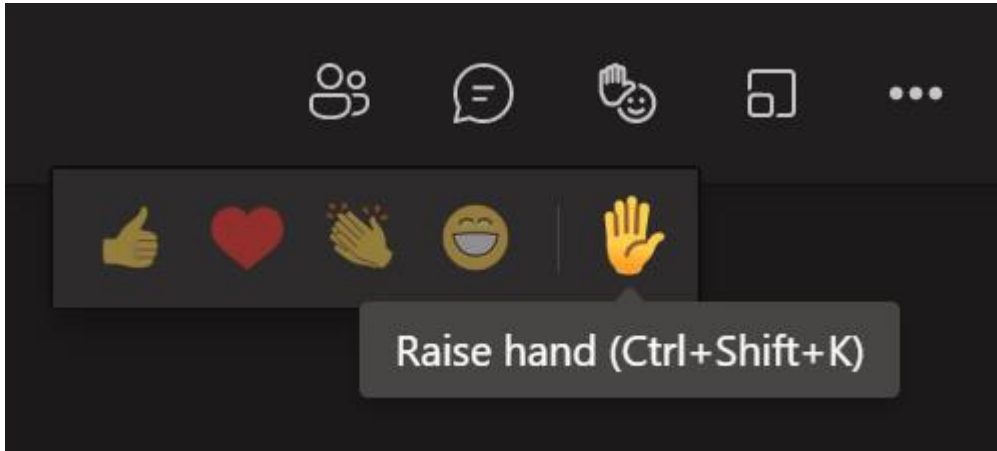


Issue 101 Digital Meeting Etiquette

- Welcome to the Issue 101 Workgroup meeting 1 – we'll start shortly
- No video please to conserve bandwidth
- Please stay on mute unless you need to talk – use the Raise hand feature in the Menu bar in Microsoft Teams if you want to speak, or use the Meeting chat



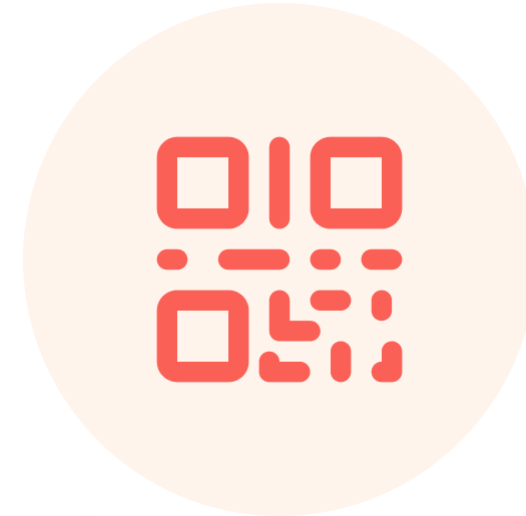
- Lots of us are working remotely – be mindful of background noise and connection speeds

Slido Guidance

- In order to make our Workgroups more engaging and to ensure that all participants' voices are heard we've started using the Slido plug-in for MS Power Point.
- Everyone should be able to vote and answer questions live during the presentation using Slido

Requirements:

- Internet access
- Web browser
- Participants can join at slido.com with **#1261704** or using the QR code



Joining as a participant?

Enter code here



ELEXION

**Issue 101 'Ongoing Governance, Funding
and Operation of the MHHS Data
Integration Platform (DIP) by BSCCo'**

Meeting 1

13 September 2022

Meeting Agenda

Objectives for this meeting:

