

Issue 102 Meeting 2 Outcomes and Next Steps

Outcomes

The Issue 102 'BSC Change Review' Group met on 3 November 2022 to revisit the list of identified improvements and provide views on the benefits and impacts of each suggested improvement.

The group noted at this stage these are ideas in principle and remain high level rather than having any level of detail. For most of them, solutions could be handled multiple ways with further discussions necessary to flesh out the proposals and resolve branching discussions. Rather, the group focused on the value of continuing to explore the more complex topics, while agreeing the quick wins to be progressed in short order.

Quick wins (ordered by initial priority score):

Publicise the existing backlog of BSC Change (currently published on the BSC Website) via Newscast periodically

To give better visibility to that list of upcoming changes, the intention is to publicise a link to this webpage: <https://www.elexon.co.uk/change/potential-bsc-changes-awaiting-initial-consideration/>

This gives parties an opportunity to engage with Elexon and better understand (or challenge) the timing and priority of expected changes to the BSC.

Benefits Score	Impact Score	Priority Score (Benefits x Effort)
3.6	4.4	15.84

Review and change Housekeeping CP and Mod report templates to slim down documents and associated effort progressing low impact HK Changes.

While there was initial support for reducing processes and governance procedures around Housekeeping changes, a quick win to reduce the level of documentation associated with HK changes (the aim being Modification and CP Reports reduced to a single sheet) was identified in the 1st meeting.

Benefits Score	Impact Score	Priority Score (Benefits x Effort)
3.4	4.5	15.3

Update email templates to make it clearer that interested parties can join distribution lists and Workgroups as observers

Noting BSC are obligated to send out certain communications on changes, so Parties can never completely 'opt out' of receiving all communications but this would promote visibility of existing options and help interested parties to engage in a more targeted way with specific BSC changes.

Benefits Score	Impact Score	Priority Score (Benefits x Effort)
3.3	4.6	15.18

Implement a standing session to invite industry feedback on upcoming CPs

Feedback received at the 1st meeting stated that some CPs could benefit from industry feedback before raising (in particular those who had spawned from an Issue group or similar when there is sometimes a significant gap between the closure of the issue and point of raising). To mitigate this, the Issue group suggested introducing a mechanism to allow earlier Party feedback on CPs to support transparency and ensure any early problems are highlighted. In some cases, Elexon have had to issue 2 consultations because the solution needed to be tweaked - this could help avoid those situations.

If this ends up being a standing group, this could duplicate work already undertaken by the committees, but wouldn't create any harm. The suggestion is to run this as a drop in session rather than standing group. It could be run on a trial basis, or varied month-to-month based on demand (volume/complexity of CPs).

Benefits Score	Impact Score	Priority Score (Benefits x Effort)
3.1	3.5	10.85

The website for each change to list the SME and DA resource as well as the lead Change Analyst.

This would help industry to reach out to the right Elexon resource but could cause confusion and violates principle of single contact for BSC changes. On that basis the group agreed that this suggestion should be **discontinued**, with no further work as part of Issue 102.

Suggestions for further exploration at a future meeting (ordered by benefit score):

Let non-Parties raise CPs, potentially via a Panel-controlled system to align with Modification process. Consider having a list of designated entities that could raise changes

Feedback received in the 1st meeting highlighted that non-Parties being unable to raise CPs is inconsistent, given that non-Parties can raise Mods under approval and supervision of the Panel.

In the 2nd meeting, group discussed appropriate checks and balances to ensure frivolous CPs aren't raised. It may be appropriate to consider which type of non-Parties should be allowed to raise CPs when this is considered in more detail. There could be an initial qualification as a 'raising non-Party' or similar, that would allow non-Parties to raise CPs once they have completed a qualification process once and then added to a list as a valid proposer.

One member highlighted the benefit of allowing Party Agents who are significant actors, described as being 'at the coalface' of these processes to raise CPs, as they often have a pragmatic understanding of the benefits associated with them and improvements that could be made.

The group noted how under the REC and Capacity Market, anyone can raise anything they want, but they have not, as yet, been inundated with frivolous changes. Therefore one option could be for the BSC to remove 'raising restrictions' on non-Parties as these are not featured in other Codes.

