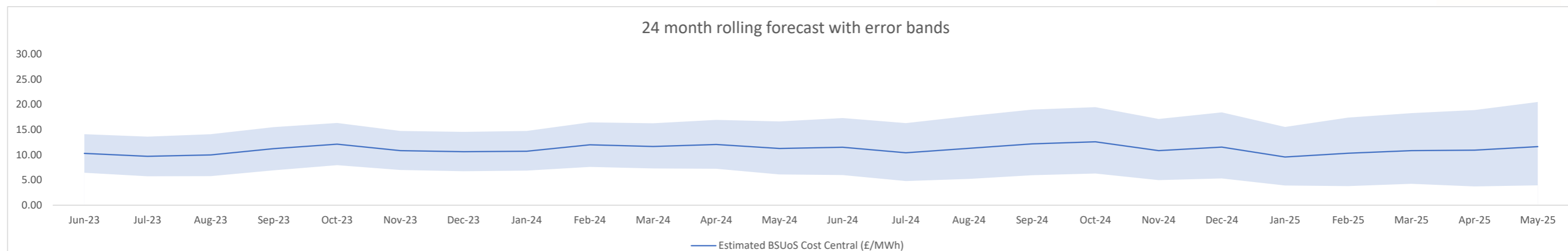


BSUoS Forecast for Jul-23



| | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | Jan-25 | Feb-25 | Mar-25 | Apr-25 | May-25 |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Balancing Costs (Central) £m | 173.6 | 142.6 | 149.2 | 179.4 | 216.2 | 217.2 | 216.9 | 228.4 | 243.8 | 230.9 | 236 | 207.9 | 202.9 | 181.7 | 199.2 | 224.6 | 253.3 | 231.1 | 257.4 | 212.6 | 212.7 | 225.8 | 210 | 213.8 |
| Balancing Costs (Upper) £m | 250.9 | 222.6 | 234.2 | 267.8 | 311 | 315.6 | 318.1 | 335.6 | 353.4 | 343.5 | 347.1 | 325.9 | 324.5 | 306.8 | 335.3 | 371.2 | 413.3 | 387.9 | 435.4 | 370 | 383.1 | 407.9 | 390.9 | 407.3 |
| Balancing Costs (Lower) £m | 95.4 | 61.2 | 62.8 | 89.4 | 122.6 | 121.3 | 117.3 | 126.6 | 135.4 | 122.9 | 126.5 | 94.1 | 87 | 62.4 | 70.7 | 90 | 106.9 | 84.9 | 97.4 | 63.4 | 55.2 | 64.4 | 46.6 | 46.3 |
| Estimated Internal BSUoS & ESO Incentive £m | 35.40 | 36.58 | 36.58 | 35.40 | 36.58 | 35.40 | 36.58 | 36.58 | 34.22 | 36.58 | 38.76 | 40.05 | 38.76 | 40.05 | 40.05 | 38.76 | 40.05 | 38.76 | 40.05 | 40.05 | 36.18 | 40.05 | 38.19 | 39.47 |
| Winter Security of Supply Cost £m | 0.00 | 19.73 | 19.73 | 19.09 | 19.73 | 19.09 | 19.73 | 19.73 | 18.45 | 19.73 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total BSUoS (Central) £m | 209.0 | 198.9 | 205.5 | 233.9 | 272.5 | 271.7 | 273.2 | 284.7 | 296.5 | 287.2 | 274.8 | 248.0 | 241.7 | 221.8 | 239.3 | 263.4 | 293.4 | 269.9 | 297.5 | 252.7 | 248.9 | 265.9 | 248.2 | 253.3 |
| Total BSUoS (Upper) £m | 286.3 | 278.9 | 290.5 | 322.3 | 367.3 | 370.1 | 374.4 | 391.9 | 406.1 | 399.8 | 385.9 | 366.0 | 363.3 | 346.9 | 375.4 | 410.0 | 453.4 | 426.7 | 475.5 | 410.1 | 419.3 | 448.0 | 429.1 | 446.8 |
| Total BSUoS (Lower) £m | 130.8 | 117.5 | 119.1 | 143.9 | 178.9 | 175.8 | 173.6 | 182.9 | 188.1 | 179.2 | 165.3 | 134.2 | 125.8 | 102.5 | 110.8 | 128.8 | 147.0 | 123.7 | 137.5 | 103.5 | 91.4 | 104.5 | 84.8 | 85.8 |
| Estimated BSUoS Volume (TWh) | 20.3 | 20.5 | 20.6 | 20.8 | 22.5 | 25.1 | 25.7 | 26.6 | 24.7 | 24.6 | 22.8 | 22 | 21 | 21.3 | 21.2 | 21.6 | 23.3 | 24.9 | 25.8 | 26.4 | 24.1 | 24.5 | 22.7 | 21.8 |
| Estimated BSUoS Cost Central (£/MWh) | 10.30 | 9.70 | 9.98 | 11.24 | 12.11 | 10.82 | 10.63 | 10.70 | 12.00 | 11.68 | 12.05 | 11.27 | 11.51 | 10.41 | 11.29 | 12.19 | 12.59 | 10.84 | 11.53 | 9.57 | 10.33 | 10.85 | 10.93 | 11.62 |
| Estimated BSUoS Cost Upper (£/MWh) | 14.10 | 13.61 | 14.10 | 15.49 | 16.32 | 14.74 | 14.57 | 14.73 | 16.44 | 16.25 | 16.92 | 16.63 | 17.30 | 16.28 | 17.71 | 18.98 | 19.46 | 17.13 | 18.43 | 15.53 | 17.40 | 18.28 | 18.90 | 20.49 |
| Estimated BSUoS Cost Lower (£/MWh) | 6.44 | 5.73 | 5.78 | 6.92 | 7.95 | 7.00 | 6.76 | 6.88 | 7.61 | 7.28 | 7.25 | 6.10 | 5.99 | 4.81 | 5.22 | 5.96 | 6.31 | 4.97 | 5.33 | 3.92 | 3.79 | 4.26 | 3.74 | 3.93 |

