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## P463 – Digital Meeting Etiquette

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- Welcome to the P463 Workgroup meeting 2 – we will start shortly
- No video please to conserve bandwidth
- Please stay on mute unless you need to talk – use IM if you can't break through
- Talk – pause – talk

# ELEXON

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## **P463 - Meeting 2**

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Introduce a Standard Change Process

6 March 2024

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## Meeting objectives and agenda

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- Further scoping of the impacts of P463 and its value as a new Change Type, via discussion of:
  - Interactions and process
  - Proposed amendments to criteria and BSCP40
  - Candidates for Standard Change
  - MHHS impacts
- Agree the change types to be taken forward for Legal drafting and consultation

No.	Agenda Item	Lead
1.	Welcome and Meeting objectives	Lawrence Jones – Chair (Elexon)
2.	P463 Summary of actions from WG1	Serena Tilbury – Lead Analyst (Elexon)
3.	Consideration of Standard Change interactions and process: <ul style="list-style-type: none"><li>• Energy Code Reform (ECR )</li><li>• MDD and MHHS impacts</li><li>• Cost/benefit analysis</li><li>• De Minimis</li><li>• Appeals and exceptions</li><li>• Revisions to criteria</li><li>• Housekeeping as a candidate for Standard Change</li></ul>	Lawrence Jones and Workgroup
4.	Workgroup discussion	Elexon and Workgroup
5.	Next steps	Serena Tilbury
6.	AOB & Meeting close	Lawrence Jones

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## P463 Summary of actions from WG1

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Action	Responsibility
Where members have relevant knowledge and expertise, propose a rationale (for or against) Market Domain Data as a candidate for SC, using the Proposed SC criteria	Workgroup
Where Members have relevant knowledge and expertise, consider whether the change candidates on slides 21 meet or do not meet the criteria and why	Workgroup
Provide the time/costs savings that P463 could achieve	Elexon
Elexon to bring back options for the rejection / appeal route and update the redlining so that Panel make SC decisions and there is a process to remove changes from the SC list	Elexon
Consider whether housekeeping could be included as a SC	Elexon
Revise the low risk criteria to incorporate risks to Settlement and bring back some options for MDD that would separate out data sets that can impact Settlement	Elexon
Consider how the cost of SC can be incorporated into the SC notices and whether costs need to be factored into the SC criteria	Elexon
Consider the impacts any changes to the MDD process would consequently have on the MHHS and ISD	Elexon



# ENERGY CODE REFORM (ECR) CONSIDERATIONS

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## Energy Code Reform considerations

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- Ofgem published its “Consultation on the implementation of energy code reform” on 30 January 2023 (closes 23 April 2024)
- The intent of this reform, among other things, is to move code admins to licenced code managers and to consolidate some codes
  - The BSC will not be consolidated and is expected to be in the first phase of codes to be managed by a code manager by ~end of 2025 / early 2026
- The new code manager modification process will be designed this year, with input from a workgroup formed by Ofgem this summer
- What bearing does this have for P463?
  - Option 1: None – we can only assess against the current baseline and the reform is still two years away for the BSC and longer for other codes
  - Option 2: Some – if P463 can be implemented swiftly lessons can be learnt and fed into the code reform work
  - Option 3: Significant – P463 should be withdrawn to avoid nugatory work and focus on higher priority work
  - Option 4 – Other?
- What does the Workgroup think?



# MARKET DOMAIN DATA (MDD) MHHS IMPACTS

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## Impact on MHHS (1 of 2)

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- The MHHS Programme have introduced a change freeze:
  - Any 'BAU' changes requiring a change to the MHHS design requires a MHHS Change Request (CR) to amend the MHHS design
  - MHHS CRs will only be approved where needed to deliver MHHS or where no impact on MHHS delivery
- Would changes to the ISD process require a change to the MHHS design?
  - There would be no changes to participants systems
  - Small process change to consider MDD change notices rather than MDD consultations



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## Impact on MHHS (2 of 2)

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- There is no expected impact of MDD process changes identified as potential candidates for Standard Change on MHHS Design, as the design does not touch the business processes.
- However, if we do make a change to the MDD processes in BSCP509, these might need to be caught in re-baselining of BSCP707. This shouldn't be a major issue as there are other inflight BSC changes we'll need to accommodate in the MHHS drafting.
  - Is there value in making changes to BSCP509, bearing in mind transition to BSCP707?
- Timing of any change to MDD process changes identified as potential candidates for Standard Change is key.

