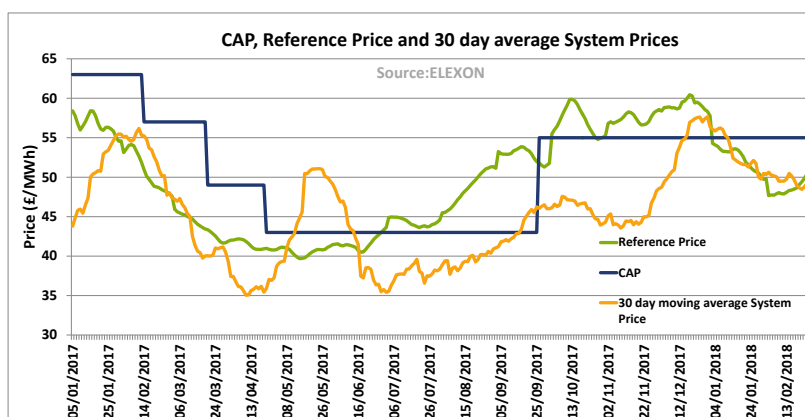
Switching instructions within the D0277 'Teleswitch Contact Interval Data File' for Monday 26 February were deemed valid and used in Settlement. From Tuesday 27 February to Monday 5 March 2018, the Supplier Volume Allocation Agent in accordance with [BSCP508](#), and in agreement with ELEXON, have defaulted the missing Teleswitch files to the most appropriate Teleswitch file to run the Daily Profiling Production. ELEXON will continue to send out [circulars](#) to industry regarding the defaulting of Teleswitch data, and inform industry when this issue has been fixed.

CREDIT ASSESSMENT PRICE DECREASES TO £47/MWh

Following industry consultation, the Credit Assessment Price (CAP) has decreased from £55/MWh to £47/MWh, effective from 6 March 2018. The trigger level remains at +/-£6/MWh. As the consultation respondents and Credit Committee members did not disagree with the proposed CAP value of £47/MWh, no Credit Committee meeting was held.

The CAP is changed when forward market prices¹, used to calculate a reference price, move outside a specified trigger level. The reference price breached the lower trigger level of £49/MWh on 5 February 2018, which was the first breach since August 2017.

CAP is considered a proxy for out-turn System Prices and is used in the Credit Cover calculation. BSC Parties may see a change in their Credit Cover Percentage following this change.



ENERGY BALANCING VOLUMES²

The total volume of balancing actions for January was 1,602GWh, a 5% decrease from December 2017.

Accepted **Bid** volume decreased by 2% from December. Coal and Wind Bid volumes decreased by 35% and 20%, whilst Gas Bid volume increased by 13%. 72% of total Bid volume came from Gas, with Wind accounting for more Bid volume than Coal (12% and 9% respectively).

Accepted **Offer** volume decreased by 8% from December. Whilst Pumped Storage and Coal Offer volumes increased by 18% and 4% respectively, Gas Offers decreased by 12%. Coal accounted for 19% of Offers in January; Gas Offers accounted for 75%, down from 79% the month before.

Fuel Type	Bid Volume (MWh)		Offer Volume (MWh)	
	Jan-18	Dec-17	Jan-18	Dec-17
Coal	-72,445	-110,668	143,472	138,175
Gas	-605,475	-535,850	575,425	651,272
Hydro	-24,213	-24,100	1,924	1,928
OCGT	-23	0	296	120
Pumped Storage	-34,968	-41,841	39,437	33,502
Wind	-97,640	-122,525	858	256
Biomass	-4,522	-20,471	1,640	1,858
Other	0	0	0	0
Grand Total	-839,286	-855,456	763,052	827,112

¹ Forward market prices from ICIS Heren

² Balancing volumes and trading charges appear as per the latest month with Initial Settlement (SF) run data available.

TRADING CHARGES²

Gross imbalance cashflows were £449m in January 2018, an 8% decrease from £489m in December 2017. Credits for being long, and debits for being short, decreased by £16m and £23m respectively between December and January.

Energy Imbalance Volumes for Parties that were long increased by 3%, and by 2% for Parties that were short.

The **Offer** cashflow decreased by 12% in January, with the volume of Offers falling by 8%. The average price per MWh of Offer volume decreased by 4% to £70.33MWh.

Net **Bid** cashflow was -£16.5m in January compared to -£17.1m in December. Bid cashflow decreased by 10% for positive Bids, and by 24% for negative Bids, compared to last month.

