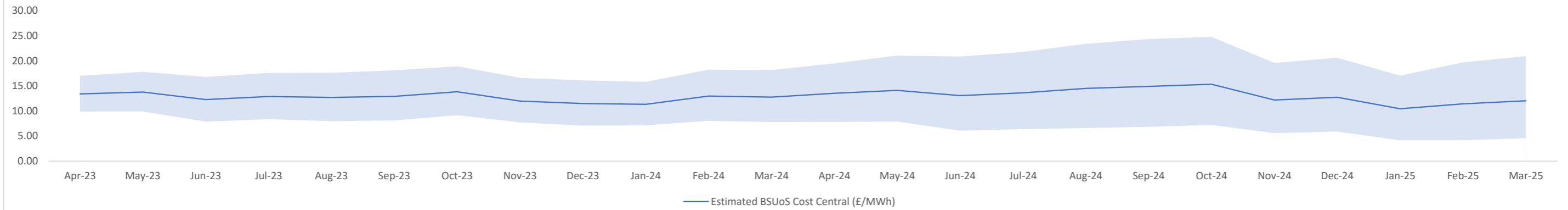


BSUoS Forecast for May-23



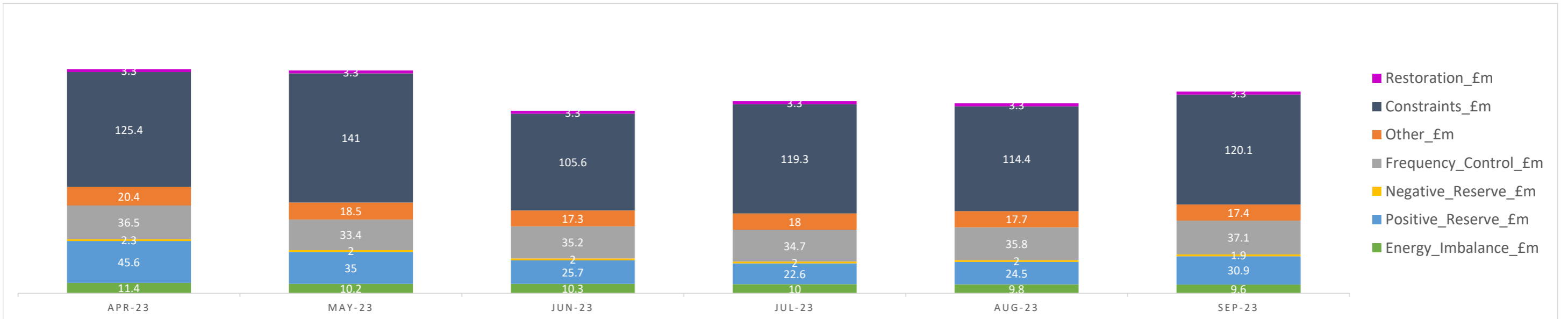
24 month rolling forecast with error bands