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## Market Domain Data (MDD)

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Low Risk	Repeatable	Predictable
<ol style="list-style-type: none"><li>1. Market Participants can submit requests to include or amend data for their associated MPIDs in MDD only.</li><li>2. Data submissions must meet set parameters set out in BSCP509 (Entity Forms) and cannot deviate away from the form structure.</li><li>3. Submissions are validated by Elexon and the CRA.</li><li>4. Only BSC Parties can submit requests to include or amend data.</li><li>5. Market Participants can respond to a monthly IA but this is very rarely happens and points raised are not material (Caveat - unless there is a larger project such as Targeted Charging Review - TCR).</li></ol>	<ul style="list-style-type: none"><li>• MDD is version controlled and processed on a monthly basis.</li><li>• This has resulted in a well documented activity, made easier by the set requirements detailed within BSCP509 which need to be met in order to be entered into the central repository.</li></ul>	<ul style="list-style-type: none"><li>• MDD follows a strict timetable which is published each November/December to Industry.</li><li>• All data submitted for MDD is based on set structures with determined inputs and outputs.</li></ul>



# COST / BENEFIT ANALYSIS

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P463 Costs (1 of 2)

P463 Implementation Cost Estimates

Activity	Elexon Effort (days)	Industry Effort (days)
Assessment Phase	80	53
Report Phase	6	2.5
Implementation Phase	5	0
Total	91	55.5
Overall Total: 146.5		

P463 costs (2 of 2)

On-going Cost Estimates

Activity for establishing a standard change (3.16)	Elxon Effort (days)	Industry Effort (days)
Establishing a Standard Change	3	11
Enabling changes	8 to 91	5 to 55.5
Total	11 to 94	16 to 66.5
Overall Total: 27 to 160.5		

Activity for progressing a standard change (3.17)	Elxon Effort (days)	Industry Effort (days)
Raising and progressing a Standard Change	1	5 to 10
Implementation – no change to current process	0	0
Total	1	5 to 10
Overall Total: 6 to 11		

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## Benefits

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- Implementing the Standard Change framework itself will not bring any benefits
- Benefits will only be realised where changes are categorised as a Standard Change and subsequently follow the Standard Change process
- The primary benefit is:
  - Reduced assessment time for relevant changes (implementation activities will remain the same)

Standard Change Candidate	Elexon Assessment Effort Reduction (days)	Industry Assessment Effort Reduction (days)	Assumed number of changes per year
Fuel Types	7 – CP will no longer need to be progressed	1 – Only need to review Standard Change notice, not CP and implementation	1
MDD	0.5 - not writing SVG paper & managing consultation	0.25	12
Subsidiary Document Housekeeping	3	0.5	1

## Net

	Cost / year	Benefit / year	Net	Breakeven
1. Implement only Standard Change framework in P463	146.5	0	+146.5	n/a
2. Implement Standard Change framework in P463 + Fuel Types	146.5	8	138.5	20 years (146.5/8)
3. Implement only Standard Change framework in P463 + Fuel Types, MDD, HK	146.5	8 + 9 + 3.5 = 20.5	126	7 years
4. Implement only Standard Change framework in P463 and then Fuel types subsequently	146.5 + 27 = 173.5	8	165.5	22 years

- Cumulative effect if multiple change candidates can be identified, but high 'cost' if only for Fuel Types
- More efficient to include enabling changes in P463
- What other benefits and value could P463 deliver?



# DE MINIMIS

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## What is the De Minimis BMRS CP process?

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- [P372](#) introduced a De Minimis BMRS Change Proposal (CP) defined in BSCP40 as a specific type of CP designed to allow changes to BMRS data to be implemented more swiftly, subject to certain criteria being met. Cost was used as a proxy for risk.

