

## ELEXON Quarterly Report

The ELEXON Quarterly Report for Q3 2013/14 provides information on the operation, implementation and administration of the BSC, in accordance with section C3.9.1 of the BSC.

The Quarterly Report is divided into four sections:

- BSCCo Review
- Operation of the Balancing and Settlement Arrangements
- Governance and Change
- Review against the Annual Budget

### BSCCo Review

This report summarises the operation of the Balancing and Settlement Code (BSC) for the third quarter of the Financial Year 2013/14 and describes the activities of the BSC Panel and its Committees. The report also reviews ELEXON's performance against the BSCCo Business Strategy and Budget for 2013/14.

Our strategy this year is to maintain and build upon our previous achievements to fulfil our mission – “To deliver the BSC effectively, efficiently and economically, to the benefit of our customers”, and to support the best strategic outcomes for the evolving industry by pursuing our vision – “to be a leader in the efficient transformation of energy markets by providing shared solutions to address common industry problems.”

We aim to achieve our strategy by fulfilling five strategic priorities designed to improve our service to our customers and stakeholders. These are to:

- Actively manage, and continually improve, BSC services to ensure that we deliver in an efficient, effective and economic way
- Drive efficiencies and savings in our operational business
- Improve the customer experience and develop richer customer relationships
- Develop our services and adapt our business to address industry challenges
- Invest in our people for the benefit of our industry

To pursue our vision, we will develop our services and adapt our business to address industry challenges.



## Q3 2013-14 (Oct - Dec 2013)

We've highlighted some of the key successes below, but you can get a fuller picture of our business activity from the reports presented at each BSC Panel meeting:

[ELEXON REPORT 217 – 13 September to 4 October](#)

[ELEXON REPORT 218 – 9 October to 7 November](#)

[ELEXON REPORT 219 – 15 November to 6 December](#)

### Improving the customer experience

#### Updates to the Change section of the ELEXON website

We have updated the Change section of the website to ensure you can find the important information you're looking for as easily and quickly as possible.

What we have done?

The main changes we have made to the Change section are:

Restructuring the section into the key areas of Modifications, Change Proposals, Releases and Issues

- Putting the relevant information on the change process into a [single guidance note](#)
- Ensuring all information relating to BSC Changes sits within the Change section and can be found easily
- Providing more information and contact details for each Lead Analyst
- Moving information that wasn't directly about the BSC Change process to the Reference section of the website

How to find what you are looking for:

As part of these changes, some of our webpages have been moved. The new locations are below:

The [Trading Operations Report](#), [Peer Comparison Graphs](#) and [Dispute Decisions](#) pages will now be available under the [Reference section](#).

[Change Proposal Circulars](#) and [Release Circulars](#) are now in the [Change section](#).

Information on [Volunteering for Groups and Committees](#) and [Submitting Expenses](#) are now in the [Committees and Meetings section](#).

**If you would like more information, [please contact our Communications team](#).**

#### **We have made our guidance easier to find and use**

We have listened to your feedback and created two new pages on our website to make our guidance easier for you to find and use:

- New dedicated [BSC Guidance Notes page](#)
- Improved our [BSC Simple Guides page](#)



## Q3 2013-14 (Oct - Dec 2013)

We've created a dedicated [BSC Guidance Notes page](#) that lists our helpful documents under expandable category headings. All our guidance notes were available on related pages on the website. They will stay on those pages but will also appear on the new page which will act as a central location for these useful documents.

We've also improved our [BSC Simple Guides page](#) to help you understand the BSC sections. These are now listed more clearly and you can change the view to show you the first 10, 20 or all documents. There will be more improvements to our website over the coming months which will include an improved ELEXON calendar.

Please continue to provide feedback on the website as we are committed to making improvements.

### **Switched On: the results of our customer survey 2013**

Each year we conduct a customer survey using an independent research company. It's an important way of finding out exactly what our customers think of us, what we do well and where we need to improve. This year we received a record number of responses and we would like to thank everyone who participated.

[Find out more about the results here.](#)

### **Managing and improving BSC Services Modifications, Change and Implementation: Authority decision on P296**

On Thursday 17 October 2013 the Authority approved [P296: Introduction of a 'Fast Track' Modification Process](#) following the outcomes of the Code Governance Review (Phase 2) which was implemented on **Wednesday 6 November 2013 as part of the November 2013 Release. BSC Panel decision on Standing Issue 52**

On Tuesday 17 September, we held a workshop to discuss [Issue 52 'Billing for Data Transfer costs and the 'Total Cost of Ownership' for using a replacement solution to send DTS Flows'](#).

