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## Issue 102 Meeting 4 Outcomes and Next Steps

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### Meeting 4 Discussions and Outcomes

The Issue 102 'BSC Change Review' Group met on 16 December 2022 to continue its discussions.

Elexon have taken a number of actions to scope out and generally better understand the changes needed for each improvement idea and also to consider whether any of these may impact Elexon's license conditions, and whether each idea would be progressed under Self Governance (however, noting that most of the ideas make material changes to the BSC's governance procedures) or whether it would need to go to Ofgem for decision.

These are captured below under "Summary of Issue 102 Ideas and Next Steps", and Elexon will report back the outcomes to the Issue 102 group, at which point the group will be invited to consider whether another meeting to consider prioritisation is appropriate, or whether the group are happy for Elexon to suggest and confirm a progression timetable and close Issue 102 to enable Elexon to start progressing agreed recommendations.

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### Allowing more than one Alternative for BSC Modifications

Ahead of the 4<sup>th</sup> Workgroup National Grid ESO provided the Issue 102 group with the CUSC Alternative and Workgroup Vote template.

CUSC Modification process:

- **Stage 1 - Alternative Vote** - if Workgroup Alternative Requests have been made, members vote on whether they should become Workgroup Alternative CUSC Modification.
- **Stage 2 - Workgroup Vote** - Members assess the original vs Alternatives against the CUSC objectives compared to the baseline and vote on which of the options best facilitates these.
- *The Alternative vote is carried out to identify the level of Workgroup support there is for any potential alternative options that have been brought forward by either any member of the Workgroup OR an Industry Participant as part of the Workgroup Consultation.*
- *Should the majority of the Workgroup OR the Chair believe that the potential alternative solution may better facilitate the CUSC objectives than the Original proposal then the potential alternative will be fully developed by the Workgroup with legal text to form a Workgroup Alternative CUSC modification (WACM) and submitted to the Panel and Authority alongside the Original solution for the Panel Recommendation vote and the Authority decision.*
- Each Alternative is owned by a Workgroup member, the Proposer of that alternative.

The group noted that the CUSC compares each alternative against the baseline, then comes up with preferred solution (baseline, proposed or one of the alternatives)

One member thought it would be better to discard the notion of alternatives having to be better than the originally proposed solution. The member thought it would be preferable to put multiple alternatives to Ofgem, without having to say that one is better than the original, noting that there can be valid alternatives that are not 'better' but are still useful for the Authority to consider, e.g a cheaper but 'worse' solution for the baseline that nonetheless has a better cost benefit case.

However another member noted that this approach could go against the direction of travel in CUSC and Grid Code where the status quo of solutions being better than the original is based on an interpretation of

wording within its license. Noting these potential license considerations, the group felt that the path of least resistance would be to mirror the CUSC modification process.

The group considered whether allowing more than 1 alternative and removing the comparison could increase the risk of vexatious proposals and whether anything would be needed to mitigate that risk, ultimately agreeing that the chair should have power to remove any alternatives deemed to be vexatious.

Elexon took an action to look at the license and consider how any obligations could interact with development of this proposal.

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## Amendments to the Housekeeping change process

In previous meetings the Workgroup felt it appropriate for Code Managers to make these changes meeting the criteria of Housekeeping without full consultation process. It was agreed that Elexon would consult ahead of time to give visibility to industry – sending messages to the effect of “for information: next month we will be making the following HK changes”. Additionally, Elexon will produce a report to Panel at least quarterly containing any HK changes made in the intervening time.

BSCP40 defines a Housekeeping change as such in paragraph 2.2 ‘List of Definitions’:

Housekeeping Change – involves the correction of manifest errors, minor errors and inconsistencies, including typographical errors (e.g. punctuation errors, spelling mistakes, incorrect font, incorrect capitalisation) incorrect cross-referencing, and the removal of redundant text.

In the 4th meeting, the group considered whether the current definition of housekeeping was sufficient (or whether it could be expanded) to cover a few specific examples:

E.g Section B2.7.4(b)(iii) states:

- A person shall cease to hold office as a Panel Member if “he is or may be suffering from mental disorder and either he is admitted to hospital in pursuance of an application under the Mental Health Act 1983 or an order is made by a court having jurisdiction in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person with respect to his property or affairs”.
- Section K 1.2.2(b) (ii) is inconsistent with Section K 2.1.2 which implies that an Exemptible Generating Plant has the choice of registering in both CMRS or SMRS.
- Section K 1.2.2(b) (ii) defines ‘in the case of an Import to any Generating Plant at which electricity is generated by a Party holding a Generation Licence, shall be that Party.’ This implies that a Generator would have to register a Metering System in CMRS, as SMRS is only open to Licensed Suppliers. Section K 1.2.2(B)(ii) needs an amendment similar to the effect of Section K 1.2.2(a)(ii) to recognise that a Generating Plant can choose another Party to be responsible for their Imports and Exports.

The Issue Group considered whether these kind of changes could be progressed more efficiently than they currently are, by expanding the definition of Housekeeping under the BSC.

