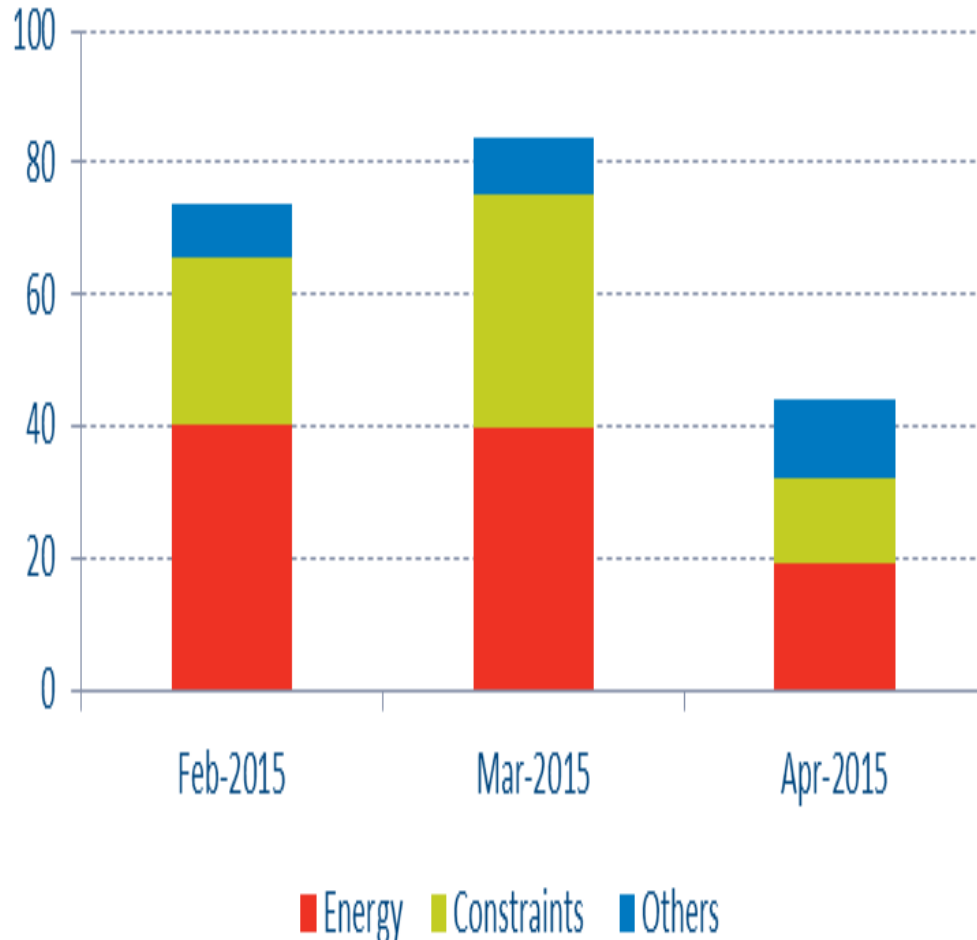


Operational and System Cost Update



Audrey Ramsay – Commercial Optimisation Manager

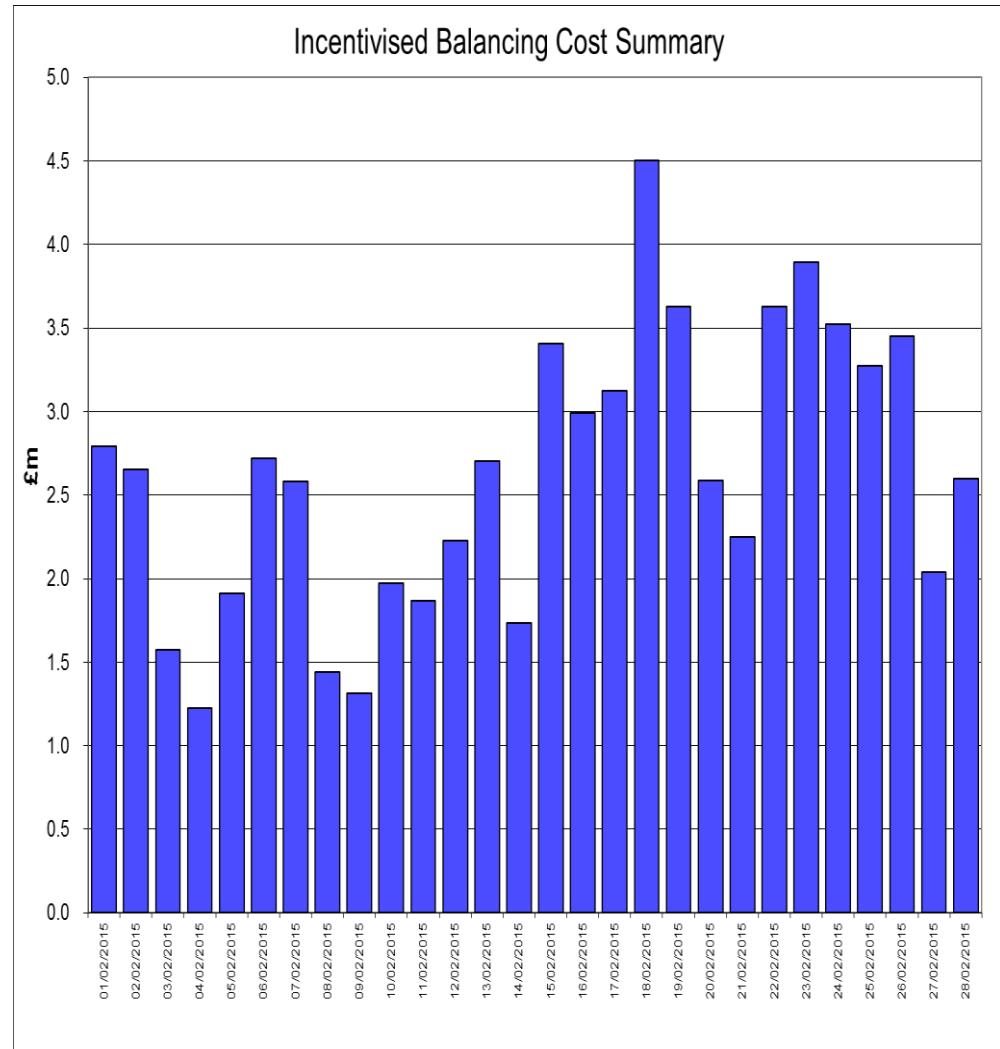
Cost Outturns for February - April 2015



Cost Category	Feb-2015 £(M)	Mar-2015 £(M)	Apr-2015 £(M)
Energy	40.4	39.8	19.3
Constraints	25.3	35.4	12.8
Others	7.9	8.6	11.8
Total Cost	73.6	83.8	43.9