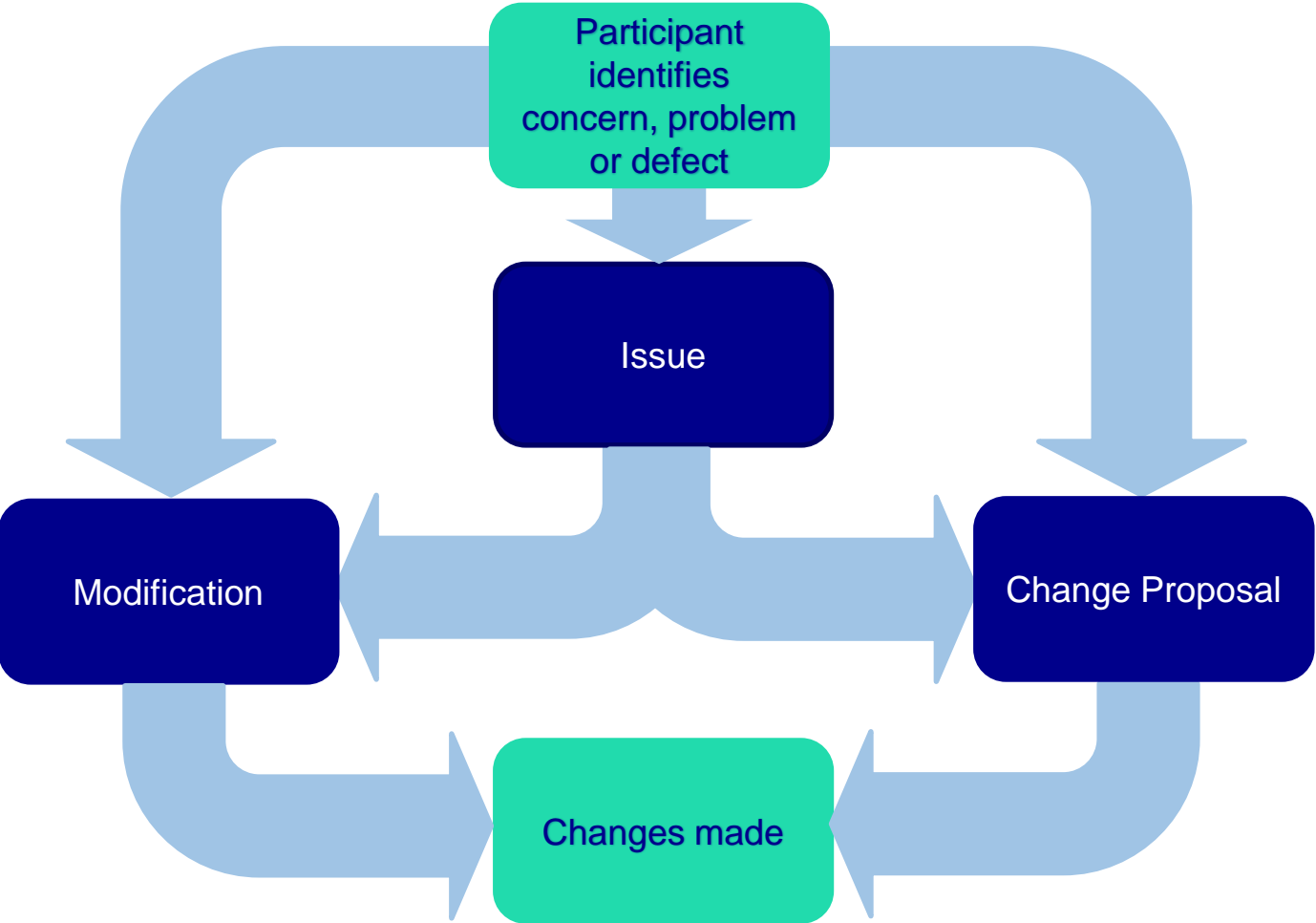
- Provide an overview of Issue 101
- Discussion of Terms of Reference and proposed plan
- Initial discussion of governance

| Agenda Item | Lead |
|--|---------------------------------|
| 1. Welcome and meeting objectives | Lawrence Jones (Chair) |
| 2. BSC Issue process | Jenny Sarsfield (Lead Analyst) |
| 3. Background to Issue 101 | Keren Kelly (Proposer) |
| 4. Introduction to the DIP | Robert Golding (MHHS Programme) |
| 5. Terms of Reference | Keren Kelly |
| 6. Progression Plan | Keren Kelly |
| 7. Governance arrangements for DIP under the BSC | Jonny Moore (Design Authority) |
| 8. Workgroup discussion | Workgroup |
| 9. Next steps | Jenny Sarsfield |
| 10. Meeting Close | Lawrence Jones |



BSC ISSUE PROCESS

What type of change do I need?



| Do I have a clear solution? | Will my solution amend the BSC? | |
|-----------------------------|---------------------------------|-------|
| | Yes | No |
| Yes | Modification | CP |
| No | Issue | Issue |

BSC Issue Process

- Issues are raised where problems or potential improvements to the current arrangements have been identified, but it's not known how best to resolve them
- Raised Issues will be discussed by an Issue Group to consider possible solutions, requirements, or to define the scope further
- Issue Group will consider potential ways forward such as raising a Modification/Change Proposal, or developing extra guidance
- There are no set timescales for Issues, so an Issue can take varying amounts of time to complete depending on the nature and complexity of the problem in question
- Elexon will prepare a final Issue report for the BSC Panel



