



ESO November BSUoS Forecast Explained

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

November Forecast for 2020/21

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

Average BSUoS charge for 2020/21 =

$$\frac{\pounds 1946.5\text{m (Total Costs)}}{446.4\text{TWh (Total Volume)}}$$

$$= \pounds 4.36/\text{MWh}$$

This figure uses actual costs and volumes from April to October, and forecast costs and volumes from November to March

Deferred BSUoS Costs

The 20/21 forecast does not include any deferred BSUoS costs relating to CMP345/350. These are included in 21/22 when the deferred costs will be re-charged.

Explanation & Insight

The costs for November to March have increased in the latest publication.

Total costs – In October were £1,813.5m, in November is £1,946.5m

Outturn costs for constraints in October were high due to boundaries remaining constrained by network outages coupled with higher than typical wind generation, particularly in the North and Scotland regions. These outages were delayed from the summer due to Covid-19 working arrangements and some are extending.

The forecast published in November reflects the forward look of the cost impact of these delayed or extended outages particularly when coupled with high wind levels using the insight gained from October outturn.

We anticipate a continued uplift for the remainder of the year to incorporate the increased costs of balancing the system with a greater than normal volume of outages being taken over the winter months.

In contrast to the first half of the year, the second half costs are not being directly driven by the exceptional first half costs of balancing the system during low demands due to Covid.

Total volume – In October were 452.2 TWh, in November is 446.4 TWh

The GB electricity system has experienced suppressed demands during the Covid period; the level of suppression is varied and very dependent on the level of restrictions in place.

The demand assumption used for the November forecast includes the second national measures currently in place in England until 2 December.

This has decreased the total volume from that included in the forecast published in October.