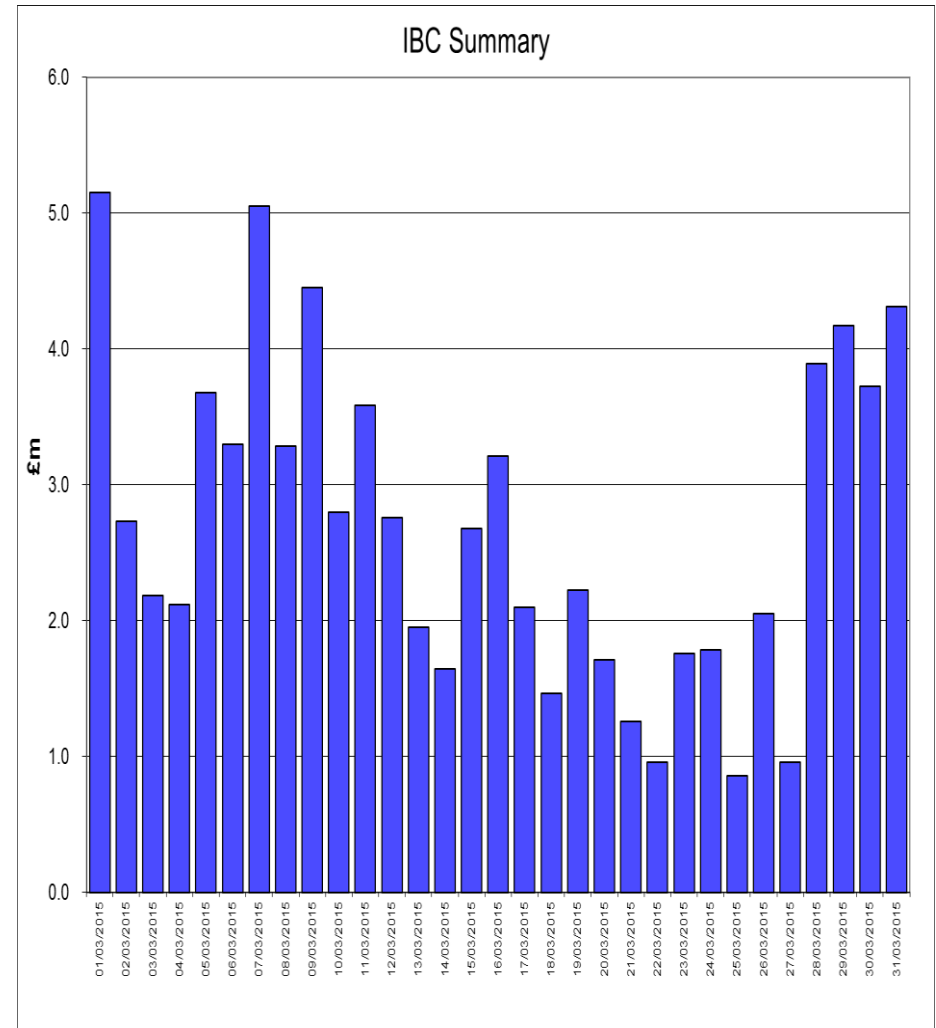
Cost Outturns for February

- £73.6M
- Low wind levels 1st – 14th Feb plus reduced interconnector flows resulted in tighter margins.
- Littlebrook warmed on 6th Feb & high offer prices taken.
- Increased constraint spend in second half of February.



