

Issue Report

Issue 102 ‘BSC Change Process Review’

Contents

About This Document	1
1. Summary	2
2. Background	7
3. Issue Group’s Discussions	8
4. Conclusions	31
Appendix 1: Historic Analysis of BSC Change	34
Appendix 2: issue Group Membership	41

About This Document



Not sure where to start? We suggest reading the following sections:

- Have 5 mins? Read section 1
- Have 15 mins? Read sections 1 and 4
- Have 30 mins? Read all sections
- Have longer? Read all sections and the annexes and attachments
- You can find the definitions of the terms and acronyms used in this document in the [BSC Glossary](#)

This document is the Issue 102 Group’s Report to the BSC Panel. Elexon will table this report at the Panel’s meeting on 13 April 2023.

There are three parts to this document:

- This is the main document. It provides details of the Issue Group’s discussions and proposed solutions to the highlighted issue and contains details of the Workgroup’s membership.
- Attachment A contains the Issue 102 Proposal Form.
- Attachment B contains the Issue 102 Workgroup Terms of Reference.



Contact

Ivar Macsween

020 7380 4270

Ivar.Macsween@elexon.co.uk

BSC.Change@elexon.co.uk



337/06

Issue 102

Issue Report

13 April 2023

Version 1.0

Page 1 of 41

© Elexon 2023

1. Summary



BSC Change Process

The Balancing and Settlement Code (BSC) Change process is used to introduce changes to the BSC arrangements in response to any concerns, problems or defects that Parties may identify in the current processes. Under these processes, changes can be made to the BSC, its Code Subsidiary Documents (CSDs) and to BSC Systems.

Background

There is a perception that the BSC Change Process is slow, and that the benefits associated with BSC Changes could be realised more quickly. The BSC Change Process is considered complex. It can be difficult for those participating in the process to understand what will be required from them in the various stages in the development of a change, which may affect engagement.

At the June 2022 BSC Panel ([Panel 327¹](#)) meeting, Elexon presented a summary of the results of a short survey conducted in January and February 2022 on the merits of conducting a BSC Change process review and the Panel agreed that [Issue 102 'BSC Change Process review'](#)² should be raised, but progressed efficiently, in order to identify and prioritise a log of possible issues and solutions.

Conclusions

The Issue group recommend that the following solutions are taken forward as BSC Changes or operational changes where appropriate.

As agreed with the Issue 102 Workgroup, Elexon will progress the Issue 102 Improvements with the following prioritisation. The aim is that batch one will be progressed within the first quarter following closure of Issue 102, with batch two being raised in the second quarter following closure of the Issue report.

Batch 1 - Solution Ownership Changes

- Improvement #1 - Allow non-BSC Parties to raise Change Proposals
- Improvement #2 - Align CP process to Modifications process, to allow Proposers to withdraw CPs
- Improvement #3 - Allow more than one Alternative for BSC Modifications

Batch 2 – Governance Changes

- Improvement #4 - Remove or reduce Workgroup voting duties
- Improvements #5 - Expand Elexon's role in cases of low Workgroup quoracy

Batch 3 (subject to Ofgem agreement) – changes with Licence impacts

For changes with an identified impact on the Licence, Elexon propose to engage with Ofgem to establish their appetite for making any changes to the Licence. One option may be

337/06

Issue 102

Issue Report

13 April 2023

Version 1.0

Page 2 of 41

© Elexon 2023

¹ <https://www.elexon.co.uk/meeting/bsc-panel-327/>

² <https://www.elexon.co.uk/smg-issue/issue-102/>

for these items to be noted as desired but unable to be progressed (due to the licence impact) but could be fed into the ongoing Code review.

- Allow Panel to decide on changes to Implementation Dates under Self-Governance (not back to Ofgem)
- Amendments to the Housekeeping change process

As agreed with the Issue 102 Workgroup, Elexon will progress the recommendations. It is proposed that a 'BSC Change User Group' act as a standing group drawn from Issue 102 members who can verify and validate the redlining produced by Elexon to deliver each change.

The Issue 102 Quick Wins have either been implemented, or targeted for progression in line with the below summary table.

Issue 102 Improvements Summary Table					
Description	Type/Impact	Outcome	Speeds up the BSC Change Process?	Improves quality of BSC Change solutions and reports?	Simplifies the BSC Change Process?
Improvement #1 - Allow non-BSC Parties to raise Change Proposals	Change Proposal to BSP40	Progress in Batch 1	Neutral	✓	✓
Improvement #2 - Align CP process to Modifications process, to allow Proposers to withdraw CPs	Change Proposal to BSP40	Batch 1	✓	Neutral	✓
Improvement #3 - Allow more than one Alternative for BSC Modifications	Modification to the BSC	Batch 1	x	✓	x
Improvement #4 - Remove or reduce Workgroup voting duties	Modification to the Workgroup's Terms of Reference, approved by the Panel	Batch 2	✓	Neutral	✓
Improvement #5 - Expand Elexon's role in cases of low Workgroup quoracy	Modification to the BSC	Batch 2	✓	Neutral	Neutral
Quick Win #1 - Publicise existing pipeline	Internal process	Implemented in	Transparency benefits		



Transmission Licence

The Transmission Licence allows the licensee to participate in the transmission of electricity for the purpose of enabling a supply to be given. Operation of the BSC is a licensable activity and is defined within this Ofgem-controlled document, described in Section C.

337/06

Issue 102

Issue Report

13 April 2023

Version 1.0

Page 3 of 41

© ELEXON Limited 2023

of BSC Change via Newscast periodically		December 2022			
Quick Win #2 - Update email templates to make clear options for interested parties	Internal process	Implemented in December 2022		Transparency benefits	
Quick Win #3 - Trial standing session to invite industry feedback on upcoming CPs	New standing group	Implemented in February 2023. 2 meetings have been held to date.		Transparency benefits	
Quick Win #4 - Tick box on Report Phase Consultation (RPC) question sheet "I answered the Assessment Consultation and my views haven't changed"	Internal process	Implemented in January 2023.	✓	Neutral	Neutral
Quick Win #5 - Review and change Housekeeping CP and Mod report templates to slim down documents	Change to templates	Targeted for 2nd quarter of 2023	✓	Neutral	Neutral
Remove the European Balancing Guidelines (EBGL) Change process	Legislation change	Out of Scope Recommendation – requires legislation change	✓	Neutral	✓
Extend Cross Code Steering Group (CCSG) scope to include all codes and incorporate Code Administrator Code of Practice (CACoP) duties (requires cross-code and Ofgem support)	Cross code change package	Out of Scope Recommendation – requires cross code change package and Ofgem willingness	Neutral	Neutral	✓
Allow BSC Panel to decide on changes to	Licence Change	Out of Scope Recommendation	✓	Neutral	Neutral

337/06

Issue 102

Issue Report

13 April 2023

Version 1.0

Page 4 of 41

© ELEXON Limited 2023

Implementation Dates under Self-Governance (rather than Ofgem)		ndation – Licence Change			
Amend BSC housekeeping definition	Licence Change	Out of Scope Recommendation – Licence Change	✓	Neutral	Neutral
Further discussions on BSCP40 'Change Management' ³ Simplification 1) Remove existing Draft CP process 2)Simplify BSC Change Administrators (BCA)/ Party Agent Change Administrators (PACA) processes 3) Simplify EMAR processes 4)Incorporate CPs into CCSG processes	Change Proposal	Not recommended, Issue group either did not agree, or did not wish to prioritise developing the solutions	Neutral	Neutral	✓
Allow the BSC Panel to stop a Modification	Modification to Section F	Not recommended due to precedent for Panel to reject Modifications	✓	Neutral	Neutral
Remove the need to consult twice for Modifications that have been assessed and consulted on by a Workgroup and there is consistent support for the decision	Modification to Section F	Not recommended as Issue group believe the RPC adds value	✓	Neutral	Neutral
Change Elexon and industry ways of working to enable progression of	Elexon and industry ways of working	Not recommended as Issue group	✓	Neutral	Neutral

³ <https://bscdocs.elexon.co.uk/bsc-procedures/bscp-40-change-management>

Modifications to timetables that are currently only seen with urgent modifications		believe urgent timescales should remain exceptional rather than default			
Introduce a public prioritisation mechanism for BSC Changes	Not developed further, but likely Elexon communications and process change	Not recommended as group noted existing processes are sufficient	Transparency benefits		
The website for each change to list the SME and DA resource as well as the lead Change Analyst.	Elexon website change	Not recommended as violates "single point of contact" principle	Transparency benefits		

2. Background

There is a perception that the BSC Change Process is slow, and that the benefits associated with BSC Changes could be realised more quickly. The BSC Change Process is considered complex. It can be difficult for those participating in the process to understand what will be required from them in the various stages in the development of a change, which may affect engagement.

At the June 2022 BSC Panel meeting, Elexon presented a summary of the results of a short survey conducted in January and February 2022 on the merits of conducting a BSC Change process review with a series of recommended next steps.

The Panel voted by majority to develop an issue form and terms of reference to fully define the issue to be addressed by the BSC Change process review, the desired outcomes and the scope of the Issue Group.

Panel members that voted for the review highlighted the possible benefits to BSC Change stakeholders of a simpler and more efficient BSC Change process.

