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## BSC Change Report

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Paper number **353/02**

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Purpose of paper **For Decision**

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Summary

**The Change Report is a monthly summary of all Modifications, Change Proposals and Issues that are currently active. It shows the progress of each change in a visual ‘progress bar’, as well as containing text updates on what has changed since last month’s Change Report. This report covers updates since 1 July 2024 until 26 July 2024.**

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### Summary of Open Changes

For details on the types of changes, the different phases, the types of reports and consultations please see Appendix 1.

Total changes open up until implementation:

- Modifications: 17
- Change Proposals: 3
- Issues: 6

New changes since last month:

- P476

### Workgroups

- 1 Workgroups held since last month’s report: P469 – July
- 4 Workgroups coming up: Issue 112 – August, Issue 114 – August, P472 – August, P441 - August

### Consultations

- Consultations closed since last month’s report: June CPC 10 June – 5 July, P471 RPC 17 June – 04 July, P474 SCR Consultation 17 June – 17 July, P475 15 July – 26 July, P476 15 July – 26 July, P463 15 July – 26 July
- Live Consultations: P469 15 July – 2 August , July CPC 8 July – 2 August.
- Consultations coming up:

### Extension requests

- None

### Awaiting decision (decision cut-off)

Authority: P455 - 5WDs after approval, P466 - 10WDs from approval/ 7 November 2024, P471 – 7 October 2024, P461 – 26 February 2025

### Decisions since last month

- Approved: None
- Rejected: None

### Awaiting Implementation

**Nov 24:** P415, P465

**Feb 25:** P442

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## I. Modification Updates – up until decision

<b>P412: Ensuring non-BM Balancing Services providers pay for non-delivery imbalances at a price that reflects the real-time value of energy</b>							<b>Update</b>	
<b>Date Raised:</b>	3 September 2020			<b>Proposer:</b>	NGESO			
<b>Target Implementation Date:</b>	TBC			<b>Current Status:</b>	Assessment Procedure			
<b>Progression:</b>	<b>IWA</b> Sep 20	<b>APC</b> On-hold	<b>AR</b> Aug 24	<b>RPC</b> Sep 24	<b>DMR</b> Oct 24	<b>FMR</b> Oct 24	<b>I</b> TBC	
<b>Latest Update:</b>	<p>NGESO are currently working on developing a workable solution revolving around ABSVD. NGESO felt that due to the continued lack of compliance resulting from the do-nothing approach and no clarity of what compliance would look like once OBP was in place it was prudent to reassess the recommendation report to see if any previously discounted options could be looked at again. On review the option of using ABSVD (Option C) appears to offer the most potential in terms of compliance and cost. It was previously discounted due to concerns around compliance with Art. 5(1) regarding delegation and financial responsibility of the BRP however this is now being reassessed internally with the legal department.</p>							
<b>Next Event:</b>	<p>The Panel has agreed to a one year extension to the Assessment Phase. NGESO wish to have another Workgroup in order to discuss Option C from the Recommendation Report. Elexon intend to hold this within the next 2 months.</p>							
<b>Issue:</b>	<p>P412 will introduce imbalance charges for non-Balancing Mechanism (BM) Balancing Services providers, where their delivery does not match instructed volumes. This will mean the GB market more effectively meets the requirements of the Clean Energy Package.</p>							
<b>Current Solution:</b>	<p>P412 will introduce adjustments to Supplier's imbalance positions by non-BM Balancing Service Providers' instructed volumes, rather than delivered volumes as currently occurs under the P354 'Use of ABSVD for non-BM Balancing Services at the metered (MPAN) level' solution.</p>							
<b>History:</b>	<p>P412 was raised on 3 September 2020. The Initial Written Assessment was presented to the Panel on 10 September 2020 and entered into the Assessment Procedure.</p> <p>The first Workgroup meeting was held on 29 October 2020 to discuss the issue, the proposed solution, next steps and the proposed timetable.</p> <p>The second Workgroup meeting was held on 27 November 2020 to consider five possible solutions and discuss the pros and cons of each option.</p> <p>The third Workgroup meeting was held on 22 February 2021 to further consider the legal and technical issues with the five possible solutions.</p> <p>The fourth Workgroup meeting was held on 7 April 2021. The Proposer subsequently consulted the Workgroup and industry on the impacts that the solution options may have, to then present a cost benefit analysis to Ofgem to determine how P412 should proceed. This process was expected to conclude in November 2021.</p> <p>The Panel approved a six month extension to the Assessment Procedure at its meeting on 8 April 2021 for this analysis to take place. The Proposer's revised timetable for the cost benefit analysis consultation meant that it was issued in October 2021, with a view to then engage with Ofgem. Further Workgroup meetings may be required to consider the development of the solution and next steps.</p> <p>The Panel approved a nine month extension to the Assessment Procedure at its meeting on 14 October 2021. National Grid ESO's cost benefit analysis consultation was issued on 18 October 2021 and closed on 26 November 2021.</p>							

	<p>The Panel approved a six month extension to the Assessment Procedure at its meeting on 14 July 2022.</p> <p>At its January 2023 meeting, the Panel approved a nine month extension to the Assessment Procedure in order for NGESO to conclude its work with DESNZ and Ofgem on how the Clean Energy Package requirements can be best met.</p> <p>At its October 2023 meeting, the Panel approved an additional nine month extension to the P412 Assessment Procedure to allow additional time for NGESO to submit its impact assessment and recommendation report, following which it is expected that the Workgroup will need to reconvene to consider the outcome.</p> <p>At its October 2023 meeting, the Panel approved a nine month extension to the Assessment Procedure in order for NGESO to conclude its work with DESNZ and Ofgem on how the Clean Energy Package requirements can be best met. The Panel agreed that minimal effort should be invested into this until work is able to properly resume.</p> <p>Elexon have received NGESO's recommendation report and are working with the Proposer to establish next steps, following which the report will be issued to P412 members with a further Workgroup meeting needed to establish industry views on NGESO's recommendation. Following this, NGESO and Elexon intend to present the findings (along with the Workgroup views) to the next Panel meeting, with a view to either withdrawing the Modification or continuing development in light of industry and Ofgem views.</p> <p>A further Workgroup, held on 25 April 2024, was held in order for industry to give views on the <a href="#">NGESO recommendation report</a> which included a cost benefit analysis of the available solutions. The aim of this Workgroup was to agree how best to progress P412, given the report estimated that the cost outweighed the benefits for all the P412 solution options. The Workgroup felt that none of the considered solutions are viable at this point as the costs greatly outweigh their benefits and create poor consumer outcomes. The Workgroup believed that the Modification should be put on-hold or withdrawn until 2027, this because costs will change after the introduction of the NGESO's Open Balancing Platform (OBP). The Proposer was keen to have further conversations with Ofgem to further understand the risks of non-compliance and how this is considered in the likelihood of increased costs caused by implementation. A 6 Month extension was approved by the BSC Panel, this is to enable National Grid to conduct development of the solution and pursue in on-going conversations with Ofgem</p>
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<b><u>P441</u>: Creation of Complex Site Classes</b>				<b>Update</b>			
<b>Date Raised:</b>	7 July 2022		<b>Proposer:</b>	Green Energy			
<b>Target Implementation Date:</b>	TBC		<b>Current Status:</b>	Assessment Procedure			
<b>Progression:</b>	<b>IWA</b>	<b>APC</b>	<b>AR</b>	<b>RPC</b>	<b>DMR</b>	<b>FMR</b>	<b>I</b>
	Jul 22	Oct 24	Nov 24	Dec 24	Jan 25	Jan 25	TBC
<b>Latest Update:</b>	Elexon has now agreed a way forward including a timeline with the Proposer and Ofgem.						
<b>Next Event:</b>	Elexon is developing the analytical scope, as agreed with Ofgem and the Proposer, with the intention of discussing it at a Workgroup in August. Additional guardrails to the solution are also being considered to limit the opportunity for abuse to the solution.						
<b>Issue:</b>	In recent years, a number of queries have been raised to Elexon and in wider industry forums related to the scope of the Complex Site arrangements under the BSC. More						

	<p>specifically, when the BSC and its Code Subsidiary Documents (CSDs) permit the netting of Imports from Exports through a Complex Site arrangement and the scenarios in which this netting is permissible.</p> <p>During conversations under Issue 88 ‘Clarification of BSC Arrangements relating to Complex Sites’ it was identified that certain arrangements have been allowed under the BSC although not clearly defined to facilitate consistency across the market. As so called “Local Energy Schemes” become more popular, it is essential that the rules for when netting should be permitted are clearly defined going forward.</p>
<p><b>Current Solution:</b></p>	<p>P441 seeks to create six categories of Complex Site, each with clearly defined criteria. Classes 1 - 5 are intended to formalise the criteria for those “types” of Complex Site, which are currently recognised as such and are already in use within the industry. In particular a Class 5 Complex Site would set out the criteria in which netting across Boundary Points is permitted (for example, in order to facilitate the establishment of a Local Energy Scheme).</p> <p>A Class 6 Complex Site would be a ‘non-standard’ arrangement that has aspects of a complex site but does not clearly fit in any of the other five classes. This would be akin to the current process of assigning Central Volume Allocation (CVA) Metering System Identifiers (MSIDs) to a “standard” or “non-standard” BM Unit.</p>
<p><b>History:</b></p>	<p>P441 was raised on 7 July 2022 by Green Energy. The Panel sent P441 to the Assessment Procedure Phase at its meeting on the 14 July 2022.</p> <p>The first Workgroup meeting took place on Wednesday 31 August 2022. At this meeting, the Workgroup considered the P441 background and issue, explored the Workgroup Terms of Reference, and discussed the potential solutions for P441.</p> <p>The second P441 Workgroup meeting was due to be held on 6 October but had to be cancelled due to the constraints caused by the progression timetable of urgent Modification P448.</p> <p>The second P441 Workgroup meeting took place on 6 December 2022, where the Workgroup determined that a central register should be maintained for Class 5 Complex Sites, and that a notification should be sent by Supplier Volume Allocation (SVA) Meter Operator Agents (MOAs) to Elexon with information about a Class 5 Complex Site.</p> <p>The second P441 Workgroup meeting was held on Tuesday 6 December 2022. The Workgroup considered the impact of P441 on Network Charges, possible solution options for the registration of metering systems for Complex Sites and the need for a central register and associated notification process.</p> <p>The Panel agreed to a five month extension to the Assessment Procedure at its meeting on 14 July 2022.</p> <p>The third P441 Workgroup was held on 17 January 2023. The Workgroup discussed the requirements for Network Charges and discussed P441’s interactions with the Market Wide Half Hourly (MHHS) Programme.</p> <p>The fourth and fifth Workgroup meeting were held on Tuesday 21 February and 21 March respectively. Across both meetings, the Workgroup confirmed that P441 will not have a direct impact on MHHS, they agreed the requirements for the BSUoS, TNUoS and DUoS charging arrangements for Class 5 Complex Sites. Further, the Workgroup considered four redline drafting options for the impacted documents, and agreed on the option that will seek the governance requirements placed in the BSC and procedural steps in the BSCPs, in line with the BSC redline principles.</p> <p>The fifth Workgroup meeting was held on 21 March 2023. The Workgroup concluded the requirements for DUoS charges, Group Correction Factor, and Line Loss Factor for Class 5 Complex Sites. Also, the Workgroup discussed and confirmed the appropriate drafting option for the relevant BSC documents.</p> <p>The sixth P441 Workgroup was held on 2 May 2023. At this meeting, the Workgroup considered the remaining Terms of Reference for P441 and confirmed that parallel changes will need to be raised in both REC and DCUSA. Ofgem has suggested alignment is required on these changes and timelines should be lined up accordingly.</p>

	<p>At the June 2023 Panel meeting the Panel approved a four month extension to the Assessment Procedure in order to align the timetable of P441 with the consequential DCUSA and REC changes.</p> <p>The seventh Workgroup meeting for P441 was held on 27 July 2023 to review the legal text and CSD redlining, update on actions and confirm the Assessment Procedure questions to coincide with the timelines for the consequential REC and DCUSA changes. The Workgroup reviewed the redlining in the meeting, but indicated that they want a longer period of review, also noting some updates Elexon would make after the meeting, and therefore wished to delay providing their initial views until a later meeting.</p> <p>Draft Legal Text has been shared with members for review and feedback ahead of the next Workgroup. This was also shared with REC in order to enable them to help formulate their associated solution.</p> <p>Elexon held the 8th Workgroup on 20th September 2023. Ofgem attended the Workgroup and advised they would require further analysis on the current P441 solution to help them make a decision. Due to the need conduct further analysis, a 6 month extension to the P441 Assessment period was approved by the BSC Panel on 12 October 2023. We have informed both DCUSA and REC due to the impact on their consequential changes and will reconvene with all impacted codes when a new progression timetable has been agreed. The BSC Panel agreed to a six month extension to the Assessment Phase at their meeting in April 2024.</p>
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P442: Reporting chargeable volumes for exempt and licensed supply							No Update
<b>Date Raised:</b>	7 July 2022			<b>Proposer:</b>	UC Energy Ltd		
<b>Target Implementation Date:</b>	29 February 2025			<b>Current Status:</b>	Awaiting Implementation		
<b>Progression:</b>	<b>IWA</b>	<b>APC</b>	<b>AR</b>	<b>RPC</b>	<b>DMR</b>	<b>FMR</b>	<b>I</b>
	Jul 22	Sep 23	Jan 24	Feb 24	Mar 24	Mar 24	Feb 25
<b>Latest Update:</b>	Ofgem approved P442 on 08 May 2024, for publication on 13 May 2024 and it will be scheduled for implementation on 27 February 2025 as part of the February 2025 Standard Change Release.						
<b>Next Event:</b>	P442 will be implemented on 27 February 2025 as part of the standard February Release.						
<b>Issue:</b>	<p>Licensed Suppliers are required to pay charges on the electricity they supply, but energy supplied by an exempt Supplier should not be subject to these charges. Licence exempt suppliers are not able to sign up to all the industry codes that a licensed Supplier can, and are therefore required to obtain certain services (including registration of their customers' Metering Systems) from a licensed Supplier. As a result, the portfolio of Metering Systems registered by a licensed Supplier may include both licenced and exempt supply. A Licensed Supplier should therefore be charged based on its total supply minus any exempt supply.</p> <p>There is currently no process that allows for correct allocation of appropriate chargeable volumes for Supplier Volume Allocation (SVA) Metering Systems where a portion should be exempt, and another portion should be licensable.</p>						
<b>Current Solution:</b>	<p>The proposed solution is for a new third party role, the "Exempt Supply Calculation Agent" (ESCA), to be defined. The ESCA would calculate the volumes of licensed and exempt supply, and submit them to central BSC Systems, based on metered data provided by the HHDC or Supplier. The ESCA would be required to undergo a qualification process to ensure compliance with Settlement requirements.</p> <p>The Proposed solution includes adjustments to the Energy Imbalance positions of the Licenced Suppliers. This is so that the Suppliers involved in the exempt supply arrangement so not incur incorrect Imbalance Charges as a result of facilitating the exempt supply. The P442 Alternative solution only differs to the Proposed solution in</p>						