1. Defining a De Minimis Change	<p>A change qualifies as De Minimis if it meets the following criteria:</p> <ul style="list-style-type: none"><li>a) The expected cost to Elexon is no greater than the financial threshold set by the Panel (£30,000, with an annual limit of £120,000 in cumulative costs for all changes)</li><li>b) The expected cost of implementing such change does not result in the aggregate cost of all De Minimis BMRS Changes implemented (or to be implemented) during that BSC Year to exceed the aggregate financial threshold set by the Panel</li><li>c) It is not anticipated by the relevant Committee that such change would require BMRS users and participants to amend their systems and processes; and</li><li>d) The relevant Committee is satisfied that there are no other related changes with which such change could reasonably be amalgamated.</li></ul>
2. Submitting the Proposal	<ul style="list-style-type: none"><li>• De Minimis BMRS CPs do not require a consultation period</li><li>• A completed Change Proposal form is presented to the relevant Committee</li></ul>
3. Review and Approval	<ul style="list-style-type: none"><li>• BSCCo assesses the proposal against the De Minimis criteria.</li><li>• If approved, the change goes directly to the relevant Panel Committee for decision</li><li>• No public consultation is required</li></ul>
4. Implementation	<ul style="list-style-type: none"><li>• If approved, the change is implemented according to the agreed timeframe.</li><li>• Parties and Party Agents are notified and can object, in which case the CP follows the normal CP process.</li></ul>

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## How does P463 impact the De Minimis process?

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- A De Minimis BMRS CP has never been raised
  - Changes to the legacy BMRS were above the cost thresholds
  - However, with Insights, this could change
  - Were the thresholds set too low?
  - Fuel Type changes would likely be below the threshold, but would still require Panel approval, in line with Section Q
- 1. **Remove:** Remove the De Minimis BMRS CP process, as the Standard Change process is more flexible and can supersede it
  - This would seem sensible, if the WG believe P463 should progress
- 2. **No change:** Leave the De Minimis BMRS CP process as is
  - Least change approach and keeps door open to test both processes
  - De Minimis BMRS CP process is already established and less work to progress than establishing a new change as a Standard Change
- 3. **Use:** Amend Section Q and use De Minimis BMRS CP process to progress Fuel Type changes
  - This would seem sensible, if the WG believe P463 should be withdrawn or Fuel Type changes should not be a Standard Change
- We recommend option 2 for now and to revisit as part of ECR, taking lessons learnt in the meantime



# APPEALS / EXCEPTIONS

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## BSCP40 updates (1 of 3)

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- At the first Workgroup meeting it was suggested:
  - That the Panel should make all decisions on whether a change type should be treated as a Standard Change (in BSCP40 process 3.16). **We have updated the redlining to reflect this**
  - That an appeal route should be added – **see below for options**
  - Some Standard Changes may still require more robust assessment and consultation with interested parties – **see subsequent slides for options**

### Appeal Options

- There are two points where an appeal could be made:
  - 1. On the Panel decision to categorise a change type as a Standard Change (in the proposed 3.16 process)**
    - Parties will be able to provide views on whether specific change types are suitable to be treated as Standard Changes via the required consultation in BSCP40 3.16 process
      - The Panel will (now) decide whether to add a change type to the Standard Change log, taking the consultation responses into account
  - Option 1: Allow parties to appeal the Panel decision to [Ofgem]**
    - This seems burdensome and disproportionate to the type of changes that will be eligible. Could require Elexon to recommend the Change Type to the Panel as a potential check and balance and in line with upcoming Code Reform?
  - Option 2: No change**
    - Given the decision will take into account the consultation responses, we believe this option is the most appropriate

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## BSCP40 updates (2 of 3)

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### 2. On the BSCCo decision to approve or reject a Standard Change (in proposed 3.17 process)

- Option 1: Include an appeal mechanism to the Panel for anyone to raise within [5WDs] of a BSCCo decision
  - Added complexity, but would address the concern raised by the Workgroup that there may be exceptions and provides for more robust governance
  - Panel decision could be to:
    1. Uphold BSCCo decision
    2. Overturn BSCCo decision
    3. Consult on whether to approve or reject the Standard Change and then for Panel to decide
- Option 2: On appeal, require BSCCo to put a Standard Change out for consultation and to seek relevant Panel Committee(s) comment
  - Would ensure parties views are considered and more in line with expected code reform
- We recommend option 1, where the Panel can decide whether to consult or not before making its decision, and note this would need to be re-considered as part of ECR
- We also believe it sensible to allow BSCCo to put a Standard Change out for consultation and to seek relevant Panel Committee(s) comment
  - Added complexity, but should be the exception and provides flexibility
  - Do the Workgroup agree this option should be included?