BACKGROUND TO ISSUE 101

Background

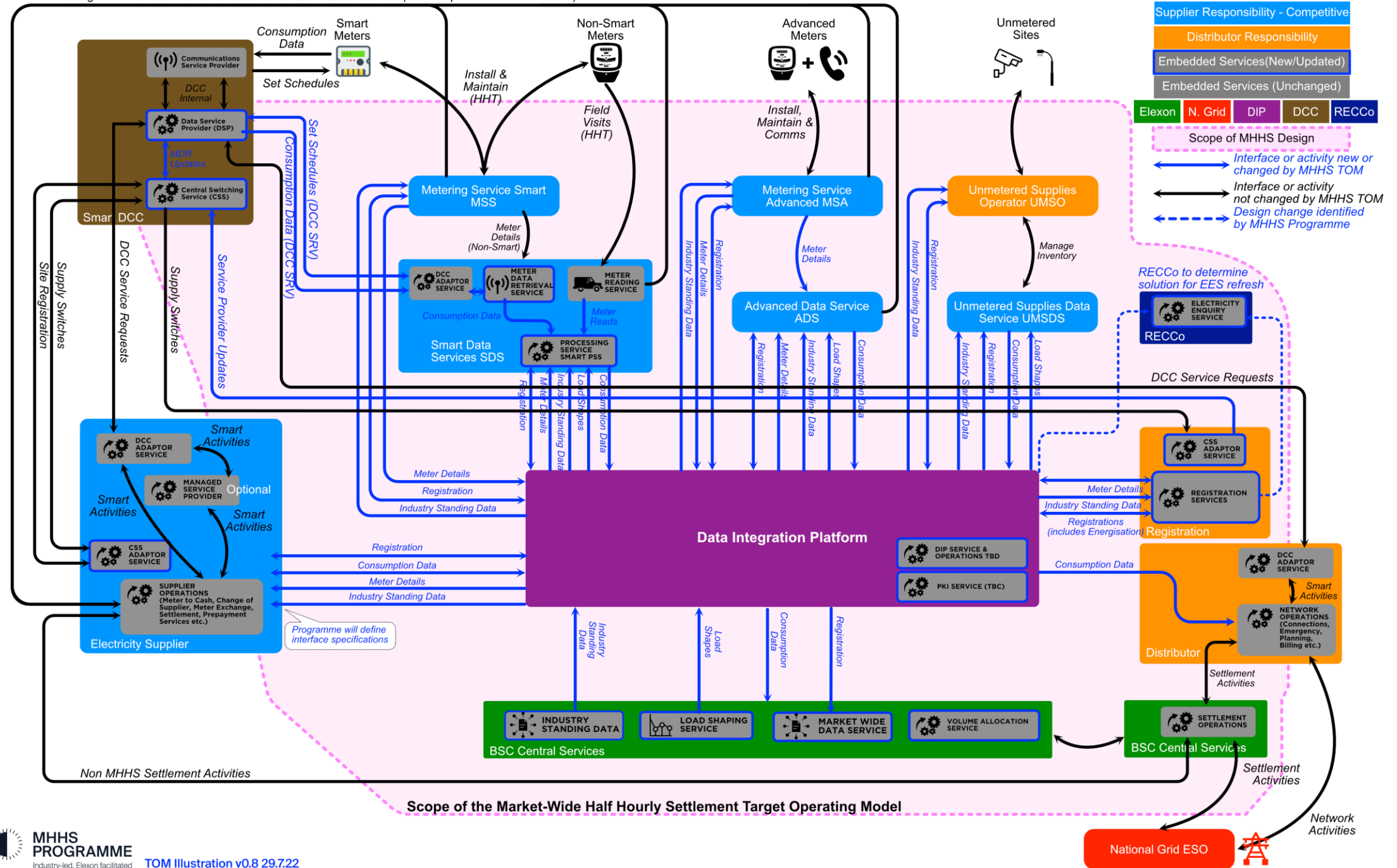
- Market-wide Half Hourly Settlement (MHHS) will result in a significant increase in the volume and frequency of data feeding into Settlement
- The Architecture Working Group (AWG) [recommended](#) that ‘event driven’ reference architecture be developed to support MHHS implementation, and Ofgem [supported this recommendation](#).
- The decision requires industry to develop a hybrid architecture comprising the existing Data Transfer Service (DTS) and a new Event Driven Architecture (EDA) platform
- The Data Integration Platform (DIP) is the delivery mechanism for the MHHS EDA
- In January 2022, Ofgem consulted on the [ongoing governance, funding and operation of the EDA for MHHS](#), seeking views on which party (Retail Energy Code Company (RECCo) or Balancing and Settlement Code Company (BSCCo)) would be best placed to undertake this responsibility
- Ofgem published their [Decision on the governance, funding and operation of an EDA for MHHS](#) on 21 April 2022, which determined that BSCCo should govern the EDA through the BSC
- A Modification to the BSC is required to give effect to this decision, and Ofgem intend to raise an Authority-led Significant Code Review (SCR) Modification which will formally implement changes for the ongoing governance, funding and operation of the DIP into the BSC
- Ofgem have asked Elexon (in its role as a MHHS Participant) to develop the proposed solution in consultation with industry, and so a BSC Issue is required to define the requirements and principles for the on-going DIP arrangements that can be included in the BSC Modification

