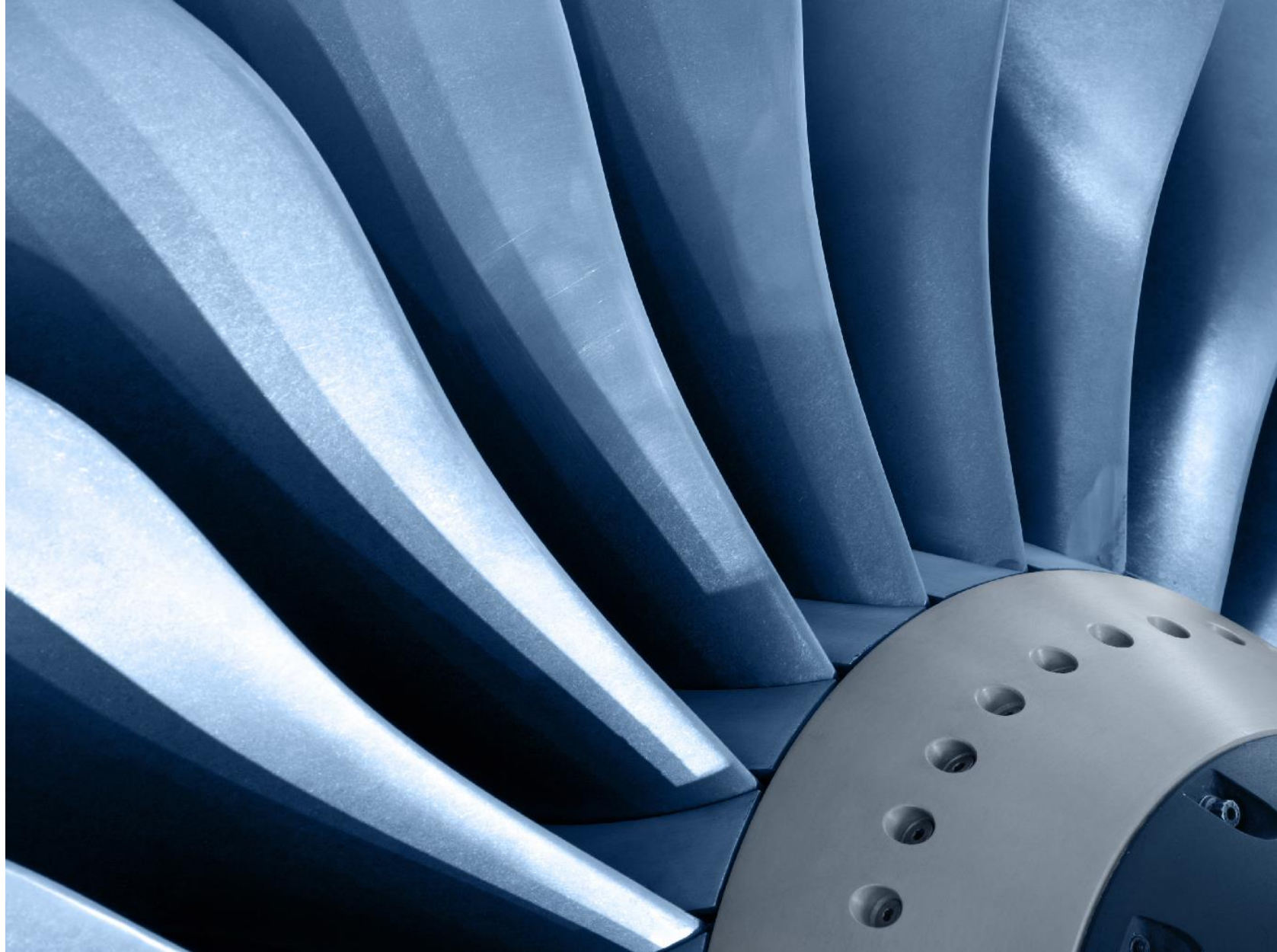


10 April 2025

# Change Report and Progress of Modification Proposals

361/02

Ivar Macsween



# BSC Modifications Overview

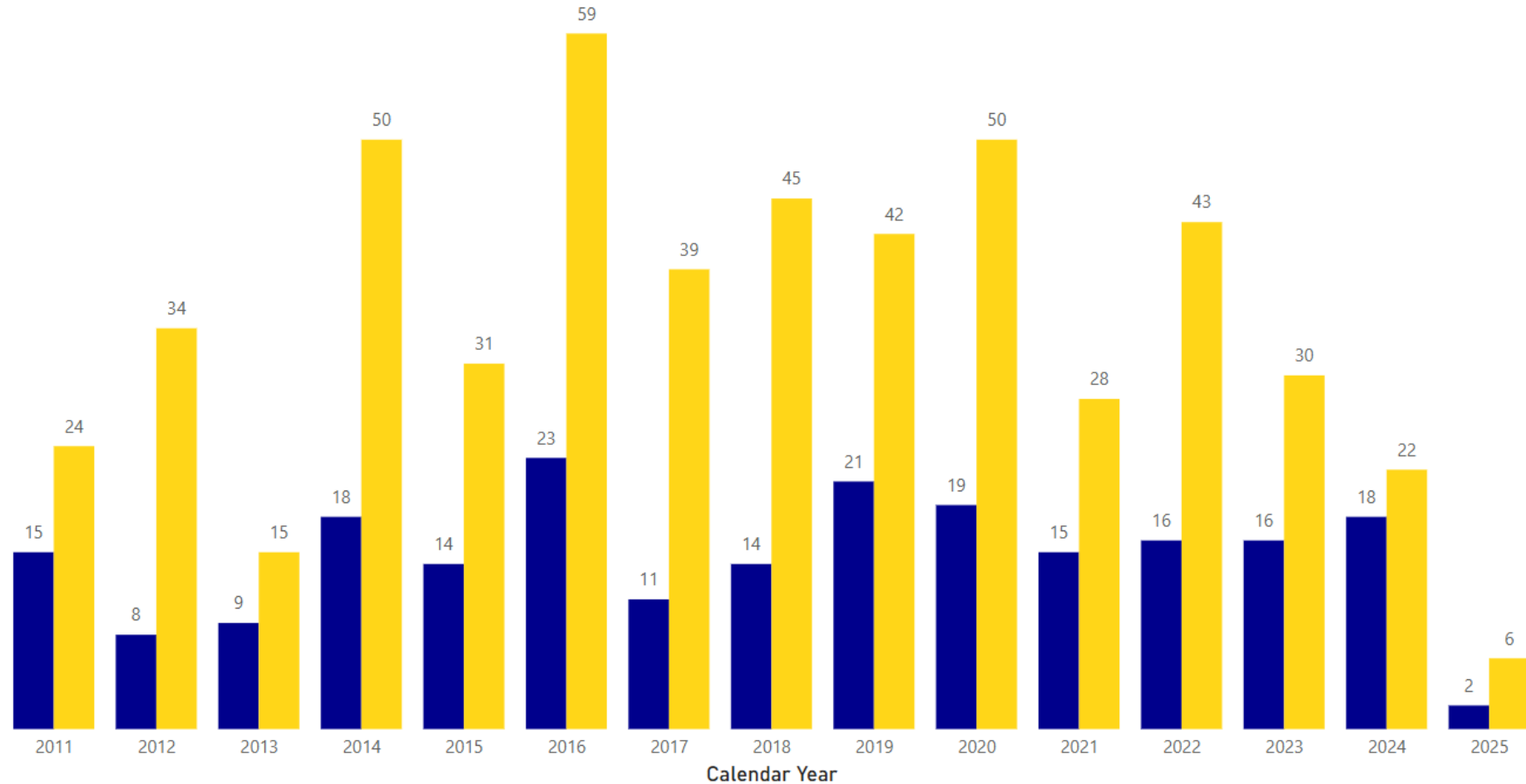
Initial Written Assessment	- [Incentivising Milestone M15], [Align Terminology with P478]
Assessment Procedure	- P412, P441, P462, P479, P483
Report Phase	- P484
Urgent	- P485
With Authority (implementation date)	-
Authority Determined (implementation date)	- P444
Self-Gov. Determined	-
Fast Track Determined	-
Withdrawn	-
Open Issues	Issue 103, Issue 110, Issue 111, Issue 112, Issue 114, Issue 115, Issue 116

# BSC Modifications Overview

[Back to report](#)

HOW MANY MODIFICATIONS RAISED AND WORKGROUPS HELD?