	<p>that it excludes the adjustments to the Energy Imbalance positions of the Licenced Suppliers.</p>
<p><b>History:</b></p>	<p>P442 was raised on 7 July 2022 by UC Energy Ltd. The Panel sent P442 to the Assessment Procedure Phase at its meeting on the 14 July 2022.</p> <p>Following comments made by the Panel, Elexon liaised with BEIS about their review into exempt supply and considered how the timings may impact this Modification.</p> <p>The first Workgroup meeting was held on 15 February 2023. At this meeting, the Workgroup considered the P442 Terms of Reference (ToR), as agreed by the Panel, and identified further topics that should be covered. The Workgroup also discussed the proposed solution and the current view against some aspects of the ToR.</p> <p>Given the delays to holding the first meeting, caused by the Modification being on hold while liaising with BEIS (as of that time, now DESNZ) about potential impacts from their review into exempt supply, as well as a combination of focussing on urgent Modifications and Proposer availability, the BSC Panel approved an extension to the Assessment Procedure of six months at the meeting on 11 April 2023.</p> <p>The second P442 Workgroup meeting was held on 24 May 2023. The Workgroup explored the proposed solution in more detail, including worked examples for the proposed imbalance adjustment methodology. Elexon have since met with service providers to better understand the timescales and costs involved, and have drafted the redlining for internal review.</p> <p>The third P442 Workgroup meeting was held on 15 September. The Workgroup reviewed the draft legal text and reviewed the views against the Terms of Reference prior to the Assessment Consultation.</p> <p>P442 was issued for Assessment Procedure Consultation on 2 October 2023 with responses invited by 20 October 2023. Four responses were received, all in support of the Modification.</p> <p>The fourth P442 Workgroup meeting was held on 25 October 2023. The Workgroup reviewed the consultation responses and provided final views against the Terms of Reference. Following the consultation the Proposed solution was amended to include an adjustment to the calculation of Imbalance Charges to avoid Suppliers incurring incorrect Imbalance Charges. The Workgroup formally raised an Alternative Modification excluding this adjustment (the Proposed solution as described in the APC).</p> <p>The Assessment Report was presented to the BSC Panel on 14 December 2023, where the BSC Panel made their initial recommendation that the P442 Alternative Modification should be approved and the Proposed Modification should be rejected.</p> <p>P442 was issued for a one month Report Phase Consultation to seek industry views on Panel's initial views on 21 December, with responses invited by 22 January 2024.</p> <p>P442 was issued for a one month Report Phase Consultation to seek industry views on Panel's initial views on 21 December, with responses invited by 22 January 2024. Four responses were received, all in agreement with the initial recommendations made by the BSC Panel.</p> <p>The P442 Draft Modification Report was presented to the BSC Panel on 8 February 2024, where the Panel made its final recommendation that the P442 Alternative Modification should be approved. The Final Modification Report was submitted to Ofgem for decision on 12 February 2024.</p> <p>Ofgem approved P442 on 08 May 2024, for publication on 13 May 2024 and will be scheduled for implementation on 27 February 2025 as part of the February 2025 Standard Change Release.</p>

<b>P444: Compensation for Suppliers and Virtual Lead Parties for Virtual Lead Party actions in the Balancing Mechanism</b>							<b>No Update</b>	
<b>Date Raised:</b>	1 September 2022		<b>Proposer:</b>			Flexitricity		
<b>Target Implementation Date:</b>	TBC		<b>Current Status:</b>			Send Back		
<b>Progression:</b>	<b>IWA</b>	<b>APC</b>	<b>AR</b>	<b>RPC</b>	<b>DMR</b>	<b>FMR</b>	<b>Sent Back</b>	<b>I</b>
	Sep 22	Jan 23	Apr 23	May 23	Jun 23	Jun 23	Sep 23	TBC
<b>Latest Update:</b>	<p>Elexon are finalising the analysis, having held final discussions with parties to provide evidence and aid understanding. We have confirmed the date for the next Workgroup to allow members to comment on the findings. Elexon held a P444 Workgroup on 8 May 2024 to consider the findings of further analysis and consider alternate implementation approaches. The group were broadly comfortable with the outcomes of the analysis and noted that implementation of P444 will likely not be possible before June 2025 due to the impacts of MHHS on the wider systems portfolio of scheduled changes until then.</p>							
<b>Next Event:</b>	<p>Elexon are preparing the written analysis report to capture the conclusions and Workgroup commentary. Additionally, Elexon are preparing Legal Text that reflects the updated baseline post P415, P465 and expected inclusion of P473 to ensure that P444, if approved, aligns to these Modifications.</p>							
<b>Issue:</b>	<p>Under BSC arrangements introduced by P344 'Project TERRE implementation into GB market arrangements' there is no mechanism for compensation of Parties who have been affected by Virtual Lead Party (VLP) activity in the Balancing Mechanism (BM). As a result, Suppliers are commercially impacted and left with a cost from the Balancing Mechanism that they cannot recover.</p>							
<b>Current Solution:</b>	<p>This Modification would amend BSC systems and processes to introduce a compensation mechanism for Suppliers and VLPs when a VLP takes a Bid or Offer in the BM, to ensure a level playing field and enable correct incentivisation of flexibility. Following P444 assessment, the Proposer and Workgroup believe that the compensation mechanism being developed for P415 should be applied to the BM as the solution for P444, and believe that an aligned decision should be made by Ofgem regarding the Proposed and Alternative solutions for each Modification.</p>							
<b>History:</b>	<p>P444 was raised by Flexitricity on 1 September 2022.</p> <p>The Initial Written Assessment was presented to the BSC Panel at their meeting on 8 September 2022. The Panel submitted P444 to the Assessment Procedure for assessment by a Workgroup. The first P444 Workgroup meeting was held on 7 October 2022, in conjunction with a P415 Workgroup meeting.</p> <p>Workgroup meeting 2 was held on 7 December, where the Workgroup reviewed the legal text and prepared for the Assessment Consultation.</p> <p>Workgroup meeting 3 was held on 22 February to consider consultation responses. Workgroup meeting 4 was held on 28 March to conduct final voting and gather final views.</p> <p>The P444 Workgroup met for a final time on 28 March. The Proposer and Workgroup wish for P444 to align with P415 in terms of any Proposed and Alternative solutions, in order to allow for an aligned decision from Ofgem regarding the supplier compensation mechanism, therefore once the P415 Proposer "switched" the Proposed Solution with the alternative approach (allowing a majority of the group to raise a formal Alternative against this and bring multiple options to Ofgem to reduce the chance of delays) the P444 Proposer chose to take the same approach in order to ensure alignment. The Workgroup recommend that the Alternative Solution be approved.</p> <p>The P444 Assessment Report was presented to the BSC Panel on 13 April 2023. The Panel initially recommend P444 is approved.</p>							



The Report Phase Consultations for P444 and P415 were issued on 17 April 2023, running for one calendar month due to identified impacts on the EBGL Article 18 Terms and Conditions. Three responses were received to the consultation, with two agreeing with the Panel that P444 should be approved and one disagreeing.

The BSC Panel considered the P444 Draft Modification Report on 8 June 2023. The Panel unanimously agreed that the P444 Alternative Modification is better than the P444 Proposed Modification and that the Alternative Solution should be approved (with the Proposed Solution rejected). The P444 Final Modification Report was submitted to the Authority on 15 June 2023 for decision.

P444 was sent back to the BSC Panel on 8 September 2023, as Ofgem felt they were unable to form an opinion on whether or not P444 should be approved.

Ofgem direct that additional steps are undertaken to revise the Final Modification Report to include impact analysis with quantitative and qualitative evidence which fully explains and demonstrates the impact on industry of implementing either compensation method through the BSC Modification P444 against the status quo.

Having discussed potential ways forward for addressing the Send Back, the P444 group felt there is most value in proceeding with a micro-level desk-based approach (with additional engagement with VLPs, Suppliers and other organisations) to assess the impact of P444 on individual customers and parties (e.g. VLPs, Suppliers) participating in the BM. Elexon will conduct this analysis and present this back to the Workgroup.

<b>P455: On-Site Aggregation as a method to facilitate Third Party Access</b>							<b>No Update</b>
<b>Date Raised:</b>	8 June 2023			<b>Proposer:</b>	Emergent Energy		
<b>Target Implementation Date:</b>	5 WD after Authority Decision			<b>Current Status:</b>	With Authority		
<b>Progression:</b>	<b>IWA</b> Jun 23	<b>APC</b> Dec 23	<b>AR</b> Mar 24	<b>RPC</b> Mar 24	<b>DMR</b> May 24	<b>FMR</b> May 24	<b>I</b> +5 WD
<b>Latest Update:</b>	The P455 Final Modification Report was submitted to the Authority on 13 May 2024 for decision. P455 will be implemented 5 Working Days after decision, if approved.						
<b>Next Event:</b>	If approved, P455 will be implemented 5WD after the Authority decision.						
<b>Issue:</b>	<p>Where one or more customers on a private wire network (henceforth private network) opt for a third party supply, corrective action is required to avoid the double counting of metered volumes in Settlement.</p> <p>The BSC provides ways to avoid the double counting of metered volumes on private networks via difference metering option and shared SVA metering.</p> <p>The Proposer believes that these existing options are unsatisfactory when applied to private networks that include domestic and small business (i.e. sub 100kW) customers. This is due to the operational requirements placed on, and the lack of incentive for, Third Party Suppliers (TPSs) to meet such requirements.</p>						
<b>Current Solution:</b>	The solution proposes a new 'on-site aggregation' methodology for facilitating Third Party Access on private networks to which domestic and small business (i.e. sub 100kW) customers are connected. This methodology can be used instead of difference metering, but requires the BSC to allow aggregated meter data from sub-meters (relating to customers not opting for third party supply) on private networks to be submitted into Settlement (in lieu of data from Settlement meters installed at the Boundary Point).						
<b>History</b>	Emergent Energy requested to be designated as a Third Party (non-BSC Party) Proposer for this Modification. The BSC Panel agreed to designate Emergent Energy as the Proposer at its meeting on 8 June 2023. P455 was raised on 8 June 2023.						

The Panel determined that P455 should progress to the Assessment Procedure for an assessment by a Workgroup.

The first Workgroup was held on 12 September 2023. It was an introductory meeting to introduce the problem, solution and Terms of Reference.

During Workgroup 2 the Proposer presented the results of the Sandbox applications to validate the proposed solution.

During the third and fourth meetings, the Workgroup finished reviewing the Specific Terms of Reference and voted on its initial views regarding the Applicable BSC Objectives.

During the fifth meeting, the Workgroup reviewed and commented on the proposed legal text.

The Assessment Procedure Consultation was issued on Friday 15 December 2023, until Friday 19 January 2024. The BSC Panel granted to 2 month extension to the Assessment Phase for P455 at their December 2023 meeting.

On 20 February 2024, the Workgroup held its sixth meeting to review the Consultation Responses and provide final views on P455.

The P455 Assessment Report was presented at the March 2024 Panel. Elexon clarified that they have received written confirmation from MHHS that P455 is exempt from the CR. The Panel were invited to recommend that there is a potential impact on EBGL that needs to be consulted on. The BSC Panel **agreed** that P455 does impact the EBGL Article 18 terms and conditions held within the BSC and agreed an initial recommendation to the Authority that P455 Proposed Modification should be approved.

P455 has been submitted to the Report Phase Consultation. It was issued for one calendar month due to EBGL impacts on 20 March 2024 with responses due on 19 April 2024. There were five responses to the consultation. The majority of responses agreed that P455 should be approved.