Related Changes

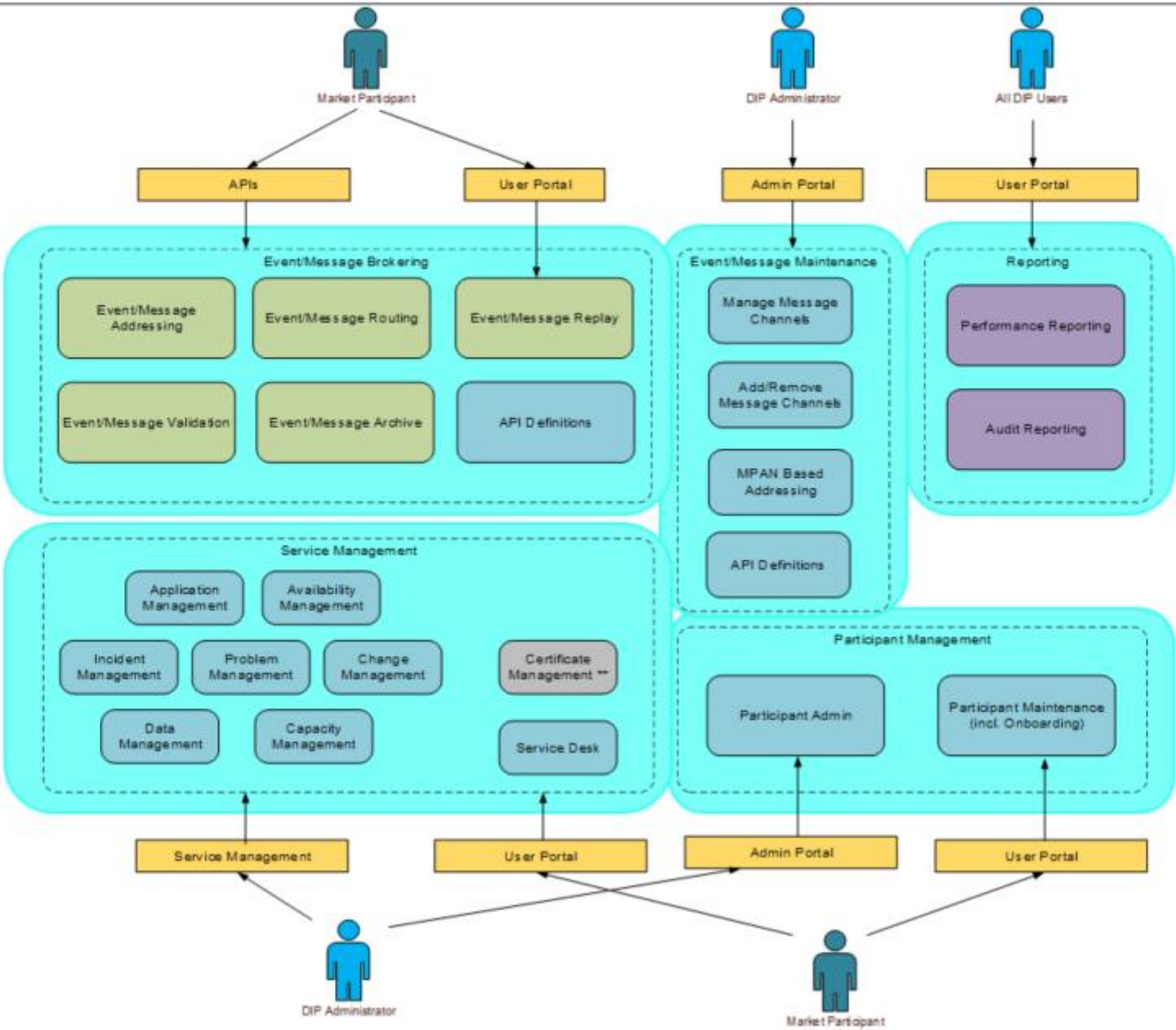
- [P439 'Enabling BSCCo to undertake development of the EDA-based Data Integration Platform'](#)
 - A BSC Modification which permits BSCCo in its role as MHHS Implementation Manager to design, build, test and implement the DIP before transferring to the enduring DIP system operator
 - The detailed arrangements for the ongoing operation of the DIP were outside the scope of Modification P439
 - P439 was implemented on 1 June 2022