● Mods raised ● Workgroups (excl. Issues)



# BSC Modifications Approved Timelines

	Ext. Reqs.	Jan 25	Feb 25	Mar 25	Apr 25	May 25	Jun 25	Jul 25	Aug 25	Sep 25
<b>P412</b> 'Non-BM Balancing Providers pay for non-delivery imbalance'	5								AR	RPC
<b>P441</b> 'Creation of complex site classes'	5									
<b>P444</b> 'Compensation for Virtual Lead Party actions in the BM'	1				WA	AI				
<b>P462</b> 'The removal of subsidies from Bid Prices in the Balancing Mechanism'	1									
<b>P478</b> 'Implementation of MHHS Arrangements'	0	AI								I
<b>P479</b> 'Amendments to the Credit Cover calculations'	0									
<b>P483</b> 'Allow Asset Metering Systems to be used in Settlement where the associated Boundary Point Metering System is Non-Half Hourly'	0	IWA						AR	RPC	DMR
<b>P484</b> 'Amending BSC Metering Obligations for CfD Assets'	0		Designation	IWA	DMR/FMR	WA	I (+5 WDs)			
<b>P485</b> 'Stabilise the Transmission Loss Factor (TLF) for BSC Year 2025/26 at 2024/25 levels' – URGENT TIMETABLE	0			Urgent IWA/RP C/FMR	WA	I (+5 WDs)				

# BSC Change Release Roadmap

2025	2025			Un-allocated
Ad-hoc	Feb	Jun	Nov	
P478 'Implementation of Market-wide Half Hourly Settlement (MHHS) Arrangements' (MHHS Milestone M8')	P442 'Reporting chargeable volumes for exempt and licensed supply'	P480 'Publication of regional demand forecast data to fulfil ESRS Reporting requirements'	P444 'Compensation for VLP actions in the BM'	P412 'Non-BM BS providers pay non-delivery'
CP1599 'Remove the requirement in BSCP602 to specify the Half Hourly Data Aggregator in Non-Final Demand Declarations' ( MHHS Milestone M10)	P469 'Credit Default Refusal and Rejection Period'	CP1602 'Enabling AMMOAs to be appointed as MOA for both variants of Asset Metering Type 4'		P441 'Creation of complex site classes'
P477 'Data Protection Provisions for Market-wide Half Hourly Settlement' (7 March 2025)	P472: Amendment to provisions for Parties to bring claims against BSC Agents in BSC Section E	CP1604 'Clarifying CVA Metering Error Obligations'		P462 'The removal of subsidies from Bid Prices in the Balancing Mechanism'
CP1592 'Upgrade of NHHDA and EAC/AA system from Oracle 12c to version 19.21' (8 April 2025)	P476: Exemption from MHHS Requirements for SMS Supplier Qualification			P479 'Amendments to the Credit Cover calculations'
CP1601 'Add 'ZD Authorisation Level' for receiving Settlement performance data to the BSCP38' (8 April 2025)	CP1600 'Amend BSCP301 to remove e-mail submission of Funds Accession Form'			P483 'Allow Asset Metering Systems to be used in Settlement where the associated Boundary Point Metering System is Non-Half Hourly'
P466 'BSC Section N Modernisation' (10WDs from Elexon notification)	SC0001 'Removal of Footnote 3 in BSCP38'			

Key
Approved
With Authority
Report Phase
Assessment Phase
Direction
Urgent

# P483 Modification Update

The Workgroup was asked to assess the consistency of P483 with Article 5 of [Regulation \(EU\) 2019/943](#), which is retained EU law forming part of the ‘Clean Energy Package’:

*All market participants shall be responsible for the imbalances they cause in the system (‘balance responsibility’). To that end, market participants shall either be balance responsible parties or shall contractually delegate their responsibility to a balance responsible party of their choice. Each balance responsible party shall be financially responsible for its imbalances and shall strive to be balanced or shall help the electricity system to be balanced.*

For an aggregator, the imbalance is not based on the customer’s entire physical position, but on the deviation from a baseline, as defined in recital 15 of the same Regulation:

*All market participants should be financially responsible for the imbalances they cause in the system, representing the difference between the allocated volume and the final position in the market. For demand response aggregators, the allocated volume consists of the volume of energy physically activated by the participating customers' load, based on a defined measurement and baseline methodology.*

# Consistency of P483 with Article 5

The Workgroup concluded that the P483 arrangements for calculating aggregator imbalances are substantially the same as those established by previous Modifications:

- BSC Modification P344 ([‘Wider Access to the Balancing Mechanism’](#))
- BSC Modification P375 ([‘Asset Metering’](#))
- BSC Modification P376 ([‘Baselining’](#)); and
- BSC Modification P415 ([‘Facilitating access to wholesale markets for flexibility dispatched by Virtual Lead Parties’](#))

The differences between P483 and these previous Modifications are that, under P483:

- The baseline used to calculate the aggregator's allocated volume must be a Submitted Expected Volume (whereas P376 also offers the option of using a centrally-calculated baseline); and
- The impact on Supplier imbalance is different. The Supplier does not have HH metering, so demand shifting does not create any imbalance, while demand destruction or creation causes an imbalance spread over the Meter Advance Period

The Workgroup did not identify any reason to believe that these differences affect the compliance of the P483 aggregator imbalance calculations with Article 5

# Consistency of P483 with retained EU law – further considerations

Elexon and NESO also discussed the broader question of P483's consistency with EU retained law outside of the Workgroup, and did not identify any inconsistencies.