Panel members that voted against the BSC Change process review did so on the basis that the output of the Ofgem / Department for Business, Energy and Industrial Strategy (BEIS) energy codes reform work would likely overlap with recommendations from any Issue Group established to review the BSC Change processes and therefore there was a significant risk of overlapping outputs and recommendations. Further, they did not believe reviewing the BSC Change process was a priority, given the volume and complexity of other change work both within Elexon and the wider industry.

It was agreed by majority that, as part of the Issue Group's Terms of Reference, the group should identify and prioritise a log of possible issues and solutions. Any solutions developed by the Issue Group would achieve at least one of the following:

- Speed up the BSC Change Process;
- Simplify the BSC Change Process;
- Improve quality of BSC Change solutions and reports.

The Issue Group would also need to agree:

- Agree how to prioritise potential improvement ideas
- Agree and review current issues with the BSC Change process

Some trade-offs may be required between speeding up and simplifying the BSC Change process and ensuring that the quality of BSC Change solutions and reports are maintained or improved. As requested by the BSC Panel, Elexon returned to their 10 November 2022 meeting to update the Panel on progress made and seek consent for continuing the review. The Panel noted the progress made on various Quick Wins and identification of areas for further discussion and gave their blessing for Issue 102 to continue its work.

337/06

Issue 102

Issue Report

13 April 2023

Version 1.0

Page 7 of 41

© ELEXON Limited 2023

3. Issue Group's Discussions

The Issue 102 group met on 25 October, 3 November, 9 December and 16 December 2022.

The group considered the background to Issue 102 and reviewed issues and perceived pain points associated with the current BSC Change processes.

Key to the discussions was a shared recognition that some trade-offs would be required between speeding up and simplifying the BSC Change process and ensuring that the quality of BSC Change solutions and reports are maintained or improved. The Issue Group strongly supported the BSC Change process remaining an open governance process.

Historic analysis of BSC Change

To support discussion and aid group understanding in the first meeting, Elexon presented analysis of historic statistics associated with Change activity, adding context on the volume of changes raised, which type of changes they were and the number of Modifications and meetings held year-by-year. The full list of charts and analysis can be found in Appendix 1 of this paper.

This historic analysis of changes in the period 2012-2022 demonstrated that the number of changes varied year-by-year but that, overall, a greater number of CPs were typically raised each year, usually followed by Modifications and then Issues.

In terms of progression timescales (from the point where a change is raised to the point where it receives a decision), the average (mean) number of calendar days was found to be 347 days to progress Modification requiring an Assessment Phase, whereas the median (the middle value when a data set is ordered from least to greatest) was 258 calendar days. This demonstrated that some Modifications, so called 'outliers', (due to a number of reasons including complexity, blockers relating to industry availability or necessary inputs that were delayed) ran for significantly longer and thus could be said to skew the average.

The group also noted that this total progression time was inclusive of time where Elexon had handed a Modification to Ofgem for a decision, which would not be in scope for changes resulting from Issue 102 as it is out of scope for Elexon and the BSC to place obligations on Ofgem.

Elexon also presented data on the progression time by phase, which showed that (prior to a decision being received) the majority of time is usually spent in the period between the Initial Written Assessment and the Assessment Consultation, i.e. when the Workgroup is formed, the solution is developed and Elexon impacts are assessed prior to wider industry consultation. The group noted that, therefore, this could be an area where significant time savings are possible, although several group members cautioned against focusing on reducing the time spent to develop suitable solutions in cases where this would put the robustness of these solutions at risk.

Elexon also analysed the number of consultation responses received, reporting that Assessment Consultations typically receive more responses than Report Phase Consultations. The group noted that respondents to the Assessment Consultations may feel as their voice had been heard and recorded, and would therefore be less likely to submit an additional Report Phase Consultation response. This point was further discussed and led to the recommendation for Quick Win #5.

For Change Proposals, the mean time was found to be 86 calendar days, with the median time being 76 – much quicker than for Modifications.

337/06

Issue 102

Issue Report

13 April 2023

Version 1.0

Page 8 of 41

© Elexon 2023

For BSC Issues, the mean time was 221 days, the median was 178 calendar days. The mean number of meetings per Issue was found to be 2.5. The median number of meetings per Issue was found to be 2. Group Discussions on Issues with BSC Change Process

Group members noted that the change process can take a long time (particularly in relation to complex, high impact or contentious Modifications), although it was acknowledged to be generally thorough. Some members stated that they appreciate the rigour that comes with these timescales and cautioned against reducing the amount of time spent in consideration and assessment of industry changes just for the sake of speeding the process up, which could have disastrous effects on the industry as a whole if not handled correctly.

One member stated that the volume of change can sometimes make it difficult to respond to each and every change, and requires market participants to prioritise only the changes that impact their organisation's bottom line most strongly and directly. The group noted that this was as much a symptom of the high volume of change currently experienced within the industry, rather than anything Elexon could control directly (although recognising that Elexon can help to mitigate this and help parties to more quickly and efficiently understand changes that are of interest to them).

Further issues described by Issue members are detailed in the background and rationale for each potential improvement idea below.

Discussion of Issue 102 Identified Improvements

Over the course of Issue 102, numerous potential ideas to improve the BSC change process were considered. This section captures the background discussions and outcomes for each considered idea, including views on the benefits and impacts of each suggested improvement (with reference to the Issue group's Terms of Reference) and the desired priority with which the group want it to be progressed.

Improvement #1 - Allow non BSC Parties to raise Change Proposals

Background and discussions

Feedback received in the first meeting highlighted that non-BSC Parties being unable to raise CPs could be viewed as inconsistent within the BSC, given that non-Parties can raise Modifications under approval and supervision of the Panel. Since 2019, when the BSC was amended to allow anyone to raise Issues and the decision on whether to allow a non-Party to raise a Modification was transferred from Ofgem to the Panel, there has only been one Modification and a few Issues raised by non-Parties.

The group considered whether to remove these restrictions and thus better align the Modification, CP and Issue processes by introducing a route for non-Parties to raise CPs to the BSC. The group also noted that the Retail Energy Code (REC), Ofgem's most recently established code, allows anyone to raise a change to the REC. The REC could be seen as the starting point for the latest best practice for code governance. The group also believed Party Agents (specifically Data Collectors, Data Aggregators and Meter Operator Agents), were most likely to want to raise CPs.

The group agreed that in principle, non-Parties should have a clearer route to raise CPs but wanted to ensure appropriate checks and balances would be introduced to ensure frivolous

CPs would not be raised, as this could risk slowing down the overall efficiency of the current process. The group noted that historically, the reason often given as to why only BSC Parties could raise CPs was that the right to raise BSC Changes should be given to those that fund the arrangements. Party Agents in the group cited examples of where they had not been able to persuade their Suppliers to raise CPs, as it was not of benefit to Suppliers.

To aid discussion, Elexon produced a user story to illustrate the solution requirement.

User Story - Allow non BSC Parties to raise Change Proposals		
As a	I want	So that
As a Non-BSC Party industry stakeholder	A clear, easy and efficient process that allows me to raise any BSC Change (Mod, CP or Issue) with little major differences between the processes for each "type of change".	I can contribute to progressing and shaping industry change in areas that I can offer expertise and value and raise change in areas of major involvement and value to me on a level playing field to those that have acceded to the BSC.

The REC representative confirmed that under the REC there are no restrictions around who can raise changes and added that this Code had not, as yet, been inundated with frivolous or vexatious changes.

The group discussed enabling specific types of non-Parties to raise CPs and one member highlighted the benefit of enabling Party Agents. The member stated that they are significant actors, described as being 'at the coalface', of BSC processes and often have a pragmatic understanding of the potential benefits associated with changes to them.

Another option could be to introduce an initial approval process as a 'raising non-Party' or similar, that would allow non-Parties to raise CPs once they have completed this process (only necessary once) and then added to a list as a valid proposer.

The potential impact on the BSC 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.

Following further consideration (and noting that, unlike with Modifications, it is within Elexon's power to act as the proposer for CPs), it was suggested that an efficient solution to this issue would be to introduce a transparent and clear process within BSCP40 'Change Management' whereby non-Parties can submit Change Proposals to Elexon, who will validate the proposal and, if valid and deemed not to be frivolous or vexatious, agree that the non-BSC Party can raise the CP.

It was noted that this process is already possible under the status quo. Anyone is welcome to raise an idea with Elexon, who are free to agree with the suggestion and raise it as a CP. However, the group noted benefits associated with making this process transparent and better defined within a Balancing and Settlement Code Procedure (BSCP), which it was hoped would help to publicise this option to non-Parties.

A process will be implemented into BSCP40 'Change Management' whereby Elexon will triage CPs raised by non-Parties. If deemed not vexatious it will be allowed to progress, with the non-Party acting as the proposer. If a proposal is rejected by Elexon, an appeals route will be available to the non-Party, who will be able to appeal this decision with the relevant Panel subcommittee.

Implementing this recommendation involves a CP to BSCP40, which Elexon intend to progress within the quarter following the closure of Issue 102 (currently estimated within Q2 2023).

As described in Section 4 – Conclusions, the BSC Change User Group will verify the redlined changes to deliver this Issue 102 recommendation prior to any change being raised following closure of Issue 102.