INTRODUCTION TO THE DIP



Deep Dive – Technical: DIP Overview





TERMS OF REFERENCE

Issue 101 Areas of Consideration (1)

| Theme | ToR |
|-------------------|---|
| Governance | <ul style="list-style-type: none">i. Appropriate governance arrangements for the ongoing operation of the DIP under and alongside existing BSC governance arrangementsii. Role of current BSC Panel and committeesiii. Role of newly created committee(s) if appropriateiv. User categories and the types of DIP services they will accessv. DIP Users and current roles under the BSCvi. Governance of User Access (entry and exit) to the DIP including qualificationvii. Principles for incorporating DIP governance into BSC document |
| Change Management | <ul style="list-style-type: none">i. Change management principles and processes (Code Manager approach, Open/Closed governance, proposer ownership, industry engagement, solution development, possible prioritisation)ii. Requirement for specific DIP Objectives under the BSCiii. Decision-making body and associated processiv. Role of DIP Users in the Change Process, including those that do not currently interact with the BSCv. Links to cross code activity (considering where interface specifications for the DIP will be housed)vi. Identification of opportunities for designing a flexible, agile change processvii. Appeals process |

Issue 101 Areas of Consideration (2)

| Theme | ToR |
|-------------------|---|
| Data | <ul style="list-style-type: none">i. Data Best Practice Guidanceii. Elexon's Open Data Principleiii. GDPRiv. Decision making relating to data accessv. Data Ownership |
| Funding | <ul style="list-style-type: none">i. Definition of 'core' and 'non-core' services and activitiesii. Funding for core activitiesiii. Charging for non-core activitiesiv. Budget setting process and approval mechanismv. Arrangements for Party default/non-paymentvi. Not-for-profit operating considerationsvii. Invoicing |
| Service Provision | <ul style="list-style-type: none">i. Third Party Liabilitiesii. Independent assurance of provideriii. Communication and interaction with DIP Users |
| Non-core Services | <ul style="list-style-type: none">i. Users of non-core DIP services/activitiesii. Consideration of consumer interests (appropriate DIP objectives) |

- What are the principles for DIP governance arrangements?
- Which market participants will access the DIP?
- What should the role of the existing BSC Panel and committees be vs the role of any newly created Panel and/or committee?
- What should the market entry and exit process consist of?
- How should performance management of the DIP be handled?
- What considerations are required for data access requests?
- Which DIP User types will fund core service provision and what will the funding model be?
- What are the requirements for the DIP change process and how will decisions on change be made?
- What changes are needed to BSC documents, systems and processes to support Issue 101 and what are the related costs and lead times?
- Changes to DIP Design and the content of previous Authority decisions on the MHHS Event Driven Architecture are outside the scope of Issue 101.