The P455 Draft Modification Report was presented to the Panel on 9 May 2024 to gather the Panel's final views and recommendations to Ofgem for decision

<b>P459: Allowing different Supplier Agents to be appointed to Import and Export MSIDs</b>							<b>Update</b>	
<b>Date Raised:</b>	3 August 2023		<b>Proposer:</b>		Good Energy			
<b>Target Implementation Date:</b>	5 WDs after Authority Decision		<b>Current Status:</b>		Assessment Phase			
<b>Progression:</b>	<b>IWA</b>	<b>APC</b>	<b>AR</b>	<b>RPC</b>	<b>DMR</b>	<b>FMR</b>	<b>I</b>	
	Aug 23	Mar 24	Feb 25	Apr 25	May 25	May 25	5 WDs +	
<b>Latest Update:</b>	Good Energy wants to continue with the Modification, regardless of the Elexon and MHHSP's concerns. They will propose a new Solution.							
<b>Next Event:</b>	Good Energy will reconsider their Solution and propose a new one to be taken which will be assessed by the Workgroup.							
<b>Issue:</b>	There is currently an obligation in BSC Section J 'Party Agents & Qualification Under the Code' to appoint the same SVA Meter Operator Agent and SVA Data Collector for both Import and Export MSID. The Proposer is finding that the existing arrangements around agent appointments are causing them a large and unnecessary administrative burden in making use of the metered export process.							
<b>Current Solution:</b>	To remove paragraphs 4.1.5 (Meter Operator Agent) and 4.1.6 (Data Collector) from BSC Section J so that different Supplier Agents can be appointed to the Import and Export MSID. This is likely to be progressed as a part of a Cross Code Change Package, as consequential Retail Energy Code (REC) and Smart Energy Code (SEC) changes will be required. These changes will be developed during the Assessment Phase for this Modification, with a joint consultation issued once all potential dependencies are understood so that industry can consider the package of changes related to this proposal as a whole.							
<b>History</b>	<p>Good Energy raised P459 on 3 August 2023.</p> <p>The BSC Panel considered the Initial Written Assessment for P459 at their meeting on 10 August 2023.</p> <p>On 6th September 2023, Scottish Power suggested an alternative to the P459 proposal to Elexon, aiming to permit different Supplier Agents for Import and Export MSIDs. The discussion happened informally before the official assessment phase. The core issue is the absence of a mechanism in the D0155 form for notifying MOPs of their appointment to Export supplies linked to an Import MPAN they manage. The proposed solution was to modify the D0155 form to include a J0048 – Contract Reference for clarity. This change would require adjustments to the Retail Energy Code (REC) but not the Balancing and Settlement Code (BSC).</p> <p>However, this solution was deemed insufficient as it doesn't address the core issue if MOPs refuse the Export appointment. Additionally, permitting different MOPs for Import and Export could lead to operational challenges, such as remote meter connectivity issues, meter replacement and communication problems, compliance risks during audits, and inefficiencies in meter programming. These issues could negatively affect settlement accuracy, customer service, and regulatory compliance.</p> <p>Therefore, the P459 initiative will continue to explore Good Energy's proposal through its Workgroup process, considering it as part of a cross-code package that requires changes to REC, SEC, and potentially DCUSA, with a focus on the implications for Market-wide Half-Hourly Settlement (MHHS).</p> <p>Elexon held a meeting with the Proposer and is preparing a communication piece to update industry about P459. The Proposer has been engaged with other commitments and unable to progress this Modification.</p> <p>The first Workgroup meeting was held on 23 February 2024, where the Workgroup members raised some concerns regarding MHHS impacts. It was established that a full MHHS solution needs to be developed; hence, the Assessment Procedure needs to get extended. The BSC Panel approved a ten month extension to the P459 Assessment Procedure at their meeting in March, noting the recommendation that P459 is not issued for consultation until the MHHS code artefacts are approved (at which point they become part</p>							

of the legal baseline), which is expected in November 2024. Elexon will return with the Assessment Report by the February 2025 Panel meeting, or sooner if possible.

In April, Elexon, the Proposer and the MHHS Programme representative met to discuss different progression options. The Proposer is also working with the SEC and the REC to detail the business requirements.

REC, Elexon, MHHSP and the Proposer reviewed the drafting for BSC Section J and REC Schedule 14 using the MHHS Code baseline. The entire proposed solution needs to be redefined. The current solution is not possible under the new MHHS world. By removing entirely paragraph 4.1.5, the BSC would be losing cross-references to Schedule 14. In addition, the MHHS Code Drafting has modified paragraph 4.1.6. so the MHHSP and Elexon views are that the MHHS Code will solve most of the issues raised by Good Energy. The REC Code will consider adding some mitigation measures to the Schedule 14 to prevent unfair charges, subject to be approved by the legal team.

<b>P461: Accurate Reporting of Customers Delivered Volumes to Suppliers</b>				<b>No Update</b>	
<b>Date Raised:</b>	5 October 2023		<b>Proposer:</b>	EnDCo	
<b>Target Implementation Date:</b>	26 February 2026		<b>Current Status:</b>	Authority Decision	
<b>Progression:</b>	<b>IWA</b> Oct 23	<b>RPC</b> Nov 23	<b>DMR</b> Jan 23	<b>FMR</b> Jan 23	<b>I</b> Nov 24/Feb 25
<b>Latest Update:</b>	<p>The responses to the Send Back Consultation were presented to the Panel on 13 June 2024. Elexon asked for the Panel to agree a recommendation to the Authority that P461 should be Sent Back due to the existing Legal Text requiring additional revisions. The Panel discussed the need for a revised recommendation and the process for resubmitting a modified report. Panel remained supportive of the intention behind P461 and offered additional engagement to the Proposer to help them understand their rationale but expressed a view that progressing the Modification without further industry input could potentially cause further unforeseen misalignment, particularly as it would necessitate multiple Send Backs, which would impose a considerable burden on both Ofgem and Elexon, constrained by a two-month process due to EBGL limitations. Panel deliberated on the feasibility of recommending the rejection of P461 within the parameters of the Send Back Process. Elexon sought legal advice, which confirmed that this course of action was permissible. Consequently, the Panel recommended to the Authority that P461 be rejected.</p>				
<b>Next Event:</b>	<p>P461 has been recommended for rejection, subject to an Authority decision. In the event that the Authority approves P461, it will be implemented on Thursday 26 February 2026 as part of the BSC Standard February 2026 release. The Authority may additionally choose to Send Back P461 a further time.</p>				
<b>Issue:</b>	<p>When a customer delivers a Bid Offer Acceptance (BOA) through a Virtual Lead Party (VLP), and provided the customer consents to the disclosure, their Supplier will receive details of the 'Delivered Volume' i.e. the change in the customer's Import and/or Export arising from delivery of the BOA. Currently the details reported to the Supplier are the 'raw' Delivered Volumes reported to the Supplier Volume Allocation Agent (SVAA) by the VLP, and do not reflect any adjustments made to that data in Settlement. This defeats the intended purpose of the reporting by making it impossible for Suppliers to understand the contribution made by each customer to their overall Imbalance charge.</p>				
<b>Current Solution:</b>	<p>The Proposed Solution is that values reported to Suppliers on the P0287 'Secondary Half Hourly Delivered Volumes' data flow should incorporate any adjustments made by the Settlement Administration Agent (SAA). This will allow Suppliers to accurately attribute to individual customers any Imbalance adjustments that arise from those customers participating in the Balancing Mechanism through a VLP. This will ensure that Suppliers have the data required to accurately bill customers (in accordance with the terms of their contracts), and minimise cross-subsidies from customers who use a VLP to those who don't (or vice versa).</p>				
<b>History</b>	<p>The P461 Initial Written Assessment was presented to the BSC Panel at its meeting on 12 October 2023. The Panel deferred P461 for 1 month, while a Request for Information (RFI) is carried out to assess potential impacts on industry related to a 2 day delay in receiving the P0287, to assess whether a delay in receiving data may cause billing delays for some Suppliers which could incur some costs.</p> <p>The RFI closed on 31 October 2023 with two responses, both from Suppliers that confirmed no issue with the proposed solution. The BSC Panel considered responses to the RFI at their meeting on 9 November 2023 and agreed to progress P461 Straight to Report Phase Consultation.</p> <p>The Report Phase Consultation for P461 was issued on 16 November 2023, running for one calendar month due to identified impacts on the EBGL Article 18 Terms and Conditions.</p>				

P461 was issued for an EBGL Report Phase Consultation on 16 November 2023 with responses due by 18 December. There were no responses to the consultation. One potential respondent to the P461 Consultation requested a meeting with Elexon to discuss the Modification. The respondent was confident after that meeting that they had no objections so therefore did not feel the need to submit a response to the consultation. The Draft Modification Report was presented at the January 2024 Panel meeting. The BSC Panel recommended to the Authority that P461 should be approved.

Ofgem issued a Send Back Direction on P461 to the BSC Panel on 8 May 2024, as it was unable to form an opinion on whether or not P461 should be approved. The Panel approved the draft Send Back Process at its meeting on 9 May 2024. The Send Back Consultation was issued on 13 May 2024 and closed at 5pm on Friday 24 May 2024. There were two responses to the Send Back Consultation. Both respondents were unanimously in agreement with the Consultation that values reported to Suppliers on the P0287 data flow should incorporate any adjustments made by the Settlement Administration Agent. Respondents agreed that impacts identified as a result of omissions in the P0287 would also apply to Imbalance adjustments caused by the customer delivering a volume into the wholesale market (through a VTP, under Modification P415). Respondents were also consulted on a new implementation date, which has moved from November 2024 to February 2026. One respondent disagreed with the revised implementation date, as they feel that P461 should be implemented as soon as possible. Analysis of P461 highlighted revisions to the Legal Text.

<b>P462: The removal of subsidies from Bid Prices in the Balancing Mechanism</b>				<b>Update</b>			
<b>Date Raised:</b>	27 October 2023		<b>Proposer:</b>	National Grid Electricity System Operator (NGESO)			
<b>Target Implementation Date:</b>	TBC		<b>Current Status:</b>	Assessment Phase			
<b>Progression:</b>	<b>IWA</b> Nov 23	<b>APC</b> Dec 24	<b>AR</b> Feb 25	<b>RPC</b> Mar 25	<b>DMR</b> Apr 25	<b>FMR</b> Apr 25	<b>I</b> TBC
<b>Latest Update:</b>	The fifth Workgroup meeting was held on 9 July 2024 where the Workgroup considered the initial scope of the Cost Benefits Analysis.						
<b>Next Event:</b>	the Sixth workgroup meeting will be held on 20 August where we aim to finalise the CBA Requirements and to start the development of the P462 solution.						
<b>Issue:</b>	This Modification aims to reduce consumer cost potentially caused by the interaction between the BM and support mechanism arrangements. This shall be done by removing distortion of support mechanisms (such as Contracts for Difference (CfDs) and the Renewables Obligation (RO) schemes) to reduce actions being taken outside of consumer cost order when following the Bid stack merit order.						
<b>Current Solution:</b>	The proposed solution is to raise a BSC Modification to pay for any lost subsidy values outside of the direct Bid Price, separation of lost/gained CfD revenues and other subsidies (RO) for cashflow purposes. This requires changes to the settlement process but would not require redesign of operational systems, it would also make the interactions completely transparent. It also allows for a greater scope than just covering for this CfD (and RO) issue.						
<b>History</b>	<p>P462 was raised by NGESO on 27 October 2023. The Proposer requested that P462 is sent for assessment by a Workgroup.</p> <p>Elxon presented the Initial Written Assessment to the BSC Panel on 9 November 2023. The Panel agreed to submit P462 to the Assessment Phase with the recommendation that the Terms of Reference (ToR) should be updated to reflect the Panel's feedback from the meeting on 9 November, prior to the first Workgroup meeting taking place. An updated ToR will be presented to the Panel at its next meeting on 14 December.</p> <p>The updated Terms of Reference (ToR) were presented and agreed by the Panel at its meeting on 14 December 2023. Two additional ToR were proposed by the Panel and will be added in advance of the first Workgroup.</p> <p>The first Workgroup was held on 16 January 2024. The Workgroup provided their initial views on the P462 Modification proposal at the Workgroup and additional potential impacts from P462 were captured.</p> <p>The second Workgroup meeting was held on 27 February 2024. At this meeting NGESO provided more background on the issue and why the BSC Modification was their proposed route to resolve the issue.</p> <p>The third Workgroup meeting was held on 2 April. At this Workgroup, NGESO presented their assumptions and analysis used to ascertain the numbers quoted in the Initial Written Assessment and initial Workgroup meetings. We have sent a request to the Workgroup for dates for the next Workgroup meeting. The fourth Workgroup was held on 20 May 2024. DESNZ presented on REMA and the potential interactions with P462 and the meeting also covered off remaining queries from the third Workgroup meeting regarding NGESO's analysis.</p>						

P463: Introduce a Standard Change Process				Update			
<b>Date Raised:</b>	9 November 2023		<b>Proposer:</b>	Elexon			
<b>Target Implementation Date:</b>	7 November 2024		<b>Current Status:</b>	Report Phase			
<b>Progression:</b>	<b>IWA</b> Nov 23	<b>APC</b> Apr 24	<b>AR</b> Jul 24	<b>RPC</b> Jul 24	<b>DMR</b> Aug 24	<b>FMR</b> Aug 24	<b>I</b> TBC
<b>Latest Update:</b>	The P463 Assessment Report was presented to Panel on 11 July 2024 (352/07). The BSC Panel unanimously agreed an initial recommendation that P463 should be approved. Elexon issued the Report Phase Consultation on 15 July 2024 – 26 July 2024 to industry to allow for comment.						
<b>Next Event:</b>	Elexon will bring the Draft Modification Report to the BSC Panel on 8 August 2024.						
<b>Issue:</b>	Currently, all changes to the BSC and BSC Configurable Items are required to go through the Change Process, either as a Modification Proposal (Mod) or as a Change Proposal (CP). Although these processes are very effective, there are some instances in which the process may be considered overly bureaucratic and burdensome for impacted stakeholders. A number of routine and low risk changes, and changes to standing data have been identified where public consultation and Committee approval may be considered disproportionate and unnecessary. A more efficient process should be used for these Change types. To introduce a new change process – a ‘Standard Change’ process – into the BSC arrangements that would allow for certain, low risk, predictable and repeatable pre-authorised changes to be implemented without following the existing Change Proposal or Modification procedures.						
<b>Current Solution:</b>	Introduce a simplified change process to streamline those changes which are low risk, routine and repeatable, a ‘Standard Change’ process. This will reduce the burden on industry and Elexon for processing these kinds of changes. Identify the types of changes which could follow the Standard Change process and which of these should be included in this Mod (‘enabling changes’).						
<b>History</b>	<p>P463 was raised by Elexon on 9 November 2023. Elexon presented the Initial Written Assessment to the BSC Panel on 09 November 2023, who determined the P463 progression route and timetable, agreeing that it progress to the Assessment Phase. At its meeting on 8 February 2024, the BSC Panel approved a 3 month extension to P463’s assessment Phase.</p> <p>The second Workgroup meeting occurred on 6 March. The purpose of the second Workgroup was to further scope the impacts of P463 and its value as a new Change Type, and agree the Change Types to be taken forward for legal drafting and consultation. The Workgroup were asked to use their knowledge and expertise to consider candidates for Standard Change, using the Proposed Standard Change criteria and to give a view on whether the proposed candidates for Standard Change meet or do not meet the criteria and why.</p> <p>A one month extension was requested for the purposes of contingency. Delivering the Assessment Report in June depends on the responses received to the consultation and Workgroup availability.</p> <p>The 3rd Workgroup meeting took place on 10 April. The purpose of the third Workgroup was to discuss and vote on the terms of reference, in readiness to issue the Assessment Phase Consultation, which has now been issued until 13 May. The fourth P463 Workgroup was scheduled for 4 June 2024. At the fourth P463 Workgroup, Assessment Consultation responses were discussed and final Workgroup views against Terms of Reference were given. The Workgroup took a final vote on the Applicable BSC objectives. Following the fourth Workgroup, Elexon delivered the Assessment Report to the BSC Panel on 11 July 2024</p>						