Improvement #2 - Align CP process to Modifications process, to allow Proposers to withdraw CPs

Background and discussions

To better align the Change Proposal process with that of Modifications and offer a unified and consistent experience for all types of BSC change, the group suggested that Proposers should be able to withdraw Change Proposals, which they are currently unable to do under the BSC.

Under the status quo, the lack of an option to withdraw a Change Proposal could lead to inefficiencies in cases where committee or industry feedback, received after a CP has been raised, leads the Proposer to wish to withdraw a CP from consideration. In this example under the status quo, the relevant Panel committee would have to agree to reject the change, which incurs potentially unnecessary administrative effort and time spent to fulfil the Proposer's wishes which could more efficiently be handled via a withdrawal process (mirroring that of Modifications) in cases where the Proposer no longer supports the change they initially raised.

As with Modifications, Proposers should be able to withdraw Change Proposals. A CP could be raised to insert a process in BSCP40 to enable this option.

Outcome

A process will be inserted into BSCP40 to enable Proposers to withdraw Change Proposals, following the approach taken for Modifications. As with processes governing the withdrawal of Modifications, a withdrawn CP will remain open for adoption by another party for a period of time. This aligns the change processes within the BSC and offers a better and more consistent user experience for users of the BSC.

Implementing this recommendation involves a CP to BSCP40, which Elexon intend to progress within the quarter following the closure of Issue 102 (currently estimated within Q2 2023).

The BSC Change User Group will verify the redlined changes to deliver this Issue 102 recommendation prior to any change being raised following closure of Issue 102.

Improvement #3 - Allow more than one Alternative for BSC Modifications

Background and discussions

In the first Issue 102 meeting, a suggestion was made that the BSC should allow multiple alternate solutions to be raised, rather than the single Alternative solution the Workgroup are allowed to raise under the status quo. Currently, the Proposer owns the Proposed solution and a Workgroup can raise one Alternative solution, where they believe it is better than the Proposed solution (as judged against the Applicable BSC Objectives).

It was suggested that allowing more than 1 Alternative Solution for each BSC Modification would allow the industry Workgroups to present a wider range of solution options to Ofgem in a manner consistent to other Codes (such as the CUSC) which do not have such restrictive Alternate limits.

It was argued that this would improve efficiency by leading to less delays caused when the Workgroups are forced to compare different solutions and choose just one solution (discarding the others) to adopt as an Alternative to the Proposer's solution to put before Ofgem. One member noted that this would have been beneficial to [P448 'Mitigating Gas Supply Emergency Risks'⁴](#) which one member felt had been delayed by this inability to present multiple variations of a solution before the Authority. It was noted that there have been instances where new Modifications have been raised to bring forward alternative solutions, which is not an efficient approach.

Conversely, it was also discussed that having more than two solutions would require more complex impact assessments by impacted parties and would add to the complexity of consultations, which would consequently take longer to prepare (as more solutions to write up and assess and more versions of business requirements and legal text to prepare). A member commented that the preferred and most efficient approach would be for Ofgem to provide its view during the Workgroup process on identified solution options.

The group also noted that more than two solution options can be consulted on under the BSC. Recent examples include P448 and P443. However, the group felt that the constraint to only be able to take one Alternative solution forward was overly restrictive.

There was initial support for this proposal but the Workgroup remained conscious that there is likely to be a 'tipping point' when it comes to freedom to raise multiple solutions - as large numbers of potential Alternative solutions can quickly make it so the Workgroup process becomes more complex and less efficient and ultimately counterproductive to the aims of Issue 102.

Several members noted the example of the Connection and Use of System Code (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 by requiring the comparison of solutions against one another.

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 (volumes in the 50-60 range of numbers of alternative solutions to 0). In addition, under the CUSC the Chair has the ability to save any alternative that the Workgroup does not want to progress but this has to be justifiable and based on things like impact to consumers.

⁴ <https://www.elexon.co.uk/mod-proposal/p448/>

The Workgroup noted that the need for multiple alternatives would not be necessary should Ofgem change their ways of working to consistently provide a steer in ongoing Modifications. Nevertheless the group remained supportive of the idea to allow more than one Alternative under the BSC on the basis that allowing multiple options to be presented to Ofgem offered a net gain in efficiency. This was on the proviso that a limit be introduced to avoid undue impacts caused by allowing too many variations of a Modification, which members noted had sometimes been a problem for the CUSC.

User Story- Allow more than one Alternative for BSC Modifications		
As a	I want	So that
Workgroup member	To be able to progress more than one alternate solution in relation to BSC Modifications to consultation and the relevant decision making body for approval.	More potential options can be considered widely to receive more considered and varied feedback and so that as a workgroup member I don't have to make a decision on whether an alternate better facilitates the BSC objectives at an early stage in the process.

The need for examining whether a licence change would be necessary 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](#)⁵ led to the current BSC approach.

In a later meeting 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). The alternative will then be submitted to the Panel and Authority alongside the original solution for the Panel Recommendation vote and the Authority decision.
- A Workgroup member, the 'Proposer' of that Alternative, owns each alternative.

⁵ https://www.ofgem.gov.uk/sites/default/files/2021-07/Annex%206_Electricity%20Transmission%20Standard%20Licence%20Conditions_For%20Publication%2002_07_2021.pdf

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 Licence. Noting these potential Licence 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 one Alternative and removing the comparison aspect 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 frivolous or vexatious.

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

Outcome

Elexon's Legal view is that there is nothing in the Licence to prevent this change. The wording in Section C3 is very similar to that in C4 which describes the CUSC, which this change would be modelled on.

When combined with the proposed change to remove Workgroup voting (see Improvement #4 - Remove or reduce Workgroup voting duties), this would make the process of allowing multiple alternatives simpler, rather than having to get views on an alternative and then compare them against the baseline which could get quite complex and time consuming, but getting rid of voting makes it simpler.

The Workgroup recommends a BSC Modification is raised to amend BSC Section F to:

- Allow for a process whereby a Workgroup member acts as a Proposer for an Alternative solution, up to maximum of 5 Alternates.
- The Workgroup can take 5 Alternative solutions forward, if more than 5 they will have to decide which 5. Each Alt will have an owner.
- The proposed alternate(s) should not require any Workgroup consensus on assessment that 'this is better than the Proposed solution' (subject to outcome of Workgroup voting proposed change).
- The Chair should have power to remove any alternatives deemed to be frivolous or vexatious
- This will also require changes to the Workgroup Terms of Reference maintained by the Panel.

Improvement #4 - Remove or reduce Workgroup voting duties

Background and discussions

In principle, the Issue 102 group supported removing voting duties for Workgroup members when this idea was raised in the first meeting, but agreed that this required further discussion to flesh out the solution and impacts.

One member stated that Workgroup votes only matter for the BSC Panel, following which Ofgem look to the Panel's views when it comes to time for their decision (rather than the Workgroup voting records), and that capturing Workgroup views in this formal manner creates an unnecessary administrative burden for Elexon and a distraction for the industry Workgroups.

One Panel member who was also a member of Issue 102 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 illustrated 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 member clarified that getting Workgroup views on the proposal was important, but the votes were often a case of who turns up on the day. It is the strength of argument from Workgroup and consultation respondents that the Panel find most helpful.

The recording of the 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 and detailed in Elexon's reports to the Panel and Ofgem.

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 any potential reduction in quoracy requirements (which can be an ongoing challenge and can 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. The Workgroup did not support further work to examine constituency voting in more detail, as they did not believe it was a workable option under the BSC. This is because constituency voting presumes that actors within the market that share the same broad role or categorisation (Supplier, Generator, VLP etc.) will share the same aims and ultimately agree

when it comes time to collect Workgroup views. Several Issue 102 members did not believe that assumption to be true, noting that parties who, for example, are both Suppliers can have wildly different views, goals and overall priorities when it comes to industry change and, therefore, a constituency-based approach is not helpful to capturing industry opinion.

User Story - Remove Voting from Workgroup Terms of Reference		
As a	I want	So that
Elexon Change Team member	To remove the concept of "voting" from Modification Working Groups.	The Workgroup can focus more on solution development and provide more qualitative feedback to the BSC Panel and focus less time on debating the votes.
Interested Industry Stakeholder	To not be expected to vote in Modification Working Groups I attend	The Workgroup can focus more on solution development and provide more qualitative feedback to the BSC Panel and focus less time on debating the votes.

Outcome

Elexon took an action to check scope of changes required to BSC, or any Licence considerations.

Elexon's view is that the Licence doesn't go into detail on the role of Workgroups and the Code doesn't either. This would not require a Modification, and could just require a change to the Workgroup Terms of Reference to implement.

However, if removing the requirement for Workgroup to assess and report whether a solution better meets the BSC Objectives than any alternatives – a BSC Modification to change at least BSC Section F paragraph 2.6.2 and 2.6.4 would be necessary.

2.6.2 The purpose of the Assessment Procedure is to evaluate whether the Proposed Modification identified in a Modification Proposal better facilitates achievement of the Applicable BSC Objective(s) and whether any alternative modification would, as compared with the Proposed Modification, better facilitate achievement of the Applicable BSC Objective(s) in relation to the issue or defect identified in the Modification Proposal.