The Workgroup noted that EU proposals for a Network Code on Demand Response clarify that the P483 scenario of measuring aggregator flexibility with an Asset Meter ("dedicated measurement device") with the Supplier having a non-smart "traditional meter" is permitted, and as such P483 is not out of step with European market design.



# P444 Modification Update

## **Compensation for Suppliers and Virtual Lead Parties for Virtual Lead Party actions in the Balancing Mechanism**

- On 4 April 2025 the Authority approved P444 'Compensation for Virtual Lead Party actions in the Balancing Mechanism' for implementation on 6 November 2025 as part of the November 2025 Standard BSC Release.
- P444 will introduce compensation for Suppliers and Virtual Lead Parties (VLPs) for adjusted volumes in the Balancing Mechanism
- Ofgem have approved the Alternative Solution, under which VLPs are liable to pay compensation costs for volumes adjusted by that VLP, with compensation paid at a price that approximates the Supplier's expected sourcing costs, obtained by using Ofgem's published Price Cap Methodology
- Under the Proposed Solution, which was not approved, compensation costs would be mutualised. The different approach to 'who pays' is the only difference between the Proposed and Alternative Solutions
- Now we have an approved solution for P444, we will need to reverify the release date of November 2025, as several significant events have changed the landscape since this was submitted (namely the MHHS replan and priority modification P483).

# P444 Modification Update

- Ofgem's decision letter notes that
- While P415 and P444 have been treated as standalone decisions, including in the context of the relevant code objectives, we note that the approval of both will result in different compensation arrangements for the wholesale market and the BM. We have made our decisions based on the issues and analysis presented to us in the relevant final modification reports, while also taking into account other relevant considerations. These decisions have been finely balanced with several trade-offs. As the flexibility market(s) develops, we will continue to monitor and consider these impacts to ensure the market is working in the best interests of consumers.
- We welcome the progress that industry has made via individual BSC code modifications to better define the relationship between suppliers and VLPs. However, we think considering these arrangements more holistically, outside of the BSC decision-making framework, could provide additional value to GB consumers and clarity to market participants. We suggest it would be beneficial for Ofgem, NESO and government to work more closely together and provide clear direction to industry on our long-term vision for how the relationship between suppliers and VLPs should work and how market arrangements need to develop and adapt to enable flexibility. This includes assessing the effectiveness of existing market arrangements. This will be guided by The Low Carbon Flexibility Roadmap due to be published by DESNZ later in 2025.
- We are increasingly of the view that wider assessment of aggregator policy, its impacts and optimum balance of risk is needed. We encourage industry to channel their feedback through the BSC issues group (114) or directly to us for consideration. We expect Ofgem's preliminary Strategic Direction Statement for industry codes, that will be published later this year following our January consultation, will include more guidance on the areas where we consider that code modifications may be required.

# Upcoming Modification Proposals

- We are engaging Proposers on the following upcoming Modification Proposals:
  - Update the BSC change process for proposals affecting the NCER Terms and Conditions
  - Considerations over codifying service levels within the BSC
  - Building REMIT capability within Insights Solution
  - ‘Uplift Modification’ for MHHS updates to the BSC for Milestone M8
  
- Next month:
  - Draft Modification Reports for new Modifications
  - IWA for “Remove K3.1.2A to ensure EII volumes are calculated correctly”
  - Update on P441 progression (Panel Action #1)

# Recommendations

We invite the Panel to:

- a) **NOTE** the contents of the April 2025 Change Report.

