



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.

SYSTEM PRICES IN JULY¹

Monthly average System Prices for July were lower when short (0.7%) and higher when long (10.3%) compared to June 2017. The average System Price regardless of length was **£38.53/MWh**, which is 7% higher than in June 2017. In July 2017 the market has been long in 67% and short in 33% of Settlement Periods, which is similar to June (70% long, 30% short).

System Prices **exceeded £100/MWh** 42 times in July 2017 (compared to 27 times in June). The 42 System Prices which exceeded £100/MWh occurred across nine different days. Settlement Periods 39 and 40 were the most frequent of those exceeding £100/MWh, with four occurrences each.

The highest System Price for the month was **£172.28/MWh** on 13 July in Settlement Period 37. This price was set by two accepted Offers, from a CCGT BMU and a Pumped Storage BMU, priced at £170/MWh and £175/MWh.

There were no **negative System Prices** in July. For six Settlement Periods the System Price was **£0/MWh**, which represented the lowest System Price for the month. Three of the six prices occurred on 2 July 2017.

Period	Average (£/MWh)		Average (£/MWh) Peak 07:00-19:00	
	Short System	Long System	Short System	Long System
Jul-17	65.53	25.16	72.53	24.92
Jun-17	66.01	22.81	73.06	23.35
May-17	67.38	29.48	81.94	29.10
Summer 17	65.76	23.96	72.78	24.11
Spring 17	69.15	28.58	80.98	28.12
Winter 16/17	82.60	35.93	92.90	37.27
Autumn 16	99.05	28.49	126.25	29.66
Summer 16	67.32	24.41	81.19	24.87
Jul-16	67.19	24.90	79.63	25.25

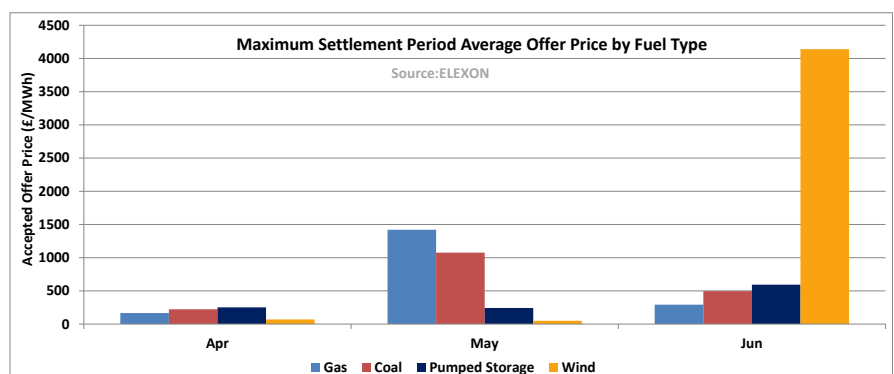
WIND OFFER PRICES REACH £9,999/MWh

June Settlement Data displayed an unusual spike in the average price of Wind Offers. This reached an average of £4,139.62/MWh on 24 June 2017 in Settlement Period 42. Driven by 14MWh of accepted Offer volume on Wind Balancing Mechanism Unit T_BEINW-1 at £9,999/MWh. The action was flagged by the System Operator as a 'system' balancing action rather than 'energy'. The system was also long overall meaning the System Price was calculated using the Bids and giving a price of £23.67/MWh.

1,663 MWh of offers were accepted in total in Settlement Period 42 of 24 June, of this 1,484 MWh was Gas, 130MWh Coal, 35MWh Wind and 14MWh Pumped Storage.

This maximum average Wind Offer price for Settlement Period 42 was by far the highest seen in 2017. The maximum Settlement Period weighted averages for the accepted Offer prices from April to June are displayed in the chart. The maximum single accepted Offer prices are displayed in the table.

From January to June 2017 there has been 17 accepted Offers across all fuel types over £1,000/MWh. Eight of these were on 17 May with Offer prices ranging from £1,195/MWh to £1,750/MWh for a total of 888.5MWh. The remaining nine Offers were all taken on 24 June at £9,999 /MWh.



Wind Offer Settlement Period prices (Jan-Jun 2017)

	Average Accepted Wind Offer Price (£/MWh)	Max Accepted Wind Offer Price (£/MWh)
Jan	7.75	85.00
Feb	19.05	50.00
Mar	22.63	85.00
Apr	2.75	50.00
May	-3.67	50.00
Jun	126.44	9,999.00

¹ System prices are based on the previous month's Interim Information (II) run data.

TRADING CHARGES

Gross imbalance cashflows were £69m in June 2017, a 35% decrease from £107m in May 2017. Credits for being long decreased by £16m, and debits for being short decreased by £21m between May and June.