2.6.4 The Workgroup shall:

- (a) evaluate the Modification Proposal for the purpose set out in paragraph 2.6.2;
- (b) where appropriate, develop an alternative proposed modification (the "Alternative Modification") which, as compared with the Proposed

Modification, would better facilitate achievement of the Applicable BSC Objective(s);

(c) evaluate:

(i) whether, and the extent to which, the Modification Proposal will amend the EBGL Article 18 terms and conditions; and

(ii) where the Workgroup considers that a Modification Proposal may amend the EBGL Article 18 terms and conditions, the impact of those amendments on the EBGL Objectives; and

(d) prepare a report for the Panel (in accordance with the timetable determined by the Panel pursuant to paragraph 2.2 or 2.5.9(b)) which shall set out, in relation to the Proposed Modification and any Alternative Modification, the matters referred to in Annex F-1, to the extent applicable to the proposal in question.

In relation to removing the assessment step of requiring the Workgroup to give a view on if an Alternative solution is better than the Proposed, Elexon note that the CUSC introduced a comparison model relatively recently, (possibly to reduce number of alternatives and mitigate vexatious proposals). Elexon will mitigate this risk by providing more powers to the Chair to remove vexatious proposals.

Improvement #5 - Expand Elexon's role in cases of low Workgroup quoracy

Background and discussions

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 and leading to delays and blockers to progression until low quoracy issues can be fixed.

Currently, a minimum of 5 Workgroup members, including the Proposer are required. The Workgroup Terms of Reference were updated in 2019 to reduce the attendance for members from [2/3] to 50% and to allow alternate members to join and contribute to the main members' attendance. This was done to help with issues of low quoracy. There was discussion at the time whether the quoracy limit of 5 should be reduced, but this was believed to be the lowest number that would still ensure robust and varied contributions and 'schools of thought.'

One member raised the question of whether low engagement should be grounds for removal for these changes, on the basis that they are failing to attract sufficient industry attention. However, some other members pushed back on this idea, arguing that using low quoracy as a reason for closing BSC Changes would present a barrier to any potential Proposers of innovative Modifications that could benefit the industry and consumers regardless of incumbent views or levels of industry support.

Overall, the group felt it would be inappropriate to expand Elexon's 'Critical Friend' role to reject potential changes met with low engagement. Members did not feel it would be appropriate or wise to allow this kind of rejection based on levels of industry engagement, but did agree with the proposal to extend Elexon's Critical Friend role to work up solutions in its own right where Elexon had the expertise and there was limited engagement in changes.

As a	I want	So that
Elexon Change Team member	To be able make a decision on whether low take up of BSC Modification workgroups (leading to low quoracy) is a justification for progressing a Modification to Assessment Consultation (where it is identified that the expertise to provide the same role the workgroup would have done lies within Elexon's own expertise and experience).	To be able to ensure that Modifications do not get significantly delayed and can be progressed even in a time of high industry resource leading to low quoracy

If struggling for quoracy and it is self-evident that Elexon have the expertise necessary to develop the solution, then the Issue 102 group believe that Elexon should be able develop the solution themselves and then issue it for Assessment Consultation.

The group note that this approach would enable the solution to be amended (if necessary) following industry feedback gained by the Assessment Consultation, and this approach would also allow a number of alternative solution options to be presented and considered by industry.

Outcome

The Issue 102 group recommend that a change be made to allow Elexon to contribute to quoracy for BSC Changes, which are not attracting much industry interest. Additionally, if it is self-evident that Elexon have the expertise necessary to develop the solution, then the Issue 102 group believe that Elexon should be able develop the solution themselves and then issue it for Assessment Consultation.

Elexon's view is that a Modification to the BSC would be required to remove restrictions in BSC Section F paragraph 2.4 'Establishment of Workgroups'.

Realistically, this would be an exceptional process where there are not enough Workgroup members to establish quoracy, in which case Elexon would prepare a report for review by industry and the BSC Panel.

Issue 102 Quick Wins

The following were identified as quick wins, which Elexon progressed shortly after

Quick Win #1 - 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, Elexon now regularly publicise a link to this webpage: <https://www.elexon.co.uk/change/potential-bsc-changes-awaiting-initial-consideration/>⁶

It has also been added to the 'standing items' in the Elexon weekly Newscast:

Recommended resources

The following resources will help Parties keep track of BSC Changes:

- [Change Register](#) updated weekly
- [Change Report](#) updated monthly
- [Portfolio plan and release roadmap](#) updated monthly
- [Potential Changes awaiting initial consideration](#) updated weekly.

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

This was 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 will take into consideration as part of any future revamp of communication activities

Quick Win #3 - Implement a standing session to invite industry feedback on upcoming CPs

Feedback received at the first 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 two consultations because the solution needed to be materially amended - this could help avoid those situations.

The group noted that if this mechanism became a standing group, this could duplicate work already undertaken by the committees, but wouldn't create any harm. The suggestion was 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).

Elexon has run two instances of this trial meeting to date, on 23 February and 23 March 2023, presenting upcoming Change Proposals to industry and seeking feedback on various areas. CPs resulting from [Issue 87 'Busbar voltage transformer metering for Offshore wind farms under OFTO arrangements'](#)⁷ and [Issue 93 'Review of the BSC metering Codes of Practice'](#)⁸ in particular have been presented and verified by industry, but Elexon also took the chance to engage with industry about industry support for future Issue groups, as well as potential changes listed on public backlog. As part of

⁶ <https://www.elexon.co.uk/change/potential-bsc-changes-awaiting-initial-consideration/>

⁷ <https://www.elexon.co.uk/smg-issue/issue-87/>

⁸ <https://www.elexon.co.uk/smg-issue/issue-93/>

this, Elexon also offered an opportunity for industry members to bring embryonic ideas for initial discussion and triage.

Each meeting was attended by 15-20 industry members, who gave positive feedback that the meeting was useful to gain additional visibility of upcoming BSC Change. The group also provided valuable feedback on improvements they would like to see the to the public backlog webpage, including adding more descriptors and information to help industry understand the origin and informal prioritisation of each change.

Quick Win #4 - Tick box at top of the Report Phase Consultation question sheet similar to “I answered the Assessment Consultation and my views haven’t changed”

One member highlighted the long time it can take to respond to BSC consultations and 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.

The group agreed with this sentiment and idea, and suggested Elexon add a Tick box at top of the Report Phase Consultation question sheet to enable this option for respondents.

Elexon implemented this Issue 102 Quick Win in January 2023.

Quick Win #5 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. These were:

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. The housekeeping definition should be extended to include minor errors that still deliver intent of a change.

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 by allowing the speedy correction of non-material and minor errors.

User Story Housekeeping-related improvements		
As a	I want	So that
Elexon Change Team member	To make housekeeping changes to the BSC and CSDs when identified without the need for a related Change. Housekeeping would be implemented when identified and then industry would be informed and allowed to comment/appeal for 2	To allow Housekeeping changes to be progressed much quicker and with less resource (no CP/Mod forms, reports to Panel/committees etc.) thus allowing resource to be better allocated according to priority.

	weeks following the change.	
Interested Industry Stakeholder	To be informed when a housekeeping change has been made and have the opportunity to comment/appeal if necessary.	To retain industry oversight over Elexon made changes and offer a review to ensure any errors or unforeseen impacts are captured

The Workgroup felt it appropriate for Code Managers to make these changes meeting the criteria of Housekeeping as quickly and immediately as possible. The group developed a solution whereby, Elexon would be allowed to make housekeeping changes without a formal change process, but consult on these ahead of time to give visibility to industry – sending messages to the effect of “for information: next month we will be making the following Housekeeping changes”. Additionally, Elexon would produce a report to Panel at least quarterly containing any housekeeping changes made in that 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.

As defined in [BSC Section Annex X-1 ‘General Glossary’](#)⁹, a Fast Track Self-Governance Modification means a Modification Proposal which:

- (i) if implemented would satisfy the Self-Governance Criteria; and
- (ii) falls within the scope of Section F2.1.1(d)(iv) (without limiting the right of any person specified in paragraph 2.1.1 to propose a Fast Track Self-Governance Modification Proposal) and which is required to correct an error in the Code or as a result of a factual change, including but not limited to:
 - (a) updating names or addresses listed in the Code;
 - (b) correcting minor typographical errors;
 - (c) correcting formatting and consistency errors, such as paragraph numbering; or
 - (d) updating out of date references to other documents or paragraphs;

The group considered whether the current definition of housekeeping was sufficient or whether it should be expanded. The group considered the following examples to test the current definition:

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”.

⁹ <https://bscdocs.elexon.co.uk/bsc/bsc-section-x-1-general-glossary>

- 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 Licenced 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:

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

Elexon consider that the Retail Energy Code (REC) definition is broadly comparable to the BSC's when considering whether any changes to the Housekeeping definition could be suitable, but wanted to confirm this approach against the conditions in its licence.

Elexon noted that REC already enjoy a less formalised Housekeeping process that does not require external approval (which should allay concerns around deviating from other codes in housekeeping matters), however Elexon's legal view is that this would have an impact on the Licence. The License states that all changes to the BSC need to be approved by Ofgem unless going down the Self Governance route, then sets out in detail the Self Governance route including (Panel-approved changes), so there isn't an opportunity to create a category of changes that don't need Panel approval.

Following investigation, the BSC licence conditions are somewhat different from the REC ones, which is why they seem to have more flexibility around this point.