10 April 2025

# New Modification

‘Incentive of BSC Supplier  
Parties to meet the M15  
MHHS Milestone ’

Initial Written Assessment

361/03

Jacob Smith



# Issue and Proposed solution

## Issue

- Under the MHHS Programme there is an incentive for Suppliers to become qualified to participate in the new arrangements by Milestone 14 (28 October 2026)
  - There is no incentive on Suppliers to meet the MHHS Milestone 15 (7 May 2027) to migrate all their MPANs to the new Settlement arrangements within industry and Ofgem-agreed timescales, other than the threat of possible Ofgem enforcement action after the event
  - Any MPANs still in the old arrangements at M15 will require a dual running of Settlement to continue, at a cost to all BSC Parties who fund the SVA arrangements. Costs are based on market share, irrespective of whether MPANs are migrated or not. That means that Suppliers who have completed their migration on time would still bear the financial burden of those who have not
  - Unmigrated MPAN customers cannot access the benefits of MHHS

## Proposed solution

- This Modification seeks to replicate the existing incentive for Suppliers to complete M14, to complete M15
  - If a Supplier has not qualified by the Milestone 14 (28 October 2026), then BSC Section C12.12.6 prevents those Suppliers from registering new MPANs until they become qualified
  - The MHHS Programme and Performance Assurance Board are supportive of this Modification Proposal

# Impacts & Costs

- This Modification does not impact any existing EBGL provisions in the BSC, nor does it extend them

Organisation	Implementation (£)	On-going (£)	Impacts
Elexon	1k	-	Document updates to Legal Text and Digital Code
Industry	L	-	This Modification would reduce the possibility of running the existing Settlement process and the new process simultaneously for longer than the planned 18 months.
Total	L	-	-

# Proposed Progression

- Direct to Report Phase
  - Elexon believe this Modification should proceed directly to the Report Phase for consultation, as the solution is self evident, replicating the approach taken for incentivising Milestone 14
- Not Self-Governance
  - Elexon recommend this Modification is not treated as a Self-Governance Modification as the proposed Legal Text materially impacts competition

Event	Date
Initial Written Assessment to Panel	10 April 2025
Report Phase Consultation (10WDs)	11 April 2025 - 28 April 2025
Present Draft Modification Report to Panel	8 May 2025
Issue Final Modification Report to Authority	9 May 2025
Proposed Implementation Date	+5 Working Days after Authority Decision



# New Modification: Recommendations

We invite the Panel to:

- a) **RAISE** this Modification Proposal in accordance with Section F2.1.1(d)(vi);
- b) **AGREE** that this Modification progresses directly to the Report Phase;
- c) **AGREE** that this Modification:
  - i. **DOES** better facilitate Applicable BSC Objective (b);
  - ii. **DOES** better facilitate Applicable BSC Objective (c);
  - iii. **DOES** better facilitate Applicable BSC Objective (d);
  - iv. **DOES** better facilitate Applicable BSC Objective (f);
- d) **AGREE** an initial view that this Modification **should not** be treated as a Self-Governance Modification;
- e) **AGREE** that this Modification **DOES NOT** impact the EBGL Article 18 terms and conditions held within the BSC;
- f) **AGREE** an initial recommendation to the Authority that this Modification should be **approved**;
- g) **AGREE** an initial Implementation Date of:
  - i. **+5 Working Days** after an Authority Decision;
- h) **AGREE** the draft Legal Text;
- i) **NOTE** that Elexon will issue the Draft Modification Report (including the draft Legal Text) for a 10 Working Day consultation and will present the results to the Panel at its meeting on 8 May 2025.

# New Modification

‘Aligning BSC Terminology with the Terminology Introduced by P478 (Implementation of Market-wide Half Hourly Settlement (MHHS) Arrangements)’

Initial Written Assessment

361/05

Eila Stevenson



# Issue & Proposed Solution

## Issue

- The approved Modification P478 changed the definition of the term 'Half Hourly Metering System' to address the needs of the MHHS legal drafting text. P478 uses 'Half-Hourly Metering System' as a pre-MHHS term
- With the implementation of MHHS, the meaning of 'Half-Hourly Metering System' becomes unclear. There are various possible interpretations regarding which MHHS Metering Systems are eligible to participate in the Balancing Mechanism or in the Wholesale Market

## Proposed Solution

- This Modification seeks to align the terminology used in P478 and the terminology used in areas of the BSC, that were deemed out of scope of the MHHS Significant Code Review
- This will clarify where the new usage is equivalent to the current definition and where it is distinct, to avoid ambiguity or unintended consequences throughout the BSC