	Apr-23	May-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	
Balancing Costs (Central) £m	244.9	243.4	199.4	209.9	207.5	220.3	261.2	251.7	247.3	252.4	264.6	260.9	260.1	262	225.4	235.1	252.5	272.5	306.3	272	301.3	241.9	238.9	254.6	
Balancing Costs (Upper) £m	324.4	329.6	291	305.5	308.1	328.3	375.3	368.6	367	372.7	390.9	393.7	391.7	409.8	382.1	399.4	432.1	469.3	519.6	460.4	511.6	420.1	438.1	472.2	
Balancing Costs (Lower) £m	167.7	160	110.4	118.4	111.4	120.1	155.5	145.2	132.5	140.2	145.6	139.3	134.2	128.4	84.1	88.7	93.5	104.3	122.5	103.5	118	72	63.8	71.9	
Estimated Internal BSUoS & ESO Incentive £m	35.40	36.58	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	40.05	36.18	40.05
ALoMCP £m	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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
CMP381 Deferred Costs £m	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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Winter Contingency Cost (Central) £m	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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Winter Contingency Cost (Upper) £m	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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Winter Contingency Cost (Lower) £m	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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Winter Security of Supply Cost £m	14.34	14.82	14.34	14.82	14.82	14.34	14.82	14.34	14.82	14.82	13.87	14.82	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	294.6	294.8	249.1	261.3	258.9	270.0	312.6	301.4	298.7	303.8	312.7	312.3	298.9	302.1	264.2	275.2	292.6	311.3	346.4	310.8	341.4	282.0	275.1	294.7	
Total BSUoS (Upper) £m	374.1	381.0	340.7	356.9	359.5	378.0	426.7	418.3	418.4	424.1	439.0	445.1	430.5	449.9	420.9	439.5	472.2	508.1	559.7	499.2	551.7	460.2	474.3	512.3	
Total BSUoS (Lower) £m	217.4	211.4	160.1	169.8	162.8	169.8	206.9	194.9	183.9	191.6	193.7	190.7	173.0	168.5	122.9	128.8	133.6	143.1	162.6	142.3	158.1	112.1	100.0	112.0	
Estimated BSUoS Volume (TWh)	22.00	21.40	20.30	20.30	20.40	20.90	22.60	25.20	26.00	26.80	24.10	24.50	22.10	21.40	20.20	20.20	20.20	20.90	22.60	25.50	26.80	27.00	24.10	24.50	
Estimated BSUoS Cost Central (£/MWh)	13.39	13.78	12.27	12.87	12.69	12.92	13.83	11.96	11.49	11.34	12.97	12.75	13.52	14.11	13.08	13.62	14.48	14.89	15.33	12.19	12.74	10.44	11.41	12.03	
Estimated BSUoS Cost Upper (£/MWh)	17.01	17.80	16.79	17.58	17.62	18.09	18.88	16.60	16.09	15.82	18.22	18.17	19.48	21.02	20.83	21.75	23.37	24.31	24.76	19.57	20.58	17.04	19.68	20.91	
Estimated BSUoS Cost Lower (£/MWh)	9.88	9.88	7.89	8.36	7.98	8.13	9.15	7.74	7.07	7.15	8.04	7.78	7.83	7.87	6.08	6.37	6.61	6.84	7.19	5.58	5.90	4.15	4.15	4.57	

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

Balancing Costs Central Forecast Breakdown for next 6 months



	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23
Energy_Imbalance_£m	11.4	10.2	10.3	10	9.8	9.6
Positive_Reserve_£m	45.6	35	25.7	22.6	24.5	30.9
Negative_Reserve_£m	2.3	2	2	2	2	1.9
Frequency_Control_£m	36.5	33.4	35.2	34.7	35.8	37.1
Constraints_£m	125.4	141	105.6	119.3	114.4	120.1
Other_£m	20.4	18.5	17.3	18	17.7	17.4
Restoration_£m	3.3	3.3	3.3	3.3	3.3	3.3
Total_£m	244.9	243.4	199.4	209.9	207.5	220.3

BSUoS Forecast for May-23



Balancing Costs	<p>Forecast for May 2023 = £243 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>This is 8% higher than the forecast produced in March (£226 million). This is primarily due to an increase in the constraint cost from £125/MWh in March, to £141/MWh in April.</p> <p>The forecast was produced based on an average of the forward price curves derived between 29th March and 4th April 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 $\pm 12\%$.</p> <p>No new planned or current outages on interconnectors or the Western link.</p>
Constraint model considerations	The new constraint forecast (available on the data portal) has been incorporated as an input to model.
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 and 2024/25 are based on ESO's BP2 submission which include FSO costs.</p> <p>ofgem.gov.uk</p>
ALoMCP	No charges for this element forecast in the period this report covers.
CMP381 Deferred Costs	No charges for this element forecast in the period this report covers.
Winter Contingency Contracts	No charges for this element forecast in the period this report covers.
Winter Security of Supply Contracts	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 which will be recovered across the period from April 2023 to March 2024.
Estimated BSUoS Volume	The BSUoS volume has been changed to reflect the approved status of CMP308. This is applicable from April 2023
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>