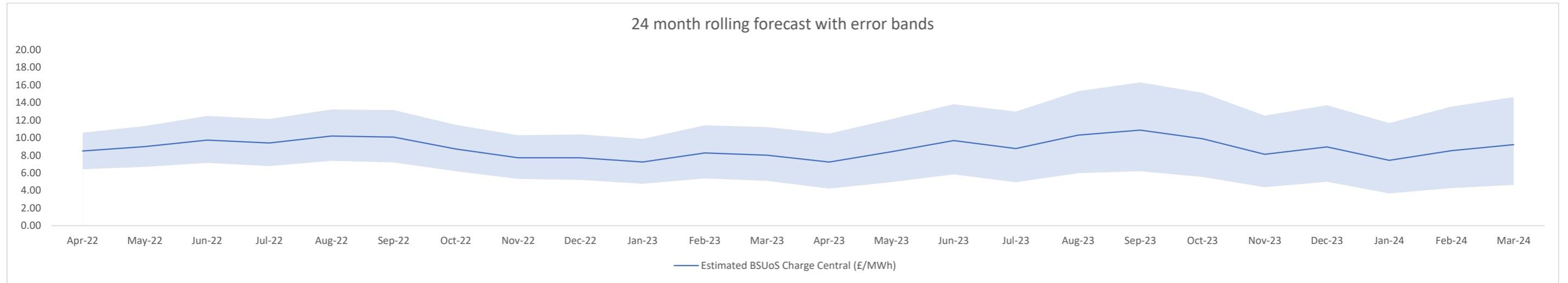
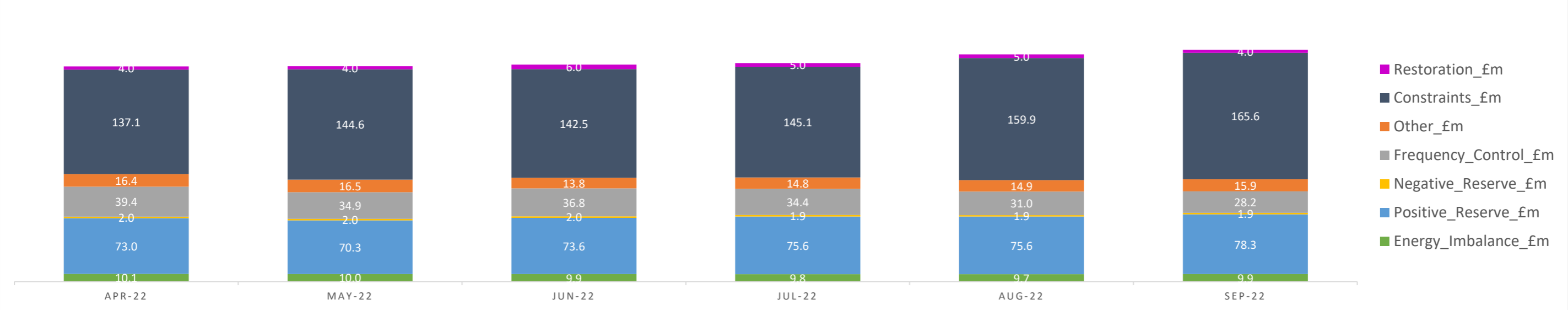