# Proposed Changes to Legal Text

## Amendments:

- BSC Sections K, S, X Annex X-1
- BSC Procedure 602
- Code of Practice 5 &10

## Changes to Advanced Metering Definition

- Under MHHS, an Advanced Meter needs be recognised as Advanced even if the remote communications have never worked
- Such a Meter would still be set up by an Advanced Meter Operator Agent and be the responsibility of the Advanced Data Service to retrieve, validate and estimate the Meter Data
- If we do not change the BSC definition of an Advanced Meter, then a non-communicating Advanced Meter would end up in the Smart Segment

# Applicable BSC Objectives & Impacts

## Applicable BSC Objectives

- Positively facilitate Applicable BSC Objective (d) by aligning the MHHS and pre-MHHS Legal Text definitions, allowing MHHS to be implemented without unintended consequences to the Balancing Mechanism or the Wholesale Market

## EBGL Impacts

- Seeks to make amendments to Sections of the BSC that impact on EBGL Article 18 Terms and Conditions. These Sections include K1.2, K2, S6.2, S6.3 and S11
- We believe this impact to be positive

## MHHS Impacts

- No impact on MHHS code drafting or system development expected, therefore, SCR exempt
- The MHHS Expert Group were briefed of this pre-raised Modification and were supportive of this Change

# Impacts & Costs

Organisation	Implementation (£)	On-going (£)	Impacts
BSC Systems	-	-	No impact to BSC Systems as it will clarify terminology only
BSC Parties/Party Agent	-	-	No impact on BSC Parties, but in its absence there could be detrimental impacts to Supplier Agents, VLP, AMVLPs and VTPs due to the meaning of 'Half-Hourly Metering Systems' being unclear
BSC Documents	<£2k	-	Document updates to Legal Text and Digital Code
Total	Low	-	

# Proposed Progression Plan

Event	Date
Report Phase & EBGL Consultation (1 month)	16 April – 16 May 2025
Present Draft Modification Report to Panel	12 June 2025
Issue Final Modification Report to Authority	By 18 June 2025
Proposed Implementation	MHHS Milestone M8 ( <i>currently scheduled for 22 September 2025</i> )

## Not Self-Governance

- Impacts to EBGL Article 18 Terms and Conditions mean this Modification does not meet the requirements for Self-Governance and must therefore be submitted to Ofgem for decision

# New Modification: Recommendations

We invite the Panel to:

- a) **RAISE** the Modification Proposal in Attachment A (in accordance with F2.1.1.(d)(i);
- b) **AGREE** that this Modification progresses directly to the Report Phase;
- c) **AGREE** that this Modification:
  - i. **DOES** better facilitate Applicable BSC Objective (d);
- d) **AGREE** an initial view that this Modification **should not** be treated as a Self-Governance Modification;
- e) **AGREE** that this Modification **DOES** impact the EBGL Article 18 terms and conditions held within the BSC;
- f) **AGREE** the impact on the EBGL objectives;
- g) **AGREE** an initial recommendation to the Authority that this Modification should be **approved**;
- h) **AGREE** an initial Implementation Date of:
  - i. **MHHS Milestone M8**
- i) **AGREE** the draft Legal Text;
- j) **AGREE** the draft amendments to the Code Subsidiary Documents; and
- k) **NOTE** that Elexon will issue the Draft Modification Report (including the draft Legal Text) for a one month consultation and will present the results to the Panel at its meeting on 12 June 2025.



10 April 2025

# P484

## Amending BSC Metering Obligations for CfD Assets

Draft Modification Report

361/6

Eila Stevenson



# P484: Issue and Proposed Solution

## Issue

- Current BSC rules require BMUs with CfD Assets to consist solely of CfD assets, limiting flexibility when co-locating CfD and non-CfD assets would be consistent with evolving CfD scheme policy
- This restriction excludes the option of LCCC managing CfDs flexibly with generators, preventing the optimisation of CfD energy production and storage

## Proposed Solution

- Amend the BSC to allow BMUs with CfD assets to include a mix of CfD and non-CfD assets, where LCCC considers this appropriate in all the circumstances and, as the CfD Counterparty, agrees suitable terms under the CfD
- Enable greater flexibility for LCCC, aligning the BSC with evolving CfD policies and supporting innovative energy solutions

## Applicable BSC Objectives:

- P484 facilitates **Applicable BSC Objective (f)** by aligning the BSC with evolving government CfD policy, enabling LCCC to manage BM Units with mixed CfD and non-CfD assets while maintaining metering accuracy, transparency, and compliance