P466: 'BSC Section N Modernisation'				Update	
<b>Date Raised:</b>	11 January 2024	<b>Proposer:</b>	Elexon		
<b>Target Implementation Date:</b>	10WDs from approval/ 7 November 2024	<b>Current Status:</b>	Authority Decision		
<b>Progression:</b>	<b>IWA</b> Jan 24	<b>RPC</b> Feb 24	<b>DMR</b> Mar 24	<b>FMR</b> Mar 24	<b>I</b> Nov 24
<b>Latest Update:</b>	Subject to the Authority approval for P466, Elexon will issue a notice to industry that they are ready to implement, this will start a 10 Working Day Implementation Phase. As the proposed Implementation approach is 10WD after approval. Elexon look to develop, consult (Release Circular), and gain initial approval of CSDs that need updating with the relevant committees (ISG, SVG and TDC) before approval by the Authority. Following the P466 approval, Elexon will submit an Ex-Committee item for the final approval of the CSDs, allowing Elexon to implement the CSDs after the 10WD Implementation Phase.				
<b>Next Event:</b>	Elexon has been in discussions with Ofgem regarding the current P466 revised Implementation Date. The P466 Modification needs to align with the FAA-R, which is currently being re-planned. We believe the previously revised Implementation approach is no longer suitable. We have informed Ofgem that we are unable to implement it as initially planned. Consequently, Ofgem has decided to delay the decision on P466 to allow us to revise the implementation date. We will provide more details on the second revised Implementation Date and the F2.11.18 process at the Panel meeting on 12 September 2024.				
<b>Issue:</b>	BSC Section N 'Clearing, Invoicing & Payment' was written over 20 years ago and therefore some sections within it are now deemed redundant and no longer align with modern ways of working (e.g. invoicing and banking practices). This results in inefficiencies and unnecessary constraints that may prevent additional benefits from being sought and realised. As part of the Elexon Strategy and the implementation of Elexon Kinnect, a cloud based platform, the Funds Administration Agent (FAA) systems are being replaced with a new version on Kinnect. The FAA transfers Trading Charges to and from BSC Parties and manages the BSC Credit Cover arrangements. Kinnect is flexible, scalable and adaptable and creating a new FAA Service on Kinnect will modernise the BSC banking and payments processes, be less resource intensive, reduce manual processes and improve controls. Therefore a review of BSC Section N seemed timely to align with this and was completed to determine if any improvements/benefits could be applied to enable any changes to the new FAA Service which are currently restricted by the Code.				
<b>Current Solution:</b>	<p>In order to meet the desired outcomes described above, proposed amendments have been made to Section N (See attachment B) A summary of these changes is also shown in the table below along with the impacted reference and section.</p> <ul style="list-style-type: none"> <li>• Where the dependency within the table is showing as yes, these changes are dependent on the new FAA System being implemented.</li> <li>• Where text is highlighted in red, these identify the BSC Sections which fall under EBGL impacted text under Section F, Article 18.6.c. This solution will also amend Sections H, U, V and X-1 which will be consequential changes as part of the update to terminology in Section N</li> </ul>				
<b>History</b>	<p>The BSC Panel raised P466 at their meeting on 11 January 2024 (346/04).  The BSC Panel agreed to submit P466 to Report Phase on 11 January 2024 (346/04). The Report Phase Consultation for P466 will be one calendar month as it impacts the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the BSC. The Report Phase Consultation for P466 closed on 19 February 2024.  The BSC Panel considered the Draft Modification Report at its meeting on 14 March 2024(368/05). The Panel unanimously:</p> <ul style="list-style-type: none"> <li>• Agreed that P466 should not be treated as a Self-Governance Modification;</li> <li>• Agreed that P466 does impact the EBGL Article 18 Terms and Conditions;</li> <li>• Approved the Implementation Date;</li> </ul>				

	<ul style="list-style-type: none"> <li>● Approved the Legal Text; and</li> <li>● Approved that P466 report.</li> </ul> <p>P466 was submitted to the Authority for decision on 15 March 2024.</p> <p>The Authority sent Elexon a Direction triggering Paragraph 2.11.18 of BSC Section F 'Modification Procedures'. This paragraph sets out that Ofgem may direct the BSC Panel to consult on a revised proposed Implementation Date for a Modification. This was due to the Authority considering that the proposed Implementation Date was, or might no longer be, appropriate or might otherwise prevent Ofgem from making a decision.</p> <p>The primary reason was that delivering P466 with the current date would have significantly risked the delivery of P415 'Facilitating access to wholesale markets for flexibility dispatched by Virtual Lead Parties' and Helix (our MHHS project scheduled for implementation at M10 – 7 March 2025). Elexon engaged with the Authority and the Panel (via Change Report (350/02)), explaining the rationale for changing the Implementation date. Both agreed that the current Implementation was no longer an appropriate approach and that a revised Implementation was needed.</p> <p>Ofgem recommended that the BSC Panel conduct a 10WD consultation to gain industry feedback and further provide Ofgem a new revised proposed Implementation Date as soon as possible. Elexon issued an Implementation Consultation on 20 May 2024 with responses due by 4 June 2024. Elexon received no responses from industry from the Implementation Consultation, Elexon believe the due to the low impacts of this Modification itself the Implementation Date isn't a key concern to the industry. Elexon presented the results of the Implementation Consultation and revised DMR to the BSC Panel at their meeting in June. The BSC Panel agreed to the revised Implementation Date and a revised Final Modification Report.</p>
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<b>P469: Credit Default Refusal and Rejection Period</b>							<b>Update</b>	
<b>Date Raised:</b>	29 February 2024			<b>Proposer:</b>	European Commodity Clearing (ECC)			
<b>Target Implementation Date:</b>	7 November 2024			<b>Current Status:</b>	Report Phase			
<b>Progression:</b>	<b>IWA</b>	<b>APC</b>	<b>AR</b>	<b>RPC</b>	<b>DMR</b>	<b>FMR</b>	<b>I</b>	
	Mar 24	Jun 24	July 24	July 24	Aug 24	Aug 24	Nov 24	
<b>Latest Update:</b>	The Assessment Report was presented to the BSC Panel on 11 July 2024, where the Panel agreed with the Workgroup and made their initial recommendation that P469 should be approved. The P469 Report Phase Consultation was issued on 15 July 2024 and closes on the 02 August 2024. This is as a result of Elexon not using the two month extension which was granted by the Panel in June.							
<b>Next Event:</b>	The Draft Modification Report will be presented to the BSC Panel in August, this will contain the responses (if any) from the Report Phase Consultation.							
<b>Issue:</b>	<p>At the moment, Energy Contract Volume Notifications (ECVNs), including those previously submitted and accepted, can be refused and rejected without prior notice to third parties involved in the trade.</p> <p>If an ECVN is submitted during a Credit Default Refusal Period, the notification is refused and the trade invalidated. However, in that trade, Party B may not know that Party A entered Level 2 Credit Default until the contract they believed confirmed is refused. In many scenarios, the amount of time that Party B has to revert a trade and find new trading parties to deliveries is between one second to one hours (depending on the contract being rejected or refused). Often, this tight timeframe makes arranging a new trade unfeasible.</p>							
<b>Current Solution:</b>	P469 proposal seeks to delay the Credit Default Refusal and Rejection Periods. This change would give parties a two-hour window from the Level 2 Credit Default notification until the time when any ECVN related to the defaulting party are rejected.							

	<p>To implement the proposed Solution, this Modification aims to change BSC Section M.</p>
<p><b>History:</b></p>	<p>European Commodity Clearing (ECC) raised P469 'Credit Default Refusal and Rejection Period' on 29 February 2024.</p> <p>Its Initial Written Assessment was presented to the BSC Panel on 14 March 2024, and the Panel approved sending P469 to the Assessment Phase for consideration by a Workgroup. Ofgem confirmed that they consider P469 to be outside the scope of a Significant Code Review on 7 March 2024.</p> <p>Since it was challenging to reach the minimum number of voting members, it was not possible to hold the first Workgroup meeting in April. Elexon and the Proposer worked on a 1-2-1 strategy to recruit voting members.</p> <p>The first Workgroup was held on 8 May 2024.</p> <p>A two month extension was requested for the purposes of contingency. However, the Assessment Report is still targeted for July Panel. At the June BSC Panel meeting, a two month extension was granted to P469 to provide contingency, however Elexon will not use the extension and now bring the Assessment Report to the July Panel. The Service Provider has confirmed six weeks is needed to implement the solution, and an estimated budget, if the implementation is part of the November release. That would allow them to use the same deployment team currently working on the ECVA as part of P415 implementation. For that to happen, Elexon would need to present the Assessment Report in July's Panel and the Draft Modification Report in August. At the same time, Elexon has engaged with Ofgem to see if seven weeks would be sufficient to make a decision. If the November release is missed, implementing the solution could have a 20% increase in costs (although the total value is still &lt;£30k). The APC was issued on the 14 June and closed on 28 June</p>

<b>P470: Protecting the Imbalance Price from IOLC related distortions</b>				<b>No Update</b>			
<b>Date Raised:</b>	7 March 2024		<b>Proposer:</b>	VPI Immingham LLP			
<b>Target Implementation Date:</b>	TBC		<b>Current Status:</b>	Assessment Phase			
<b>Progression:</b>	<b>IWA</b> Mar 24	<b>APC</b> Nov 24	<b>AR</b> Dec 24	<b>RPC</b> Jan 25	<b>DMR</b> Feb 25	<b>FMR</b> Feb 25	<b>I</b> TBC
<b>Latest Update:</b>	<p>The 2nd Workgroup for P470 was held on 17 June. At this meeting, the Workgroup discussed the analysis conducted by NGE SO using empirical data for scenarios where IOLC-impacted offer prices occurred, and how Imbalance Prices would be impacted under suggested solutions. The Workgroup also considered the outcomes of discussion between Elexon and Proposer where they explored different scenarios where SO and IOLC flag are applied.</p>						
<b>Next Event:</b>	<p>We are currently assessing the incremental cost of developing the Proposed Solution. We are seeking information from ESO and our service provider to this effect. We will take this information back to the WG to agree next steps of this Modification</p>						
<b>Issue:</b>	<p>The Inflexible Offers Licence Condition (IOLC) came into force on 26 October 2023 following an Ofgem decision. The IOLC restricts the Offer prices that generators can submit if they revised their Physical Notification (PN) from positive to 0MW within an operational day, if that generator has a Minimum Zero Time (MZT) in excess of 60 minutes. If this is the case, the Offer prices submitted for that generator cannot result in 'excessive benefit', which means profit should not be 'significantly more' than the generator would have made had their PN remained in place. Because of this price restriction, generators which are affected may not be able to price in line with the competitive level set by the rest of the market.</p> <p>As a result, if the Offers were accepted by National Grid ESO, the Imbalance Price Offer Stack would contain prices lower than would have been submitted if they were able to price freely. In the event that one of these Offer prices is marginal, the Imbalance Settlement Price would be artificially low.</p>						
<b>Current Solution:</b>	<p>The proposed solution (for consideration by an industry Workgroup) is to flag IOLC impacted Offer prices in the price stack, and to reprice them up to the next most expensive non-flagged Offer price. The flagging of IOLC-impacted Offers would be done by National Grid ESO, with any re-pricing of impacted Offer actions being a new step in the Settlement Administration Agent (SAA) process when calculating the Imbalance Price. The current process (status quo) does not "flag" any impacted Offer actions, and so it would not do anything to these actions outside of current process.</p>						
<b>History</b>	<p>The Initial Written Assessment for P470 was presented to the BSC Panel at its meeting on 14 March 2024, where the Panel agreed to progress this Modification for assessment by a Workgroup.</p> <p>The first P470 Workgroup was held on 10 May. At the meeting, the Workgroup were introduced to the Terms of Reference. They then discussed the background and issue to the problem as well as the proposed Solution.</p>						