The requirements in the licence are that Fast Track Self-Governance Modifications require:

- Unanimous agreement at the Panel that the self-governance criteria are satisfied
- Unanimous agreement at the Panel that the modification should be made

- Notification to Parties, National Grid ESO (NGESO) and Ofgem followed by the 15 day appeals window
- The notification needs to include details of the mod, notification that it's a fast track mod, how to object, legal text and the implementation date

Elexon note that Licence changes could be challenging for Ofgem to agree to, and implement changes to, and this is ultimately outside of our control. Elexon will feed this proposal back to Ofgem, but have no ability to raise changes to licences.

Outcome

The group recommend to Ofgem that Elexon's Licence conditions are changed to align with the REC's in Housekeeping matters.

Aside from changing BSCCo's Licence conditions, the group recommend that Housekeeping CP and Mod report templates are reviewed and changed to slim down the documents and reduce the associated effort progressing low impact Housekeeping Changes.

While there was initial support for reducing processes and governance procedures around Housekeeping changes, a quick win (Quick Win #5) to reduce the level of documentation associated with HK changes (the aim being reduction of housekeeping Modification and CP Reports reduced to a few pages) was identified in the first meeting.

Following the outcome of work that confirmed the potential licence impacts around a more significant change to housekeeping definitions and processes, Elexon intend to progress this Quick Win within the first quarter following closure of this Issue 102 (currently expectations are to complete this activity by summer 2023).

Include process for dealing with EMAR only changes (for BSC owned items)

To amend artefacts in the Energy Market Architecture Repository (EMAR), a change must be raised under the governance of the code owner of those artefacts.

For example, the BSC owns the [D0001¹⁰] Market Message. Therefore, to amend this Market Message, BSCCo or a BSC Party would have to raise a BSC Change to amend the Market Message (or even a specific Scenario Variant of a Market Message).

For clarity, ownership within EMAR is defined at Scenario Variant level for Market Messages and so (whilst rare) it is possible that several codes could have ownership of a Market Message when broken down to Scenario Variant level. BSCCo could only raise a change to amend Scenario Variants for which they are the owner. So far, this has always required a consequential or associated change to the BSC subsidiary documents. We would also expect this to be the case in most circumstances. Often a Market Message change goes hand in hand with a process change in the BSCPs or to the SVA Data Catalogue. However, there are scenarios where an associated BSC document change may not be needed. In these scenarios, it is not clear how the change should be made.

¹⁰ The legacy reference has been used here as this is more recognisable. The EMAR Market Message reference is MM00001

Although this has not occurred to date, it is likely to become more acute, if the SVA Data Catalogue removes flows that are also found in the EMAR, or is shut down completely, as is being explored by Elexon [via consultation](#)¹¹. In practice, we would raise a Change Proposal so that the Market Message changes are part of a recognised and familiar process for industry that would be subject to consultation and BSC Committee decision. We believe it would add clarity and certainty for industry if this practice were 'codified' by including it in the Change Proposal process detailed in BSCP40.

We also note that the ownership of the artefacts in the EMAR could benefit from a review. We believe we [BSCCo] are the owner of items that are not BSC related and other codes are owners of items that would better sit as BSC owned.

Out of scope suggestions:

Remove the EBGL Change process

Background, discussions and outcome

It was noted by the Issue group that the European Balancing Guidelines (EBGL) Change process adds no value, but is codified in UK law. Therefore, the group noted that it was not able to raise this change, but would ask Elexon to pass this recommendation to Department for Energy Security and Net Zero (DESNS) that this be removed.. The recommendation will be passed to DESNS.

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

Background, discussions and outcome

The group recommend looking to extend the Cross Code Steering Group's (CCSG) scope to incorporate Code Administrator Code of Practice (CACoP) duties, as they do not view CACoP as a good use of resource in its current form, as they feel it does not have sufficient powers to implement wider-reaching change across the code landscape.

Furthermore, it was noted that having two cross code forums was inefficient.

Elexon raised this for discussion at the November 2022 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 a future meeting.

¹¹ <https://www.elexon.co.uk/consultation/mini-consultation-on-the-future-of-the-sva-data-catalogue-the-user-requirements-specifications-and-bsc-guidance-documents/>

It was noted that an expanded CCSG (rolled out to all codes under this proposal) with more powers could assist with joined up approaches to code governance in a way that is not possible under the current CACoP setup.

Suggestions that did not result in a recommendation to progress from Issue 102

Allow BSC Panel to decide on changes to Implementation Dates under Self-Governance (rather than Ofgem)

Background and discussions

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 fourth meeting, the Issue 102 group considered whether there was appetite for expanding the Panel's Self-Governance powers in this regard.

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 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.

Elexon took an action to check scope of changes required to BSC and consider any Licence impacts.

Elexon's legal view is that this change would require a change to the Licence. Despite being inconsistent with the Self-Governance principles, the Licence is explicit in requiring Ofgem decision for any changes in Implementation Dates.

Elexon note that Licence changes could be challenging for Ofgem to agree to and implement changes to. Elexon will feed this back to Ofgem, but have no ability to raise changes to licences.

Outcome

The group recommend to Ofgem that Elexon's Licence conditions are changed to allow the BSC Panel to agree changes to Self-Governance Implementation Dates.

Aside from changing NGESO's licence conditions, the group recommend that no further work on expanding the Panel's Self-Governance powers to enable them to decide on changes to implementation dates be undertaken.

Further discussions on BSCP40 Simplification

Background, discussions and outcome

At the fourth meeting, Elexon sought Issue 102 group views on several further 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 only be used 50 times between 20227 and 2011, but not since. This was because the Issues process is used instead.

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 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. Elexon added that if other changes to BSCP40 were being done, there could be some efficiencies in picking this change up at the same time.

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.

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

Background, discussions and outcome

An Issue 102 member raised an issue caused by Elexon's model of Proposer ownership of Modifications, noting rules which allow a Proposer to keep a change open even when faced with significant industry pushback. The member referenced [P332 'Revisions to the Supplier Hub Principle'](#)¹² as an example of a Modification that remained open for a significant length of time and required significant industry resource to assess, only for this change to be rejected by the Authority and, in this members view, ultimately diverting resource from other potential changes that would benefit a wider group of parties.

This member suggested that the Panel should have the powers to forcibly stop a Modification that it did not believe had sufficient merit to continue.

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. Elexon stressed that it does provide robust feedback to Proposers, including where they do not think the merits of a Proposal are strong or will gain much support.

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. 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

¹² <https://www.elexon.co.uk/mod-proposal/p332/>

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.

Remove the need to consult twice for Modifications that have been assessed and consulted on by a Workgroup

Background, discussions and outcome

At the first meeting, the group noted that fewer Report Phase Consultation (RC) responses are received than Assessment Consultation (AC) responses and this is often due to respondents not seeing value in responding twice (median of 8 responses to AC and 5 to RC).

The Report Phase Consultation adds a minimum of 1 month to BSC Modifications and can sometimes be superfluous in cases where there is broad and consistent support for a change by the Workgroup, AC respondents and the Panel. The group triaged a solution whereby, when considering the Workgroup's Assessment Report, the Panel could be invited to agree or disagree that a Modification needs a second Consultation.

One member said they understood why this might be wanted but stated they do not think it was a good idea. They expanded on 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 already exists (as Modifications do not have to undergo the Assessment Procedure) the Report Phase forms an important legal requirement (in order to report to the decision maker) and this member argues that removing any consultations would remove flexibility from the process.

The group agreed that, 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 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 (it was questioned whether as part of their decision making process, do Ofgem look back to the Assessment Reports or do they need all existing detail to feature in the Final Report).

The member urged caution around the idea of moving away from secondary consultations, advising that you would need to be very clear about the rationale for doing so.

In light of concerns raised 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.

As quick wins, one member highlighted the long time it took to respond to BSC consultations, stating that often there were a lot of 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. This has been further discussed and raised under Quick Win #4.

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

Background, discussions and outcome

Given the agile approach to the progression of Issue 102 meetings and the raising of quick wins prior to its closure, an Elexon representative explained that this suggestion was more about avoiding default approaches to the holding of meetings and progression of changes where this was not the most suitable or efficient approach (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's scope 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 the member cautioned against going against a structured approach to change as this could be disastrous for industry.

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.

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 in developing this idea. Overall, the group believed it was right and proper that changes were given due consideration and were not rushed for the sake of it.

Introduce a public prioritisation mechanism for BSC Changes

Background, discussions and outcome

Noting that the REC offered a public prioritisation mechanism, the Issue group discussed whether this would be appropriate to introduce within the BSC. Some members expressed a desire for public prioritisation of desired changes (similar to REC), but other members highlighted that an internal Elexon mechanism prioritisation exists but was informal and unseen by industry. In certain cases, notably during the onset of the COVID-19 pandemic in 2020, Elexon has sought input and approval from the BSC Panel to steer this prioritisation activity, but the Issue group did not feel that it was necessary to apply this on an enduring basis. The group noted that the Panel already have powers to prioritise Modifications¹³, but prefer the model where Elexon resource to meet industry demand.