Total Cashflow (£m)	Jan-18	Dec-17	Nov-17	Oct-17
Long Imbalance Charge (Credit)	-224.05	-240.06	-201.92	-173.70
Short Imbalance Charge (Debit)	225.00	248.46	199.44	173.02
RCRC Credit	11.59	17.44	7.85	8.56
RCRC Debit	-10.65	-9.04	-10.33	-9.24
Offer Cashflow	53.67	60.74	56.35	63.41
Bid Cashflow (Positive Bids)	-23.14	-25.76	-24.68	-13.31
Bid Cashflow (Negative Bids)	6.60	8.69	8.98	23.82

SYSTEM PRICES IN FEBRUARY³

Monthly average System Prices for February were lower when short (-5.6%) but higher when long (7.1%) compared to January 2018. The average System Price regardless of length was **£49.10/MWh** this month, or 3% lower than last month. In February 2018 the market has been long in 62%, and short in 38%, of Settlement Periods; last month it was long in 57%, and short in 43%, of Settlement Periods.

System Prices exceeded £100/MWh 31 times in February 2018 (compared to 57 times in January) across 13 different days. The highest System Price, **£180/MWh**, occurred in Settlement Period 36 on 10 February 2018. It was set by an Offer from a Pumped Storage BMU priced at £180/MWh.

In two Settlement Periods the System Price was **£0/MWh** in February, and were set by £0/MWh Bids priced from Pumped Storage BMUs.

The **one negative** System Price in February, of **-£150/MWh**, was the lowest price since the implementation of [BSC Modification P305](#) in November 2015. This occurred in Settlement Period 16 on 25 February 2018, and was set by a Bid from a Pumped Storage BMU. The previous lowest System Price since BSC Modification P305 implementation was -£100/MWh in May 2016.

Due to report timings (see footnote), Balancing Mechanism (BM) run data from the BMRS, and the post-event BSAD published by National Grid, has been used for the following analysis.

Across the last two days of February, the BM data indicates that there were an additional 35 Settlement Periods where System Prices exceeding £100/MWh, with a maximum price of **£213.24/MWh**.

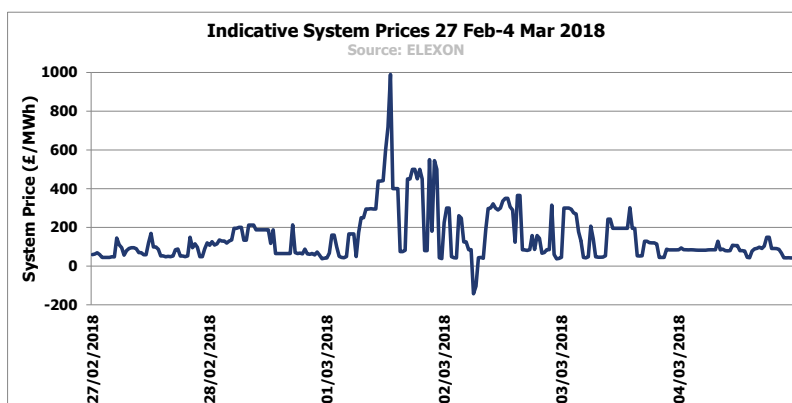
System Prices in February will be covered in further detail in the System Price Analysis Report (SPAR) for February, due for publication on 20 March 2018.

Indicative March 2018 System Prices

Whilst System Prices in March will be covered fully in the April editions of this report and the SPAR, it is worth noting how volatile System Prices were last week due to cold weather and high prompt gas prices.

The highest System Price in the period was **£990/MWh** in Settlement Period 27 on 1 March 2018, which was set by Offers from CCGT BMUs. Less than 24 hours later on 2 March, the System Price was **-£142/MWh** and **-£104/MWh** in Settlement Periods 13 and 14 respectively.

Period	Average (£/MWh)		Average (£/MWh) Peak 07:00-19:00	
	Short System	Long System	Short System	Long System
Feb-18	66.11	38.53	71.93	38.64
Jan-18	70.02	35.97	76.95	37.11
Dec-17	73.30	39.00	78.46	41.25
Winter 17/18	72.09	37.44	78.28	39.20
Autumn 17	67.00	32.55	72.26	34.32
Summer 17	65.87	25.10	72.67	25.42
Spring 17	69.15	28.58	80.98	28.12
Winter 16/17	82.60	35.93	92.90	37.27
Feb-17	81.38	35.02	90.38	36.80



² Balancing volumes and trading charges appear as per the latest month with Initial Settlement (SF) run data available.

³ System prices are based on the previous month's Interim Information (II) run data. Due to time of publication, II data only available until 26 February 2018.