# P484: Impacts & Costs

- No impacts on EBGL Article 18 terms and conditions, or Market-Wide Half Hourly Settlement (MHHS)
- No direct implementation costs for BSC Parties, and ongoing costs are expected to be minimal. No impact expected on BSC Agents, Party Agents, or BSC Systems
- Updates are limited to **BSC Section K** and **BSCP15**, with implementation costs under £1,000 and no ongoing costs
- No changes to BM Unit configuration requirements for Settlement (K3.1.2 - 3.1.4)

## Engagement with DESNZ

- EMR Impact Assessment confirms alignment with CfD policy and no system or process impacts
- Section K3.1.8 requires Secretary of State consent for amendment (BSC Section F 1.1.9)
- DESNZ has confirmed consent will be provided before implementation

# P484: Report Phase Consultation Responses (1/2)

Questions	Yes	No	Neutral	Other
Do you agree with the Panel's initial unanimous recommendation that P484 should be approved?	4	0	0	0
Do you agree with the Panel that the redlined changes to the BSC deliver the intent of P484?	3	1	0	0
Do you agree with the Panel that the draft amendments to the CSDs deliver the intent of P484?	4	0	0	0
Do you agree with the identified consumer benefits?	4	0	0	0
Do you agree with the Panel's initial view that P484 should not be treated as a Self-Governance Modification?	3	1	0	0
Do you agree with the Panel's initial consideration that P484 does not impact the EBGL Article 18 terms and conditions related to balancing held within the BSC?	4	0	0	0
Do you agree with the Panel's recommended Implementation Date?	4	0	0	0
Do you have any further comments on P484?	1	3	0	0

# P484: Report Phase Consultation Responses (2/2)

Questions	0-6 months	6-12 months	>12 months	Other
How long (from the point of approval) would you need to implement P484?	1	0	0	3

Questions	High	Medium	Low	None	Other
Will P484 impact your organisation?	1	2	1	0	0
How much will it cost your organisation to implement P484?	0	0	0	3	1
What will be the ongoing cost of P484 be to your organisation?	0	0	0	2	2

# P484: Recommendations

We invite the BSC Panel to:

- a) **AGREE** a recommendation to the Authority that P484 should be **approved**;
- b) **AGREE** that P484 **does not** impact the EBGL Article 18 terms and conditions held within the BSC;
- c) **APPROVE** an Implementation Date for P484 of:
  - 5 Working Days** after a decision is received from the Authority
- d) **APPROVE** the Legal Text for P484; and
- e) **APPROVE** the CSDs for P484.

# P462 – Cost Benefit Analysis Presentation to BSC Panel

Elexon

10 April 2025



# Context for P462 CBA

- Hypothesis of P462 benefits is that re-ordering turndown bids according to total cost to consumers (i.e. taking account of CfD difference payments) will reduce overall consumer costs **if** it changes the merit order of actions in the balancing mechanism.
- Previous NESO analysis of P462 analysed historical bids into the BM to identify scale of consumer saving. Challenges were raised about limitations in the NESO analysis to capture the range of potential impacts on a forward-looking basis – with a TOR defined to include the list of impacts on the right.
- CEPA’s proposed approach is to use a **fundamental power model** to explore impact on BM outcomes of changing bids into the BM, and to capture dynamics associated with evolving patterns of supply and demand.
- However, the fundamental power model does not fully address every impact of P462. Therefore, we will use **additional quantitative and qualitative analysis** to capture wider impacts. This includes trading dynamics which will be informed by development of case studies. These will draw on engagement with industry and with insights from modelling.
- Main activities:
  - Feb – April: scoping and preparation
  - May/June: analysis
  - July/Aug: reporting

## Impacts specified in CBA TOR

I1: Market dynamics

I2: First & second order impacts

I3: Impact on investment cases

I4: Capacity Market Outcomes

I5: Carbon emission impacts

I6: CfD Outcomes

I7: Ancillary service and operability

Interaction with the TCLC

Compliance with EU Clean Energy Package

Co-located assets and hybrid metering



# Power market modelling

- CEPA's Scoping Paper sets out the key features of our approach for P462 CBA, with a focus on the main issues for the power market model

