



المشتري الرئيسي
PRINCIPAL BUYER
طاقة للفد

Bulk Supply Charging(BSC) Methodology

(illustrative document)

- issued on: December 28, 2022
- updated on: December 28, 2022



introduction

- Reference is made to Water and Electricity Regulatory Authority resolution No.(396) dated on 04/05/1444 A.H., regarding the adoption of the Bulk Supply Charging (BSC) Methodology and date of activation.
- This illustrative document explains the above resolution, its dimensions and mechanism of application.



Bulk Supply Charge (BSC)

Bulk Supply Charge (BSC) is a schedule of annual regulated charges to recover the costs incurred by the Principal Buyer (PB). Aside from recovering the costs incurred by the PB, the BSC also seeks to be cost reflective and should signal to customers how changes in the volume or timing of their consumption of electricity affect the PB's costs.

Costs to be Recovered

- (WERA) determines the PB's Allowed Revenue (AR) in Saudi Riyals (SAR) per year.
- The PB's (AR) is set to recover its electricity procurement costs, fuel costs and any other procurement costs.
- It also includes an allowance set by WERA to fund the PB's efficiently incurred operating costs, and any other costs or allowances that WERA decides may be recovered by the PB.

Responsibility for Paying BSC

The following customers will be responsible for paying BSCs, based on the hourly volume of electricity consumed, expressed in kilowatt-hours:

1. All Retail Companies.
 2. All Transmission-Connected Customers with captive generation.
- any customer who is responsible for paying BSCs, is also responsible for paying the annual TUoS charge, as described in the Transmission Use of System Charging Methodology.
 - customers liable to pay BSCs shall prepare and submit their demand forecast to the National Grid Company (NG) no later than 180 days before the start of each calendar year.

BSCs Mid-Year adjustment process

➤ BSC Mid-Year Adjustment:

The BSC Methodology provides for the possibility of applying a mid-year adjustment process to correct the following:

1. **Difference in Revenue:** The difference between the forecasted revenues that should have been recovered and the actual revenues that were recovered through the published BSCs for the period from January to May (inclusive) during the same relevant year.
2. **Difference in Cost:** The difference between initially determined AR and the actual AR based on actual costs and demand for the period from January to May (inclusive) during the same relevant year.

- In all cases, the mid-year adjustment of BSCs must not lead to an increase in BSCs by more than 10%.
- The PB shall adjust the BSCs and publish the adjusted BSCs no later than 15th of June in each year. The adjusted BSCs shall apply from 1st of July of the same calendar year and to be applied from July to September (i.e. Q3).

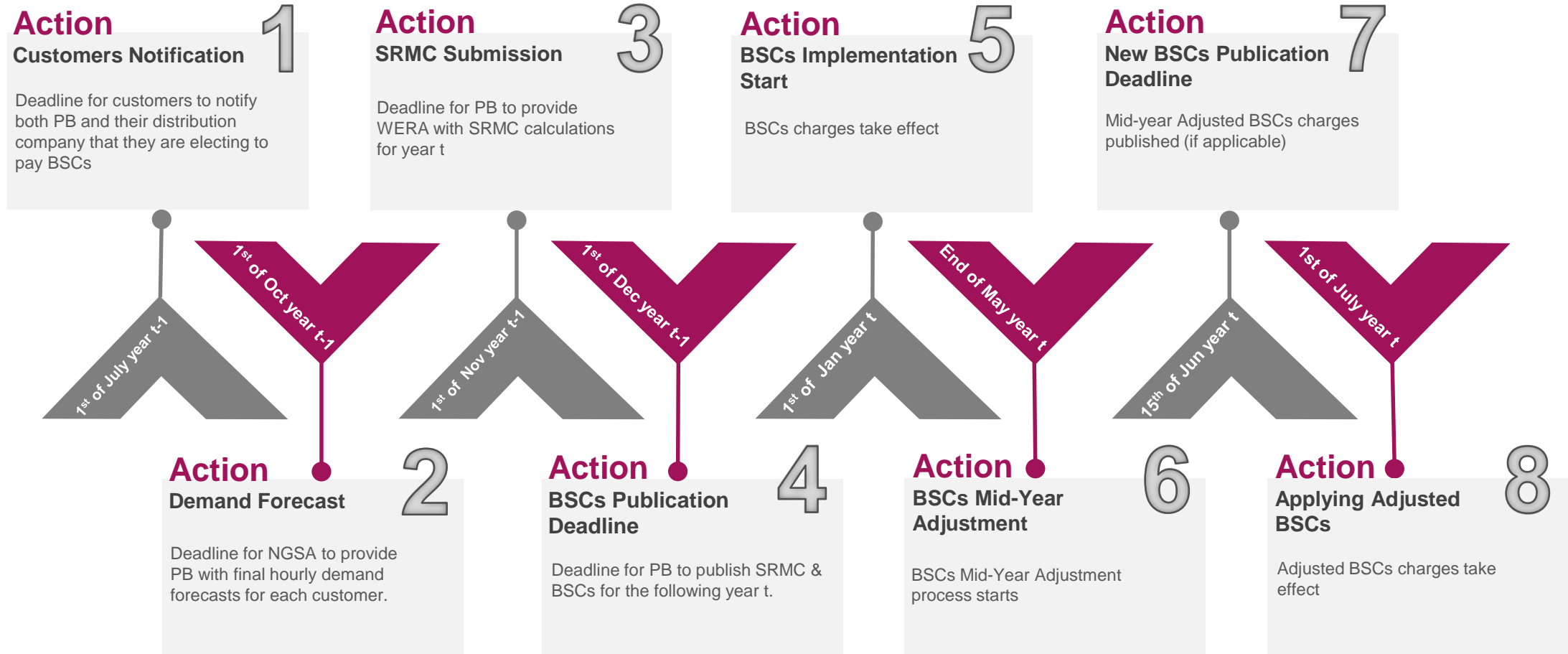
➤ Exceptional Cases:

Any time during the year, where a significant incremental costs relative to the initially determined (BSCs) and (AR) happened or expected to happen due to changes in fuel prices, unforeseen major incidents occur due to a NG's system event, or force majeure, the PB shall file a case to WERA providing the details of such cases and asking to adjust the BSCs to recover such differences. Adjustments to the BSCs shall be subject to review and approval by WERA.

invoicing

PB shall invoice any customer which pays for his consumption at the BSCs on a monthly basis. The PB shall send BSCs invoices to customers for any given month within 30 days after the month end.

BSCs Process Timeline



Appendix1: illustration of process for setting BSCs and the key deadlines

Action	01 - Oct	01 - Nov	01 - Dec	01 - Jan	01 - Feb	01 - Mar	01 - Apr	01 - May	01 - Jun	15 - Jun	01 - Jul	01 - Aug	01 - Sep	01 - Oct	01 - Nov	01 - Dec	
Deadline for NG to provide the PB with final demand forecast																	
Deadline for the PB to provide WERA with end-of-year deficit amount																	
Deadline for the PB to provide WERA with SRMC calculation																	
Deadline for the PB to publish BSCs for the following year																	
BSCs take effect					—————●—————●												
Mid-year adjusted BSCs published																	
Adjusted BSCs take effect												●—————●					

➤ This timeline is subjected to change based on WERA directions.



Appendix 2: mapping of hours to pricing bands

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
00:00 - 01:00	Shoulder	Shoulder	Shoulder	Shoulder	Shoulder	Shoulder	Shoulder	Shoulder	Shoulder	Shoulder	Shoulder	Shoulder
01:00 - 02:00	Shoulder	Shoulder	Shoulder	Shoulder	Shoulder	Shoulder	Shoulder	Shoulder	Shoulder	Shoulder	Shoulder	Shoulder
02:00 - 03:00	Off-peak	Off-peak	Off-peak	Shoulder	Shoulder	Shoulder	Shoulder	Shoulder	Shoulder	Shoulder	Off-peak	Off-peak
03:00 - 04:00	Off-peak	Off-peak	Off-peak	Shoulder	Off-peak	Off-peak	Off-peak	Off-peak	Off-peak	Shoulder	Off-peak	Off-peak
04:00 - 05:00	Off-peak	Off-peak	Off-peak	Off-peak	Off-peak	Off-peak	Off-peak	Off-peak	Off-peak	Off-peak	Off-peak	Off-peak
05:00 - 06:00	Off-peak	Off-peak	Off-peak	Off-peak	Off-peak	Off-peak	Off-peak	Off-peak	Off-peak	Off-peak	Off-peak	Off-peak
06:00 - 07:00	Off-peak	Off-peak	Off-peak	Off-peak	Off-peak	Off-peak	Off-peak	Off-peak	Off-peak	Off-peak	Off-peak	Off-peak
07:00 - 08:00	Off-peak	Off-peak	Off-peak	Off-peak	Off-peak	Off-peak	Off-peak	Off-peak	Off-peak	Off-peak	Off-peak	Off-peak
08:00 - 09:00	Off-peak	Off-peak	Off-peak	Off-peak	Shoulder	Shoulder	Shoulder	Shoulder	Shoulder	Off-peak	Off-peak	Off-peak
09:00 - 10:00	Shoulder	Shoulder	Shoulder	Shoulder	Shoulder	Shoulder	Shoulder	Shoulder	Shoulder	Shoulder	Shoulder	Shoulder
10:00 - 11:00	Shoulder	Shoulder	Shoulder	Shoulder	Peak	Peak	Peak	Peak	Peak	Shoulder	Shoulder	Shoulder
11:00 - 12:00	Shoulder	Shoulder	Shoulder	Shoulder	Peak	Peak	Peak	Peak	Peak	Shoulder	Shoulder	Shoulder
12:00 - 13:00	Shoulder	Shoulder	Shoulder	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Shoulder	Shoulder
13:00 - 14:00	Shoulder	Shoulder	Shoulder	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Shoulder	Shoulder
14:00 - 15:00	Shoulder	Shoulder	Shoulder	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Shoulder	Shoulder
15:00 - 16:00	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak
16:00 - 17:00	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak
17:00 - 18:00	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak
18:00 - 19:00	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak
19:00 - 20:00	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak
20:00 - 21:00	Peak	Peak	Peak	Peak	Shoulder	Shoulder	Shoulder	Shoulder	Shoulder	Peak	Peak	Peak
21:00 - 22:00	Peak	Peak	Peak	Peak	Shoulder	Shoulder	Shoulder	Shoulder	Shoulder	Peak	Peak	Peak
22:00 - 23:00	Peak	Peak	Peak	Peak	Shoulder	Shoulder	Shoulder	Shoulder	Shoulder	Peak	Peak	Peak
23:00 - 00:00	Peak	Peak	Peak	Peak	Shoulder	Shoulder	Shoulder	Shoulder	Shoulder	Peak	Peak	Peak

➤ These pricing bands are subjected to change based on WERA direction.

Appendix 3: BSCs Schedule Format in (H/Kwh)

	JAN	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Off-Peak												
Shoulder												
Peak												



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