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## BSCP40 updates (3 of 3) - Exceptions

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- At the first Workgroup meeting it was suggested that a process would be needed to:
  - Remove items from the Standard Change Log
  - Amend the Minimum Notice Period

### 1. Remove items from the Standard Change Log

- Option 1: Adopt the same approach as adding items to the Standard Change Log
  - Public, open consultation
  - Panel decision
  - Any required enabling changes must be implemented to remove the change type from the log
  - [Ofgem appeal route] / [must also have BSCCo agreement]
- Option 2: Simplified process
  - Panel decision
  - Any required enabling changes must be implemented to remove the change type from the log
- We recommend option 2 as there should be less risk in moving a change type to the previous change mechanism i.e. a Mod or a CP

### 2. Amend the Minimum Notice Period

- Option 1: On the recommendation of anyone to the Panel, require a consultation and Panel approval
- Option 2: On the recommendation of anyone to the Panel, require Panel approval
- We recommend option 1, as this is a critical parameter in the Standard Change process that could impact participants; it is right to seek industry views





# REVISED CRITERIA

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# Standard Change Criteria

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- At the first Workgroup meeting, several suggestions were made to refine the proposed Standard Change Criteria:
  - Risk to Settlement – see proposal below
  - Cost – no change proposed to criteria for this. However, propose the expected typical cost of a change is required to be included in the consultation to industry (3.16.3). This can be captured in the log and reported in the notice to industry in 3.17.2

Criteria	Comment
<p><b><u>Low risk</u></b> - A change is considered low risk when it has a minimal or negligible chance of causing adverse effects to <b>Settlement</b> and the IT environment or the business processes it supports. <del>This means that the change has been tested thoroughly, has been implemented multiple times in the past without significant issues, or is well understood by the teams implementing it. The consequence of failure, if it occurs, is minimal.</del></p>	<ul style="list-style-type: none"><li>• <b>Captured risk to settlement</b></li><li>• <b>Removed text that is captured in other criteria</b></li><li>• <b>Removed overly restrictive text e.g. would this exclude Fuel Type changes?</b></li></ul>
<p><b><u>Repeatable</u></b> - This relates to the ability to implement the change consistently over and over again without variations in the process or outcome. For a change to be considered standard, it must be repeatable. This means that the same steps are followed each time, and the results are consistent every time the change is made.</p>	
<p><b><u>Predictable</u></b> - This pertains to the expected outcomes of implementing the change. A predictable change is one where the outcome is known based on previous implementations or thorough testing. There shouldn't be any surprises when the change is made. The results of the change should be consistent every time it's implemented.</p>	





# HOUSEKEEPING (HK)

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# Housekeeping as a Standard Change

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- At the first Workgroup meeting it was suggested that housekeeping changes could be suitable for following the Standard Change process
- The Issue 102 'BSC Change Process Review' group considered whether the housekeeping change process could be streamlined
  - The group agreed that it should be, but were unable to progress any significant changes to the Modification housekeeping processes as they are constrained by the BSC Modification procedures in the Transmission Licence
- Consequently, housekeeping changes to the BSC could not be made a Standard Change without first amending the Transmission Licence.
- However, the licence does not define the process to amend Code Subsidiary Documents (CSDs) and therefore housekeeping changes to CSDs can be considered for the Standard Change process:
  - Our initial assessment for Housekeeping changes to the CSDs is:

Criteria	Rationale
Low Risk	HK changes should not amend the intent of the rules in anyway. They therefore should pose no risk to Settlement, systems or processes and are therefore low risk.
Repeatable	The process to amend the CSDs follows a well defined document management process that has been done thousands of times
Predictable	The outcome is highly predictable, as the tracked changes clearly show the changes to be made

- If the appeal route is included, this should provide comfort that, should a party disagree with a proposed HK change, it can be appealed
- We therefore recommend that HK changes are a suitable candidate to follow the Standard Change process and should be made such, as part of P463



# TERMS OF REFERENCE

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## P463 Specific Terms of Reference

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ToR	Details
a)	What criteria should be met in order for a change to be established as a Standard Change?
b)	Is there a need for an objection or appeal mechanism within the Standard Change framework? If so, how should it be implemented?
c)	Which changes could follow the Standard Change process and, of those, which should be included in the Modification Proposal?



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## Terms of Reference (a)

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### What criteria should be met in order for a change to be established as a Standard Change?