PROGRESSION PLAN

Progression plan

| Activity | Detail | Sep-22 | Oct-22 | Nov-22 | Dec-22 | Jan-23 | Feb-23 | Mar-23 | Apr-23 |
|------------------------------|--|--------|--------|--------|--------|--------|--------|--------|--------|
| External Development | | | | | | | | | |
| Issue Group Meeting 1 | <ul style="list-style-type: none"> • Background • Outline plan, seek feedback • Governance (1) | | | | | | | | |
| Issue Group Meeting 2 | <ul style="list-style-type: none"> • Governance (2) • Change Management (1) | | | | | | | | |
| Issue Group Meeting 3 | <ul style="list-style-type: none"> • Change Management (2) • Data | | | | | | | | |
| Issue Group Meeting 4 | <ul style="list-style-type: none"> • Funding (1) • Service Provision | | | | | | | | |
| Issue Group Meeting 5 | <ul style="list-style-type: none"> • Funding (2) • non-Core services | | | | | | | | |
| Issue Group Meeting 6 | <ul style="list-style-type: none"> • Revisit overall Solution • Outstanding Legal Text review • Contingency | | | | | | | | |
| Issue Group Meeting 7 | <ul style="list-style-type: none"> • Review Consultation responses • Contingency | | | | | | | | |
| Elxon Consultation | | | | | | | | | |
| Publish Elxon Consultation | 4 week consultation period | | | | | | | | |
| Issue Recommendations | | | | | | | | | |
| Publish Final Issue Report | | | | | | | | | |

Progression Plan Feedback

- We welcome feedback from Issue Group members on meeting day/time/frequency preferences
- Ongoing discussions with the MHHS Programme are taking place to determine the required Implementation Date of the subsequent BSC Modification



GOVERNANCE

Areas to Consider

1. DIP Objectives
2. Legal Text
3. Governance of User Access to DIP
4. Role of existing BSC Panel and New / Existing Committees

- DIP Objectives for DIP governing body (BSCCo) and general DIP governance
- Suggested DIP Objectives:
 - to provide accurate and timely support for the settlement process; and
 - to further consumers' interests through the appropriately controlled use of data.
- Other potential considerations:
 - facilitating innovation in the energy sector and efficient delivery of services;
 - providing a reliable service that easily adjusts to the evolving needs of the market in the most cost effective way; and/or
 - ensuring the ongoing efficacy of central balancing and settlement systems.
- What should the DIP Objectives be?
- How should they be incorporated into the BSC?

The BSC legal text for DIP governance will be introduced through a separate BSC Modification from the wider Market-wide Half Hourly Settlement provisions. This Modification will be raised as an Authority Led SCR Modification.

Our initial thinking would be to govern the DIP through the following BSC provisions.

- Additions to BSC Section C (BSCCo and it's Subsidiaries) to add the overarching DIP provisions
 - Other options would include a new BSC Section
- New User Requirement Specification to cover the detailed DIP Technical Requirements
- New BSCP to cover other governance aspects (qualification, performance monitoring, data access etc.)
- There may be consequential changes to other BSC Documents to be confirmed
- Links to MHHS Programme code drafting need to be considered for consistency (new terms, definitions)

User access would need to be governed through the new provisions

- Points to consider:
- Parties requiring DIP access for Settlement Purposes:
 - Suppliers, Metering Services, Data Services, BSC Central Systems, Registration Service. DNOs? NG ESO?
- Would DIP testing form part of qualification for Industry Parties?
- How would initial MHHSP qualification be aligned with the enduring process?
- Should it be possible for other Parties to access the DIP directly for non-settlement purposes? If so how should this be managed? What types of organisations would these be? How would direct access work?
- Should DIP users be required to become signatories to a DIP User Agreement, governing their access?
- How would DIP market participant IDs be assigned?
- What would be the mechanism for removing access? In what circumstances would this be used ?
 - Market Exit
 - Payment Default
 - Defined period of no usage
 - Ofgem direction

Role of Panel and New/Existing Committees.

- How would the governance fit into the existing BSC Panel and Committee framework, and would any new Committees need to be created?
- Our initial thinking would be for a new BSC Committee to be created to manage DIP governance and change. We would welcome views from the group.
- Assuming a new Committee was created there would be the following considerations:
- **Terms of Reference**
 - Would the group be a decision making group, a standing workshop type group or both?
 - Would the group monitor performance of the DIP Service Provider?
- **Membership**
 - Would members of this group be selected on a constituent model or another selection method?
 - Which Industry Parties need to be represented?
 - Any non Industry Parties (Consumer Groups etc.) need representation?



NEXT STEPS

Next steps

- Summary of Workgroup meeting decisions and actions by 19 September 2022
- Provide initial DIP Governance model to Issue Group Members
- Confirm date for second Issue Group meeting

MEETING CLOSE

ELEXON

THANK YOU

Jenny Sarsfield

jenny.sarsfield@elxon.co.uk

bsc.change@elxon.co.uk

13 September 2022