P471: Amendment to BSC Section E to allow more flexibility in procurement of BSC Agents					Update		
<b>Date Raised:</b>	11 April 2024		<b>Proposer:</b>	BSC Panel			
<b>Target Implementation Date:</b>	7 November 2024		<b>Current Status:</b>	Authority Decision			
<b>Progression:</b>	<b>IWA</b> Apr 24	<b>APC</b> Jun 24	<b>AR</b> Jul 24	<b>RPC</b> Jul 24	<b>DMR</b> Jul 24	<b>FMR</b> Jul 24	<b>I</b> Nov 24
<b>Latest Update:</b>	Elxon brought the P471 Draft Modification Report to the BSC Panel on 11th July 2024, where the Panel approved the recommendations for the Authority to make the final decision.						
<b>Next Event:</b>	Elxon are waiting for the Authority to make a final decision on this Modification. If approved, this Modification will be implemented on 7 November 2024.						
<b>Issue:</b>	<p>Under the status quo, BSC Section E: BSC Agents mandates Elxon to appoint a single company, known as a BSC Agent, for each BSC Service Description. For instance, for the Supplier Volume Allocation Service, Elxon must appoint a Supplier Volume Allocation Agent (SVAA) and similarly for other services like Settlement Administration. This process is governed by specific conditions and competitive procurement requirements. However, the transition to MHHS (Market-wide Half-Hourly Settlement) presents unique challenges as it significantly enhances the complexity of the Supplier Volume Allocation service.</p> <p>The development of MHHS involves implementing new SVAA processes and requirements, including operating entirely new systems like LSS (Load Shaping Service), MDS (Market-wide Data Service), and VAS (Volume Allocation Service). This represents a scope increase for an existing BSC Agent service. To mitigate the risk of delaying the MHHS transition, Elxon's preferred approach deviates from the current Section E provisions. To address this issue, Elxon propose leveraging the expertise and resources of already appointed service providers</p>						
<b>Current Solution:</b>	<p>The proposed solution is to remove the requirement for BSC Agents to be competitively procured in all circumstances, providing Elxon the flexibility to take other approaches where appropriate (e.g. in the context of MHHS transition); and provide Elxon with the flexibility to appoint multiple service providers to deliver a single BSC Agent service.</p> <p>The proposed solution (for discussion by an industry Workgroup) allows Elxon to reconfigure Service Descriptions to reflect the allocation of responsibilities between multiple service providers without having to go through the process currently described by Section E for the reconfiguration of BSC Service Descriptions and require Elxon to specify, in the relevant BSC Agent Contract, other Code or CSD obligations that may not be reflected in the Service Description. Allowing existing service providers to operate these systems during and after the MHHS transition period will reduce costs for parties as previously parties would have to undergo competitive procurements for system operators.</p> <p>Also, for a limited time the MHHS transition coordination activities, like managing an online service desk and incident response, would fall under Elxon's responsibility.</p>						
<b>History</b>	<p>Elxon brought the P471 Initial Written Assessment to the BSC Panel on 11 April 2024. The BSC Panel agreed to raise P471 at the April Panel meeting. P471 was submitted to the Assessment Phase where it would be assessed by a Workgroup. However, due to the lack of quoracy the BSC Panel submitted this Modification direct to Report Phase. Elxon will presented the Interim Assessment Report along with this Recommendations during the June Panel meeting. Elxon presented the Interim Assessment Report to the BSC Panel on 13<sup>th</sup> June 2024 where the Panel were recommended to progress this Modification to Report Phase, the Panel agreed with all recommendations. Following the meeting, Elxon issued the P471 Report Phase Consultation on 17 June 2024, the Consultation closed on 4 July 2024. During this time Elxon held a Webinar to gain industry engagement.</p>						

P472: Amendment to provisions for Parties to bring claims against BSC Agents in BSC Section E							Update
<b>Date Raised:</b>	11 April 2024		<b>Proposer:</b>		BSC Panel		
<b>Target Implementation Date:</b>	TBC		<b>Current Status:</b>		Assessment Phase		
<b>Progression:</b>	<b>IWA</b> Apr 24	<b>APC</b> Aug 24	<b>AR</b> Sep 24	<b>RPC</b> Sep 24	<b>DMR</b> Oct 24	<b>FMR</b> Oct 24	<b>I</b> TBC
<b>Latest Update:</b>	P472 was submitted to the Assessment Phase where it would be assessed by a Workgroup. However, due to the lack of quoracy over the last two months of this Modification being raised, we have been unable to form a Workgroup so far.						
<b>Next Event:</b>	<p>We are currently seeking Workgroup members and have reached out to industry via regular Newscast and Newsweaver emails. We have also sent out communications to stakeholders of MHHS Programme and on Elexon's LinkedIn platform. We have also requested and secured representatives from NGESO and Ofgem. We are currently seeking external legal advice and reaching out to the registered Workgroup members to seek their views. We hosted a webinar in June to seek more feedback from industry and received valuable input from attendees. We are doing some re-planning which might result into further analysis to understand the complexities of P472. We are aiming to come back to Panel in a month's time to update on the progress and plan for next steps.</p> <p>Elexon has been undertaking analysis to identify the industry best practices with regards to the provisions, reaching out to service providers and Parties to understand their views and Elexon's legal obligations. We are also seeking views from the registered WG members on our approach and analysis.</p> <p>In absence of required quoracy of the WG members, we now plan to come back to Panel in September with our revised approach and Elexon's view on Specific Terms of Reference and present Initial Assessment Report with a request to proceed direct to Report phase.</p>						
<b>Issue:</b>	<p><a href="#">BSC Section E 'BSC Agents' paragraph 2.4.1</a><sup>1</sup> (and related provisions) allow Parties to bring claims against BSC Agents. These requirements, which have always been heavily caveated, have never been used.</p> <p>Moreover, their benefit to Parties has gradually eroded over time. This erosion is due to the increased complexity in the delivery of BSC Agent services, resulting in the distribution of service delivery responsibilities across software developers, other Technology Services Providers, and BSC Agents.</p> <p>Elexon believes that the increased cost of BSC Agent services arising from maintaining these provisions now exceeds any benefit Parties are ever likely to obtain from them, and the requirement should be removed entirely or replaced with an alternative mechanism for ensuring accountability of BSC Agents.</p>						
<b>Current Solution:</b>	It is proposed to amend BSC Section E which contains the rules covering BSC Agents. The proposed solution (for discussion by an industry Workgroup) aims to remove the requirements for Parties to be able to bring claims directly against BSC Agents.						
<b>History</b>	Elexon brought the P472 Initial Written Assessment to the BSC Panel on 11 April 2024. The Panel agreed to raise P472 at the April Panel meeting. The Panel agreed with the initial recommendation of progressing P472 through Assessment Phase to be considered by industry Workgroup.						

<sup>1</sup> <https://bscdocs.elexon.co.uk/simple-guides/section-e-bsc-agents>

P473: Correcting inconsistencies in the P415 Legal Text				Update	
<b>Date Raised:</b>	9 May 2024		<b>Proposer:</b>	BSC Panel	
<b>Target Implementation Date:</b>	7 November 2024		<b>Current Status:</b>	Authority Decision	
<b>Progression:</b>	<b>IWA</b> May 24	<b>RPC</b> Jun 24	<b>DMR</b> Jul 24	<b>FMR</b> Jul 24	<b>I</b> Nov 24
<b>Latest Update:</b>	Elxon met with Ofgem in July to go through P473 and the proposed solution to give the Authority a better understand of the Modification. The P473 Final Modification Report was submitted to the Authority on 16 July 2024 for decision.				
<b>Next Event:</b>	The FMR was sent to Ofgem. Elxon will wait for a decision by the Authority, if approved, P473 will be Implemented on November 7 2024 as part of the BSC Standard Release, to support this, a decision to approve this Modification will be required from Ofgem by 17 September 2024.				
<b>Issue:</b>	<p><a href="#">P415 'Facilitating access to Wholesale Markets for flexibility dispatched by Virtual Lead Parties'</a><sup>2</sup> seeks to allow independent aggregators to sell customers' flexibility into Wholesale Markets. Independent aggregators wishing to do this will be required to accede to the BSC in the new role of Virtual Trading Party (VTP). Ofgem has approved this Modification for implementation on 7 November 2024 as part of the standard November 2024 BSC release.</p> <p>Elxon has received industry feedback on the Legal Text post Ofgem approval on 6 October 2023, as well as internal feedback during work with service providers to design the system changes required to implement Modification P415, and this has revealed that the P415 Legal Text does not correctly describe the intended solution for P415 alongside some inconsistencies and omissions.</p>				
<b>Current Solution:</b>	<p>The proposed solution is to correct the calculations in Section T to adhere to the intention of P415 and then make other smaller corrections to the eight BSC Sections impacted.</p> <p>In the absence of this Modification, the implications of implementing the P415 Modification in line with the previously approved Legal Text would be that the cashflows would be calculated incorrectly and cause parties to either pay or receive incorrect amounts. VTPs active in the Wholesale Market (WM) and Balancing Mechanism (BM) using a Virtual Lead Party (VLP) role would be paid twice as it stands and we would not be calculating the Wholesale Market proportion correctly, meaning Compensation Volumes that Suppliers pay or receive would be incorrect. Additionally, the inconsistencies in the Legal Text will likely cause confusion with how P415 is implemented if this Modification is not implemented alongside it.</p>				
<b>History</b>	<p>P473 was raised by BSC Panel at its meeting on 9 May 2024. Elxon has published the Initial Written Assessment. The Panel determined the P473 progression route and timetable at its meeting on 09 May 2024. They approved the Modification to be sent straight to the Report Phase. The P473 EBGL Report Phase Consultation was issued on 16 May 2024 with responses due by 5pm on 17 June 2024. The Draft Modification Report was presented to the BSC Panel 11 July 2024.</p>				

<sup>2</sup> <https://www.elxon.co.uk/mod-proposal/p415/>

<b>P474: Governance, funding and operation of the DIP</b>				<b>Update</b>	
<b>Date Raised:</b>	6 June 2024	<b>Proposer:</b>	The Authority		
<b>Target Implementation Date:</b>	1 October 2024	<b>Current Status:</b>	Report Phase		
<b>Progression:</b>	<b>IWA</b> Jun 24	<b>RPC</b> Jul 24	<b>DMR</b> Aug 24	<b>FMR</b> Aug 24	<b>I</b> Oct 24
<b>Latest Update:</b>	P474 was issued for a one month long Authority Led SCR Modification Consultation on 17 June 2024, with responses invited by 5pm Wednesday 17 July 2024. The P474 Authority Led SCR Modification Consultation closed on 17 July 2024.				
<b>Next Event:</b>	The Consultation responses will be presented to the BSC Panel on 8 August 2024, where the Panel will make its final recommendation to Ofgem.				
<b>Issue:</b>	The implementation of Market-wide Half Hourly Settlement (MHHS) will result in an increase in the volume of data being sent and received across the retail electricity industry. In order to facilitate this, Ofgem determined that a new system to support data transfer was required. The Data Integration Platform (DIP) has been designed to provide an improved architecture for industry data transfer. Ofgem selected Elexon to govern the DIP through the Balancing and Settlement Code (BSC) as the DIP Manager, and the intention of P474 is to implement the arrangements for the ongoing governance, funding and operation of the DIP.				
<b>Current Solution:</b>	P474 proposes creation of the DIP Rules - a new section to the Code known as the DIP Supplement, and seven new DIP Subsidiary Documents (DSDs). The proposed changes will place specific obligations on BSCCo in its role as the DIP Manager, and on DIP Users. DIP Users will include both BSC and non-BSC Parties. The proposed governance structure involves the vast majority of decisions surrounding the DIP being made by the DIP Manager, including decisions on on-boarding, assurance, and change. The DIP Change and Advisory Board (DCAB), a specialist user group, will be created from industry representatives to make decisions on material changes and advise the DIP Manager and, in limited circumstances, the BSC Panel, regarding the DIP. The BSC Panel's only involvement will be in relation to changes to the DIP Supplement and parts of the BSC that are considered as part of the DIP Rules.				
<b>History</b>	P474 was raised by Ofgem on 6 June 2024. This is an Authority Led SCR Modification and will not follow the standard Modification Procedure. Instead, it will follow the timetable set by the Authority and the Authority Led SCR Modification Proposal procedure detailed in Section F5.3A. This Modification was presented to the BSC Panel on 13 June 2024. This Modification was presented to the BSC Panel on 13 June 2024. The BSC Panel agreed with all recommendations.				

<b>P475: Allowing All Storage Sites to set and fix their own Production/Consumption Flags</b>				<b>Update</b>	
<b>Date Raised:</b>	6 June 2024	<b>Proposer:</b>	HD143OCK Ltd		
<b>Target Implementation Date:</b>	TBC	<b>Current Status:</b>	Report Phase		
<b>Progression:</b>	<b>IWA</b> Jun 24	<b>RPC</b> Jul 24	<b>DMR</b> Aug 24	<b>FMR</b> Aug 24	<b>I</b> Feb 25
<b>Latest Update:</b>	The Report Phase Consultation was issued on 15 July 2024 with responses due on 28 July. There were 3 responses to the consultation, from a Generator, a Supplier and a Party that represented a Supplier and Supplier Agent. All three respondents were unanimously in agreement that P475 should be approved. No ongoing or implementation costs were				



	mentioned. Regarding impacts, 2 of the respondents mentioned that they would be impacted highly if P475 was not approved, further justifying the benefits of P475.
<b>Next Event:</b>	Elxon will present the Draft Modification Report to Panel in August where Elxon will present the Report Phase responses to the BSC Panel. Subsequently, the P475 Final Modification Report will be sent to Ofgem for approval.
<b>Issue:</b>	<p>Each BM Unit has a P/C Status which, on any given Settlement Day, is either Production or Consumption. Because storage is different from other types of asset, it's possible for it to flip between P/C Status.</p> <p>The requirement to have separate Production and Consumption statuses was intended (at the time) to ensure demand assets and generation were on separate accounts, but storage naturally moves between the two states, if you apply those rules to it (as is currently in the BSC), storage is susceptible to flipping between the two accounts more frequently, which wasn't the intention and was problematic for lead parties due to the MVRN requirement.</p> <p>This applies to any storage that registers its own BMU, but &lt;50MW they have the option to not register their own BMU – they could go into a bigger Supply BMU which are always Consumption and therefore the the flipping risk wouldn't apply to them. Its more of an issue for storage about &gt;50MW which is required to have its own BMU.</p> <p>Elxon can operate a manual intervention to let the Party know they are about to 'flip' and allow them to fix the P/C status and stop it flipping. However, above 50MW that workaround is not necessarily available and they don't get to choose their P/C status.</p> <p>This is believed to be a nascent issue, but expected to become increasingly problematic as more large storage comes online and should be addressed in a timely manner.</p>
<b>Current Solution:</b>	P475 seeks to modify the Balancing and Settlement Code (BSC) to allow all storage Balancing Mechanism (BM) Units to fix their Production/Consumption (P/C) status. To implement this, proposed amendments will be made to Section K of the BSC, with updates applied to BSCP15 and associated processes. These changes include adding provisions for Storage BM Units to fix their P/C Flag at the time of first registration or to change it once registered to BSCP15, adding definitions for Storage BM Unit, Consumption BM Unit, and Production BM Unit into Section X-1 of the BSC, and extending BSC Section K3.5.5 to cover Storage BM Units as well as Exempt Export BM Units. Additionally, P475 addresses potential impacts on BSC systems, including the Elxon Kinnect customer solution and the Central Registration Agent (CRA). By eliminating the need for manual interventions to manage flipping, this solution enhances efficiency and reliability in the administration of the BSC, providing a stable and predictable trading environment for storage operators.
<b>History:</b>	<p>The Initial Written Assessment for P475 was presented to the BSC Panel at its meeting on Thursday 13 June 2024 in order for them to determine the Progression route for the Modification. The Panel agreed to defer P475 for one month in order for Elxon to update the solution and provide a detailed reflection of the costs and impacts of the Modification at the Panel's next meeting on 11 July 2024.</p> <p>P475 was presented to the Panel in July to discuss the costs and impacts of the Modification. The Panel unanimously agreed an initial recommendation that P475 should be approved. The Panel agreed to send P475 to the Report Phase. The Report Phase Consultation was issued on 15 July 2024 with responses due by 5pm on 26 July 2024.</p>

<b>P476: Exemption from MHHS Requirements for SMS Supplier Qualification</b>					<b>Update</b>
<b>Date Raised:</b>	11 July 2024		<b>Proposer:</b>	BSC Panel	
<b>Target Implementation Date:</b>	2 December 2024		<b>Current Status:</b>	Report Phase	
<b>Progression:</b>	<b>IWA</b>	<b>RPC</b>	<b>DMR</b>	<b>FMR</b>	<b>I</b>
	<b>Jul 24</b>	<b>Jul 24</b>	<b>Aug 24</b>	<b>Aug 24</b>	<b>Dec 24</b>
<b>Latest Update:</b>	P476 was presented to the Panel on 11 July 2024 as the IWA, subsequently the Report Phase Consultation was issued on 15 July 2024 until 26 July 2024.				
<b>Next Event:</b>	Elxon will present the Draft Modification Report to Panel in August where Elxon will present the Report Phase responses to the BSC Panel. Subsequently, the P476 Final Modification Report will be sent to Ofgem for approval.				