The group noted that Quick Win #1 had been raised to better publicise Elexon's existing pipeline of BSC Change (currently published on the BSC Website) via Newscast periodically, but did not wish to develop any further mechanisms related to public prioritisation. The "Upcoming CP Change meeting" (Quick Win #3) offers a further opportunity to publicise and allow industry comment on the backlog. Together, these two

¹³ See [Section F 2.2.10](#): Having regard to the complexity, importance and urgency of particular Modification Proposals, the Panel may determine the priority of Modification Proposals and may (subject to paragraph 1.4.3) adjust the relevant modification timetable for each Modification Proposal accordingly

input channels should help to better inform any prioritisation that Elexon manage behind the scenes for Issues and CPs.

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

This quick win was discussed in the context of helping interested industry members to identify and reach out to the right Elexon resource but it was established that this could cause confusion and violate the principle of single point of 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.

4. Conclusions

The Issue 102 group recommend that the following changes are made to the BSC to reflect improvements identified during the course of assessment. The table also demonstrates each improvement's justification against the following Issue 102 criteria;

- Speeding up the BSC Change Process;
- Simplifying the BSC Change Process; or
- Improving quality of BSC Change solutions and reports.

Issue 102 Improvements Summary Table					
Description	Type/Impact	Priority	Speeds up the BSC Change Process?	Improves quality of BSC Change solutions and reports?	Simplifies the BSC Change Process?
Improvement #1 - Allow non-BSC Parties to raise Change Proposals	Change Proposal to BSP40	Batch 1	Neutral	✓	✓
Improvement #2 - Align CP process to Modifications process, to allow Proposers to withdraw CPs	Change Proposal to BSP40	Batch 1	✓	Neutral	✓
Improvement #3 - Allow more than one Alternative for BSC Modifications	Modification to the BSC	Batch 1	✗	✓	✗
Improvement #4 - Remove or reduce Workgroup voting duties	Modification to the Workgroup's Terms of Reference, approved by the Panel	Batch 2	✓	Neutral	✓
Improvement #5 - Expand Elexon's role in cases of low Workgroup quoracy	Modification to the BSC	Batch 2	✓	Neutral	✗

337/06

Issue 102

Issue Report

13 April 2023

Version 1.0

Page 31 of 41

© Elexon 2023

The following changes are desired by Issue 102 but ultimately require a change to the licence that would require a positive decision from Ofgem in order to progress.

Exelon note that Licence changes could be challenging for Ofgem to agree to and implement changes to. Therefore ideas involving Licence changes are not impossible but should be considered as having a high impact compared to those that do not, which affected their perceived priority.

Exelon note that Licence changes could be challenging for Ofgem to agree to and implement changes to. Exelon will feed this back to Ofgem, but have no ability to raise changes to licences.

Issue 102 Improvements Requiring Licence Change	
Description	Impact on Licence
Allow Panel to decide on changes to Implementation Dates under Self-Governance	Explicit in the Licence that Ofgem must decide on changes to Implementation Dates
Amendments to the Housekeeping process	<p>The requirements in the Licence are:</p> <ul style="list-style-type: none"> - Unanimous agreement at the Panel that the self-governance criteria are satisfied - Unanimous agreement at the Panel that the modification should be made - Notification to Parties, NGESO and Ofgem followed by the 15 day appeals window - The notification needs to include details of the Modification, notification that it is a Fast Track Modification, how to object, legal text and the implementation date

The following are quick wins identified during the course of Issue 102 (low impact changes to operations or processes with no code change required). In most cases, these have already been implemented (reflecting the intention to follow an agile approach for progression of this Issue –not waiting for the closure of the Issue to progress low effort/impact changes) unless otherwise indicated.

Issue 102 Quick Wins Summary Table		
Description	Impact	Implementation status
Quick Win #1 - Publicise the existing pipeline of BSC Change (currently published on the BSC Website) via Newscast periodically	Change to Exelon's internal LWIs, templates and ways of working	Implemented in December 2022
Quick Win #2 - Update email templates to make it clearer that interested parties can join distribution lists and Workgroups as observers	Change to Exelon's templates	Implemented in December 2022
Quick Win #3 - Trial a standing session to invite industry feedback on upcoming CPs	Introduction, promotion, administration and chairing of new public meeting	Implemented in February 2023. 2 meetings have been held to date.
Quick Win #4 - Tick box at top of the Report Phase Consultation question sheet similar to "I answered the	Change to Exelon's templates and documents	Implemented in January 2023.

Assessment Consultation and my views haven't changed"		
Quick Win #5 - Review and change Housekeeping CP and Mod report templates to slim down documents and associated effort progressing low impact HK Changes.	Change to Elexon's templates and documents	Targeted for 2 nd quarter of 2023

Prioritisation and future approach for Issue 102 recommendations

The intention is to close Issue 102 to allow progression of the more substantial recommendations and BSC Changes identified during the course of assessment (as opposed to the implementation of quick wins which have, in most cases, already been made).

However, recognising the expertise that the membership of Issue 102 has in these matters and the valuable role that they can fulfil in verifying the redlined changes needed to deliver these changes, Elexon wish to establish an informal user group, the 'BSC Change User Group' for the purposes of verifying the legal text and redlining that Elexon will produce - prior to any change being raised following closure of Issue 102.

As agreed with the Issue 102 Workgroup, Elexon will progress the Issue 102 Improvements with the following prioritisation. The aim is that batch one will be progressed within the first quarter following closure of Issue 102, with batch two being raised in the second quarter following closure of the Issue report.

Batch 1 - Solution Ownership Changes

- Improvement #1 - Allow non-BSC Parties to raise Change Proposals
- Improvement #2 - Align CP process to Modifications process, to allow Proposers to withdraw CPs
- Improvement #3 - Allow more than one Alternative for BSC Modifications

Batch 2 – Governance Changes

- Improvement #4 - Remove or reduce Workgroup voting duties
- Improvements #5 - Expand Elexon's role in cases of low Workgroup quoracy

Batch 3 (subject to Ofgem agreement) – changes with Licence impacts

For changes with an identified impact on the Licence, Elexon propose to engage with Ofgem to establish their appetite for making any changes to the Licence. One option may be for these items to be noted as desired but unable to be progressed (due to the licence impact) but could be fed into the ongoing Code review.

- Allow Panel to decide on changes to Implementation Dates under Self-Governance (not back to Ofgem)
- Amendments to the Housekeeping change process

Historic analysis of BSC Change

To support discussion and aid group understanding in the first meeting, Elexon presented analysis of historic statistics associated with Change activity, adding context on the volume of changes raised, which type of changes they were and the number of Modifications and meetings held year-by-year.

How many changes are being raised and meetings held?

● Mods raised ● CPs raised ● Issues raised



Figure 1

Count of Closed by Year and Change Type

Change Type ● CP ● Issue ● Mod

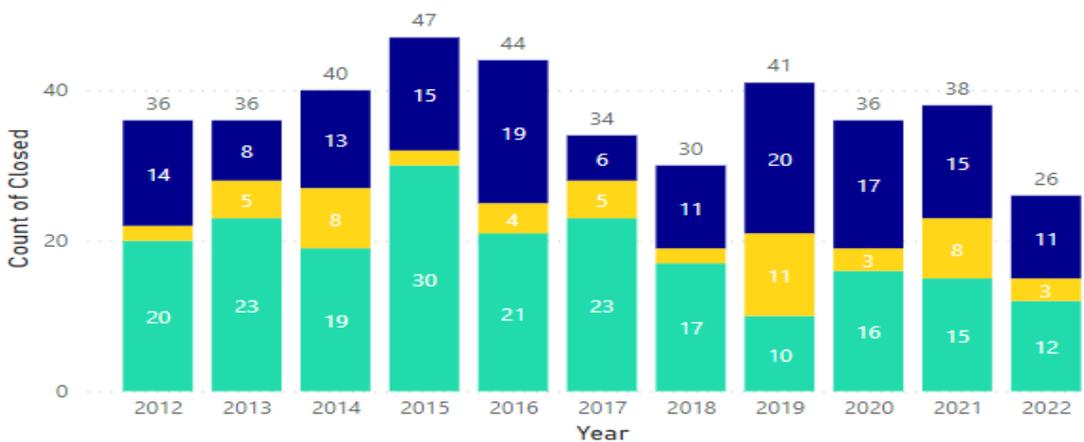


Figure 2

337/06

Issue 102

Issue Report

13 April 2023

Version 1.0

Page 34 of 41

© Elexon 2023

Number of Modification & Issue Group Meetings

Change Type ● Issue ● Mod

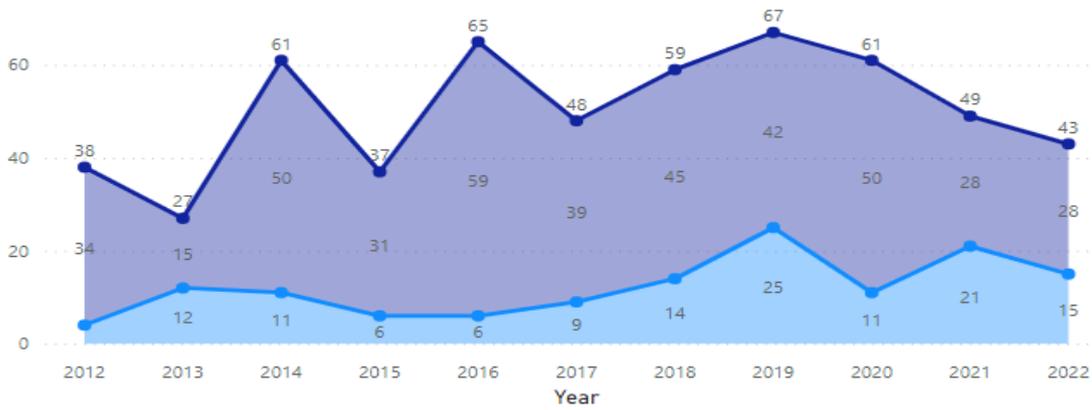


Figure 3

Modification Progression Times (based on Mods raised 2012 to 2022)

Additionally, Exelon analysed historic Modification Progression Times (based on Mods raised 2012 to 2022) and presented key statistics.