This would extend the scope of this suggestion, which Elexon noting the two options and suggested the latter could be captured as "develop a process for non-Parties to raise changes, that is aligned across the Mods, CPs and Issues process"

The potential impact on Panel of having to conduct a lot of vetting of non-Parties was highlighted, with one member suggesting that Elexon could undertake this and refer to the Panel when required.

Elexon's initial thoughts is that allowing non-Parties to raise CPs would require a CP rather than a Mod, but would need to double check any legal consideration or hooks within the BSC itself. If able to be progressed as a CP, 'non-Parties raising CPs' would be able to be progressed and implemented more quickly than a wider review of non-Party raising rights across the wider BSC, which would certainly require a Modification.

Some further considerations:

- Would non-Party qualification be taken to the Panel or the sub-committee responsible for the CSD that the CP is amending?
- Once a non-Party has been allowed to raise a CP, should they be added to a list so that they don't have to undertake that process again?

Noting that this item developed branching discussions and that the impacts will change significantly based on the answers to some of these questions, the group scored the benefit and will revisit the impacts once more clarity is gained. The group would like to take this forward for further discussion at a future meeting.

Benefits Score
3.8

10/11 BSC Panel Update: In discussing Issue 102, several Panel members noted that Ofgem had not been present at the two Issue 102 meetings so far, but called for future engagement as this would be very useful to feed in to important discussions such as non-Parties raising changes which could impact other Codes, encouraging more attendance at the Issue 102 meetings to inform the Authority in the context of the ongoing Energy Codes Review.

Be able to have more than 1 Alternative Solution for each BSC Modification.

Noting that multiple alternatives would not be necessary should Ofgem change their ways of working to consistently provide a steer in ongoing Modifications, the group remained supportive of the idea to allow more than 1 Alternative under the BSC on the basis of allowing multiple options to be presented to Ofgem, but recognise that further discussions are necessary.

The potential need for a licence change to enable a different approach to alternatives was highlighted, as National Grid ESO's contention that one Alternative (which has to be better than the Proposed) is a requirement of their licence led to the current BSC approach.

As in the 1st meeting, several members noted the example of the CUSC as a cautionary example of allowing too many alternatives so that assessment decision making becomes difficult and less workable, although recent changes had managed this by introducing arrangements similar to the BSC's.

It was clarified for the group that the codes governed by National Grid have no limit to alternatives, with a National Grid representative reporting that an average of 2 alternatives per change was seen (ranging from 14 alternative solutions to 0). In addition, the chair has the ability to save any alternative that the Workgroup don't want but has to be justifiable and based on things like impact to consumers.

The group are minded to use 3-5 alternatives as a maximum threshold, but this will be revisited and further developed.

Benefits Score
3.6

10/11 BSC Panel Update: It was noted by a BSC Panel member who is also an Issue 102 member that National Grid and REC's input had been particularly valuable, especially in consideration of potential alignment between the codes when it comes to the number of Alternatives.

Housekeeping-related improvements to expand the HK definition and allow immediate implementation

At the first meeting, several ideas for speeding up the implementation of Housekeeping changes were received.

1. Housekeeping changes shouldn't need to wait for BSC releases to be implemented. Where a change is identified as housekeeping the change could be made and implemented immediately with a notification update going to industry.
2. Extend housekeeping definition to include minor errors that still deliver intent.

As long as Codes are being transparent about what changes are being made, there was support for the idea of a Code Manager acting quickly and efficiently to solve Housekeeping errors with as little process as possible, to ensure quality within the Code.

Benefits Score
3.5

Remove or reduce Workgroup voting duties

In principle the Issue 102 group supported removing voting duties for Workgroup members in the first meeting. One member stated that Workgroup votes only matter for the BSC Panel, and then Ofgem look to the Panel's views when it comes time for their decision. This would be a change to the way Workgroups are currently run, whose impacts and any cross code considerations would need to be addressed along with a better understanding of the impacts on BSC Section F.