The Energy Imbalance Volumes for Parties that were long decreased by 2% and short Energy Imbalance Volumes increased by 8%.

The **Offer** cashflow increased by 62% in June. The volume of Offers increased by 92% and the average price per MWh of Offer volume decreased by 16% to £68/MWh.

Net **Bid** cashflow increased compared with May, from -£8m to £11m in June. This change was due to an increase of 225GWh in negatively priced Bids. The average price per MWh of negatively priced Bid volume was -£73/MWh.

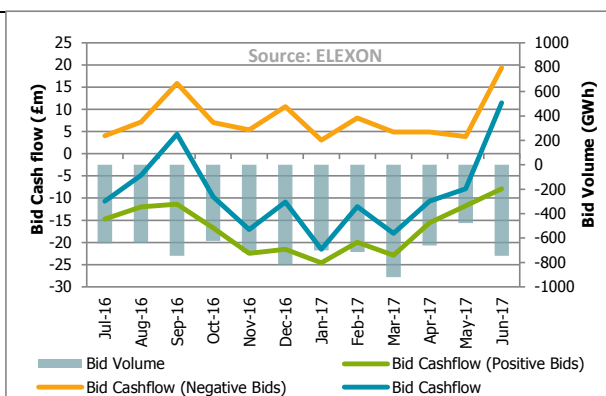
Total Cashflow (£m)	Jun-17	May-17	Apr-17	Mar-17
Long Imbalance Charge (Credit)	-35.18	-51.30	-44.53	-49.37
Short Imbalance Charge (Debit)	34.31	55.36	38.85	41.35
RCRC Credit	5.66	11.90	4.65	6.64
RCRC Debit	-6.53	-7.84	-10.33	-14.66
Offer Cashflow	54.04	33.40	26.07	41.86
Bid Cashflow (Positive Bids)	-7.93	-11.71	-15.57	-22.85
Bid Cashflow (Negative Bids)	19.38	3.82	4.89	4.88

NET JUNE BID CASHFLOW PAY-OUT

The £11m net Bid cashflow in June 2017 represented a monthly net Bid pay-out for only the second time in the last year (September 2016 being the other occurrence).

Bid cashflow from negative Bids equalled £19m, whereas positive Bids had a cashflow of £8m. Negative cashflows were the highest since July 2016 and positive cashflows were the lowest since the same time. Bid volume for June was 745GWh, the third highest total monthly Bid volume in the last year (March 2017 highest).

Negative Bid cashflows represent positively priced Bids and generators receiving payments to reduce their output.



ENERGY BALANCING VOLUMES²

The total volume of balancing actions for June was 1,538GWh, a 73% increase from May 2017.

Accepted **Offer** volume increased by 91% from May. The volume of Coal Offers increased by 294%, and the volume of Wind Offers increased by 356%. The volume of Gas Offers increased by 80%. Gas accounted for 80% of total Offers in May, a decrease from 86% of the total in May. Coal accounted for 11% of the total Offer volume and Biomass accounted for 5%.

Accepted **Bid** volume increased by 56% from May. Increases were seen in the volume of Bids from all fuel types, except Coal and Gas. Coal and Gas bid volumes decreased by 39% and 3% respectively. In May, 35% of Bid volume came from Wind compared to 10% in May.

Fuel Type	Bid Volume (MWh)		Offer Volume (MWh)	
	Jun-17	May-17	Jun-17	May-17
Coal	-8,630	-14,164	89,533	22,708
Gas	-383,596	-394,654	637,662	355,022
Hydro	-17,493	-1,967	2,561	3,516
OCGT	0	0	195	2,320
Pumped Storage	-59,847	-17,032	20,266	25,874
Wind	-261,598	-47,116	1,261	277
Biomass	-14,277	-2,950	41,265	3,249
Other	0	0	0	0
Grand Total	-745,440	-477,884	792,744	412,965

HIGH ENERGY IMBALANCE VOLUMES — 16 JULY 2017

On 16 July 2017 the absolute Energy Imbalance Volumes demonstrate a spike of 156,378MWh. A normal value is 60-80,000MWh.

On this date an Interconnector Administrator failed to submit the Interconnector Deemed Metered Volume (IDMV) data file in time for the II Settlement Run. This data determines the Metered Volume for each Interconnector BM Unit. Without this data volumes were not credited away from the Interconnector Administrator. This resulted in four BSC Parties having higher Energy Imbalance Volumes than expected.

As this erroneous data is at the II Run, there is no material impact to billing. The missing data file has been received in time for the SF Settlement (and billing) Run.

However, this incident did inadvertently trigger one Party to breach 100% of its Credit Cover. On this occasion, ELEXON has applied Material Doubt.

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