
Quarterly Review of COVID-19 Derogations

Performance Assurance Board (PAB)

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Summary **This paper sets out the findings of Elexon's quarterly review of the derogations to normal BSC processes and obligations under the COVID-19 restrictions imposed throughout Great Britain**

1. Background

- 1.1 To support the industry and Performance Assurance processes during the COVID-19 restrictions, the Performance Assurance Board (PAB) approved a number of derogations to normal BSC processes and obligations, to reflect the ability of BSC Parties and their agents to meet those obligations under the restrictions imposed throughout Great Britain. Details of the derogations can be viewed on the Elexon website¹.
- 1.2 In January 2020, following the announcement of increased restrictions by the Governments of Great Britain, the PAB agreed that Elexon should review, on a quarterly basis (April, July, October and January):
- the current state of restrictions (including the likelihood of further lockdown periods being required),
 - the number of sites remaining within the derogation process, and
 - feedback from BSC Parties and Party Agents
- 1.3 Based on these reviews, Elexon would determine whether the derogations were still required and provide the PAB with appropriate updates.
- 1.4 In making the determination as to whether the derogations were still required Elexon would follow the PAB's preference, agreed in the November 2020 meeting, to wait until it was certain all national and local lockdowns had concluded prior to ending the derogations

2. Current COVID-19 Restrictions in Great Britain

- 2.1 As of 23 April 2021, there has been some loosening of COVID-19 restrictions throughout Great Britain, with variations between the constituent nations:
- In England, schools, all retail and personal care premises (such as hairdressers and nail salons), public buildings and indoor and outdoor leisure facilities have reopened. Hospitality venues can serve people outdoors only.
 - In mainland Scotland, schools have re-opened and the list of permitted retail has been expanded to include a range of premises including garden centres, electrical repair shops and vehicle showrooms.
 - In Wales, travel restrictions within the UK and Common Travel Area have been lifted, and education and retail premises have re-opened
- 2.2 As of 26 April the governments of both Scotland and Wales plan to further loosen restrictions, subject to public health advice.

¹ <https://www.elexon.co.uk/article/coronavirus-temporary-derogations-to-improve-settlement-accuracy/>

- 2.3 Despite the changes, several pertinent restrictions remain in place. Indoor entertainment venues such as cinemas remain closed across all three nations and, where plans exist for indoor hospitality to re-open, these include restrictions on opening hours. In England, advice remains in place to work from home where possible.
- 2.4 The governments of all three nations continue to emphasise that plans for further easing of restrictions are contingent on public health data including, but not limited to, the continued successful deployment of the vaccine programme.
- 2.5 As a result, none of the governments have as yet made a firm commitment to the further easing of restrictions:
- In England, a decision on whether to further ease restrictions will be made on 10 May, with any changes effective on 17 May. The earliest date a decision will be made on easing the final set of restrictions is 14 June.
 - In Scotland, the government have also given 17 May as the earliest date for any further easing of restrictions, but have not given any indicative dates beyond that, with forecasts limited to “early June” and “end of June”.
 - The Welsh government have not given any indicative dates for the further easing of restrictions.

3. Number of Sites Remaining Within the Derogation Process

- 3.1 Per the data submitted to Elexon by DCs on or around 31 March and presented in more detail in the Risk Report, there are around 3,000 Half Hourly supplies and 161,000 Non Half Hourly Sites where Settled volumes are currently dependant on estimations made under the derogation process.
- 3.2 Whilst the majority of supplies within the derogation process were entered into it at the start of the first set of COVID-19 restrictions in March 2020, around 39,000 (approximately 20% of the total) have been entered more recently as a result of the restrictions brought in between December 2020 and January 2021.

4. Feedback from Industry

- 4.1 As there was minimal change in the COVID-19 restrictions throughout Great Britain during the majority of the first quarterly period, Elexon concluded that it was not appropriate to request formal feedback from industry on ending the derogation process at this stage.
- 4.2 Informal feedback from Parties, including the recent entry into the process of a number of supplies, suggests that it is unlikely that Parties have an appetite for ending the derogations at present.

5. Next Steps

- 5.1 As noted above, the PAB has indicated that its preferred approach is to wait until it is certain all national and local lockdowns have concluded prior to ending the derogations.
- 5.2 Accordingly, Elexon has concluded that it would be premature to end the derogations at this time:
- Whilst restrictions across Great Britain were loosened throughout April, significant portions of the economy remain closed. At present we do not know what impact the current changes will have on relevant industry processes such as obtaining reads or carrying out repairs and meter replacements.
 - We also do not know what impact the current changes will have on relevant public health metrics. The further re-opening of the economy in all three nations is heavily contingent on this and could be delayed or rolled back should there be, for example, a spike in the infection rate or an interruption to the vaccine supply. It is notable that the last the last major loosening of restrictions was followed by the re-imposition of stricter measures in December 2020 and January 2021.
- 5.3 Elexon proposes that the derogations remain in place, and that Elexon continues to provide updates to the PAB in line with the approach agreed in January 2021. These will normally follow the quarterly process described, but, should there be (for example) any significant announcements from the respective Governments of Great Britain, an appropriate update will be provided.

6. Recommendations

- 6.1 We invite the PAB to:
- a) **AGREE** the approach set out in the paper

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