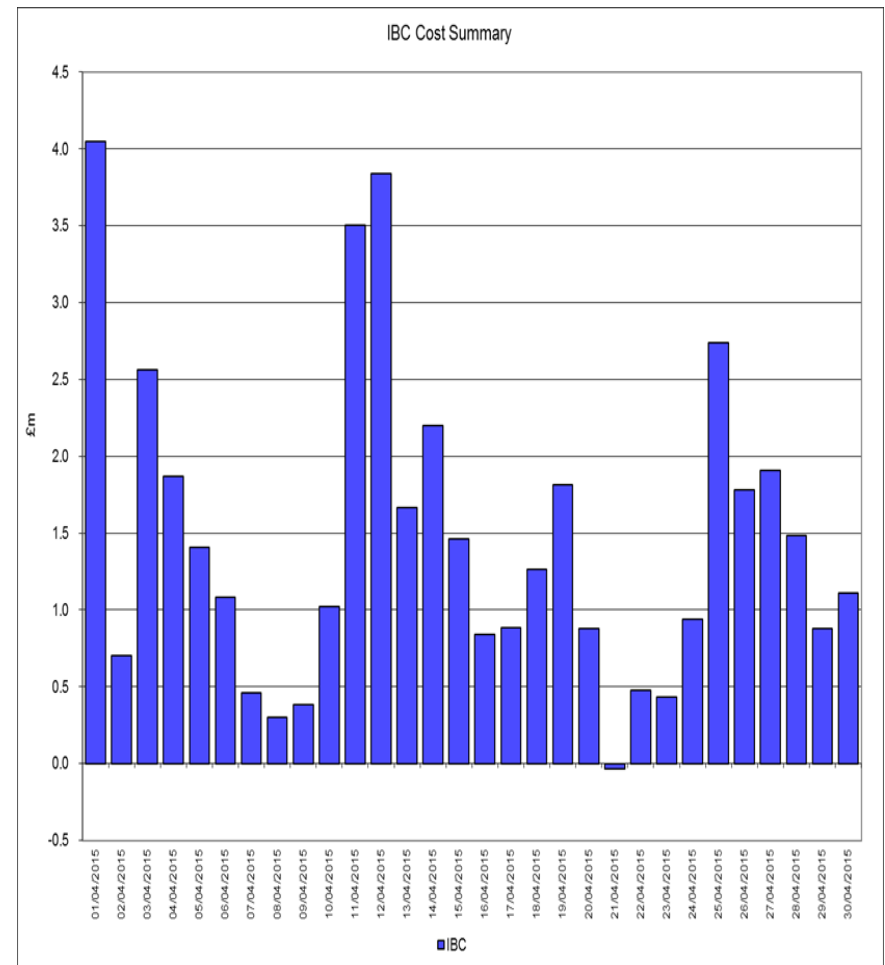
Cost Outturns for March

- £83.8M
- Increased constraint spend
- Slightly longer market with warmer weather suppressing demand.
- Some short periods across the darkness peak
- French interconnector fault on 28th and generator faults on 29th resulted in increased STOR utilisation to manage peaks.

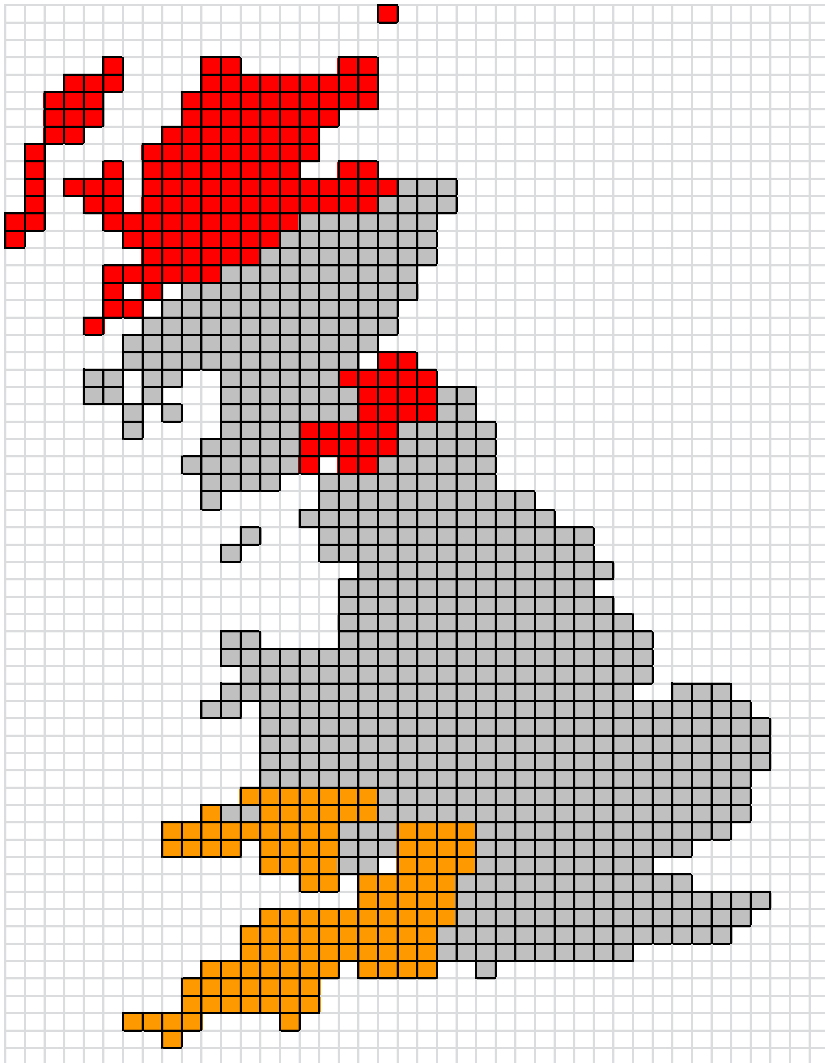


Cost Outturns for April

- £43.9M
- Relatively longer NIV in April with warmer weather and PV contribution.
- Energy Imbalance receipts of £14m giving lower energy outturn.
- Constraint costs lower