The Issue Group attendees rejected both of the proposed changes we had put forward, and you can read about these discussions in the [Issue 52 Report](#). At its meeting on Thursday 14 November, the BSC Panel noted this recommendation, and we no longer proceed with this piece of work.

We are disappointed with the conclusion of the Issue Group as we feel that the charges levied for the Data Transfer Service does not represent value for money for BSC Parties and ultimately the end consumer. We would like to thank everyone who has contributed to these discussions over recent months. The input we have received (on both sides of the discussion) has been helpful and we appreciate that this input was provided during a busy period for the industry.

We will continue to look for areas where we feel that we can get better value for money for BSC Parties. For further information, or if you have any questions, please contact Matthew Wood on 020 7380 4190.

### Developing our services

#### European Developments

The main BSC-related European event in this Quarter was the ENTSO-E completion of its drafting of the European [Electricity Balancing Network Code](#), which was submitted to ACER on 23 December 2013. 2014 will see this Code, which is likely to have a significant impact on the BSC, enter the final comitology process and it is likely to become law (it is superior to the BSC) in the second quarter of 2015.

The joint Code Panels' European Code Coordination Application Forum (ECCAF) met for the first time in November 2013. ECCAF discussed two potential models for the future GB Codes when the European Network Codes are in force. ECCAF felt that both approaches needed to be assessed against a standard set of criteria which will be discussed at a future meeting.

The Joint European Standing Group (JESG) continues to meet and there have also been DECC/Ofgem workshops on the Network Codes as the draft Codes progress through ACER review and comitology.

National Grid published an introductory guide to the European Electricity Network Codes and ACER published its [third edition of REMIT Guidance](#).

#### Electricity Market Reform (EMR)

In October, we initiated our process to procure an IT provider to build, host and operate an IT settlement systems that will calculate and invoice Contract for Difference (CfD) and Capacity Market (CM) payments. These systems will be required to exchange electronic data flows with a variety of market participants and data providers. We expect to award the contract by April 2014.

#### Changes to the Balancing and Settlement Code (BSC)

In November 2013, we published an early draft of the changes to the BSC that are needed to give effect to EMR and enable ELEXON as Settlement Agent to fulfil its role.

We held an education day on 25 November for BSC parties and non-BSC generators to explain the proposed BSC changes and the changes that will be needed to the BSC and to the BSC Systems and processes. The event was well attended with over 50 people representing 36 organisations there on the day. Slides from the education day can be found on the [Additional Information on EMR webpage](#).

Since the education day we have discussed and further developed the draft BSC changes with DECC, Ofgem and National Grid, and on 15 January 2014 [DECC launched a consultation](#) on its proposed changes to all of the industry licences and codes that are impacted by EMR, including Section C3 of the Transmission Licence and the BSC. Changes to the BSC and any consequential changes that are needed to Code Subsidiary Documents (CSDs) will be "directed" by the Secretary of State under powers included within the scope of the Energy Bill, which received Royal Assent on 19 December 2013.

### Changes to BSC System and processes

To enable it to fulfil its role, the EMR Settlement Agent needs access to certain meter data that is held in the existing BSC Systems. During the autumn we specified and agreed with DECC the scope of the BSC System changes and in October we ordered the changes from of BSC Agents. The changes will be will be implemented in the June 2014 BSC System Release.

Also in late December, ELEXON responded to the Government's 'Electricity Market Reform: Consultation on Proposals for Implementation' and [you can find ELEXON's response on the ELEXON website here](#).

ELEXON is also working with DECC and the Counterparty to develop the contractual and structural arrangements for the delivery of EMR services. DECC is proposing a single contract between the ELEXON EMR subsidiary, the CfD Counterparty and the CM Settlement Body, covering both CfD and CM services. This is currently being discussed with DECC.

### Operation of the Balancing and Settlement code Arrangements

You can find further details about our operational performance, including performance against our key performance indicators in the ELEXON reports presented to the BSC Panel every month:

- [ELEXON REPORT 217 – 13 September to 4 October](#)
- [ELEXON REPORT 218 – 9 October to 7 November](#)
- [ELEXON REPORT 219 – 15 November to 6 December](#)

We report operational issues that affect customers in ELEXON circulars. [You can read past circulars here](#).