BSUoS Forecast for May-22



	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
Balancing Costs (Central) £m	282.0	282.3	284.6	286.6	298.0	303.8	313.9	299.0	295.2	278.3	287.9	273.1	244.7	275.4	296.2	279.0	315.3	344.6	375.8	330.4	363.0	300.7	310.0	333.6
Balancing Costs (Upper) £m	358.6	365.7	374.7	380.7	396.9	407.7	424.3	410.0	409.5	393.3	410.0	396.6	365.4	408.0	433.7	425.1	481.2	529.4	587.6	522.8	568.9	487.4	506.7	545.1
Balancing Costs (Lower) £m	205.2	200.5	199.1	196.0	205.1	206.7	212.5	194.5	186.7	170.9	175.3	160.1	132.0	151.9	168.3	145.5	171.7	185.7	199.0	166.5	190.6	135.8	143.0	154.6
Estimated Internal BSUoS & ESO Incentive £m	31.53	32.58	31.53	32.58	32.58	31.53	32.58	31.53	32.58	32.58	29.43	32.58	25.64	26.50	25.64	26.50	26.50	25.64	26.50	25.64	26.50	26.50	24.79	26.50
ALoMCP £m	0.99	1.02	0.99	1.02	1.02	0.99	1.02	0.99	1.02	1.02	0.92	1.02	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	3.88	4.01	4.15	4.15	4.01	4.15	4.01	4.15	4.15	3.75	4.15	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	314.5	319.8	321.1	324.3	335.7	340.3	351.6	335.5	332.9	316.0	322.0	310.8	270.3	301.9	321.8	305.5	341.8	370.2	402.3	356.0	389.5	327.2	334.8	360.1
Total BSUoS (Upper) £m	391.1	403.2	411.2	418.4	434.6	444.2	462.0	446.5	447.2	431.0	444.1	434.3	391.0	434.5	459.3	451.6	507.7	555.0	614.1	548.4	595.4	513.9	531.5	571.6
Total BSUoS (Lower) £m	237.7	238.0	235.6	233.7	242.8	243.2	250.2	231.0	224.4	208.6	209.4	197.8	157.6	178.4	193.9	172.0	198.2	211.3	225.5	192.1	217.1	162.3	167.8	181.1
Estimated BSUoS Volume (TWh)	37.02	35.58	32.98	34.50	32.91	33.78	40.34	43.47	43.08	43.66	38.94	38.74	37.35	35.89	33.27	34.80	33.20	34.08	40.69	43.85	43.46	44.04	39.28	39.08
Estimated BSUoS Charge Central (£/MWh)	8.49	8.99	9.74	9.40	10.20	10.08	8.72	7.72	7.73	7.24	8.27	8.02	7.24	8.41	9.67	8.78	10.30	10.87	9.89	8.12	8.96	7.43	8.52	9.21
Estimated BSUoS Charge Upper (£/MWh)	10.56	11.33	12.47	12.13	13.21	13.15	11.46	10.27	10.38	9.87	11.41	11.21	10.47	12.11	13.81	12.98	15.29	16.29	15.09	12.51	13.70	11.67	13.53	14.63
Estimated BSUoS Charge Lower (£/MWh)	6.42	6.69	7.14	6.78	7.38	7.20	6.20	5.31	5.21	4.78	5.38	5.11	4.22	4.97	5.83	4.94	5.97	6.20	5.54	4.38	5.00	3.68	4.27	4.63

Balancing Costs Central Forecast Breakdown for next 6 months



	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22
Energy_Imbalance_£m	10.1	10.0	9.9	9.8	9.7	9.9 #
Positive_Reserve_£m	73.0	70.3	73.6	75.6	75.6	78.3 #
Negative_Reserve_£m	2.0	2.0	2.0	1.9	1.9	1.9 #
Frequency_Control_£m	39.4	34.9	36.8	34.4	31.0	28.2 #
Constraints_£m	137.1	144.6	142.5	145.1	159.9	165.6 #
Other_£m	16.4	16.5	13.8	14.8	14.9	15.9 #
Restoration_£m	4.0	4.0	6.0	5.0	5.0	4.0
Total_£m	282.0	282.3	284.6	286.6	298.0	303.8

BSUoS Forecast for May-22



Balancing Costs	Forecast for May 2022 is £282 million. This is approximately £20 million higher than the outturn for March.
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>The forecast for May is significantly lower than the forecast produced in March (£408m) but similar to the forecast produced in February. This is due to changes in the price of wholesale electricity in the future markets.</p> <p>The forecast was produced based on a forward price curve derived on 11th April 2022.</p> <p>No new planned or current outages on interconnectors or Western link.</p>
Constraint model considerations	The new constraint cost forecasting methodology has now been incorporated into the model and will be for future months.
Estimated internal BSUoS	<p>Future year costs were adjusted in the April 2022 forecast in line with the latest results of the Annual Iteration Process (AIP) for the Electricity System Operator (ESO) under the RIIO-2 network price controls, based on the Ofgem republication on 31 January 2022. The sheet "SOIAR" in this spreadsheet shows the allowed revenue for 2022/23 and a forecast for future years.</p> <p>https://www.ofgem.gov.uk/publications/republication-riio-gd2-and-riio-eso-price-control-financial-model-following-annual-iteration-process-2021</p>
ALoMCP	<p>Following discussion at the Steering Group, it was agreed that there was a need for additional activities in this final year in order to maximise the Loss of Mains risk reduction that the programme can deliver. Activities include supporting generators to undertake initial site compliance checks and assurance of compliance declarations. Activities are expected to continue a reduction in costs that the ESO incurs through managing the Loss of Mains risk in other ways.</p> <p>These assurance and programme close down activities will run through the 2022-23 financial year (rather than ending at the end of August, which our provisional forecast had accounted for).</p> <p>As the deadline is August this year we are expecting a last minute push from all DNO's.</p>
CMP381 Deferred Costs	<p>Based on Initial Interim (II) data, there is currently c.£35.8m deferred to 2022/23. This has been reflected in the forecast figures for 2022/23. This value will be updated in the next forecast based on the value of costs deferred due to this scheme.</p> <p>Cost recovery has been included from 1 April 2022 as per the current CUSC wording. Subject to Ofgem approval of CMP383 this would change to 3 May 2022.</p>
Estimated BSUoS Volume	Updated forecast
BSUoS Reform	This forecast does not currently contain any allowance for the outcome of the BSUoS reform work (CMP308 and CMP361/362) whereby charges would be moved so as charged 100% to final demand and fixed in advance by the ESO. Once further detail is known in regards to the outcome of this process we will update our forecast accordingly.