Modification Progression Times		
Change Type	Median (calendar days)	Mean (calendar days)
To Assessment Procedure	258	347
Straight to Report Phase	48	72

The mean number of meetings per Assessment Phase Modification (i.e. those requiring an industry workgroup) was found to be 5. The median number of meetings per Assessment Phase Modification (i.e. those requiring an industry workgroup) was found to be 3.

Average progression times from Raised to Decision

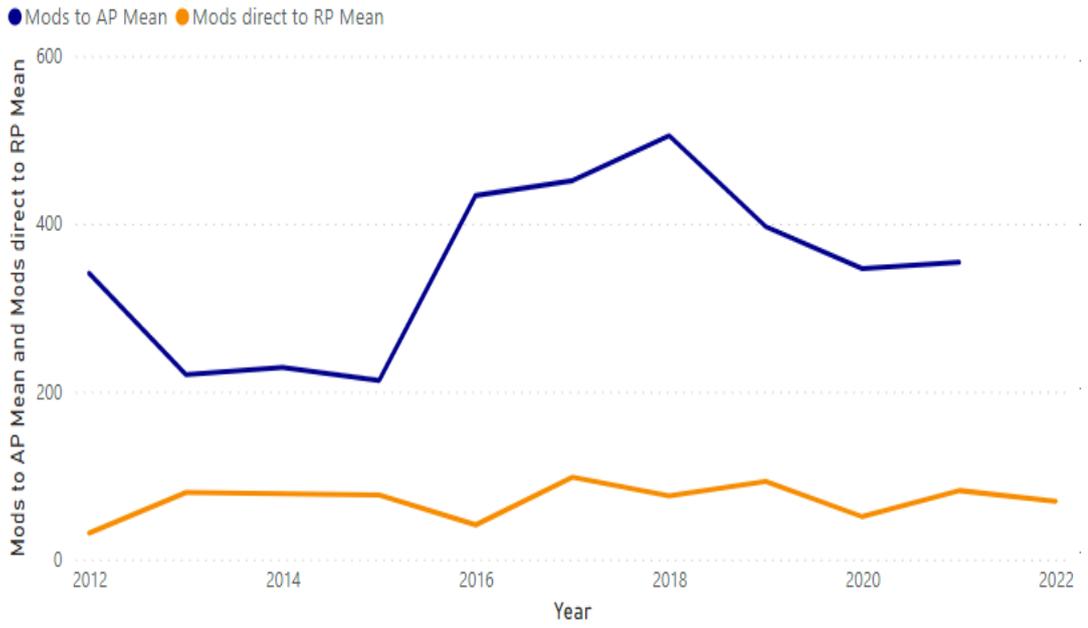
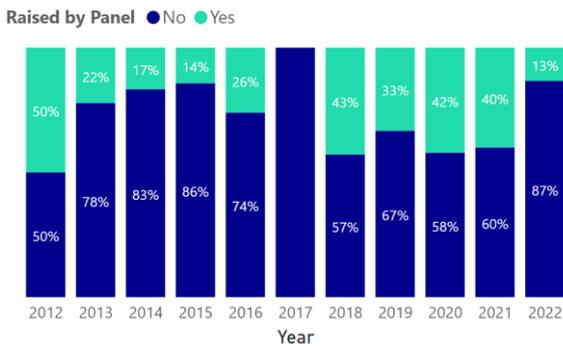
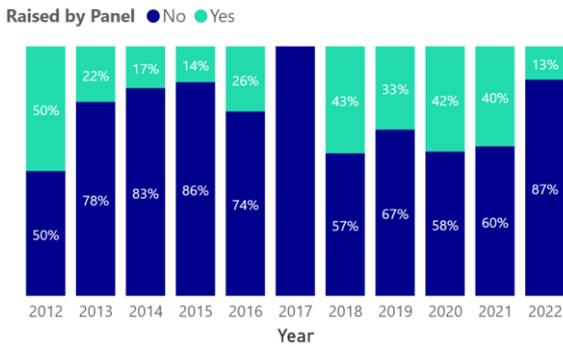


Figure 4

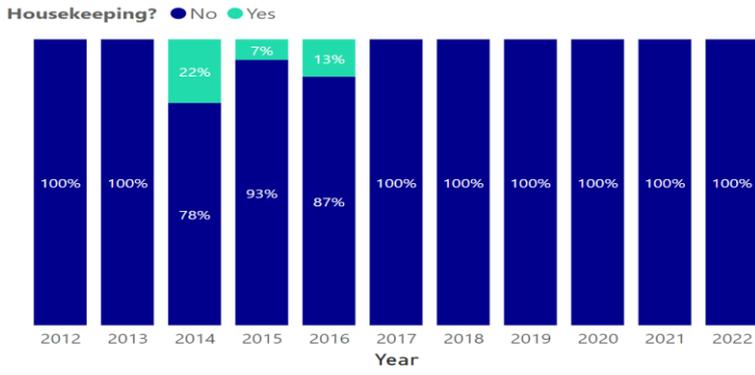
Modifications raised by the Panel



Modifications raised by the Panel



Housekeeping Mods



Modification Progression Times for Mods that went to the Assessment Procedure (based on Mods raised 2012 to 2022)