One Panel member challenged this idea, suggesting that getting views for and against the BSC Objectives was useful to understand how polarised the views are. Voting therefore does have a purpose in informing the Panel as to the strength of feeling around certain solutions. Furthermore, the provision of these views has a role in the Proposer deciding whether to continue with an unchanged solution or amend it accordingly if necessary.

Another Panel member, who had raised this idea, clarified the intention and called out an example where Party Agents had formed a strong majority of Workgroup members and therefore voted in favour of a Modification where in fact respondents to the consultation (Suppliers in this case) had responded against the solution. This member felt that the consultation offered a fairer view of who in

the industry was in favour (or not) without the need to have Workgroup votes, which was felt to not really add that much, given that the Panel will provide views anyway.

The recording of number of votes was felt to be far less important than coming to an understanding of who supports the solutions, which can be captured via consultation.

One member who had acted as a Modification proposer in the past recalled that they spent a lot of time arguing various positions rather than focusing on getting that proposal into a decent state to move forward. Therefore they supported the idea of an increased focus on solution development rather than specific and partisan views of those attending the Workgroup.

A member stated their belief that Workgroup views are important and should be recorded, that members are there as impartial experts (not representing their constituency), but even when a defence of opinion is heard based on constituency then that view is still valid.

It was also noted that removing voting could have benefits to facilitating a potential reduction in quoracy requirements (which can be an ongoing challenge and lead to delays in Modifications) which would presumably become less important in a world where formal voting is not a feature.

One member raised the suggestion of constituency voting, whereby a subcommittee containing representatives from a type of Party provide an e.g Supplier view. Slightly separate.

A member challenged the idea of reducing quoracy, noting that aside from voting the meeting still needs enough people to make it a worthwhile discussion with enough different views.

Noting that under current arrangements any Alternative Solution must be voted to be better than the Proposed, one member wondered how this might work in a world of no voting. At the moment this is unclear, and would need to be further explored if there is appetite to continue these discussions.

Benefits Score
3

Allow the BSC Panel to stop a Modification (e.g P332)

One member described this idea as a 'slippery slope' in terms of open governance and ability for anyone to progress change and did not support this in principle. Another member agreed, noting they would negatively score the benefits of this idea if they were able to.

A process would need to be defined in terms of how the BSC Panel would be able to stop a Modification and what criteria it would have to meet.

Furthermore, the process necessary to achieve this might well need to involve developing robust criteria, introducing appeals processes and arbitration which could be lengthy and time-consuming, so this was ultimately felt to be more trouble than it is worth.

It was noted that the REC and some other codes have the ability to reject changes at the start of the process, which is not a power than the BSC has. While noting the governance disbenefits, several members of the group believed that the ability to push back on a proposal that Elexon as the Code Manager believes has no merit would be beneficial to avoiding wasted work and time for the wider industry, prior to it going to Panel.

While the initial proposal did not receive much support, the group discussed ways that Elexon or the Panel could stop or deprioritise an active Modification (in order for those resources to be used on other developments).

Rather than a subjective Panel process for stopping a Modification, one member suggested an objective and time-limited restriction whereby if a Proposer is taking too long to progress a Modification, then this would be 'time off the clock' against a set number of months to progress a Mod.

Benefits Score

1.8 (one member wished for a negative score to be noted)
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Remove the need to consult twice for Modifications that have been assessed and consulted on by a Workgroup

At the first meeting, group noted that Report Phase consultation responses are received less frequently than Assessment ones, this is often due to respondents not seeing value in responding twice. The Report Phase Consultation adds a minimum of 1 month to BSC Modifications and sometimes isn't needed. At Assessment Report, the Panel could be invited to agree/disagree that a Modification needs a 2nd Consultation.

One member said they understood why this might be wanted but stated they do not think it is a good idea. They described the differences between the Assessment Consultation and the Report Phase Consultation, with the former allowing an opportunity to comment while the Workgroup are still developing the solution, and the latter for any views to be taken into account by decision makers. Noting that the ability to 'skip' an Assessment Consultation is already there (as Modifications do not have to undergo the Assessment procedure) the Report Phase is the legal requirement (in order to report to the decision maker), removing any consultations would remove flexibility from the process.

The group discussed the intent behind this suggestion, in that it came from examples where workgroup and industry's views had remained consistent throughout the entire run of its lifecycle.