### Smart Metering and Smarter Markets

We continued to engage closely with the DECC and Ofgem's Smart Metering and Smarter Markets teams across this period.

We provided our experts to the Ofgem Smarter Markets working group looking at improvements to the Change of Supplier (CoS) process. Ofgem published the outputs from this work in December. Additionally we have worked with Energy UK on assessing how the CoS process could be speeded up.

We attended Ofgem's Settlement Reform workshop and met with Ofgem regularly to ensure their work on longer term reform aligns with our work on assessing the short and medium term changes to Settlement to support Smart.

During the period a number of smart related consultations were issued by DECC and Ofgem which we are assessing and considering responses for.

## BSCCo Business Plan 2014-15

We published the BSCCo (Balancing and Settlement Code Company) draft Business Strategy and Annual Budget for 2014-15. [It is available to read on the Reports, policies and publications page of the ELEXON website.](#)

The Business Plan is in two parts:

1. A Business Strategy describing our priorities and major activities
2. An Annual Budget setting out the associated costs

## Industry consultations

We responded to a number of industry consultations over the quarter, including an Ofgem consultation on tackling electricity theft, a National Grid consultation on Demand Side Balancing Reserve and Supplemental Balancing Reserve and a European Network of Transmission System Operators for Electricity (ENTSO-E) consultation on the draft Network Code on Electricity Balancing.

All our responses are published on the Industry Insights page of the [ELEXON website](#).

## Governance and Change

### Modifications

**1** new Modification Proposal was raised:

- [P298](#) 'Consequential amendments to the BSC Modification process following the implementation of Third package and other miscellaneous changes'

**0** Modification Proposals were withdrawn.

**2** Modification Proposals were submitted to the Authority for decision:

- [P294](#) 'Addition of Offshore Transmission System and OTSUA to the definition of the Total System'
- [P295](#) 'Submission and publication of Transparency regulation data via the BMRS'

**1** Modification Proposal was approved or rejected by the Authority:

- [P294](#) 'Addition of Offshore Transmission System and OTSUA to the definition of the Total System' (approved)

**3** Modification Proposals were pending Authority decision at 31 December 2013:

- [P272](#) 'Mandatory Half Hourly Settlement for Profile Classes 5-8'
- [P286](#) 'Revised treatment of RCRC for generation BM Units'
- [P295](#) 'Submission and publication of Transparency regulation data via the BMRS'

**1** Modification Proposal was approved by the BSC Panel as a Self-Governance:



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- [P296](#) 'Introduction of a 'Fast Track' Modification Process following the outcomes of the Code Governance Review (Phase 2)'

### 3 Modifications were implemented:

- [P293](#) 'Changes to BSC Section H 'Audit' and BSC Service Description for BSC Audit to reflect current Practice'
- [P294](#) 'Addition of Offshore Transmission System and OTSUA to the definition of the Total System'
- [P296](#) 'Introduction of a 'Fast Track' Modification Process following the outcomes of the Code Governance Review (Phase 2)'

### Change Proposals:

#### 4 Change Proposals were raised:

- [CP1402](#) 'Aligning the Deliverables in the Profile Administration Service Description with the Data Analyst Contract'
- [CP1403](#) 'Additional requirements to BSCP15 and BSCP25 for System Operators to provide more information on new connections'
- [CP1404](#) 'Allowing Registration of Multiple Transmission System Boundary Point on one BSCP25 form and removal of requirement for OS coordinates for Grid Supply Points and onshore Transmission System Boundary Points'
- [CP1405](#) 'Facilitating Faster Switching in the NHH Market'

#### 8 Change Proposals were implemented:

- [CP1360](#) 'GVC - DMX Audit Records'
- [CP1384](#) 'Clarification on disconnection and associated processes'
- [CP1385](#) 'Notification of NHH Energisation Status Change by LDSO'
- [CP1387](#) 'Clarifications to BSCP533 and Appendices'
- [CP1389](#) 'Removal of Lux Meter Requirement for PECU Arrays'
- [CP1390](#) 'New MDD Entity for SMETS Version'
- [CP1391](#) 'Clarify the existing MDD registration criteria for new Suppliers within the MDD (BSCP509) and Qualification (BSCP537) procedures'
- [CP1399](#) 'Business Process Operations (BPO) Service Rebranding'

### BSCP40 issues:

No BSCP40 issues were raised or remain open during this period.