Progression time by phase

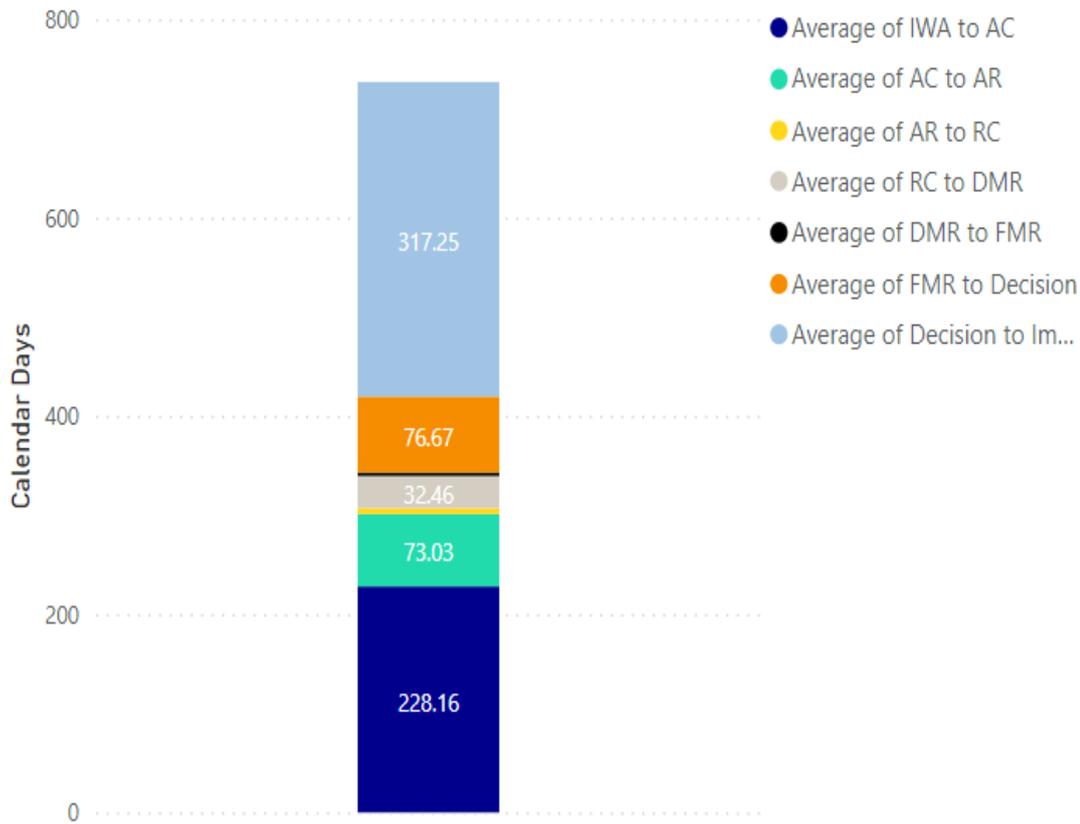


Figure 5- With System Changes

Progression time by phase

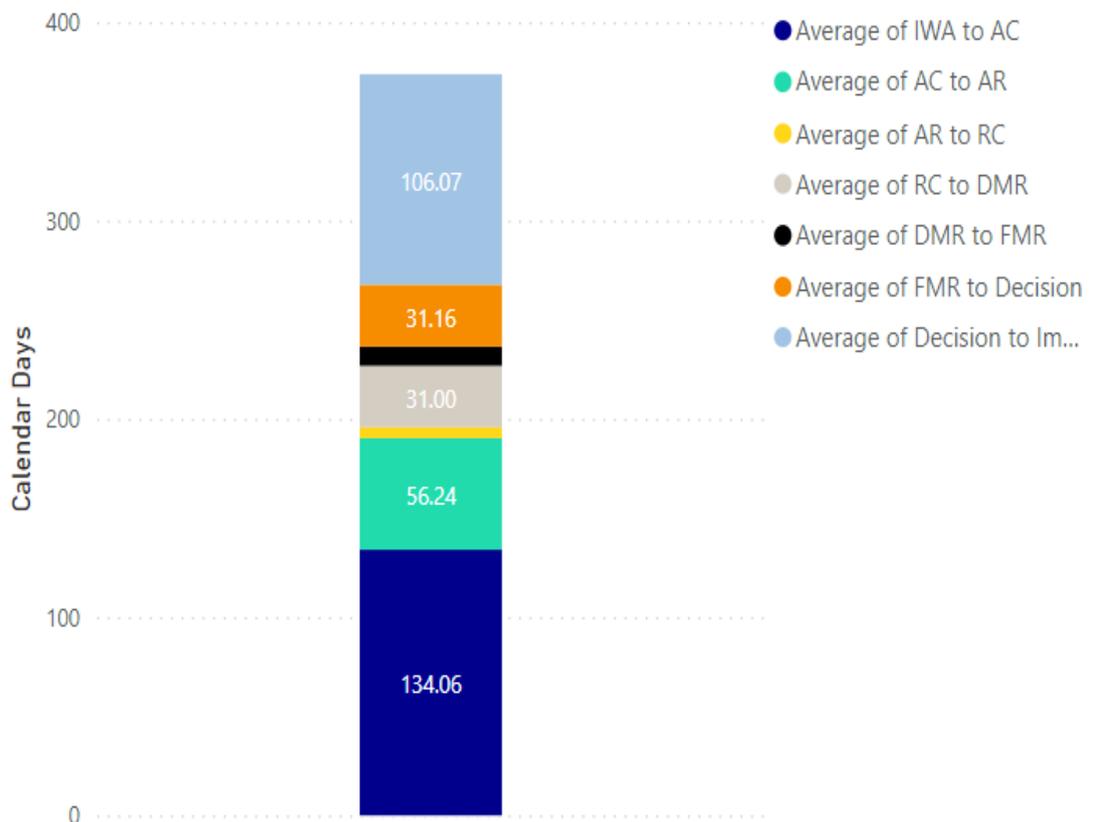


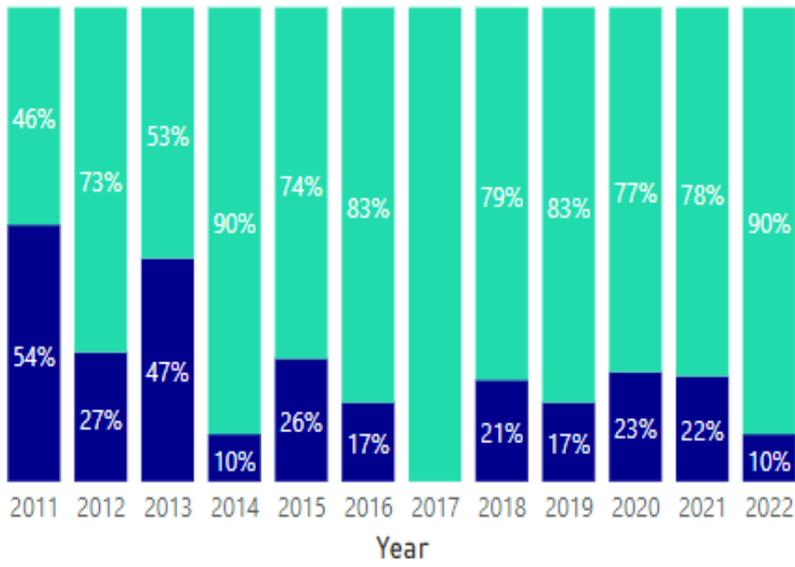
Figure 6 - Without system changes

Change Proposal Analysis and Key Statistics

Change Proposal Progression Times		
Change Type	Median (calendar days)	Mean (calendar days)
CP Progression time (raised to decision)	76	86

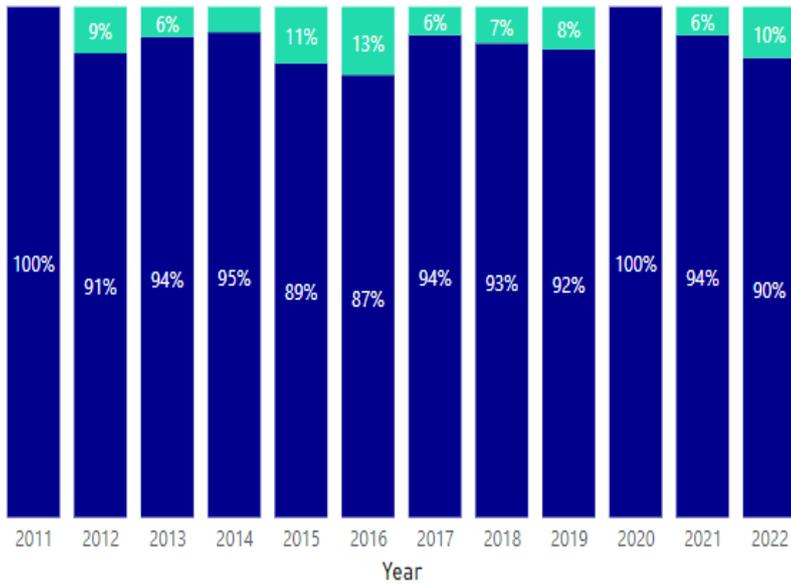
Percentage of CPs raised by Elexon

ELEXON? ● No ● Yes



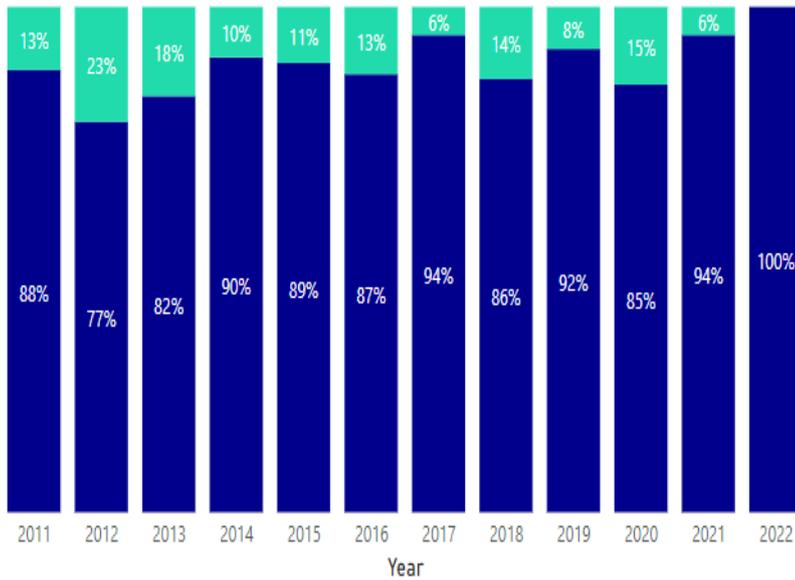
Percentage of Houekeeping CPs

Housekeeping? ● No ● Yes



Percentage of CPs requiring BSC System changes

System? ● No ● Yes



Key Issues & Consultations stats (based on changes raised 2012 to 2022)

BSC Issue Progression Times

Change Type	Median (calendar days)	Mean (calendar days)
Issue progression time (raised to decision)	178	221

The mean number of meetings per Issue was found to be 2.5. The median number of meetings per Issue was found to be 2.

Consultations

Consultation Responses

	Assessment Consultation	Report Consultation	Change Proposal
Mean	9.6	5.5	7.3
Median	8	5	7
Max	31	32	25

Appendix 2: issue Group Membership

Issue Group membership and attendance

Issue 102 Group Attendance					
Name	Organisation	25/10/22	3/11/22	9/12/22	16/12/22
Chris Day	Elexon (<i>Chair</i>)	✓	✓	✓	✓
Ivar Macsween	Elexon (<i>Lead Analyst</i>)	✓	✓	✓	✓
Lawrence Jones	Elexon (<i>Subject Matter Expert</i>)	✓	✓	✓	✓
Tom Chevalier	Trade body	✓	✓	✓	x
Themistocleous, Anne	DNO	✓	✓	x	x
Andy Colley	SSE (generation)	✓	✓	✓	✓
John Greene	SSE Supplier	x	✓	✓	✓
Kevin Woollard	Centrica Supplier	✓	✓	✓	✓
Nik Wills	Stark	✓	✓	✓	✓
Hannah, Clare	Imserv party agent	✓	✓	✓	✓
Eyre, Philip	Supplier	✓	✓	✓	✓
Lisa Waters	Consultant	✓	✓	✓	✓
Seth Chapman	Callisto	✓	✓	✓	✓
Steven Bradford	Supplier	✓	✓	✓	✓
Milly Lewis	NGESO – code admin	✓	✓	✓	✓
Mathew Shore	UKPN	✓	✓	✓	✓
Colette Baldwin	REC	✓	✓	✓	✓