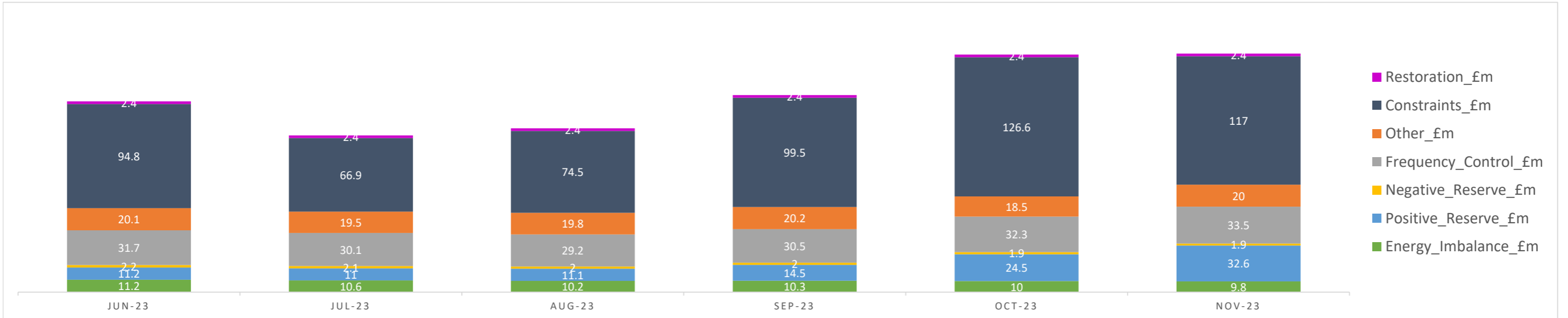
Please note: As a result of the approval of CMP308, BSUoS charges have been removed from Generation from 1 April 2023. Therefore the chargeable volume approximately halved and the BSUoS charge (£/MWh) approximately doubled

As a result of the approval of CMP361/362, the BSUoS charge is a fixed tariff from 1 April 2023. The fixed BSUoS tariffs for the periods Apr 2023 – Sep 2023 and Oct 2023 – Mar 2024 were published at the end of January 2023

[BSUoS Fixed Tariff 2023-24 - Final - January 2023 \(nationalgrideso.com\)](https://www.nationalgrideso.com/BSUoS-Fixed-Tariff-2023-24-Final-January-2023)

