Use of CALF and GC/DC in the Energy Indebtedness Calculation

The system parameter of Credit Assessment Load Factor (CALF), as described in section M.1.5 of the BSC, is central to the determination of a Trading Party's Energy Indebtedness. The amount of Credit Cover that a BSC Party is required to lodge to cover their Energy Indebtedness is calculated from a combination of Actual Energy Indebtedness (AEI) and Credited Energy Indebtedness (CEI), with the latter used for that portion of the 29 day period for which Interim Information Settlement Run data is not available. This calculation is prescribed in Section M, 'Credit Cover and Credit Default', of the BSC, and is briefly outlined below.

Credited Energy Indebtedness is calculated as:

$$CEI_{pj} = - (\sum_{a,i} CAQCE_{iaj} - \sum_{a} QABC_{aj})$$

With Credit Assessment Credited Energy Volume (CAQCE) for the Lead Energy Account for a Production BM Unit defined as:

$$CAQCE_{iaj} = (SPD * BMCAEC_{i}) - \sum_{a} CAQCE_{iaj}$$

With CAQCE for the Lead Energy Account for a Consumption BM Unit defined as:

$$CAQCE_{iaj} = (SPD * BMCAIC_{i}) - \sum_{a} CAQCE_{iaj}$$

With BM Unit Credit Assessment Export Capability (BMCAEC) defined as:

$$BMCAEC_{i} = CALF_{i} * GC_{i}$$

With BM Unit Credit Assessment Import Capability (BMCAIC) defined as:

$$BMCAIC_{i} = CALF_{i} * DC_{i}$$

With Generation Capacity (GC) defined as:

$$GC = G / SPD$$

Where G is the value of positive QM_{ij} notified under clause K 3.4.1(a) in relation to the relevant BSC Season.

With Demand Capacity (DC) defined as:

$$DC = D / SPD$$

Where D is the value of negative QM_{ij} notified under clause K 3.4.1(b) in relation to the relevant BSC Season.

A CALF value is determined for each BM Unit in relation to every BSC Season and the principles by which CALF values are calculated for each BM Unit are defined in the CALF Guidelines document, which is published on the ELEXON website.
The magnitude of BMCAEC or BMCAIC will be dependent on the CALF value calculated (using the trading volumes and the GC/DC values of last year) and the magnitude of GC and DC values submitted for the current season.