For the first case, some members thought that the current scope would be sufficient to class this as Housekeeping, given that is clearly out of date with modern best practice and operational requirements and protections. For the other examples given, it was noted that these could affect rights and obligations for Parties, and several members thought it right to maintain the status quo to require a positive decision for cases such as these.

The group noted the REC’s definition of Housekeeping, which is as follows:

**Housekeeping Change Proposal** – is a housekeeping change required because of an error, inconsistency or factual change, including but not limited to:

1. updating names, addresses or email addresses listed in the Retail Energy Code;
2. correcting minor typographical or grammatical errors;
3. correcting formatting and consistency errors, such as paragraph numbering; or
4. updating out of date references to other documents or paragraphs.

Elexon agreed to consider the REC definition and how it relates to the examples given to come to a better understanding on whether any changes to the Housekeeping definition could be suitable.

Furthermore, and as with other improvement ideas, Elexon will consider whether the proposals align with its license conditions, also considering the effects of any deviations from other Codes.

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### **Mitigating low quoracy**

The group noted that industry resource is at a premium currently, helping to explain why some changes receive less engagement than is necessary to efficiently progress these through the Workgroup/industry assessment phases.

One member raised the question of whether low engagement should be grounds for removal, on the basis that they are attracting insufficient industry attention. However, some other members pushed back on this idea, arguing that using low quoracy/interest as a reason for closing BSC Changes would present a barrier to any potential Proposers of innovative Modification that could benefit the industry and consumers regardless of incumbent views. Overall the group felt it would be inappropriate to expand Elexon's 'Critical Friend' role to reject potential changes in this regard, but did agree with the proposal to extend Elexon's Critical Friend role to work up solutions in its own right where we had the expertise and there was limited engagement in changes.

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### **Introduce time related deadlines for Modifications to remain "live" (active)**

The group considered whether it would be appropriate to introduce time related deadlines for Modification to remain "live" and when those delays reach a certain threshold the Modification is withdrawn.

The group felt it would be challenging (if not impossible) to develop objective criteria to make clear to Elexon, the BSC Panel and BSC Parties when you would start and stop the clock and how you would ensure consistency. Some members felt this process was unlikely to be used frequently and the materiality of this issue was challenged. In previous examples of long-running Modification the group did not believe they would even meet such criteria, and it was noted that any time limits could be open to dispute and open up opportunities for misinterpretations of requirements and responsibility by proposers by change.

Ultimately there was no support for taking this proposal any further.

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### **Remove Report Phase Consultations for certain Modification**

In previous meetings, the group had not felt this would be a good idea to progress. 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 Modification 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.

Based on previously heard arguments, the group reconfirmed that they did not want to progress this idea further.

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### **Allow BSC Panel to decide on changes to Implementation Dates under Self-Governance**

Currently, any changes to Implementation Dates, once a Modification has been approved by the Panel under Self-Governance need to be approved by Ofgem. This is not consistent with the Self-Governance arrangements and in the 4<sup>th</sup> meeting, the Issue 102 group considered whether was appetite for expanding the Panel's Self Governance powers.

The group noted that this would enable Panel to make more decisions, speeding up the decision making process for Self Governance changes, with the Panel doing more approval work and sending less to Ofgem, which seemed to fit with the direction of travel.

There was widespread support for decisions on changes to Implementation Dates, once a Modification has been approved by the Panel under Self-Governance, in the purview of the Panel. This was described as a "no brainer" by some attendees.

For avoidance of doubt, for non-Self Governance changes (decisions that have initially gone to the Authority), no changes are proposed. To support this view, one member described how a decision date forms part of a legally binding decision, so changing the implementation date could potentially undermine legal certainty of that decision, and that keeping it with Ofgem in those cases increases certainty in the legal process for industry.

To put minds to rest that the Panel would only authorise changes to implementation dates for Self Governance changes in cases where this was strictly necessary, Elexon provided the conditions under which such a change in implementation date would be suggested:

From Section F paragraph 2.11.5:

BSCCo shall promptly provide a report to the Panel where:

- (a) it appears, in BSCCo's reasonable opinion, that problems may arise, or have arisen, in the implementation of an Approved Modification in accordance with the project brief prepared pursuant to paragraph 2.6.6(e); and/or
- (b) BSCCo has reason to believe that the changes necessary to BSC Systems and processes will not have been completed by the Implementation Date; and/or
- (c) BSCCo becomes aware of any circumstances which might otherwise prevent or delay the full and timely implementation of the Approved Modification.

Outcome: a new improvement idea to enable Panel to make decisions on changes to approval dates for Self Governance modification.

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## Further discussions on BSCP40 Simplification

At the 4<sup>th</sup> meeting, Elexon sought Issue 102 group views on several potential simplification changes to BSCP40.

The group considered the existing Draft CP process outlined in BSCP40 and discussed its efficacy or whether it would be suitable to remove this, noting that it had not been used particularly frequently.

