



ESO November BSUoS Forecast Explained

12 November 2021

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We produce monthly BSUoS forecasts which detail forecast costs over the coming year. This slide provides an explanation of the forecast in November and the underlying assumptions used.

November Forecast for 2021/22

The average charge is based on dividing total costs by total volumes over the period.

Average BSUoS charge for 2021/22 =

$$\frac{\pounds 2947.7\text{m (Total Costs)}}{512.2\text{TWh (Total Volume)}}$$

$$= \pounds 5.76/\text{MWh}$$

Deferred BSUoS Costs

The deferred BSUoS costs relating to CMP345/350 are included in 21/22 forecasts when the deferred costs will be re-charged.

BSUoS Cost Recovery

The under-recovered BSUoS costs are included in 21/22 forecasts following the approval of CMP373.

Explanation & Insight

The outturn BSUoS for October was significantly higher than September. Continued high Balancing Mechanism prices impacted significantly on the costs of actions taken to operate the system. Increased wind levels caused Constraint costs to rise due to increased congestion on the system and synchronising machines for voltage support and inertia. The total BSUoS volume increased as we move towards winter. From December uplifts have been applied to Operating Reserve, Constraints and Reactive cost as a result of observed trends.

The final modification report for CMP308 has been published, more details can be found here:

<https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/modifications/cmp308-removal>

CMP361 workgroup consultation has now completed, further information can be found

here: <https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/modifications/cmp361-cmp362>

In March for the FY21/22 forecast we re-costed the outage plan and adjusted the constraint costs accordingly. When producing a forecast of constraint costs, we apply a historical wind profile for each month. Variations in the constraint costs month on month will therefore be driven by the reduction in constraint limits due to outages in addition to the wind level applied. As such these are indicative of where costs may outturn but variations are expected due to outturn wind not following a particular historical profile exactly.