Scenarios	Model Approach	Data Sources	Assumptions & Limitations
<ul style="list-style-type: none"><li>• 6 scenarios proposed reflecting uncertainty around 5 key drivers of impact:<ul style="list-style-type: none"><li>• Decarbonisation pathway and pace of renewables deployment</li><li>• REMA: Zonal Pricing</li><li>• REMA: CfD reform</li><li>• Turndown costs</li><li>• Commodity prices</li></ul></li></ul>	<ul style="list-style-type: none"><li>• Model BM outcomes for each scenario under 4 cases – i.e. with / without zonal constraints and with / without P462 implemented.</li><li>• Measure impact of P462 on turndown costs by comparing the constrained case with an unconstrained case.</li><li>• Measure impact of P462 on flexible generators by considering volatility in proxy for cashout prices and implications for revenues.</li></ul>	<ul style="list-style-type: none"><li>• NESO FES/CP30 datasets for generation, demand and commodity price projections</li><li>• NESO ETYS/Beyond2030 for network boundary constraints</li><li>• DESNZ 2023 Cost of Generation report for turndown costs</li><li>• NESO: Historical BM bids</li><li>• NESO: mapping of existing generator units to subsidy parameters</li></ul>	<ul style="list-style-type: none"><li>• Modelled impacts are only on BM outcomes</li><li>• BM outcomes derived from market simulations in which all GB demand and supply are participating</li><li>• Assumes perfect foresight around demand and supply</li><li>• Assumes cost-based bidding in DAM and BM (taking account of lost subsidies).</li><li>• BM outcomes are 'optimised' and hence do not take account of limitations such as skip rates</li></ul>

# P462 CEPA CBA Scoping paper

- **NOTE** the contents of the CEPA scoping paper, providing any feedback



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10 April 2025

# TLF Investigation Update

Ban Mac  
Service Analyst, Elexon

Alastair Owen  
Transmission Charging Strategy Manager, NESO



# Missing circuits restored in Network Data

NESO have concluded their review of the data and have provided a revised T041001 file which have the HAKB4-HARK4 circuits reinstated.

There was no other significant change made to the Node List and Node Reconciliation data.

We re-ran the 2025/26 calculations using the revised input data through our internal validation model.

The results of this run was in-line with historic years' output. Which indicate that these missing circuits are the main cause of the TLF step-change.

These recalculated results are provisional and still require the TLFA to formally calculate the TLF values prior to Panel approval.

Winter TLFs Values (2024-2025)				
Zone	GSP Group Description	Published TLFs 2024	Published TLFs 2025	Recalculated TLFs 2025 (with NESO's revised Network Data)
1	Eastern	0.99%	2.19%	0.49%
2	East Midlands	1.09%	2.81%	1.10%
3	London	2.87%	4.22%	2.51%
4	Merseyside & North Wales	0.27%	2.01%	0.30%
5	Midlands	2.00%	3.68%	1.97%
6	Northern	-0.90%	1.61%	-0.10%
7	North Western	-0.42%	1.44%	-0.26%
8	Southern	2.86%	4.31%	2.61%
9	South Eastern	2.04%	3.05%	1.35%
10	South Wales	2.18%	3.92%	2.21%
11	South Western	3.20%	4.62%	2.91%
12	Yorkshire	-0.53%	1.53%	-0.18%
13	South of Scotland	-1.60%	-9.12%	-1.66%
14	North of Scotland	-4.73%	-11.84%	-4.35%

Provisional TLF Values

# NESO Investigation

- Circuit data is provided to NESO by the Transmission Owners as part of the Electricity Ten Year Statement (ETYS). NESO is responsible for extracting the mapping node IDs, which are then shared with Elexon to generate the TLFs.
- NESO analysis suggests that the script used to extract the node IDs from the ETYS network data failed to include a major circuit in that translation, which led to a change in TLFs for the 2025/26 year.
- NESO's current view is that a software update may have introduced a scripting bug, which resulted in the circuit being left out of the mapping node IDs.
- There have been subsequent software updates since NESO originally shared the data with Elexon last May. NESO's initial analysis indicates that those updates have resolved the scripting error, and we are confident that the scripts used in the latest software release allow for accurate extraction going forward.
- However, this issue has highlighted that there should have been mitigations in place, with more robust QA of the files that we have been sending to Elexon. We're currently looking at the best way to implement additional checks of that data to ensure that if errors do occur, they are picked up early in the process.
- NESO are keen to work with Elexon to perform a 'lessons learned' exercise to understand where we can improve procedures and governance around the TLF calculations to mitigate against this type of incident from recurring.

# Next Steps

- Elexon will share the revised T041001 file and the provisional TLF output from our internal model with industry.
- TLFA will formally calculate the 'corrected TLF values' using the Load Flow Model for BSC Year 2025/26.
- The Panel to Approve the 'corrected TLF values' and implementation date.
- Elexon to publish the 'corrected TLF values' on the Portal.
- Implement the 'corrected TLF values'.
- Elexon and NESO will conduct a Lessons Learned workshop.