### Standing Issues:

#### 1 Standing Issue was raised:

- [Issue 53](#) 'Reforming the Change of Supplier meter read process for smart electricity meters'

#### 2 Standing Issues were closed:

- [Issue 46](#) 'Non Half Hourly Interoperability'
- [Issue 52](#) 'Billing for Data Transfer costs and the 'Total Cost of Ownership' for using a replacement solution to send DTS Flows'

### BSC Panel and Committee Activity

The BSC Panel thanked its outgoing Chairman, Andrew Pinder, whose term of office came to an end on 30 September 2013 and welcomed the new Panel Chairman, Michael Gibbons, who commenced his initial, three year term of office on 1 October 2013.

As well as considering the Modifications in the section above, the Panel:

- Approved CP1395 for implementation on 26 February 2015, as part of the February 2015 BSC Release.
- Approved BSCP509 Appendix 2 'MDD Change Request Entity Validation' as a new CSD and delegated authority to approve subsequent changes to BSCP509 Appendix 2 to the SVG.
- Considered the annual review of the Market Index Definition Statement (MIDS) carried out on its behalf by the ISG and agreed that no change should be made to the Market Index Definition Statement (MIDS).
- Considered the application of GSP Group Correction Factor (GSPGCF) and determined that GSPGCF Scaling Weights for both Non Half Hourly (NHH) and Half Hourly (HH) Import Metered Volumes and Import losses should be amended from 1 April 2014.
- Agreed that, from 1 April 2014, GSP Group Correction should not be applied to any Export Metered Volumes or Export losses (whether NHH or HH) and that a Standing Issue be raised to consider a change to the BSC's correction of Export error.
- Approved the draft BSCCo Business Strategy for publication and invitation to comment.
- Reviewed and amended the Terms of Reference for the Joint European Standing Group.
- Appointed a BSC Panel representative on the Grid Code Review Panel.
- Approved the publication of a new Headline report to complement the Trading Operations report and endorsed a review of the content of the Trading Operations report in 2014.
- Considered how best to make use of the options for recording or broadcasting Panel meetings and agreed that Panel meetings would be recorded from early 2014. The Panel also agreed to broadcast meetings via webinar in spring/summer 2014 for a trial period.
- Made arrangements to consider Trading Dispute DA618 early in 2014 after it was referred to the BSC Panel by a BSC Party following determinations made by the TDC in September 2013.
- Discussed a rejected application for Unmetered Supplies Charge Codes and how the provisions of the BSC related to the relevant Statutory Instrument (which takes precedence over the BSC rules) and associated processes overseen by the National Measurement Office.
- Noted the results of ELEXON's 2013 customer survey.
- Noted Ofgem's open letter about the Knight Report concerning BSC governance in which Ofgem urged the BSC Panel and ELEXON Board to work with industry to develop options for change and confirmed its commitment to engaging with industry to deliver beneficial change.
- Received updates regarding potential impacts on the BSC arising from the European Electricity Balancing Network Code (EBNC).
- Received regular updates on Electricity Market Reform and the work being undertaken by ELEXON in relation to its appointment as the Settlement Agent (SA) for both Contracts for Difference (CfDs) and for the Capacity Market (CM).
- Noted that ELEXON had been asked by Ofgem to provide Ofgem with Settlement data for validation Renewables Obligation submissions.

### Imbalance Settlement Group (ISG)

The ISG continues to oversee and contribute to the development of the CVA arrangements. Decisions included:

- Approved three Metering Dispensations.
- Approved one Non-Standard BM Unit Configuration.
- Approved one Trading Unit Application.
- Approved one Line Loss Factor Methodology Statement.
- Deferred its decision on 'Discrepancies in the points of measurement required in the BSC and the CoPs and physical points of connection' so that it can be considered in more detail by an Issue Group.
- Rejected CP1381 'Negative Wind Generation Forecast on BMRS' due to limited benefit in relation to the implementation costs.
- Approved CP1400 'Amendment of the System Energy flag via BSCP18' and CP1397 'Improvements to the Balancing Mechanism Reporting System (BMRS) Electricity Summary Page – Indicative Triad Demand Information tables'.