As there are no forecast charges for ALoMCP, CMP381 Deferred Costs and Winter Contingency Costs (Central, Upper and Lower), these elements have now been removed from the July Forecast report and data table

Balancing Costs Central Forecast Breakdown for next 6 months



| | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 |
|----------------------|--------|--------|--------|--------|--------|--------|
| Energy_Imbalance_£m | 11.2 | 10.6 | 10.2 | 10.3 | 10 | 9.8 |
| Positive_Reserve_£m | 11.2 | 11 | 11.1 | 14.5 | 24.5 | 32.6 |
| Negative_Reserve_£m | 2.2 | 2.1 | 2 | 2 | 1.9 | 1.9 |
| Frequency_Control_£m | 31.7 | 30.1 | 29.2 | 30.5 | 32.3 | 33.5 |
| Constraints_£m | 94.8 | 66.9 | 74.5 | 99.5 | 126.6 | 117 |
| Other_£m | 20.1 | 19.5 | 19.8 | 20.2 | 18.5 | 20 |
| Restoration_£m | 2.4 | 2.4 | 2.4 | 2.4 | 2.4 | 2.4 |
| Total_£m | 173.6 | 142.6 | 149.2 | 179.4 | 216.2 | 217.2 |

BSUoS Forecast for Jul-23



| | |
|--|---|
| Balancing Costs | <p>Forecast for July 2023 = £143 million (winter contingency costs not applicable)</p> <p>The latest forecast of balancing costs includes the final deferral of £1.1m from this year for CMP395. Of the £1.1m deferred, 55% (£0.6m) is included in the FY23/24 balancing costs forecast to be recovered in the BSUoS scheme. The remaining 45% (£0.5m) sits outside of this forecast as it will be recovered from generators only per CMP395 design. This will be included in all future forecasts covering this period as a fixed value unless later settlement runs change the final deferral.</p> |
| Energy model considerations | <p>The Balancing Costs model uses the patterns of costs historically which are then adjusted for changes in prices, changes in wind outturn/forecast to create a baseline which can then be projected forward and shaped based on an understanding of the shaping of costs through the year.</p> <p>The forecast for July is 29% lower than it was in the forecast published on May 17th (£200 million). This is primarily due to a decrease in the forward market wholesale electricity price from £93/MWh in May, to £74/MWh based on the latest prices.</p> <p>The forecast was produced based on an average of the forward price curves derived between 1st and 7th June 2023.</p> <p>A consistent change in the wholesale electricity forward curve of $\pm 20\%$ would lead to a change in the central forecast over the next 12 months of approximately $\pm 9-13\%$.</p> <p>No new planned or current outages on interconnectors or the Western link.</p> |
| Constraint model considerations | <p>The new constraint forecast (available on the data portal) has been incorporated as an input to model.</p> |
| Estimated internal BSUoS | <p>The costs are the latest version of the Price Control Financial Model (PCFM) for the Electricity System Operator (ESO) under the RIIO-2 network price controls, based on the Ofgem publication on 13 Dec 2022. The sheet "SOIAR" in the PCFM spreadsheet shows the allowed revenue for 2022/23. The costs for 2023/24, 2024/25 and 2025/26 are based on ESO's BP2 submission which include FSO costs.</p> <p>ofgem.gov.uk</p> |
| Winter Security of Supply Contracts | <p>In anticipation of any potential requirement to put additional enhanced actions in place for Winter 2023/24 a cost of £175m has been included within BSUoS. The latest forecast shows this to be recovered between July 2023 and March 2024, whereas the forecast produced in April showed £175m to be recovered between April 2023 and March 2024.</p> |
| Estimated BSUoS Volume | <p>The BSUoS volume has been changed to reflect the approved status of CMP308. This is applicable from April 2023</p> |
| BSUoS Reform | <p>As a result of the approval of CMP361/362, the BSUoS charge is a fixed tariff from 1 April 2023. The fixed BSUoS tariffs for the periods Apr 2023 – Sep 2023 and Oct 2023 – Mar 2024 were published by the end of January 2023</p> <p>This report shows the forecast costs for the next 24 months, not the recovery against the fixed tariff.</p> <p>BSUoS Fixed Tariff 2023-24 - Final - January 2023 (nationalgrideso.com)</p> |