- **Draft Criteria:**
- **Low risk** - A change is considered low risk when it has a minimal or negligible chance of causing adverse effects to Settlement and the IT environment or the business processes it supports
- **Repeatable** - This relates to the ability to implement the change consistently over and over again without variations in the process or outcome. For a change to be considered standard, it must be repeatable. This means that the same steps are followed each time, and the results are consistent every time the change is made
- **Predictable** - This pertains to the expected outcomes of implementing the change. A predictable change is one where the outcome is known based on previous implementations or thorough testing. There shouldn't be any surprises when the change is made. The results of the change should be consistent every time it's implemented
- **Any other criteria published on the BSC Website**
- What does the workgroup think of the criteria?
  - This approach would mean the top three criteria could only be changed via a CP to BSCP40

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## Terms of Reference (b)

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**Is there a need for an objection or appeal mechanism within the Standard Change framework? If so, how should it be implemented?**

- Does the Workgroup think that an objection or appeal mechanism is necessary within the Standard Change framework?
- If so, how should this be implemented?

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## Terms of Reference (c)

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**Which changes could follow the Standard Change process and, of those, which should be included in the Modification Proposal?**

- Initial list of potential changes that could be classified as a Standard Change:
  - Adding, amending or removing Fuel Types on BMRS
  - Changes to Market Domain Data (MDD)
  - Publication of new Data on BMRS based on upstream regulatory or code changes
- Does the Workgroup consider any other Change Types to be good candidates for Standard Change?

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## P463 Standard Terms of Reference

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ToR	Details
d)	How will P463 impact the BSC Settlement Risks?
e)	What changes are needed to BSC documents, systems and processes to support P463 and what are the related costs and lead times? When will any required changes to subsidiary documents be developed and consulted on?
f)	Are there any Alternative Modifications?
g)	Should P463 be progressed as a Self-Governance Modification?
h)	Does P463 better facilitate the Applicable BSC Objectives than the current baseline?
i)	Does P463 impact the EBGL provisions held within the BSC, and if so, what is the impact on the EBGL Objectives?

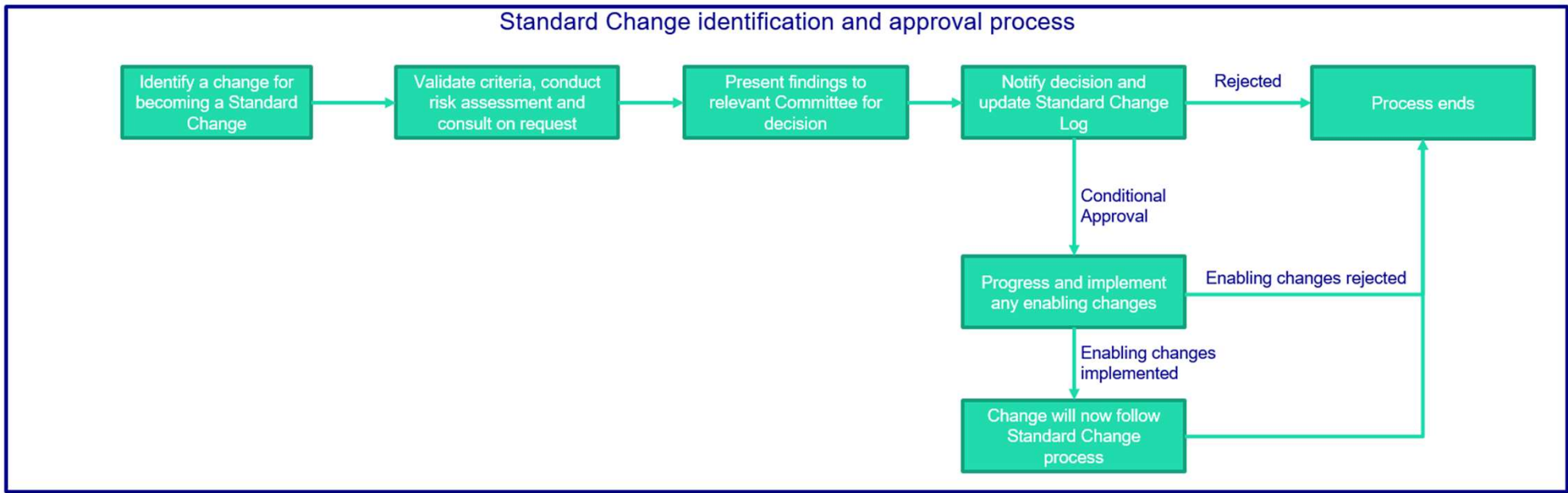


P463 Standard Terms of Reference (d)

(d) How will P463 impact the BSC Settlement Risks?