### Supplier Volume Allocation Group (SVG)

The SVG continues to oversee and contribute to the development of the SVA arrangements.

The SVG:

- Approved two Metering Dispensations.
- Oversaw the progression of 50 changes to Market Domain Data (MDD).
- Discussed an initial approach to archiving end-dated MDD records, for further investigation.
- Approved a revision to one Line Loss Factor Methodology Statement.
- Approved the approach and timetable for the annual review of Annual Fraction of Yearly Consumption (AFYC) values.
- Agreed a number of recommendations from the Profiling Expert Group regarding the profile data to be used in Settlement for Spring and Summer 2014, the methodology to be followed for the annual AFYC review, the closure of the Church Fenton Weather Station and a request from the Profiling and Settlement Review Group to review the profiling samples.
- Approved changes to the Unmetered Supplies (UMS) Operational Information Document, for implementation in the November 2013 Release.
- Discussed a rejected application for UMS Charge Codes and how the provisions of the BSC relate to the relevant Statutory Instrument (which takes precedence over the BSC rules) and associated processes overseen by the National Measurement Office.
- Discussed options for introducing further controls regarding large Estimated Annual Consumption (EAC)/Annualised Advance values, for further impact assessment.
- Approved six CPs as follows:
  - CP1393 'Technical Assurance - CDC Check' (for implementation in the February 2014 Release);
  - CP1394 'Use of SMETS compliant Meters for Profiling' (for implementation in the June 2014 Release);
  - CP1396 'Clarifications and formalising scenarios for the BSCP509 MDD Change Request process' (for implementation in the February 2014 Release);
  - CP1398 'Clarifications to BSCP520 'Unmetered Supplies registered in SMRS' (for implementation in the February 2014 Release);



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- CP1399 'Business Process Operations Service rebranding' (for implementation in the November 2013 Release); and
- CP1401 'Replace residual negative EACs for pre-RF Settlement Days without affecting post-RF data' (for implementation in the February 2014 Release).
- Rejected CP1351 'Improving Half Hourly Metering Equipment commissioning and storage of associated commissioning data' on the basis that the identified issue was resolved by the approval of P283 'Reinforcing the Commissioning of Metering Equipment Processes'.
- Made recommendations relating to three CPs as follows:
  - Recommended that the Panel should reject CP1388 'Meter Technical Details for Smart Meters' and should approve CP1395 'Distribution of Configuration Details for Smart Meters' for implementation in the February 2015 Release; and
  - Recommended that the Panel should add the proposed new BSCP509 Appendix 2 'MDD Change Request Entity Validation' to the Baseline Statement as a new Code Subsidiary Document following the approval of CP1396.
- Recommended to the Panel that:
  - ELEXON should raise a Standing Issue to consider a change to the BSC's correction of Export error and that in the interim GSP Group Correction should not be applied to any Export Metered Volumes or losses (whether Non Half Hourly (NHH) or Half Hourly (HH)) from 1 April 2014; and
  - The Panel should approve revisions to the GSP Group Correction Scaling Weights for NHH and HH Import Metered Volumes, and for NHH and HH Import line losses, for implementation from 1 April 2014.

### Trading Disputes Committee (TDC)

The TDC:

- Heard 8 and upheld 6 Trading Disputes with a total estimated materiality of £240,000. The TDC rejected a Suppliers request to re-estimate a previously upheld Dispute and another Trading Dispute was deferred for further information. All Trading Disputes concerned issues with SVA Metering Systems.
- Approved Post-Final Settlement Runs to address Large Erroneous EAC/AAs for Settlement Days from 1 July 2011 to 31 August 2011.
- All 14 GSP Groups have exited the Large Erroneous EAC/AA Dispute. No further GSP Group-level DF Runs will be available for the correction of error without re-entry of one or more GSP Groups to the Disputes process.