<p><b>Issue:</b></p>	<p>During industry engagement conducted by the Performance Assurance Board (PAB), and documented in the paper PAB279/07, several Suppliers participating in the MHHS Programme have requested exemptions from the Market-wide Half-Hourly Settlement (MHHS) requirements as part of the MHHS Qualification.</p> <p>These Suppliers do not operate, nor do they intend to operate, within the Smart Market Segment. The Smart Market Segment covers smart meters serviced by the Data Communications Company (DCC) that includes smart meters with Settlement Period level data available and smart meters where only Register Readings are available. These Suppliers primarily serve the Industrial and Commercial (I&amp;C) sector and are only certified to handle Half-Hourly (HH) meter points. They focus exclusively on managing a portfolio of Advanced Meters and plan to maintain this focus moving forward. As they only hold a Non-Domestic Supply Licence, these Suppliers are not registered with the DCC to manage smart meters enrolled in the DCC system.</p> <p>Given the Suppliers niche in the market and the specific nature of their Advanced Meters portfolio, these Suppliers argue that the MHHS requirements, designed primarily for the smart meter market, are not applicable to their operations. Consequently, they are seeking exemptions to avoid unnecessary compliance obligations that do not align with their operational model.</p>
<p><b>Current Solution:</b></p>	<p>The proposed solution is to permit an exemption for the Smart Market Segment for MHHS Qualification. This would require changes to BSC Section J to establish eligibility criteria detailing the conditions that parties must meet to qualify for these exemptions. Additionally, the Qualification Assessment Document (QAD) would be amended to outline the processes and controls that suppliers must implement to ensure they do not acquire any Meter Points outside of the Advanced Market Segment. Any affected Supplier and Agent Testing documentation would also be updated accordingly. As part of industry consultation, Elexon convened two PAB Workgroups, attended by members of both the BSC PAB and REC (Retail Energy Code) PAB. Following consensus with PAB members, the agreed position was brought forward to the MHHS Qualification Working Group for additional consultation.</p> <p>Subsequently, we sought endorsement from the QAG to present the BSC PAB paper and Modification Proposal form to the BSC PAB. Additionally, we are presenting this Modification Proposal form to REC PABs for their awareness.</p> <p>This comprehensive approach ensures that exemptions are granted under strict conditions and that robust monitoring and control measures are in place to maintain the integrity of the Smart Market Segment.</p>

## II. Change Proposal Updates – up until decision

<b>CP1596: Define the change process for BSC Owned Interfaces in the REC's EMAR</b>				<b>No Update</b>	
<b>Date Raised:</b>	7 May 2024		<b>Proposer:</b>		Elexon
<b>Target Implementation Date:</b>	7 November 2024		<b>Current Status:</b>		Change Proposal Consultation
<b>Progression:</b>	<b>PP</b> May 24	<b>CPC</b> Jun 24	<b>AR</b> Jul 24	<b>FR</b> Jul 24	<b>I</b> Nov 24
<b>Latest Update:</b>	<p>The CP Assessment Report was presented to the SVG at its meeting on 2 July 2024. The SVG unanimously approved CP1596 for implementation on 7 November 2024 as part of the standard BSC November Release.</p> <p>CP1596 was considered ex-committee by the ISG and a decision was received on 10 July 2024. The ISG agreed by majority to approve CP1596 for implementation on 7 November 2024 as part of the standard BSC November Release.</p>				
<b>Next Event:</b>	CP1596 will be implemented on 7 November 2024 as part of the standard November 2024 BSC release.				
<b>Issue:</b>	<p>The Retail Energy Code (REC) Energy Market Data Specification (EMDS) contains a number of Data Items and Market Message Scenario Variants (hereafter 'EMDS items') used in BSC processes.</p> <p>Currently, there is no defined process in BSCP40 for creating and/or amending items held in EMDS which are used in BSC or non-BSC code processes.</p> <p>The REC Professional Services (RPS) change processes specify that changes to EMDS items should be progressed through the governance processes of the owning code body.</p> <p>As there are currently four different code bodies that own EMDS items, the processes for changing them should be specified in BSCP40.</p>				
<b>Current Solution:</b>	<p>This CP seeks to update BSCP40 to define processes for changing EMDS items. Separate procedures for BSC-owned and non-BSC-owned elements are proposed.</p> <ul style="list-style-type: none"> <li>Changes to BSC-owned EMDS items would need to be approved under BSC governance - following the main proposal's review/authorisation - and would be implemented by REC Technical Services (RTS).</li> <li>Changes involving non-BSC-owned EMDS items require a parallel change under the governance of another code body and would require sufficient lead time for approval.</li> </ul>				
<b>History:</b>	<p>CP1596 was raised by Elexon on 7 May 2024. The CP1596 Progression Paper was presented to the ISG and SVG at their meetings on 7 May 2024.</p> <p>CP1596 was issued for an industry Consultation on Monday 13 May 2024 with responses due by Monday 10th June 2024, as part of May's Change Proposal Consultation (CPC).</p>				

### III. Issue Updates

<b>Issue 103: Meter Registrants and Settlement Risk – A New Way</b>		<b>No Update</b>	
<b>Date Raised:</b>	24 August 2022	<b>Proposer:</b>	Western Power Distribution
<b>Latest Update:</b>	There are a number of actions and potential actions raised by the Issue 103 Workgroup that Elexon have been investigating and progressing. These include potential improvements to current data estimation methods, potential improvements to data storage, and the potential for improved sharing of best practice.		
<b>Next Event:</b>	The fifth Workgroup meeting will aim to review the Workgroup views against the Terms of Reference, agree recommendations, and agree ways of working going forward regarding any outstanding actions. The Workgroup meeting will be scheduled once Elexon has progressed the actions from the Workgroup meetings.		
<b>Issue:</b>	<p>The Proposer believes that there would be value in reviewing existing controls for Settlement error prevention. It is critical to the Proposer that we address these problems prior to the Settlement timetable being shortened by Market-wide Half Hourly Settlement (MHHS) as the opportunities to readdress will be reduced thereafter.</p> <p>The Settlement system is crucial to the smooth operation of the GB energy market. Data used within that system is fundamental to Settlement accuracy. Preventative and detective assurance of the Settlement data is required at all stages of Settlement from Metering and Registration onwards to maintain accuracy and reduce the variation of data at later stages of the Settlement process. This assurance is required as Settlement errors can have a significant financial impact on Parties where they have over/under paid Settlement charges.</p>		

<b>Issue 109: Treatment of domestic solar self-consumption within Settlement</b>		<b>Update</b>	
<b>Date Raised:</b>	9 September 2023	<b>Proposer:</b>	Independent Domestic Customer
<b>Latest Update:</b>	After a final meeting with the Proposer Issue 109 will be closed with no changes being raised from it.		
<b>Next Event:</b>	Issue 109 was closed with no further changes to the BSC recommended. Elexon will endeavour to present the Issue 109 Issue Report to the Panel at their August meeting.		
<b>Issue:</b>	Issue 109 addresses the Boundary Point Settlement metering system's handling of domestic solar PV installations. Currently, the system records electricity import and export instantaneously, which can lead to discrepancies in energy billing. Within a Settlement Period, both energy import and export can be registered due to varying solar generation and household demand. The challenge is reconciling the meter's instantaneous recordings with the net energy dynamics over the Settlement Period, especially considering Use of System charging and potential netting mechanisms like those in the Central Volume Allocation (CVA).		

<b>Issue 110: Modernising ECVN/MVRN submission and acknowledgement processes</b>		<b>No Update</b>	
<b>Date Raised:</b>	11 January 2024	<b>Proposer:</b>	Elexon
<b>Latest Update:</b>	The second Workgroup meeting for Issue 110 was held on 17 April 2024. At this meeting the Workgroup discussed a proposed solutions.		
<b>Next Event:</b>	The third Workgroup will occur once Elexon have completed an Impact Assessment to determine the impacts on systems and the BSC of potential solutions.		
<b>Issue:</b>	The method of Energy Contract Volume Notification (ECVN) submission has remained the same since New Electricity Trading Arrangements (NETA) go-live in March 2001 with Section P of the BSC allowing for 20 minutes from submission to acknowledgement (after which an ECVAA System Failure is declared). The current practice of notification can put Trading Parties and their counterparties at financial risk, particularly when notifying close to the Submission Deadline. This is because the rejection feedback can be close to or after the Submission Deadline leaving insufficient time to make a correction.		

<b>Issue 111: SMRA Liquidated Damages in MHHS Arrangements</b>		<b>Update</b>	
<b>Date Raised:</b>	26 February 2024	<b>Proposer:</b>	Elexon
<b>Latest Update:</b>	There has been further LDSO sign-up. Despite multiple methods to seek more Supplier sign-up this has not resulted in more Suppliers joining the Workgroup. To not delay this change, Elexon plan to hold the Workgroup.		
<b>Next Event:</b>	Elexon to hold the first Workgroup on W/C 5, 12 or 19 August 2024.		
<b>Issue:</b>	<p>The Supplier Meter Registration Agent (SMRA) is a vital service under the Market Wide Half Hourly Settlement (MHHS) Target Operation Model (TOM) and the need to process messages and issue notifications within defined timescales is integral to enable downstream activities to take effect.</p> <p>Service Level Agreements (SLAs) for SMRAs arrangements were added to the BSC as part of version 3.0 of the Retail Energy Code implementation, having originally been a part of the Master Registration Agreement. These SLAs are self-policed with the SMRAs distributing Service Credits to participants if not met and are not part of the BSC Performance Assurance Framework.</p> <p>Whilst the concept of SLAs is still required, the current mechanism set out in Annex K-1 and BSCP501 is no longer appropriate due to the implementation of the MHHS Target Operating Model (TOM), with faster response times required. The MHHS TOM does not address the concept of SLAs in relation to liquidated damages, therefore, BSCCo has raised Issue 111 to consider the best future approach.</p>		

<b>Issue 112: Clarifying Half Hourly Data Collector (HHDC) obligations within BSCP502 regarding the fault investigation process.</b>			<b>Update</b>
<b>Date Raised:</b>	4 March 2024	<b>Proposer:</b>	Elexon
<b>Latest Update:</b>	The first Issue 112 Workgroup was held on 10 April 2024. During the first Issue Workgroup meeting there was discussion on the Current non-compliances for HHDC's not reporting all fault flags to Meter Operator Agents' (MOA) request. During the workgroup it was found that not all fault flags need to be reported and only the ones that affect settlement should be prioritised. Also, further discussion led to the reporting timescales of fault flags need to be re-formatted to importance as it was mentioned that the focus on reporting on fault flags that impact Settlement, to avoid a backlog of reporting.		
<b>Next Event:</b>	The Second Workgroup will be held to discuss the following action from the first Workgroup: To create a list of the codes/alarm flags and the obligations for the HHDC to do when sending this to a Supplier. This second Workgroup is currently aimed to be held in August.		
<b>Issue:</b>	<p>At the May 2023 Performance Assurance Board (PAB) meeting, Elexon presented the findings report for an Assurance Information Request (AIR) on SVA Risk 005 (Fault Resolution). The PAB responded with questions around some of these findings, specifically around: The reporting of alarm flags through Hand Held Reads (HHR); Differing approaches to dealing with several types of alarm flags and which alarm flags the Half-Hourly Data Collectors (HHDCs) choose to report on; and General concerns around HHDC non-compliance with the BSC.</p> <p>Elexon reviewed the findings report for an Assurance Information Request on SVA Risk 005. The Performance Assurance Board (PAB) responded with questions around HHDC obligations and general concerns around HHDC non-compliance. Elexon further reviewed party responses and concluded that three of the five concluded findings were compliant with the BSCP502 but are not adequate for purpose and required an additional review.</p> <p>Elexon considers that leaving this issue unresolved could lead to impacts on Settlement, this could lead to a further occurrence of this issue happening and a high materiality impact if left unresolved.</p>		