Fuel Type changes and Housekeeping – no perceived risk to Settlement

MDD changes – no perceived risk, subject to the Workgroup’s solution. Risk and Assurance are satisfied that there is sufficient opportunity built into the identification and approval process for a potential Standard Change to be disqualified and progressed as a Mod or CP.



P463 Standard Terms of Reference (e)

(e) What changes are needed to BSC documents, systems and processes to support P463 and what are the related costs and lead times? When will any required changes to subsidiary documents be developed and consulted on?

Costs are estimated to be between 1k – 7k, subject to the agreed solution.

Item	Redlining	Status
Section F	Amendment to include BSC Standard Change procedure	Drafted
Section Q	Fuel Type changes	Drafted
Section X-1	Addition of Standard Change to glossary terms	Drafted
BSCP40	Inclusion of Standard Change process Housekeeping	Drafted Additional drafting required
BSCP509	MDD	Drafting required

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## P463 Standard Terms of Reference (f)

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### (f) Are there any Alternative Modifications?

- Initial view is that there is not an Alternative Solution for this Modification.
- Does the Workgroup agree?

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## P463 Standard Terms of Reference (g)

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### (g) Should P463 be progressed as a Self-Governance Modification?

- Initial position is that P463 should not be considered suitable for Self Governance decision as it proposes to amend the Code's governance procedures
- To what extent is the amended Code governance procedure material?
  - It could be argued that it is a material amendment as it will allow certain types of changes to be excluded from the Mods and CP process
  - Conversely, it could be argued, while this proposal modifies the Code's governance, introducing the Standard Change framework itself has no immediate impact on self-governance. Only changes categorised as Standard Changes will follow this process. Therefore, it could be argued that the proposal's impact depends on the specific types of changes and their associated enabling changes, not the framework itself. Though Standard Changes are inherently low-risk, their specific impact on self-governance criteria still needs evaluation.
- What do the Workgroup think?

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## **P463 Standard Terms of Reference (h)**

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### **(h) - Does P463 better facilitate the Applicable BSC Objectives than the current baseline?**

- Initial view is that P463 better facilitates:
  - d) Promoting efficiency in the implementation and administration of the balancing and settlement arrangements
- By introducing a Standard Change process, P463 will allow certain changes to be progressed more efficiently, reducing the burden for industry and Elexon.
- Does the Workgroup agree?

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## P463 Standard Terms of Reference (i)

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### (i) Does P463 impact the EBGL provisions held within the BSC, and if so, what is the impact on the EBGL Objectives?

- We believe that P463 does not impact on the EBGL provisions held within the BSC, nor does it extend them.
  - It therefore has no impact on the EBGL objectives
- The BSC paragraphs that constitute EBGL are contained in BSC Annex F-2
  - P463 Legal Text is not expected to impact any of these, but this view will be confirmed once drafting is completed



# PROGRESSION PLAN & NEXT STEPS

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## P463 Progression Plan

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Event	Date
Present IWA to Panel	9 November 2023
Workgroup meeting 1	19 December 2023
<b>Workgroup meeting 2</b>	<b>6 March 2024</b>
Workgroup meeting 3 – to review redlining and gather WG initial views	w/c 8 April 2024
Assessment Procedure Consultation (15 WDs)	22 April 2024 – 13 May 2024
Workgroup meeting 4 – review AC responses and gather WG final views	w/c 20 May 2024
Workgroup Report presented to Panel	13 June 2024
Report Phase Consultation (10 WDs)	18 June 2024 – 1 July 2024
Present Draft Modification Report to Panel	11 July 2024
Issue Final Modification Report to Authority	15 July 2024



P463 Workgroup input – dates for diaries

Event	Date
Present IWA to Panel	9 November 2023
Workgroup meeting 1	19 December 2023
Workgroup meeting 2	6 March 2024
Workgroup meeting 3	w/c 8 April 2024
Workgroup to review of Assessment Consultation	w/c 15 April 2024
Workgroup meeting 4	w/c 20 May 2024
Workgroup to review Assessment Report	29 May 2024 – 31 May 2024

MEETING CLOSE

# ELEXON

## THANK YOU

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**Serena Tilbury**

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6 March 2024