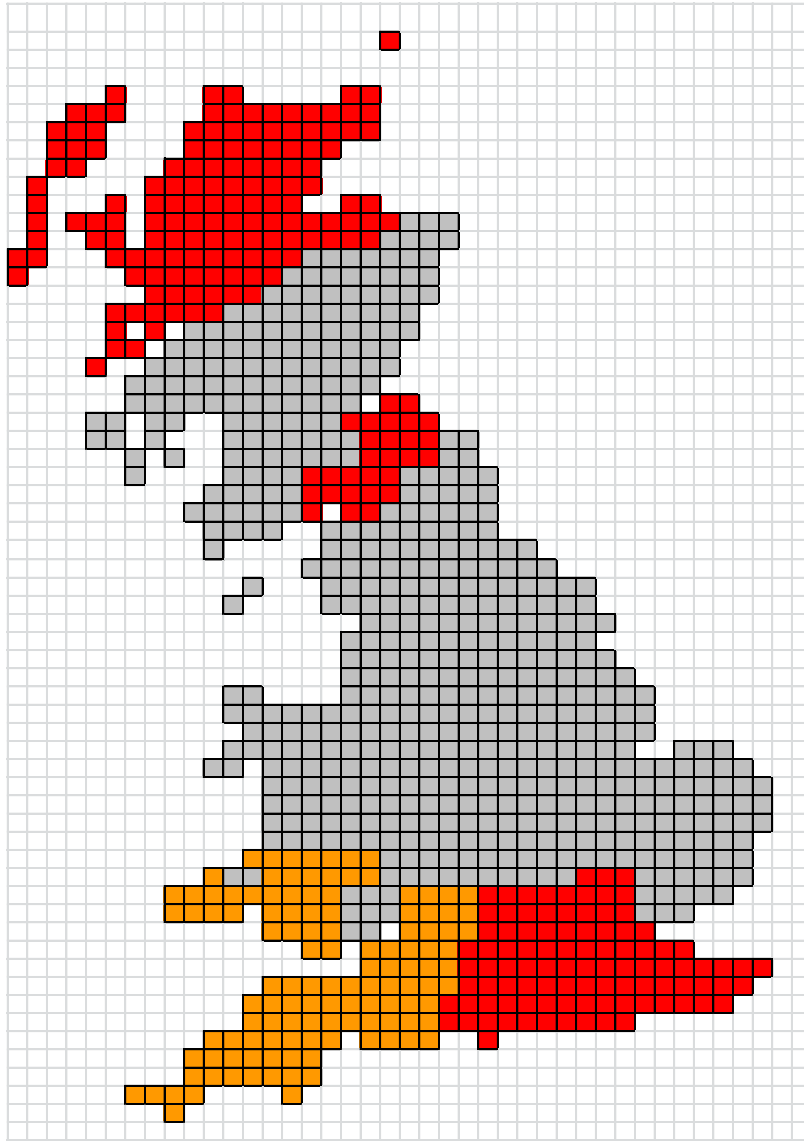


Active constraints – February



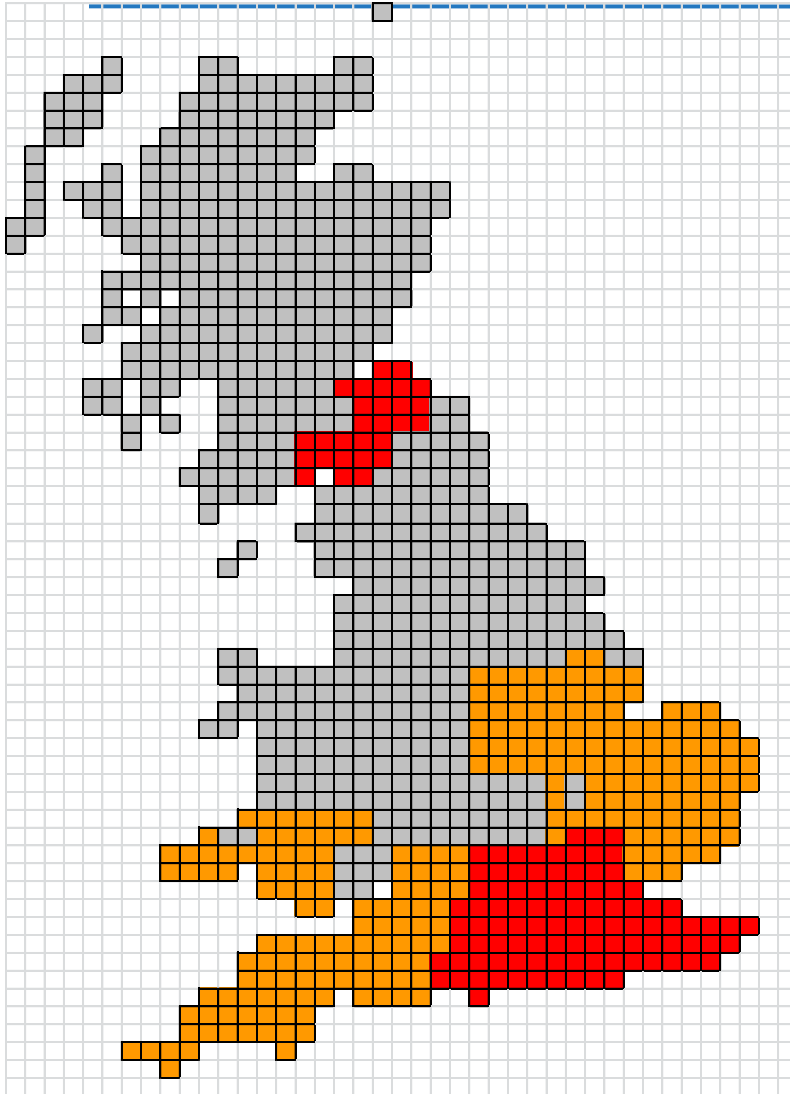
- £25.3M
- Restrictions on transfers out of North West Scotland and across Cheviot during completion of construction work.
- Two Inadequate Localised Negative Reserve Active Margin (NRAPM) warnings issued during periods of high wind and rainfall.
- Voltage management circuits unavailable for switching resulted in requirement for generation to manage high volts.

Active constraints – March



- £35.4M
- Reinforcement work in North West Scotland and on East –West circuits in Central Scotland reduced export capability.
- High winds experienced across the month.
- Additional machines bought to manage high voltage overnight.