<b>Issue 113: Introduction of a Radio Teleswitch System (RTS) user charge</b>			<b>Update</b>
<b>Date Raised:</b>	27 June 2024	<b>Proposer:</b>	Elexon
<b>Latest Update:</b>	<p>The first Workgroup was held on the 14 June where the Workgroup discussed the problem and its background as well as the proposed solution. The Workgroup considered the following:</p> <ul style="list-style-type: none"> <li>• What is the status quo and how it will impact Parties.</li> <li>• Solutions to ensure fairness and encourage switch-over.</li> </ul>		
<b>Next Event:</b>	Elexon is meeting with the Proposer to ascertain next steps. The workgroup may be reconvened or the Issue Report will be presented to Panel in September.		
<b>Issue:</b>	<p>The contract between Elexon and the Energy Networks Association (ENA) currently passes the operational costs for the Radio Teleswitch Service (RTS) through the BSC as 'BSC Costs.' These costs amount to approximately £3.5 million, with around 1 million RTS devices (Radio Teleswitches and Radio Telemeters) in use. Under the existing arrangement, all BSC Trading Parties contribute to these costs based on their Funding Share.</p> <p>However, Ofgem wishes to explore ways to incentivise Suppliers to promptly replace RTS meters. Ofgem has requested Elexon revisit a solution proposed in Issue 108. This solution aims to target RTS cost recovery specifically toward the relevant Suppliers. Additionally, considerations should be made regarding the reporting provided to impacted parties and publishing the relevant information in the interests of transparency.</p>		

<b>Issue 114: Settlement of ABSVD for ancillary services delivered through independent aggregators</b>		<b>Update</b>	
<b>Date Raised:</b>	27 June 2024	<b>Proposer:</b>	Elexon
<b>Latest Update:</b>	Issue 114 was raised by Elexon on Thursday 27 April 2024.		
<b>Next Event:</b>	The first Workgroup meeting is likely to be held in August.		
<b>Issue:</b>	<p>Issues relating to Settlement of ABSVD for ancillary services delivered through independent aggregators. Applicable Balancing Services Volume Data (ABSVD) is provided by NGENSO to Settlement, in order to ensure that Lead Parties' Energy Imbalance positions are adjusted to reflect ancillary services that the assets within their BM Units provide to NGENSO.</p> <p>Issue 1 – Supplier Compensation for ABSVD Payments  Issue 2 – Inconsistency in whether to adjust Suppliers' positions for BM Unit ABSVD submitted against Secondary BM Units  Issue 3 – Settlement does not correctly consider interaction of non-BM Unit ABSVD with Bid Offer Acceptances or Deviation Volumes  Issue 4 – Requirement for advance notice of MSID Pairs providing non-BM Unit ABSVD  Issue 5 – Imbalance adjustments for flexibility provided to Distribution System Operators  Issue 6 – Imbalance adjustments for sites with multiple Import and/or Export MSIDs  Issue 7 – Increased number of MSIDs wanting to use P354 ABSVD route due to data availability issue</p>		



## IV. Progression of Modifications – up until implementation

<b>Key</b>	<b>Initial Written Assessment:</b>	<b>Assessment Procedure:</b> AR: Assessment Report APC: Assessment Procedure Consultation	<b>Report Phase:</b> RPC: Report Phase Consultation DMR: Draft Modification Report FMR: Final Modification Report	<b>WA:</b> With Authority Awaiting Decision	<b>AI:</b> Awaiting Implementation	<b>I:</b> Implementation	<b>CBA:</b> Cost/Benefit Analysis
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Note: The progression plans below reflect the approved timetables.

Mod	Title	Proposer	Date Raised	Urgent		May	June	July	Aug	Sep	Oct	Nov
P412	Ensuring non-BM Balancing Services providers pay for non-delivery imbalances at a price that reflects the real-time value of energy	NGESO	3 Sep 2020	No								
P415	Facilitating access to wholesale markets for flexibility dispatched by Virtual Lead Parties	Enel X	30 Sep 2020	No								I
P441	Creation of Complex Site Classes	Green Energy	14 Jul 2022	No								
P442	Reporting chargeable volumes for exempt and licensed supply	UC Energy Ltd	7 Jul 2022	No		AI						

Mod	Title	Proposer	Date Raised	Urgent		May	June	July	Aug	Sep	Oct	Nov
P444	Compensation for Virtual Lead Party actions in the Balancing Mechanism	BSC Panel	8 Sep 2022	No								
P455	On-Site Aggregation as a method to facilitate Third Party Access	Emergent Energy	8 Jun 2023	No		WA	I					
P459	Allowing different Supplier Agents to be appointed to Import and Export MSIDs	Good Energy	1 Aug 2023	No								
P461	Accurate Reporting of Customers Delivered Volumes to Suppliers	EnDCo	5 Oct 2023	No								I
P462	The removal of subsidies from Bid Prices in the Balancing Mechanism	National Grid Electricity System Operator	27 October 2023	No								APC
P463	Introduce a Standard Change Process	BSC Panel	9 November 2023	No			APC	AR	DMR/ FMR	WA		I
P465	Correction to P415 legal text to amend Credit Cover requirements for Virtual Trading Parties	BSC Panel	9 November 2023	No								I
P466	BSC Section N Modernisation	BSC Panel	11 January 2024	No								I

Mod	Title	Proposer	Date Raised	Urgent		May	June	July	Aug	Sep	Oct	Nov	
P467	Enduring Solution in an event of a Gas Deficit Emergency (GDE)	NGESO	1 February 2024	No		WA	I						
P469	Credit Default Refusal and Rejection Period	European Commodity Clearing (ECC)	29 February 2024	No		APC		AR	RPC	DMR/FMR	WA		
P470	Protecting the Imbalance Price from IOLC related distortions	VPI Immingham LLP	7 March 2024	No									
P471	Amendment to BSC Section E to allow more flexibility in procurement of BSC Agents	BSC Panel	11 April	No			Interim AR	RPC	DMR/FMR	WA		I	
P472	Amendment to provisions for Parties to bring claims against BSC Agents in BSC Section E	BSC Panel	11 April 2024	No					APC	AR	RPC	DMR/FMR	WA
P473	Correcting inconsistencies in the P415 Legal Text	BSC Panel	9 May 2024	No		IWA	RPC	DMR/FMR	WA			I	
P474	Governance, funding and operation of the DIP	The Authority	13 June 2024	No			IWA	RPC	DMR/FMR	WA	I		

Mod	Title	Proposer	Date Raised	Urgent		May	June	July		Aug	Sep	Oct	Nov
P476	Exemption from MHHS Requirements for SMS Supplier Qualification	BSC Panel	11 July 2024	No				IW A	RP C	DMR/FMR	WA	I	

## V. Progression of Change Proposals – up until implementation

<b>Key</b>	<b>Assessment Procedure:</b> PP: Progression Paper	<b>CPC:</b> Change Proposal Circular Consultation	<b>Committee Decision:</b> AR: Assessment Report FR: Final CP Report	<b>AI:</b> Awaiting Implementation	<b>I:</b> Implementation
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Mod	Title	Proposer	Date Raised	May	June	July	Aug	Sep	Oct	Nov
CP1592	Upgrade of NHHDA and EAC/AA systems from Oracle 12c to version 19.21	Elexon	6 February 2024							
CP1593	New Interconnector Fuel Type Category: Greenlink	National Grid	6 February 2024	AI			I			
CP1594	Creating an Approval Process for New and Legacy Communication Types	Elexon	2 April 2024	AR/FR	I					
CP1595	Correcting the D0148 flow in BSCP520 – CP1590 fix	Elexon	2 April 2024	W						
CP1596	Define the change process for BSC Owned Interfaces in the REC's EMAR	Elexon	7 May 2024	PP	CPC	AR/FR	AI			I

## VI. BSC Releases Road Map

The tables below summarise the scope of each BSC Release. Further information can be found on the [Releases](#) page of our website.

June 2024 Release			
Change Number	Title of Change	BSC Central Systems/Document only impacts	Current Status of Change
P467	Enduring solution for cash out price calculation in the event of a Gas Deficit Emergency (GDE). Follow on Modification from Issue 105	Document Only	7. Implementation Phase
CP1594	Creating an Approval Process for Managing New and Legacy Communication Types in Metering Systems	Document Only	7. Implementation Phase

November 2024 Release			
Change Number	Title of Change	BSC Central Systems/Document only impacts	Current Status of Change
P415	Facilitating access to wholesale markets for flexibility dispatched by Virtual Lead Parties	System	7. Implementation Phase
P465	Correction to P415 legal text to amend Credit Cover requirements for Virtual Trading Parties	Document Only	7. Implementation Phase
P473	Corrections to align P415 Legal Text with intended solution	Document Only	5. Report / Panel Decision Phase
P459	Allowing different Supplier Agents to be appointed to Import and Export MSIDs	Document Only	4. Assessment / Consultation Phase

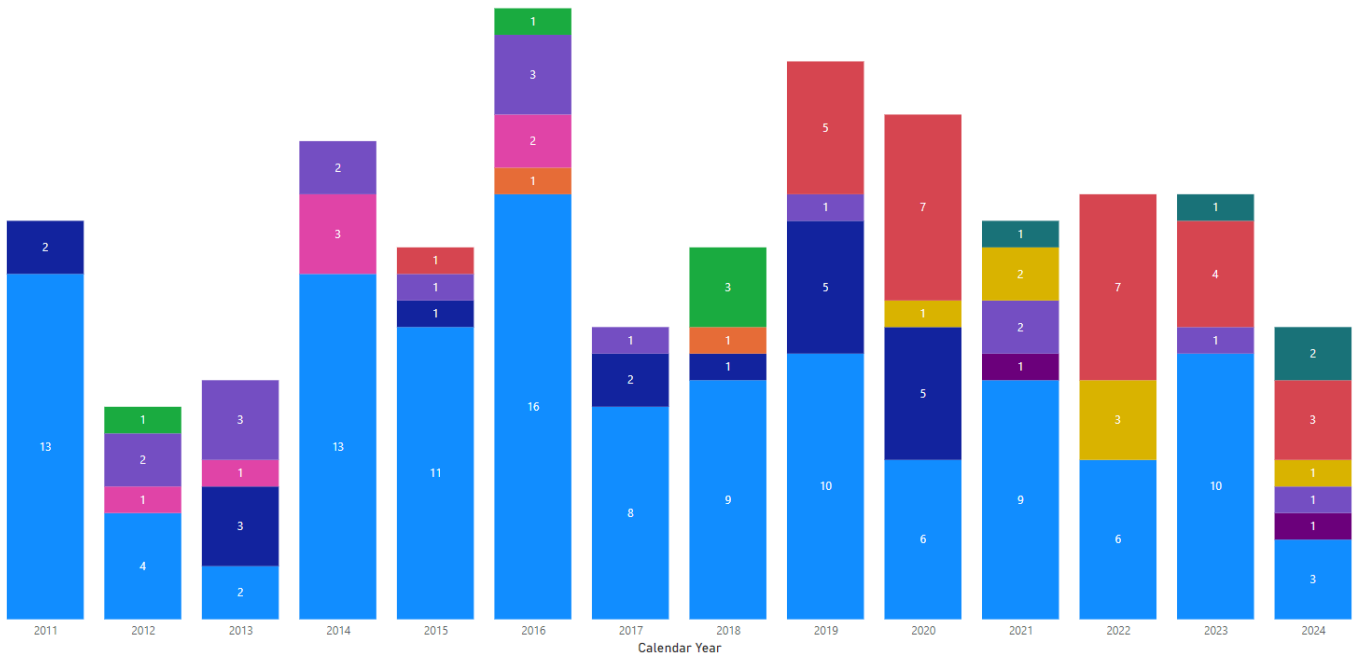
February 2025 Release			
Change Number	Title of Change	BSC Central Systems/Document only impacts	Current Status of Change
P442	Reporting to EMRS of chargeable volumes for SVA Metering Systems that record both exempt and licensed supply	System	7. Implementation Phase

Ad Hoc Release			
Change Number	Title of Change	BSC Central Systems/Document only impacts	Current Status of Change
P432	Half Hourly Settlement for CT Advanced Meters	Document Only	7. Implementation Phase
P454	Removal of BSC obligations to provide BMRS Data via TIBCO and the High Grade Service	Document Only	7. Implementation Phase
P466	This Modification seeks to update BSC Section N 'Clearing Invoicing and Payment' to support the update of the Funds Administration Agent (FAA).	Document Only	5. Report / Panel Decision Phase
P451	Updating BSC Black Start provisions and compensation arrangements to align with NGENSO's new approach to System Restoration	Document Only	7. Implementation Phase
P455	On Site Aggregation as a method to facilitate Third Party Access	Document Only	6. Authority Decision / SG Appeal Window

