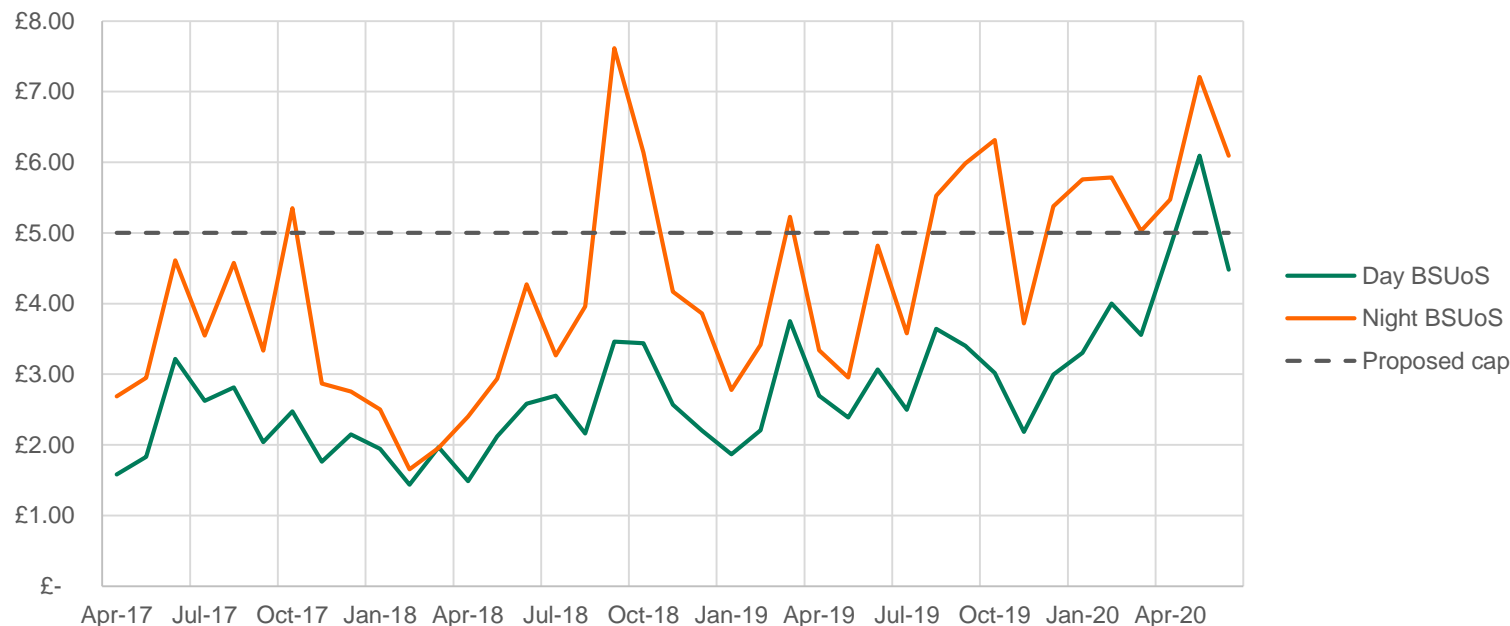


Distribution of BSUoS between Day and Night



- Due to nature of the charging base for BSUoS, rates are higher and spikes more extreme during overnight Settlement Periods*
- The graph below shows this is an existing historic issue, but the trend in increasing balancing costs has made the differential greater in 2019 and pre-Covid 2020.

Average Monthly BSUoS Rates



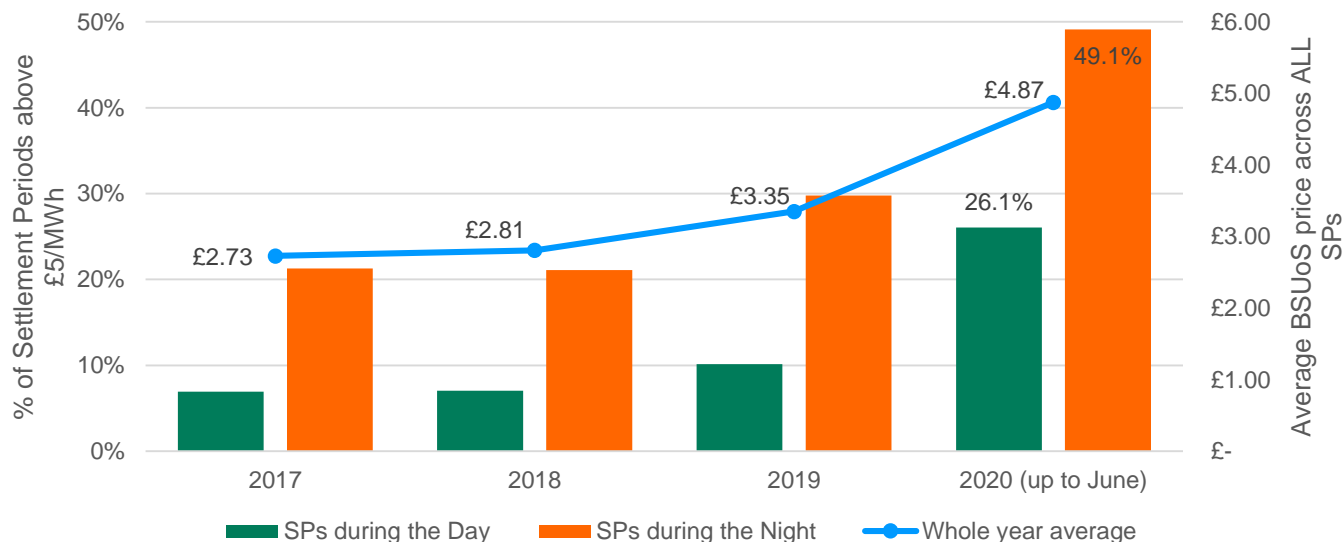
Data taken from BSUoS SF run from April 2017 to June 2020

*Overnight is assumed to be in line with EFA blocks: 11pm to 7am

Distribution of BSUoS between Day and Night



- The proposed £5/MWh cap could impact more than 3 times more Settlement Periods overnight, based on 2019 data
 - 10.1% compared with 29.8%.
- Data from 2017 and 2018 shows that a flat upper limit would have a distortional effect (14% more SPs affected overnight), even with lower average BSUoS costs (blue line)



Data taken from BSUoS SF run from April 2017 to June 2020

*Overnight is assumed to be in line with EFA blocks: 11pm to 7am