Were this to be removed, there would need to be a lot of careful consideration as to the legal position and necessary safeguards around this.

As quick wins, one member highlighted the long time it took to respond to BSC consultations, stating that often there were too many questions asked. The member also suggested adding the ability in to the Report Phase to say something to the effect of 'My views have not changed since the Assessment Consultation' to allow for speedier responses.

As a challenge, a member stated that further consideration would need to be paid to whether this would meet Elexon's requirements as the Code Manager, but also Ofgem's as the decision maker (e.g do Ofgem look back to the Assessment Reports or do they need all that detail to feature in the Final Report?)

A member described potential difficulty with allowing multiple different ways to respond to a consultation (via email/form/phone call) and urged caution around the idea of moving away from 2nd consultations, advising that you would need to be very very very clear about the rationale for doing so.

Quick Win Idea: tick box at top of the Report Phase Consultation question sheet like "I answered the Assessment Consultation and my views haven't changed"

In light of many views against this idea, the group do not wish to continue developing this, rather they would like to focus on making it easier to respond for parties.

Other discussions/out of scope suggestions:

Remove the EBGL Change process

It was noted by the Issue group that the EBGL Change process adds no value, but is codified in UK law. Therefore the group noted that it was limited to make a recommendation to BEIS that this be removed, but no further direct action was possible beyond this, as it is outside the remit of Issue 102.

Benefits Score
4.1

Extend CCSG scope to include all codes and incorporate CACoP duties (requires cross-code and Ofgem support)

The group recommend looking to extend CCSG scope to incorporate CACoP duties, as they do not view CACoP as a good use of resource in its current form, as it does not have sufficient “teeth” to implement wider-reaching change across the code landscape. This would be a recommendation from Issue 102, rather than a change within the scope of Issue 102.

8/11 CACoP Update: Elexon raised this for discussion at the November 22 CACoP meeting. The CACoP group noted the Issue 102 group’s rationale but some members maintained some reservations about whether it would be suitable and also on the volume of work that this could add to CCSG meetings. CACoP agreed to consider the Terms of Reference for CCSG and CACoP to get a better understanding of the remits and roles of the two groups at their December meeting.

10/11 BSC Panel Update: It was noted that an expanded CCSG (rolled out to all codes under this proposal) with more “teeth” could assist with joined up approaches to code governance in a way that is not possible under the current CACoP setup.

Change Elexon and industry ways of working to enable progression of Modifications to timetables that are currently only seen with urgent modifications

Elexon representative added that this was more about avoiding sleepwalking with default approaches to e.g one meeting per month when it could be quicker than that, as evidenced by Issue 102.

A member noted that online meetings create savings, but other parts of this question depends on the scale of change. Elexon must be careful not to introduce chaos into the industry which will be felt downstream by consumers, by attempting to speed through what could be a large system change for example. Development space can be more or less constrained for different industry participants, so cautioned against going against a structured approach to change.

A member noted some Panel unease about some of the recent Urgent Modification timescales (developing complex solutions in very short timeframes) so was uneasy about benchmarking against these, as they were responding to specific circumstances in the market that were driving a need for urgent action.

A quick win could be, early on in a change, assessing whether a given change is suitable for rapid-fire Workgroups (like Issue 102) or whether slower progress is needed (like Mods with large system changes). An Agile approach to decide what aspects to apply to a project could be suitable.

Ultimately this was felt to be with Elexon to manage and reflect on in order to ensure efficiency in change progression, but no further discussions or time spent by the Issue 102 group.

Introduce a public prioritisation mechanism for BSC Changes

Further consideration of prioritisation mechanisms, noting QW1 was raised to increase transparency around this. Some members expressed a desire for public prioritisation of desired changes (similar to REC), but noted that an internal Elexon mechanism prioritisation exists, but its informal and unseen by industry.

Members noted the quick win raised around this point, but not much appetite to develop further prioritisation mechanisms as part of Issue 102.

Next Steps

At least 1 further Issue 102 meeting will be necessary to continue discussions, triage solutions and direct workload and raising of any quick wins and consequential BSC Modifications/ Change Proposals