### Performance Assurance Board (PAB)

Apart from its normal work, the PAB:

- Approved the Qualification of:-
  - Altitude Energy Supply Limited,
  - Jetstream Energy Supply Limited,
  - Lightning Energy Supply Company Limited
  - Sirocco Energy Supply Limited
- Approved:-
  - re-Qualification of NEEB and YELG NHH MOA;
- Approved:-
  - The approach for TAPAP checks to check the accuracy of PARMS submissions;

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- Risk Operating Plan 2014/15;
  - Annual Performance Assurance Timetable 2015/16;
  - PAB Strategy Updates;
  - Interim solution to use Post Qualification checks and EFR to provide assurance for Suppliers that have not traded for 12 months since Qualification.
- Agreed:-
    - Proposed plans to address Commissioning Issues;
    - Reduction of NHHDA thresholds for SR0072 and the related BUSRR Review;
    - Escalation process for audit EFR plans 2013/14 and open plans 2012/13;
    - Modification proposal to provide assurance for Suppliers that have not traded for 12 months since Qualification
  - Noted:-
    - BSC Audit Approach 2013/14;
    - BSC Qualification Approach 2013/14;
    - Analysis for estimating the materiality of NHHDA exceptions (D0095);
    - Action being taken by ELEXON to ascertain the accuracy of CVA Aggregation Rules and the validation of new registrations.

### Review against the Annual Budget

BSC activity related expenditure by the end of the third quarter of 2013/14 (year-to-date) stands at £20.1m, £1.6m (7.1%) under budget. The forecast outturn for the full financial year 2013/14 currently stands at £29.4m, £7.4m (20.1%) below budget, due to a number of exceptional contingent items being released.

The position against budget for the year-to-date (YTD) and the forecast for the full year (FY) is summarised below.

### Expenditure by Type

£m	YTD	Var.	Full Year	Var.
<b>Operational</b>	10.2	1.0	15.1	1.1
<b>Demand Led</b>	0.3	0.1	0.6	2.1
<b>Contracted</b>	9.2	0.4	12.6	0.9
<b>System Strategy</b>	0.3	0.1	0.3	2.1
<b>Market Development</b>	0.1	-	0.8	1.2
<b>TOTAL</b>	<b>20.1</b>	<b>1.6</b>	<b>29.4</b>	<b>7.4</b>

Unfavourable variances to budget are in brackets.

### Operational Expenditure



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Operational expenditure is £1.0m under budget YTD. This is attributed to the following:

- £0.5m saving achieved by not automatically filling vacancies when people left and recruitment time lag, partially offset by backfill contractors and maternity covers.
- £0.5m underspend on occupancy, overheads and legal.

The forecast for the full year is £1.1m under budget due to the full year impact of the above mentioned savings, as well as the release of project related costs based on a reassessment of projects due to complete in this financial year.

### **Demand Led Expenditure**

Demand Led expenditure is £0.1m under budget YTD. The full year forecast is expected to be £2.1m under budget. This variance has been driven by a reduced number of Modification Proposals, known Release projects being smaller than estimated and the release of budget for the Settlement Review originally requested by Ofgem.

### **Contracted Expenditure**

Contracted expenditure is £0.4m under budget YTD. This is mainly driven by the lower than budgeted exit and implementation costs following the re-procurement of the Operational Audit & Qualification contract as well as the savings this re-procurement has generated.

We anticipate the forecast to be £0.9m under budget for the full year as the new Operational Audit and Qualification contract continues to deliver savings against budget. A further reduction in forecast has been driven by lower Qualification volumes than budgeted.

### **System strategy**

Expenditure is £0.1m under budget YTD while the full year forecast is £2.1m under budget.

As a result of work to review the business case and assess the 'health' of individual elements of the project, we concluded that rather than progress a simultaneous change to all reporting elements (a big bang approach) we would adopt a phased approach, with the first phase being a pilot that looks at specific key business processes.

The re-phasing of the Programme has led to a different cost profile for 2013/14 and we have been able to absorb the costs for the second half of the year through contracted costs service improvement innovation funds.

### **Market Development**

Expenditure is on budget YTD however the full year forecast is £1.2m under budget.

The 2013/14 budget included £2m for Market Developments which sought to set out a range of potential costs for various areas. Some of those areas are progressing to plan (e.g. Smart Grids and the work to assess the impact of new information technologies on BSC arrangements) whereas others have been delayed (e.g. Ofgem's Smarter Markets work on Change of Supplier and DSR).



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One significant area of activity that was foreseen for 2013/14 was EMR. However whilst the activity is even greater than anticipated, ELEXON has successfully negotiated funding from DECC by way of a Grant for each of the CFD and Capacity Market work, and therefore avoided incurring costs against this Market Development budget which would have had to be borne by BSC Parties. These Grants include not just costs incurred in setting up settlement systems for CfD and CM but also cover the costs of changing the BSC systems to facilitate CfD and CM settlement.