



Comparison of a £5 cap versus a £15 cap

What is the effect of a £15 cap (now and historically)?

Total deferred cost (£m)

	2018/19	2019/20	2020/21 *
April	-	-	1,602,720
May	-	132,122	8,516,558
June	83,047	625,284	5,679,813
July	2,577,710	-	1,391,550
August	311,022	113,599	
September	4,643,684	274,011	
Total Apr -Sep	7,615,463	1,145,015	17,190,641

Percentage of periods capped

	2018/19	2019/20	2020/21 *
April	0.0%	0.0%	2.3%
May	0.0%	0.3%	7.5%
June	0.6%	0.9%	6.1%
July	2.5%	0.0%	5.9%
August	0.8%	0.7%	
September	4.5%	0.4%	
Apr to Sep	1.4%	0.4%	5.4%

* July 2020 figures to 12 July inclusive

What is the effect of a £5 cap (now and historically)?

Total deferred cost (£m)

	2018/19	2019/20	2020/21 *
April	4,114,750	5,480,309	30,360,163
May	1,909,242	6,305,034	45,032,860
June	13,329,379	16,784,882	42,852,420
July	14,952,253	5,799,856	14,118,705
August	9,437,606	21,838,544	
September	45,936,792	20,629,589	
Total Apr -Sep	89,680,023	76,838,213	132,364,148

Percentage of periods capped

	2018/19	2019/20	2020/21 *
April	7.4%	11.9%	30.8%
May	5.2%	6.0%	35.6%
June	14.5%	17.4%	39.4%
July	8.5%	9.1%	31.9%
August	9.3%	28.2%	
September	31.6%	26.5%	
Apr to Sep	12.7%	16.5%	34.9%

* July 2020 figures to 12 July inclusive

Narrative

- The above information is calculated using the BSUoS information from NGENSO's website. It uses a similar calculation to that used for the weekly report provided under the CMP345 solution to estimate the amount of BSUoS costs which would have been deferred if a cap had been applied. Figures have been calculated for the months April to September for the charging years 2018/19, 2019/20 and 2020/21 respectively. The figures for 2020/21 are up until the 12 July inclusive. The aim is to assess how much cost would have been deferred under pre-Covid 19 conditions with caps of £15/MWh and £5/MWh respectively. The analysis shows that a cap of £5/MWh would have resulted in a significant amount of costs being deferred under pre-Covid 19 conditions, whereas the current £15/MWh cap would rolled over a more modest amount.