Active constraints – April



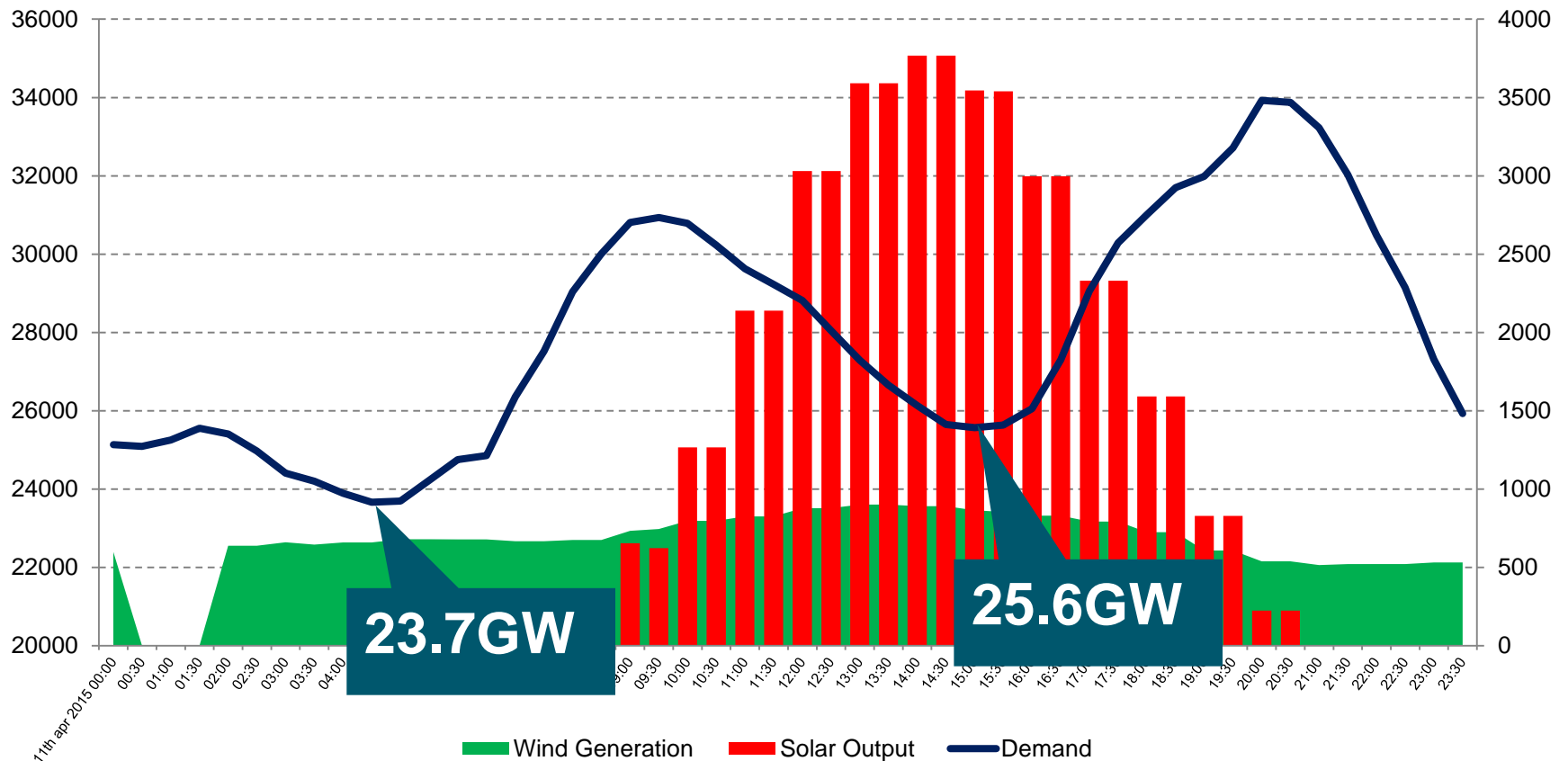
- £12.8M
- Increased voltage spend during periods of lower demand with high PV output
- Increase in actions in the BM for managing system inertia (RoCoF)
- Voltage and inertia management actions also required during daytime trough.
- Reinforcement work on East – West circuits in Central Scotland reduced export capability – increasing constraint spend.

April 2015 – Solar Impact



Impact of solar

Saturday 11th April 2015



ENCC actions for Afternoon Demand Trough

- 2 additional machines bought for voltage management
- Pump storage machine synchronised to meet inertia & downward regulation requirements
- 2500MW wind bought off to create downward regulation
- 8 Wind BMUs held on response

BSUoS Forecast Update 2015/16



BSUoS Forecast 2015-16

- External BSUoS costs estimated to be: **£825.2M**
- Internal Costs: **£148M**
- Total BSUoS costs estimated to be: **£973.2M**
- Total Charging Volume: **582.8TWh**
- Est. BSUoS charge: **£1.67/MWh**

Any Questions

Contact

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