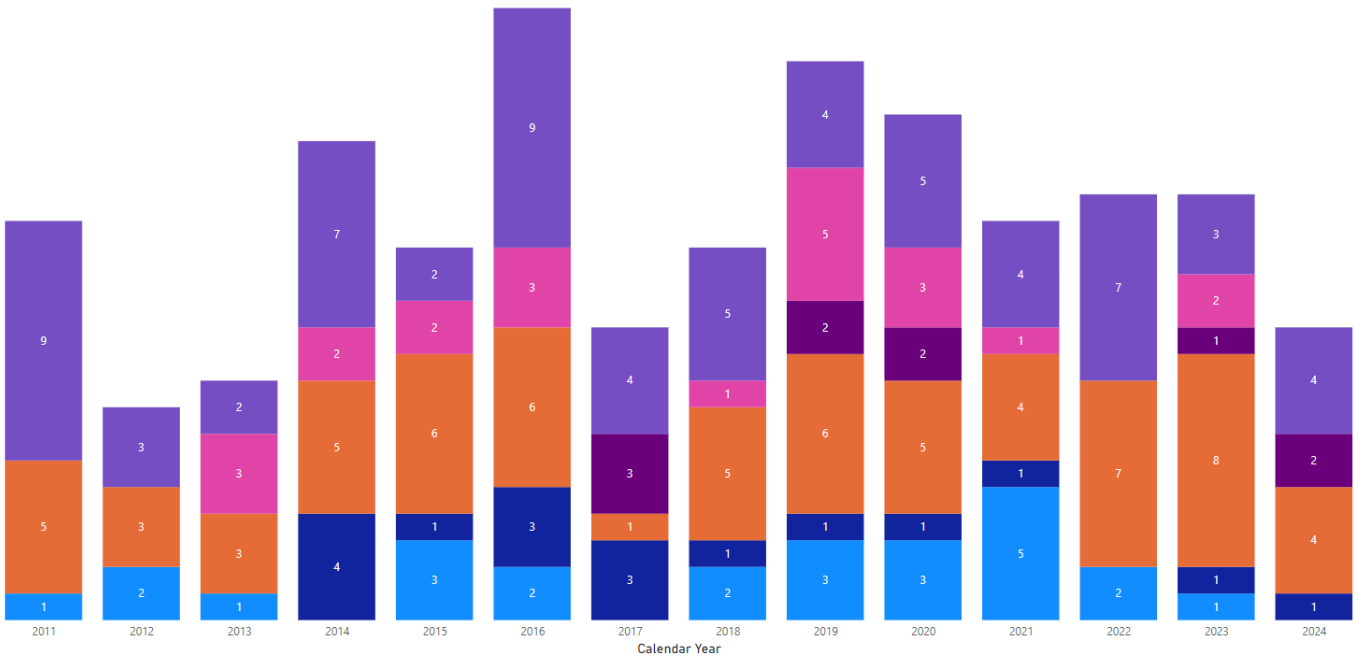
TBC Release Date				
Change Number	Title of Change	BSC Central Systems/Document only impacts	Current Status of Change	Target Implementation Date
P412	Ensuring non-BM Balancing Services providers pay for non-delivery imbalances at a price that reflects the real-time value of energy	System	4. Assessment / Consultation Phase	Jun 24
P441	Creation of Complex Site Classes	Document Only	4. Assessment / Consultation Phase	Jun 24
P444	Compensation for Virtual Lead Party actions in the Balancing Mechanism	System	6. Authority Decision / SG Appeal Window	Nov 24
P459	Allowing different Supplier Agents to be appointed to Import and Export MSIDs	Document Only	4. Assessment / Consultation Phase	Dec 23
P461	Accurate Reporting of Delivered Volumes to Suppliers	System	6. Authority Decision / SG Appeal Window	Nov 26
P462	Introduction of BSC arrangements to compensate renewable generators for Contracts for Difference (CfD) or Renewable Obligation (RO) subsidy payments lost as a result of Bid Acceptances.	System	4. Assessment / Consultation Phase	Jun 25
P463	Standard BSC Changes	Document Only	4. Assessment / Consultation Phase	Nov 24

# VII. Modification Trend Chart

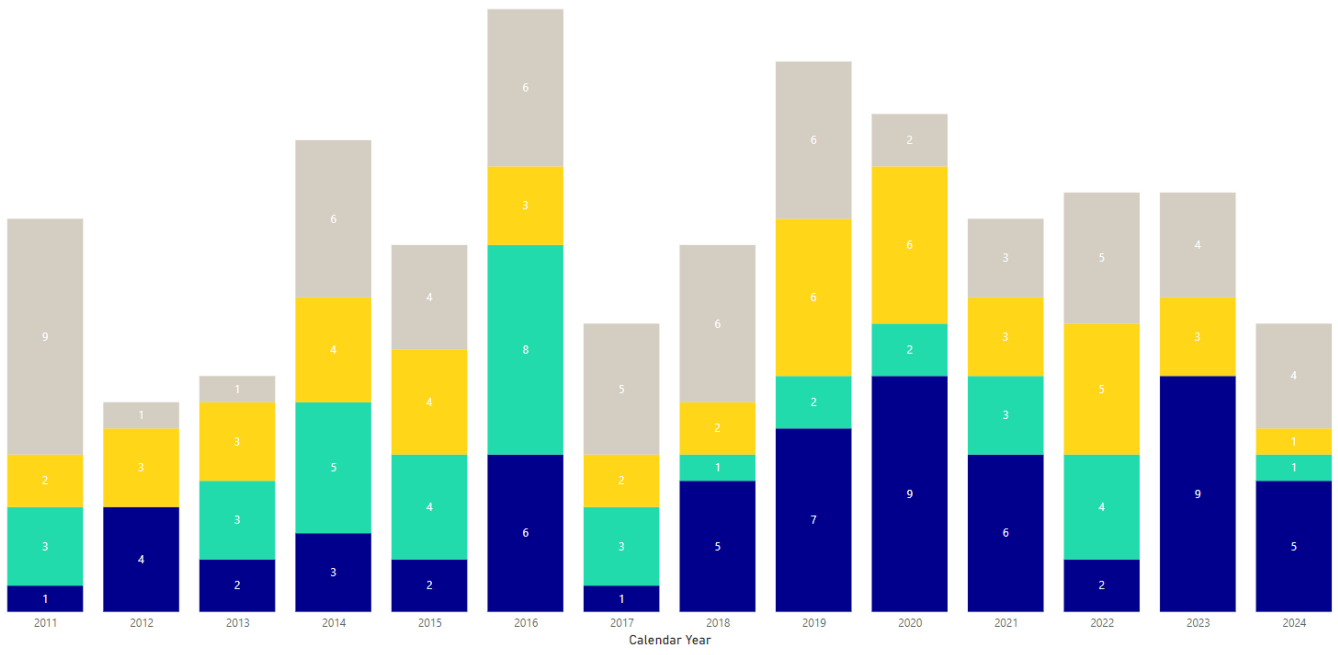
Driver ● Defect ● Europe ● Legislation ● Legislation (inc. CMA) ● Ofgem ● Other Code ● SCR ● Strategic Improvement ● Workgroup / Committee / Issue ● Workgroup/Committee



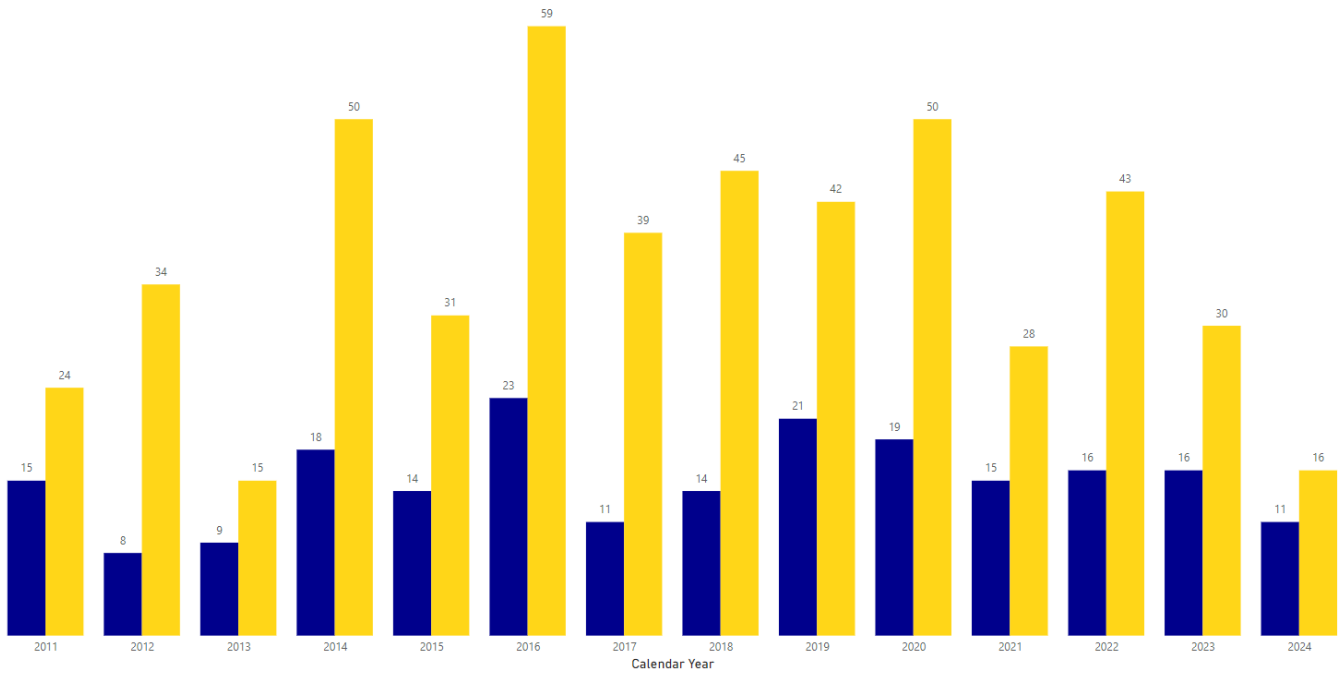
Category L1 ● Assurance ● Credit ● Governance ● Registration ● Reporting ● Settlement



Raiser ● BSC Panel ● Incumbents ● National Grid ● Other

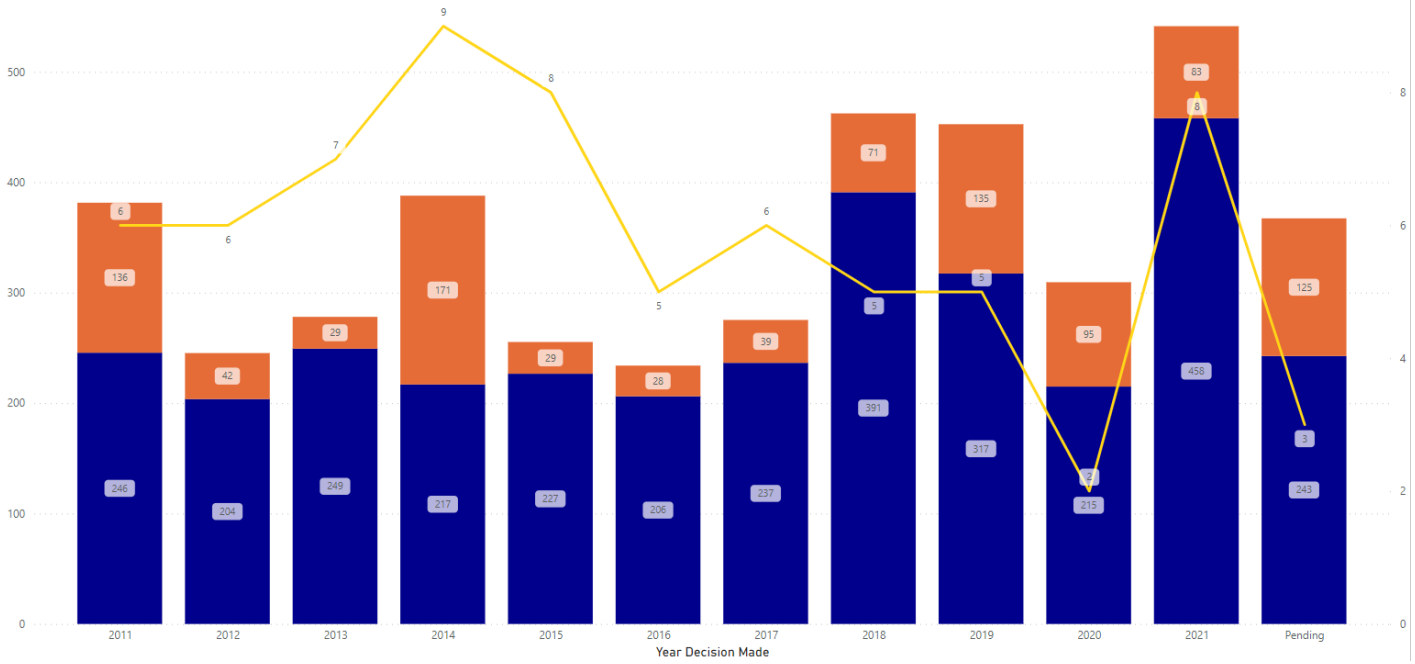


● Mods raised ● Workgroups (excl. issues)





● Mean calendar days to send to Ofgem ● Mean calendar days for Ofgem to make decision ● Count of Mods decided



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## VIII: Recommendations

We invite the Panel to:

- a) **NOTE** the contents of the July 2024 Change Report.

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**For more information, please contact:**

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# Appendix A

## Key

Stage	Modifications	Change Proposals
<b>Initial Written Assessment</b>	Includes Elexon's Initial Written Assessment of the implications of each Modification Proposal and a recommendation of how the Modification should proceed.	Includes Elexon's Initial Written Assessment of the implications of each Change Proposal to seek Committee(s) initial views and agree the consultation questions.
<b>Assessment Procedure</b>	Workgroups are held to develop and assess the proposal. The Workgroup recommendations are consulted on (Assessment Procedure Consultation), before being submitted to Panel with the Workgroup's recommendations on how to proceed (Assessment Report). The Panel initial views are gathered.	The proposal is consulted on in a Change Proposal Consultation Batch. The relevant Committee(s) then decide(s) whether to approve or reject the Change Proposal.
<b>Report Phase</b>	The Panel's initial views on whether to approve and timescales for implementation are consulted on (Report phase Consultation). The responses to the consultation are then presented to the Panel for their final views (Draft Modification Report). The Panel decide whether to approve or reject the Modification and publish the Final Modification Report. If the Modification cannot be approved under Self-governance, the Final Modification Report is sent to Ofgem for decision.	Not applicable.
<b>Awaiting Decision</b>	Modifications that have been submitted to Ofgem for decision or Modifications that have been decided on by the Panel under Self-Governance arrangements and are still subject to objection by BSC Parties (15 Working days after the Panel's decision).	Not applicable.
<b>Awaiting Implementation</b>	Modifications that have been approved but not yet implemented and details of Modifications that have been rejected or withdrawn.	Change Proposals that have been approved but not yet implemented and Change Proposals that have been rejected.
<b>Rejected / Withdrawn</b>	Modifications that have been rejected by the BSC Panel/ the Authority or withdrawn by the Proposer or the Pane	Change Proposals that have been rejected by the Panel or the relevant Panel sub-Committee.