
P426 Workgroup 3 Summary

Summary

1 Welcome and Meeting Objectives

The Chair welcomed attendees and presented the following meeting objectives to Workgroup Members:

- Consideration of risk mitigations for proposed solution
- Further development and refinement of proposed solution

2 Summary of WG2 and Actions

- 2.1 Elexon provided a summary of Workgroup meeting 2 which was held on 7 September 2022.
- 2.2 At that meeting Elexon provided an overview of the Payment and Credit Default process, including timescales and consequences. This was at the request of a Workgroup Member after Elexon had provided an overview of the BSC Credit Cover arrangements at Workgroup meeting 1.
- 2.3 The development of the proposed solution section of the Workgroup meeting was covered in three sections; Defining the entities, Provision of Credit Cover and Governance and process.
- 2.4 The Proposer was open at this stage to the solution applying to Parties in the same group or two or more unrelated Parties.
- 2.5 Elexon explained that the BSC Panel had approved an extension to the P426 Assessment Procedure at its meeting on 14 July 2022. The P426 Assessment Report is therefore due to be presented at the February 2023 Panel meeting, or earlier if possible. This will be post Assessment Procedure Consultation being issued to industry and a Workgroup meeting will be required to consider consultation responses.

3 Risk mitigations

- 3.1 At the previous meeting, the Workgroup had asked for risk mitigations for the proposed solution. Elexon had prepared a range of possible risk mitigations and the pros and cons of each for discussion.
- 3.2 The full list of possible risk mitigations are contained within the [P426 Workgroup meeting 3 Slides](#).
- 3.3 The Workgroup provided their views on some of the possible risk mitigations and were neutral on others. It was recognised that it was up to the Proposer to decide which possible risk mitigations they would want to be part of the solution.
- 3.4 The Proposer agreed to feed back to Elexon their views on the possible risk mitigations in a meeting to be scheduled to be held shortly after this Workgroup meeting.

4 Progression Plan & Next steps

- 4.1 Elexon explained that it was likely that that next Workgroup meeting would be held up to 6 to 8 weeks after this Workgroup meeting, to allow for the drafting of Business Requirements and for Service Provider impact assessments, to understand the cost and timescales for delivering changes to BSC Systems. Elexon will also need to undertake a detailed assessment to understand the impact on internal processes, including costs.
- 4.2 Under the current timetable, the P426 Assessment Report is due to be presented at the February 2023 Panel meeting. A further Workgroup meeting will be required prior to a 15 Working Days industry consultation and potentially a meeting after if there are consultation responses received which suggest a change to the proposed solution.

5 Actions

- 1 The Proposer to consider the proposed risk mitigations and to shortly provide their view to Elexon as to whether each should be included as part of the solution

- 2 Following completion of Action 1, Elexon to draft Business Requirements and seek internal and Service Provider impact assessments to understand the cost and timelines for implementing the proposed solution. This information will be shared with the Workgroup at the next meeting, prior to industry consultation
- 3 Elexon to schedule the next Workgroup meeting to be held in approximately 6 to 8 weeks