

Minutes

ISG (Imbalance Settlement Group)

Meeting number **240**

Venue **Elexon/Teams**

Date of meeting **6 April 2021, 14.00**

Classification **Public**

Attendees and apologies

Attendees

Iain Nicoll	IN	ISG Chair
Angus Fairbairn	AF	ISG Technical Secretary
Nicholas Brocklesby	NB	Elexon Presenter
Elliot Harper	EH	Elexon Presenter
Hussein Osman	HO	Elexon Presenter
Emma Tribe	ET	Elexon Presenter
Lisa Waters	LW	BSC Panel Sponsor
Jamie Webb	JW	ISG Member
Phil Hewitt	PH	ISG Member
Robert Johnston	RJ	ISG Member
Dennis Timmins	DT	ISG Member

Apologies

Olaf Islei	OI	ISG Member
Emma Burns	EB	ISG Member
Oliver Zhe Xing	OZX	ISG Member
Aaron Seamer	AS	ISG Member

1. **CP1539 'Inclusion of LCCC as an Affected party in Metering Dispensation applications' Assessment report (ISG240/01)**
 - 1.1 This document is the Change Proposal (CP) Assessment Report for CP1539 which Elexon have presented to the Imbalance Settlement Group (ISG) and the Supplier Volume Allocation Group (SVG) at their respective meetings on 6 April 2021. The Committees considered the proposed solution and the responses received to the CP Consultation before making a decision on whether to approve CP1539.
 - 1.2 Under [Balancing and Settlement Code Procedure \(BSCP\) 32 'Metering Dispensations'](#) there is currently no mechanism to ensure that the Low Carbon Contracts Company (LCCC) is informed of Metering Dispensation applications related to generation sites where there are Contracts for Difference (CfD) arrangements in place. As such the LCCC may not be aware that Metering Dispensations are being raised that impact CfDs, which are part of the Governments energy policy, so they will not know the application conflicts with what has been specified in the CfD agreement.
 - 1.3 The SVG rejected CP1539 for the following reasons:
 - a) Highlighted that Secretary of State approval is required for amending EMR provisions under the BSC
 - b) Suggested that the BSC does not have the vires to account for EMR provisions and therefore it is not appropriate to include the LCCC in the Metering Dispensations process
 - c) Highlighted that if Applicants do not inform the LCCC as an Affected party, the Metering Dispensation is void, which brings the LCCC into BSC governance
 - d) Highlighted that there is already an obligation in BSC Section V for Elexon to inform the LCCC of Metering Dispensation applications, so did not agree that passing the responsibility to the Applicant was justified
 - e) Questioned whether it would be more efficient to run a similar process internally at Elexon without amending BSC documentation
 - 1.4 Elexon presented the following responses to the SVGs concerns:
 - a) BSC provisions that require secretary of state approval are defined items within BSC sections, and this CP does not amend those defined items, so this is not an issue for this CP
 - b) CP1539 is not providing the LCCC any influence over Metering Dispensation applications, rather is seeking to implement an 'inform' communication channel between the Applicant and the LCCC
 - c) Legally it could be argued either way whether the LCCC should already be considered an Affected Party, so CP1539 will make this clear for the Applicant. To some extent this could be considered as reducing risk for the Applicant, as it could be considered the risk that the SVG highlighted already exists
 - d) Whilst there are BSC Section V provisions for Elexon to pass relevant information to the LCCC, we are not always able to do so due to requested confidentiality from the Applicant, which takes priority over the BSC Section V provisions. Encouraging the Applicant to have bilateral conversations with the LCCC as an Affected party will mitigate this
 - e) Whilst Elexon could informally ask the same questions to the Applicant at the time a Metering Dispensation is submitted, we don't believe this would provide the same level of clarity and transparency that CP1539 will deliver to market participants
 - 1.5 The ISG discussed the reasons for the SVG rejecting the CP. Elexon clarified there were differences in perspectives between Elexon and the SVG Committee.
 - 1.6 The ISG discussed the outcome of SVG rejecting the CP, and supported the responses provided by Elexon. The ISG unanimously approved CP1539.
 - 1.7 The ISG Chair informed the ISG that the final decision would be the responsibility of the BSC Panel due to the difference in approval vote between the SVG and ISG.
 - 1.8 Post meeting note: The BSC Panel unanimously approved CP1539 at its meeting on 8 April 2021.
The ISG:
 - a) **APPROVED** the proposed changes to BSCP32 for CP1539; and

- b) **APPROVED** CP1539 for implementation on 24 June 2021 as part of the scheduled June 2021 Release
- c) **NOTED** that CP1539 was presented for decision to the SVG on 6 April 2021 where it was unanimously rejected.

OPEN SESSION - Information Papers

2. New digital Trading Operations Report (ISG240/02)

- 2.1 Elxon presented the new digital version of the Trading Operations Report, which can be found here: <http://www.elxon.co.uk/data/trading-operations-report>.
- 2.2 The ISG praised the new format of the Trading Operations Report.
- 2.3 An ISG Member requested data on distribution level generation. Another ISG Member stated this was addressed within [BSC Modification P315 'Suppliers' Meter Volume and MPAN counts'](#).

The ISG:

- a) **NOTED** the report

OPEN SESSION - Tabled Items

3. BSC Operations Headline Report

- 3.1 The BSC Operations Headline Report provides an overview of the operations of the BSC for January and February 2021.
- 3.2 The ISG:
- a) **NOTED** the report.

4. Change Report

- 4.1 This report presents a comprehensive monthly overview of the changes in the BSC Change Process.
- 4.2 The ISG:
- a) **NOTED** the report.

5. System Price Analysis Report

- 5.1 The System Prices Analysis Report (SPAR) provides a monthly update on price calculations. It is published by the Elxon Market Analysis Team on the Elxon Website ahead of the monthly ISG meeting.
- 5.2 The ISG:
- a) **NOTED** the report.

Other Business

6. Panel Update

- 6.1 [BSC Modification P410 'Changing imbalance price calculations to comply with the Imbalance Settlement Harmonisation regulations'](#) which will no longer exist as the Imbalance Settlement Harmonisation Proposal will be resubmitted by the NGESO without changes to the Imbalance Price calculation.
- 6.2 [BSC Modification P416 'Introducing a route of appeal for the Annual Budget in line with the proposals for the Retail Energy Code'](#) enters the assessment phase.
- 6.3 [BSC Modification P332 'Revisions to the Supplier Hub Principle'](#) has been given a two month extension to the Assessment Procedure.
- 6.4 The Panel supported [BSC Modification P376 'Utilising a Baselining Methodology to set Physical Notifications'](#), which now moves to the Report Phase.
- 6.5 [BSC Modification P379 'Multiple Suppliers through Meter Splitting'](#) has been withdrawn by the Proposer following completion of the Cost Benefit Analysis.

- 6.6 The Panel voted that ‘everyone should pay’ rather than ‘suppliers pay’ for [BSC Modification P413 “Market-wide Half Hourly Settlement Programme Manager”](#).
- 6.7 Letters of Credit templates will remain in the BSC as the notice required for a change to the template negates the time saved by moving the templates to the BSC website as sought by [BSC Modification P417 ‘Move the Letter of Credit templates and Approved Insurance Product requirements to the BSC Website’](#).
- 6.8 A meeting will take place between all Code Chairs.

7. Actions

- 7.1 The ISG noted the update on the Actions.

8. Minutes from previous meeting

- 8.1 The ISG agreed the minutes from the previous meeting without comment.

9. Areas of Other Business

- 9.1 The ISG Chair informed ISG that the revised Terms of Reference had been approved by the Panel.