One member stated that they appreciated the existence of this process in case it was needed, highlighting that it could also potentially be used to consult on separate solutions for a CP, which would not be possible otherwise. The group noted the Issue 102 Quick Win to trial a standing industry meeting to discuss upcoming CPs, and suggested that this be explored further via this forum.

The group also considered introducing the ability for Proposers to withdraw CPs, noting that there is no defined process around this within the BSC or its documents (BSCP40). The group agreed that this should mirror the process for withdrawing Modification as defined in BSC Section F and will could potentially be implemented via a CP, although Elexon will assess and return to the group with a firmer view.

The group briefly discussed whether BCA/PACA processes could be simplified or reduced within the BSC documents. The group agreed that these probably could be simplified, but did not consider them a priority to focus on within the time available for Issue 102.

The group discussed whether CPs could or should fall within scope of CCSG processes, as is currently undertaken for Modification. Elexon and the REC representative described how, despite there not being a formal cross code working process, in reality the two codes had managed cross code CPs satisfactorily with a minimum of issues experienced by working together on an informal basis. Given that the two codes are broadly comfortable to continue on under the current arrangements, feeling that these work well, the group did not wish to prioritise developing alternate arrangements at the current time.

### Further discussions on prioritisation

Elexon will develop a progression timetable for the agreed Issue 102 ideas, including a consideration of how are we going to batch them, is it sequential, and will report back to the group.

The Issue 102 group want to resolve queries around the legal status for some of these changes prior to conducting any further prioritisation exercises. However some members provided some general thoughts that will be helpful to reconsider at the appropriate time, namely that any subsequent Modification that meet the same category (governance, housekeeping or solution ownership) should be batched where possible, suggesting that ideas categorised under solution ownership be given top priority, followed by housekeeping and then governance in that order.

### Summary of Issue 102 ideas

#	Description	Solution	Category	Recommendation to progress?	Further Actions
1	Allow non BSC Parties to raise BSC Changes	Elexon will triage CPs raised by non-Parties. If deemed not vexatious it will be allowed to progress. Build in an appeals route	Solution Ownership	Yes – Modification or CP	Action to consider whether this is a CP or Modification.
2	Allow more than one Alternative for BSC Modifications	Using CUSC Modification el, but limited to 5 Alternative solutions	Solution Ownership	Yes - Modification	Check if aligns with Licence
3	Amendments to the Housekeeping change process	Make HK changes without full consultation process. Consult ahead of time to give visibility - "for information: next month we will be making the following HK changes". Report to Panel at least quarterly.	Housekeeping	Yes - Modification	Check if aligns with License condition and highlight any considerations around deviating from other Codes
4	Remove Voting from Workgroup ToR	Take Workgroup Votes out of ToR/BSC but continue to capture views	Governance	Yes - Modification	Check scope of changes required to BSC

5	Mitigating low quoracy	Elexon can contribute to meeting quoracy, and under certain circumstances where they have the expertise necessary to develop the solution, can work the solution up and issue it for Assessment Consultation	Governance	Yes - Modification	Check scope of changes required to BSC
6	Allow Panel to decide on changes to Implementation Dates under Self-Governance (not back to Ofgem)	Once a Modification has been approved by the Panel under Self-Governance, decisions to change any Implementation Dates shall remain with the Panel, rather than Ofgem	Governance	Yes - Modification	Check scope of changes required to BSC
7	Merge CP and Modification processes to offer a unified process	Add a withdrawal process for Change Proposals, to align with the Modification process	Governance	Yes - CP	Check scope of changes required to BSC
8	Introduce time related deadlines for Modification to remain "live" (active)	Group did not support this	Governance	No	No further action
9	Remove Report Phase Consultations for certain Modification	Group did not support this	Governance	No	No further action
10	Move to constituency voting for BSC Changes	Group did not support this	Governance	No	No further action
11	Publically-available Prioritisation of BSC Change	Group did not support this	Transparency	No	No further action

## Update on Quick Wins

The following had been identified as quick wins and Elexon updated the group on progress made with each item:

1. Publicise the existing pipeline of BSC Change (currently published on the BSC Website) via Newscast periodically

- This has been implemented in December 2022. One group member suggested that a further Change Circular option would add a separate communication to standing Newscast, and that additional info to add titles and capture impacts would be useful, which Elexon are investigating
2. Review and change Housekeeping CP and Mod report templates to slim down documents and associated effort progressing low impact HK Changes.
    - In light of potential recommendations around HK, Elexon proposed to park this idea to avoid wasted effort and the group agreed
  3. Update email templates to make it clearer that interested parties can join distribution lists and Workgroups as observers
    - Elexon are already undertaking work to update and refine the Workgroup sign up process and this Quick Win will be folded into that work.
  4. Trial a standing session to invite industry feedback on upcoming CPs
    - This will be trialed within first quarter of 2023 to assess value industry see in such a standing session and get feedback on what the scope of the group's work should be.
  5. Tick box at top of the Report Phase Consultation question sheet similar to "I answered the Assessment Consultation and my views haven't changed"
    - Elexon are currently working on this Quick Win and expect to complete this before the end of January 2023.